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CITY OF SAN CLEMENTE

Oversight Board to the Successor Agency to the San Clemente Redevelopment Agency

Adjourned Regular Meeting Minutes – June 27, 2012

An Adjourned Regular Meeting of the Oversight Board to the Successor Agency to the San Clemente Redevelopment Agency was called to order on June 27, 2012 at 3:02 p.m. in Conference Room A of the Community Development Building, located at 910 Calle Negocio, San Clemente, California.

BOARD MEMBERS FITZSIMONS, HAGGARD, OBRERO, VEALE, CHAIRPERSON ANDERSON
PRESENT

BOARD MEMBERS GUDGEIRSSON, HAMPTON
ABSENT

STAFF PRESENT George Scarborough, Executive Director; Jake Rahn, Financial Services Manager; Joanne Baade, Oversight Board Secretary.

1. **CALL TO ORDER**

A. Roll Call revealed all members present, with the exception of Board Members Gudgeirsson and Hampton.

2. **CONFIRMATION OF AGENDA**

No change was made to the agenda.

3. **APPROVAL OF MINUTES**

MOTION BY BOARD MEMBER HAGGARD, SECOND BY BOARD MEMBER VEALE, CARRIED 5-0, to approve the minutes of the Special Oversight Board meeting of April 4, 2012.

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MOTION BY BOARD MEMBER HAGGARD, SECOND BY BOARD MEMBER VEALE, CARRIED 4-0-1 (CHAIRMAN ANDERSON ABSTAINING) to approve the minutes of the Special Oversight Board meeting of April 16, 2012. Chairman Anderson abstained because he was not present at the April 16, 2012 Oversight Board meeting.

4. **PRESENTATIONS**

A. **Administration of Oath of Office to Board Member Clark Hampton (New Capistrano Unified School District Representative)**

This item was deferred to the next Oversight Board meeting due to the absence of Board Member Hampton.

5. **WRITTEN COMMUNICATIONS**

The Oversight Board acknowledged receipt of a letter from the Law Office of Frank W. Battaile, dated June 26, 2012, that was written on behalf of Mr. Dan Bogoshian.

Executive Director Scarborough stated that Mr. Battaile's letter contains blatant inaccuracies and pointed out that the City has responded to Mr. Battaile's issues in the past; distributed copies of the City's most-recent response, dated August 29, 2011; explained that the letter was addressed to Senators Steinberg and Perez, and cc'd to Mr. Battaile, because Mr. Battaile referred his concerns to those legislators. Copies of Mr. Battaile's letter, dated June 26, 2012, as well as the City's letter to Senators Steinberg and Perez, dated August 29, 2011, are on file with the Oversight Board Secretary.

6. **CONSENT CALENDAR**

None.

7. **BUSINESS SESSION**

A. **Successor Agency's Administrative Budget**

Larry Culbertson, San Clemente, opined that the utilization of redevelopment funds for workforce housing at 107-115 Avenida Serra constitutes a waste of those funds; asserted that existing buildings could be used for affordable housing at a lower cost and would be available sooner for occupancy; expressed doubt that the \$30,000 proposed in the Successor Agency's Administrative Budget for Casa Romantica maintenance will be sufficient to fund needed work.

The Oversight Board advised Mr. Culbertson that the property at 107-115 Avenida Serra has been transferred to the City as the successor agency and, consequently, the matter that he raised is a City Council issue and not within the purview of the Oversight Board.

Executive Director Scarborough distributed and summarized a document entitled "RDA Trailer Bill Outline", dated June 21, 2012. A hard copy of this outline is on file with the Oversight Board Secretary. During the course of discussion, it was noted that the proposed legislation would pave the way for the debt obligations of the Redevelopment Agency to the City to be repaid.

The Oversight Board noted that the proposed Successor Agency Administrative Budget is less specific and detail-oriented than City budgets. Executive Director Scarborough responded that it is difficult to predict what future administrative costs will be because of the changes that are occurring; expressed doubt that the full \$250,000 (the minimal level identified in the State legislation) will be spent, but recommended that this amount be budgeted to help ensure that a budget shortfall does not occur; pointed out that this issue was addressed as part of the discussion of the Successor Agency Administrative Budget; noted that documentation concerning expenditures will be provided to the Board.

The Oversight Board requested that the Financial Services Manager, or another staff member in authority, review all charges to the Successor Agency budget to ensure propriety; requested that the Oversight Board be informed of issues appearing on the City Council agenda that relate to the Redevelopment Agency.

Financial Services Manager Rahn explained that one portion of the legislation proposes that all Board actions be taken via resolution; presented a draft resolution for the Board's consideration for adoption of the Successor Agency's Administrative Budget.

MOTION BY BOARD MEMBER VEALE, SECOND BY BOARD MEMBER HAGGARD, CARRIED 5-0, to adopt Resolution OB-12-05 entitled A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY ADOPTING AND APPROVING THE ADMINISTRATIVE BUDGET FOR THE 2013 FISCAL YEAR.

B. Recognized Obligation Payment Schedule (ROPS)

Larry Culbertson, San Clemente, noted that the ROPS that was presented to the City Council on June 19, 2012 reflected a draft administrative budget of \$44,660 for a six-month period, and questioned why the proposed administrative budget for that time period has been increased to \$123,958.29; expressed concern that \$86,340 is proposed to be budgeted for legal services.

Financial Services Manager Rahn presented a draft resolution for the Board's consideration for adoption of the Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012.

MOTION BY BOARD MEMBER HAGGARD, SECOND BY BOARD MEMBER VEALE, CARRIED 5-0, to adopt Resolution OB-12-06 entitled A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SAN CLEMENTE REDEVELOPMENT AGENCY ADOPTING AND APPROVING THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2012 THROUGH DECEMBER 31, 2012.

8. **REPORTS AND INFORMATIONAL ITEMS**

None.

9. **CHAIR AND BOARD MEMBER ITEMS**

None.

10. **ORAL COMMUNICATIONS**

None.

11. **ADJOURNMENT**

MOTION BY BOARD MEMBER HAGGARD, SECOND BY BOARD MEMBER FITZSIMONS, CARRIED 5-0, to adjourn at 3:30 p.m. The next Regular Meeting will be held on Wednesday, October 3, 2012 at 3:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California.


Secretary of the Oversight Board

CHAIR of the Oversight Board

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