

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
OF THE WEST COVINA REDEVELOPMENT AGENCY**

**MINUTES**

**Special Meeting - Thursday, August 23, 2012**

*Audio recording of meeting is available upon request from the West Covina City Clerk's Office.*

**I. CALL TO ORDER:**

Meeting was called to order at 4:01 p.m. by Chairperson Sutkin, followed by the Pledge of Allegiance.

**Roll Call** Chairperson Sutkin, Vice Chairperson Touhey  
Board Members Chavez (arrived at 4:25 p.m.), Coghlan, Gregoryk,  
Hertzberg, Lee

**Staff:** City Manager/Executive Director Pasmant, Finance Director Bachman,  
Oversight Board Secretary Rush, Community Development Director  
Chung

**II. CHANGES TO AGENDA** No changes to the agenda.

**III. PUBLIC COMMENT**

Philip Moreno, West Covina resident, expressed concerns with taxpayers being burdened with debt to build a golf course and provided documents to the Oversight Board to sustain his opposition to building a golf course.

Elsie Messman, West Covina resident, addressed the proposed golf course project and stated the project should be a ballot measure; addressed the stipends of West Covina Community Development Commission (CDC) members.

Board Member Touhey commented on the CDC stipends and bonds issued through the former redevelopment agency.

**IV. CONSENT CALENDAR**

No consent calendar item presented.

**V. BUSINESS ITEMS:**

**A. Oversight Board Legal Services**

Report presented by City Manager Pasmant who stated the West Covina Successor Agency approved the contract services at their August 21, 2012 meeting.

Motion by Hertzberg and seconded by Gregoryk to approve the following resolution:

RESOLUTION NO. OB-0012 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY APPROVING A RETAINER AGREEMENT WITH THE LAW FIRM OF HARPER & BURNS TO PROVIDE GENERAL COUNSEL SERVICES FOR THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY

Motion carried 6-0.

John Harper, of Harper & Burns, introduced himself and provided a brief background. Mr. Harper took a seat at the dais to represent the Oversight Board.

**B. Cooperative Agreement Between the City of West Covina (“City”) and Successor Agency to the West Covina Redevelopment Agency (“Successor Agency”) for Advance and Reimbursement of Administrative, Overhead and Other Expenses**

Report presented by Finance Director Bachman. Board engaged in discussion and concluded that the Cooperative Agreement should be held until after the ROPS discussion.

Chavez arrived at 4:35 p.m.

Motion by Touhey and seconded by Hertzberg to hold item over until after discussion of Item C, ROPS and Successor Agency Administrative Budget.

Motion carried 7-0.

**C. Consideration of the Schedule of Distribution of Future Tax Revenues (also Known as Recognized Obligation Payment Schedules “ROPS”) and Successor Agency Administrative Budget Covering the Period of January 1, 2013 through June 30, 2013**

Report presented by Finance Director Bachman. Bachman distributed a revised ROPS III schedule to the Board. Report provided a brief discussion of specific items listed on the ROPS.

Key items of discussion were as follows:

The Board reviewed and discussed the following items which are items denied by the Department of Finance on previous ROPS, and are being resubmitted for reconsideration. Discussion ensued as to the need to resubmit the items in order to proceed with the meet and confer process with the Department of Finance.

Items 31 & 32 – *Anticipated/Existing Litigation*

Items 33 & 34 – *Anticipated/Existing Litigation*

Items 35 & 36 – *Anticipated/Existing Litigation related to Cal Trans*

Items 37 & 38 – *Anticipated/Existing Litigation, RDA property litigation at BKK landfill site*

Items 39 & 40 – *Successor Agency Legal Services (outside of administration budget fees)*

Items 41 thru 44 – *City Notes, Administration and CIP*

Finance Director Bachman provided a review of the following new line items submitted on the ROPS.

Item 18 – *Project Administrative Costs*

Item 19 – *AB 1484 Auditing Fees*

Item 20 – *Oversight Board Legal Services*

Item 21 – *Successor Agency Legal Services.)*

Bachman pointed out that Item 11 – *Repay County Loan, Deferred Tax Increment*, is being proposed to modify the interest rate down to the LAIF rate, current market rate for investments.

Motion Following discussion regarding Item 11, motion by Gregoryk and seconded by Sutkin to renegotiate County loan for lower interest rate. Motion carried 7-0.

Community Development Director Chung provided a brief background on the following items stating that no funding is recommended at this time because what needs to be done or not done to clean up the previous landfill site has not been fully determined yet.

Item 26 – *Sales Tax Reimbursement for CFD Sales Tax*

Item 27 – *Colf Course Agreement/Implementation Plan*

Chair Sutkin requested a summary of action already taken/fact sheet regarding the site.

