

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

A G E N D A

West Covina City Hall
City Manager's Conference Room, Room 305
1444 West Garvey Avenue, West Covina, CA 91790

**THURSDAY, MAY 1, 2014
4:00 p.m.**

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board Member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board Member
Gerry Hertzberg, Board Member
Mike Lee, Board Member
Nickolas Lewis, Board Member

AMERICANS WITH DISABILITIES ACT

The Board complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Board Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

AGENDA MATERIAL

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue and at www.westcovina.org. Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Oversight Board that is distributed less than 72 hours, before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

PUBLIC COMMENT

Any member of the public may address the Board on items within the Board's subject matter jurisdiction during Public Comments. The Board may not take action on matters not listed on the posted agenda. If you would like to address the Board, please complete a Speaker Card and submit to the Board Secretary. All comments are limited to five (5) minutes per speaker. All speakers shall observe decorum and order as specified in the *Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency*.

REGULAR MEETING
AGENDA
Thursday, May 1, 2014
4:00 p.m.

I. CALL TO ORDER

A. Roll Call

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board member
Gerry Hertzberg, Board Member
Mike Lee, Board Member
Nickolas Lewis, Board Member

B. Pledge of Allegiance

II. CHANGES TO THE AGENDA

III. PUBLIC COMMENT

This is the time set aside for public comments. Please step forward to the podium and state your name and city of residence for the record when recognized by the Chairperson. Comments are limited to five (5) minutes per speaker.

IV. CONSENT CALENDAR

All matters listed on the CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the Oversight Board request a specific item to be removed from the Consent Calendar for separate discussion or action.

A. Approval of Minutes (receive and file)

Special meeting minutes of February 6, 2014

B. Department of Finance Correspondence

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receive and file this report.

ACTION ON CONSENT CALENDAR

Motion by _____ second by _____
to approve all items listed on the Consent Calendar as presented

except _____

V. BUSINESS ITEM(S)

A. Request to Change Date and Time of Meeting

Recommendation

It is recommended that the Oversight Board direct staff accordingly.

B. Request to Incorporate an annual election Process for the Chairperson and Vice-Chairperson

Recommendation

It is recommended that the Oversight Board direct staff accordingly.

VI. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code § 54956.9(d)(1)

City of West Covina v. Hassen Imports Partnership, et al.

Los Angeles Superior Court Case No. KC048157

In re Hassen Imports Partnership, Debtor, United States Bankruptcy Court Case No. 2:11-bk-42068-ER

In re Hassen Imports Partnership, Debtor, United States District Court Case No. 2:13-cv-07532-CAS

VII. REPORTING OUT FROM CLOSED SESSION

VIII. BOARD MEMBERS' COMMENTS

IX. ADJOURNMENT

Copies of staff reports or other written documentation, *if any*, relating to each item of business described above are on file in the West Covina City Hall, City Clerk's Office, 1444 West Garvey Avenue, West Covina CA 91790, and are available for public inspection upon request during regular business hours of 8:00 a.m. to 5:30 p.m., Monday through Thursday.

Should any person have a question concerning any of the above agenda items prior to the meeting described herein, he or she may contact Christopher J. Chung, City Manager, either in person in the City Manager's Office at West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA 91790, or by calling via telephone at (626) 939-8401 during regular business hours.

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

MINUTES

West Covina City Council Chambers
1444 West Garvey Avenue, West Covina, CA 91790

Regular Meeting - Thursday, February 6, 2014

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 4:03 p.m. by Board Member Lee.

Roll Call Board Member Chavez, Coghlan, Lee, Lewis
Chairperson Sutkin arrived at 4:05 p.m., Board Member Hertzberg arrived
at 4:07 p.m.

Absent: Board Member Gregoryk

Staff: City Manager/Executive Director Chung, Finance Director McKay,
Project Manager Morales, Oversight Board Secretary Rush, Attorney
Harper

Pledge of Allegiance led by Board Member Lee.

II. CHANGES TO AGENDA

No Changes to the Agenda

III. PUBLIC COMMENT

Philip Moreno, West Covina resident, addressed a correspondence from the Department
of Finance dated December 17, 2013.

IV. CONSENT CALENDAR

A. Approval of Minutes (receive and file)
Special Meeting Minutes of September 26, 2013.

Removed from the consent calendar by Chairperson Sutkin for separate consideration.

B. Department of Finance Correspondence

Recommendation is that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receive and file this report.

ACTION ON CONSENT CALENDAR

Motion by Hertzberg and seconded by Coghlan to approve all items on the Consent Calendar as presented except Item B, *Department of Finance Correspondence*.