Board Member Hertzberg returned to Item 11, to assure amount reflected in payment schedule (ROPS) is the amount due in the existing agreement.

Motion Motion by Gregoryk and seconded by Touhey to approve ROPS III.

Chair Sutkin inquired as to what Item 30 – *OPA-CFD admin and developer repayment* is to which Bachman responded.

Substitute Substitute motion by Hertzberg and seconded by Sutkin to remove for separate consideration Line Items 23, 24, 25, 26 and 41-44. Executive Director Pasmant stated that removing the Items from the ROPS interferes with the ability of the City of due process to meet & confer with the Department of State. Bachman added that only Items 25 and 26 are items which were not agreed to within the first two years of the redevelopment agency.

Board Member Hertzberg then recommended removing Items 25 and 26 from the ROPS and to place them on an attachment sheet to be turned in with the ROPS with a footnote acknowledging the loans exist but are not on this ROPS for payment.

Amendment Motion by Hertzberg to amend substitute motion to only place Items 25 and 26 on attachment sheet and to submit with the ROPS acknowledging loans are outside two year window and will be on subsequent ROPS following due diligence process.

Amendment Motion by Touhey and seconded by Sutkin that Item 11 also be removed from ROPS and added to the attachment sheet with Items 25 and 26.

Following further discussion, Hertzberg withdrew both his substitute motion and amendment. Board Member Touhey and Chair Sutkin concurred to withdraw their amendment to motion and second.

Chair Sutkin requested the Board Secretary state the original motion.

Board Secretary Rush summarized the motion as follows:

“Motion by Gregoryk and seconded by Touhey to approve ROPS III as it is written.”

Action on original motion:

Motion carried 6-1 (Hertzberg no). Motion approved the following resolution:  
RESOLUTION NO. OB 0011 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE WEST COVINA REDEVELOPMENT AGENCY APPROVING A SCHEDULE OF DISTRIBUTION OF FUTURE TAX REVENUES, ALSO KNOW AS THE RECOGNIZED OBLIGATION BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2013 AND ENDING JUNE 30, 2013 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

Continuation of Item V-B

**B. Cooperative Agreement Between the City of West Covina (“City”) and Successor Agency to the West Covina Redevelopment Agency (“Successor Agency”) for Advance and Reimbursement of Administrative, Overhead and Other Expenses**

Executive Director Pasmant recapped that this item provides for the City to be reimbursed for any expenses it advances to the Successor Agency consistent with the ROPS. Board Member Hertzberg requested a periodic report on funds advanced.

Motion by Touhey and seconded by Hertzberg to adopt the following resolution:

RESOLUTION NO. OB 0013 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE COOPERATIVE AGREEMENT FOR THE ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE COSTS, ENFORCEABLE OBLIGATIONS, AND PROJECT RELATED EXPENSES ENTERED INTO BY AND BETWEEN THE CITY OF THE WEST COVINA AND THE

SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY

Motion carried 7-0.

**D. Update on Caltrans Condemnation of Properties Owned by the Former Redevelopment Agency**

Community Development Director Chung presented an update of the Cal Trans condemnation of properties owned by the former redevelopment agency, as Cal Trans is attempting to acquire the properties for the purpose of expanding the I-10 freeway. Chung stated that any private conversations with regards to negotiations and legal strategy are not included in the report. Chung's report highlighted the subject property locations.

Board Member Hertzberg requested comments from Cal Trans representatives (seated in the audience) regarding the project.

Representative from Cal Trans addressed the Route 10 HOV Project and condemnation acquisition process.

Board discussion ensued regarding the funding of the project, acquisition process, parties involved, current status of the negotiation process and subsequent legal implications of the project.

Board Member Touhey left the meeting at 6:40 p.m.

Cal Trans continued with their presentation of the project,

Following the Cal Trans presentation and further discussion, Chair Sutkin requested the Oversight Board send a letter to the Successor Agency to expeditiously proceed with negotiations with Cal Trans regarding the property acquisitions. All Board Members concurred except Board Member Lee. (Touhey was absent)

**E. Update on New Legislation – Assembly Bill 1585 (Perez)**

It was the consensus of the Board to receive and file the report.

**VI. EXECUTIVE DIRECTOR/SUCCESSOR AGENCY REPORTS**

Executive Director Pasmant stated an e-mail of Communications between the Successor Agency and the Department of Finance is before them on the dais for their review.

**VII. STUDY SESSION**

No items.

**VIII. BOARD MEMBER COMMENTS**

No comments offered.

**IX. CLOSED SESSION**

No items.

**X. ADJOURNMENT**

Meeting adjourned at 7:20 p.m.

Submitted by

A handwritten signature in cursive script, appearing to read "Susan Rush", is written over a horizontal line.

Susan Rush  
Oversight Board Secretary