Motion carried 6-0. Board Member Lewis abstained from approving the minutes.

B. Department of Finance Correspondence – Chairperson Sutkin requested staff provide a verbal report on the correspondence received from the Department of Finance (DOF) from 12/17/13 forward. Finance Director McKay reviewed the correspondence and summarized the basis of litigation against the DOF. Discussion ensued regarding the correspondence.

Motion by Lewis and seconded by Coghlan to receive and file.

Motion carried 7-0.

V. BUSINESS ITEMS(S)

A. Consideration of the Recognized Obligation Payment Scheduled “ROPS” and Successor Agency Administrative Budget Covering the Period of July 1, 2014 through December 31, 2014, and a Repayment Schedule for the Supplemental Educational Revenue Augmentation Fund (SERAF)

Discussion ensued regarding the subject matter. Hertzberg inquired as to whether there were any items listed on the ROPS that were previously rejected by the DOF. McKay responded that the items rejected on the previous ROPS included Items Nos. 13 and 49, in which there are no requests on this current ROPS for the items. The only item on the ROPS again is \$300,000 (item No. 22) for the Long Range Property Management Plan. McKay also explained the negative beginning cash balance.

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

RESOLUTION NO. OB-0024 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD OF JULY 1, 2014 THROUGH

DECEMBER 31, 2014, AND A REPAYMENT SCHEDULE FOR THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) ADVANCES

Motion carried 7-0

B. Request for Report from chairperson Sutkin to Change Date and Time of Meeting

Sutkin stated that absent Board Member Gregoryk is also interested in both Item V-B and V-C and requested that the two items be held over. Sutkin stated that due to conflicts she would like to change the current date and/or time of the meetings. Board Members engaged in discussion as to what is being suggested, any financial impact to the City if starting meeting later and the average time of meeting.

Motion by Sutkin and seconded by Hertzberg to bring back a report to change the date and time of the Oversight Board meetings.

Motion carried 6-1 (Lee, No)

C. Request for Report from Board Member Lee Requesting to Incorporate a Rotation Process for the Chairperson and Vice-Chairperson

Sutkin reiterated her request from Board Member Gregoryk to hold this item over. Lee stated his reasons for adding a rotation process. Hertzberg expressed his concerns of a Successor Agency employee being the chair of the Oversight Board. Discussion followed.

Motion by Lee and seconded by Coghlan to bring back a report to incorporate a rotation process for the Chairperson and Vice-Chairperson.

Motion carried 7-0.

VI. BOARD MEMBER COMMENTS

VIII. ADJOURNMENT

Motion by Gregoryk and seconded by Hertzberg to adjourn the meeting at 5:15 p.m.

Submitted by

Susan Rush
Oversight Board Secretary

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

AGENDA REPORT
Item No. IV - B
Date: May 1, 2014

TO: Chairman and Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Christopher J. Chung, Executive Director

BY: Nita McKay, Director of Finance and Administrative Services

SUBJECT: **DEPARTMENT OF FINANCE CORRESPONDENCE**

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receive and file this report.

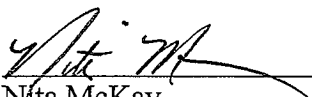
DISCUSSION:

Below (and attached) are the correspondence between the West Covina Successor Agency and the State Department of Finance.

1. 04-25-14 – Email and Letter from City Attorney’s office to DOF regarding Meet and Confer Request Regarding ROPS 14-15A
2. 04-17-14 – Email and Letter from DOF regarding West Covina ROPS 14-15A Determination
3. 03-04-14 – Email from DOF regarding West Covina ROPS 14-15A Accepted
4. 03-03-14 – Email from DOF regarding West Covina ROPS 14-15A Received
5. 02-12-14 – Email from DOF regarding Sponsoring Entity Loan Repayment Calculator

Successor Agency staff will be prepared to discuss this correspondence with the Oversight Board at the meeting.

Prepared By:



Nita McKay

Director of Finance and Administrative Services

Attachments:

1. 04-25-14 – Email and Letter from City Attorney’s office to DOF regarding Meet and Confer Request Regarding ROPS 14-15A
2. 04-17-14 – Email and Letter from DOF regarding West Covina ROPS 14-15A Determination
3. 03-04-14 – Email from DOF regarding West Covina ROPS 14-15A Accepted
4. 03-03-14 – Email from DOF regarding West Covina ROPS 14-15A Received
5. 02-12-14 – Email from DOF regarding Sponsoring Entity Loan Repayment Calculator

Nita McKay

From: Christopher Cardinale <CCardinale@agclawfirm.com>
Sent: Friday, April 25, 2014 5:06 PM
To: Redevelopment_Administration@dof.ca.gov
Cc: Nita McKay; Arnold Glasman; Monique Lozano; Lissette Chappel
Subject: West Covina Meet and Confer Request - ROPS 14-15A
Attachments: Meet and Confer Request Re ROPS 14-15A (4.25.14).pdf

Please find the attached meet and confer request on behalf of the West Covina Successor Agency.

Christopher Cardinale
Alvarez-Glasman & Colvin
13181 Crossroads Pkwy. North
Suite 400 - West Tower
City of Industry, CA 91746
tel 562.699.5500 | fax 562.692.2244
www.agclawfirm.com



ALVAREZ-GLASMAN & COLVIN

ATTORNEYS AT LAW

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MEET AND CONFER REQUEST FORM

Instructions: Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Request to Meet and Confer”. Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than **November 16, 2012** for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

AGENCY (SELECT ONE):

Successor Agency Housing Entity

AGENCY NAME: West Covina Successor Agency

TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):

Housing Assets Transfers Due Diligence Reviews ROPS Period 14-15A

DATE OF FINANCE’S DETERMINATION LETTER: April 17, 2014 (Received April 21, 2014)

REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):

Meeting at Finance Conference Call

DETAIL OF REQUEST

A. Summary of Disputed Issue(s) *(Must be specific.)*

Items 31 – 38 / 61: The auditor – controller's prior period adjustment results in the under-funding of approved enforceable obligations. DOF has the authority to revise a prior period adjustment made by the CAC, and it should do so to avoid a funding shortfall.

Items 65 and 66: The auditor-controller's prior period adjustment has "recaptured" amounts approved by DOF to reimburse the Successor Agency for past underestimates in funding needs. This results in a perpetual underfunding of approved enforceable obligations.

Administrative costs – DOF has improperly classified three (3) items as "administrative expenses," though the law is clear the items are "non-administrative" enforceable obligations.

B. Background/History *(Provide relevant background/history, if applicable.)*

- Items Nos. 31 through 38 and 61

Various line items totaling \$826,365 represent underestimated litigation expenditures for February – June 2012, and July – December, 2012. These items were approved by DOF on ROPS 13-14A. However, upon completion of the "prior period adjustment" for the ROPS 13-14A period, the Los Angeles County Auditor Controller made an adjustment for these amounts. DOF contends that it lacks authority to overturn CAC determinations, and thus these items are not eligible for RPTTF funding.

- Items 65 and 66

Totaling \$448,912, and representing reimbursement for underestimates in the amount needed to pay approved enforceable obligations during ROPS 13-14A. DOF recognizes the Successor Agency provided supporting documentation to validate these amounts, and additional funding was approved during the ROPS 13-14B period. Thus, DOF concludes there was no funding shortfall related to these items and therefore denies the funding request.

- Administrative Costs

DOF concludes that the Successor Agency's request for administrative costs exceeds the allowance by \$29,664. This determination stems from DOF's classification of Items 19, 54, and 68 (totaling \$53,000) as "administrative expenses."

C. Justification *(Provide additional attachments to this form, as necessary.)*

• Items Nos. 31 through 38 and 61

DOF recognizes that these items constitute "enforceable obligations" qualifying for RPTTF funding, but claims that it lacks authority to review the CAC's prior period adjustment determination. But the law is clear that DOF has authority to review the CAC's recommended prior period adjustment, as DOF has authority to approve / deny the total amount of RPTTF monies allocated to the Successor Agency:

• "County auditor-controllers shall not delay in making payments under this part to successor agencies or taxing entities based on pending transactions, disputes, or for any other reason, other than a court order, and shall use the Recognized Obligation Payment Schedule approved by the Department of Finance...to make allocations [from the RPTTF] on the dates required." (§ 34186(b).)

• "[S]uccessor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule to the Department of Finance and to the county auditor-controller no fewer than 90 days before the date of property tax distribution. The Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations..." (§ 34177(m).)

• "If the department [of finance] reviews a Recognized Obligation Payment Schedule, the department may eliminate or modify any item on that schedule prior to its approval. The county auditor-controller shall reflect the actions of the department in determining the amount of property tax trust fund revenues to allocate to the successor agency." (§ 34179(h).)

• "[T]he Department of Finance may authorize a successor agency to retain property tax that otherwise would be distributed to affected taxing entities pursuant to this subdivision, to the extent the department determines the successor agency requires those funds for the payment of enforceable obligations." (§34187(a)(2))

As these provisions and others make clear, DOF's decisions on ROPS funding trumps that of the CAC.

Here, DOF acknowledges that these line items are enforceable obligations, and that the Successor Agency has been underfunded therefor. Approving the ROPS without correcting the clear error made by the CAC would constitute a clear abuse of discretion.

• Items 65 and 66

DOF recognizes that the Successor Agency was underfunded on these items in past ROPS periods, and that the Successor Agency has provided documentation evidencing such underfunding. Though DOF is correct that additional funding was provided in ROPS 13-14B to cover this funding shortfall, DOF fails to recognize that the CAC's "prior period adjustment" is not taking DOF's retroactive funding adjustment into account. In completing the prior period adjustment, the CAC only looks at actual costs and actual expenditures on a ROPS by ROPS basis. This results in the CAC reversing any funding adjustment made by DOF to reimburse a successor agency for underestimates in funding needs.

The following example demonstrates this:

A successor agency underestimates by \$500,000 the funds needed to pay an enforceable obligation in ROPS 13-14A. The Successor Agency provides evidence of this funding shortfall to DOF, and in response DOF approves an additional \$500,000 on ROPS 13-14B. However, when the CAC completes its "prior period adjustment" for the ROPS 13-14B period, it only looks at actual funding and expenditures during that individual payment period. This results in an apparent "overfunding" in ROPS 13-14B of \$500,000 (because the money was actually reimbursement for amounts expended in a past payment period), and accordingly the CAC recommends an adjustment of \$500,000.

This cycle – whereby DOF approves RPTTF funding to reconcile past funding shortfalls only to have the CAC recapture that reconciliation – results in the Successor Agency simply carrying this underfunded amount forward in perpetuity.

DOF should approve funding for these items to end this cycle, and failure to do so will prohibit the Successor Agency from paying all approved enforceable obligations.

- Administrative Costs

DOF has reclassified Items 19, 54, and 68 as "administrative expenses" DOF's determination is improper.

- Item 19 (Auditing Fees) – These amounts were incurred by the Successor Agency in completing the DDR's required by AB 1484. This is a "project specific" expense incurred by the Successor Agency in winding down the affairs of the redevelopment agency in accordance with AB 1484 mandates. The law is clear that "administrative cost allowance" excludes employee costs associated with work on specific project implementation activities. (§ 34171(b).) Moreover, the Successor Agency is authorized to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring necessary professional services. (§ 34177.3(b).)

- Item 54 (Contract Services ROPS / Property Management Plan) – These amounts were incurred by the Successor Agency in hiring professionals needed to assist in the completion and preparation of the ROPS and LRPMP. Both are "project specific" activities required by law. The law is clear that "administrative cost allowance" excludes employee costs associated with work on specific project implementation activities. (§ 34171(b).) Moreover, the Successor Agency is authorized to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring necessary professional services. (§ 34177.3(b).)

- Item 68 (Project Administrative Costs) - These costs were incurred by the Successor Agency in retaining consultants to complete environmental testing and due diligence for RDA-owned properties. The law is clear that "administrative cost allowance" excludes costs associated with maintaining RDA assets prior to disposition. (§ 34171(b).) Moreover, the Successor Agency is authorized to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring necessary professional services. (§ 34177.3(b).)

Agency Contact Information

Name: _____ Name: _____
Title: _____ Title: _____
Phone: _____ Phone: _____
Email: _____ Email: _____
Date: _____ Date: _____

Department of Finance Local Government Unit Use Only

REQUEST TO MEET AND CONFER DATE: APPROVED DENIED

REQUEST APPROVED/DENIED BY: _____ DATE: _____

MEET AND CONFER DATE/TIME/LOCATION: _____

MEET AND CONFER SESSION CONFIRMED: YES DATE CONFIRMED: _____

DENIAL NOTICE PROVIDED: YES DATE AGENCY NOTIFIED: _____

Nita McKay

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Thursday, April 17, 2014 1:51 PM
To: Nita McKay; Denise Bates; kburns@auditor.lacounty.gov; RDA-SDsupport@sco.ca.gov
Subject: West Covina ROPS 14-15A
Attachments: West_Covina_ROPS_14-15A.pdf

Pursuant to Health and Safety Code Section 34177 (m), you submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance). See the attached letter for Finance's determination.

Department of Finance
Redevelopment Agency Administration



April 17, 2014

Ms. Nita McKay, Director of Finance & Administrative Services
City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790

Dear Ms. McKay:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of West Covina Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on March 4, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations for the reasons specified:

- Item Nos. 31 through 38 and 61 – Various line items totaling \$826,365. These line items were previously approved by Finance on ROPS 13-14A. However, upon completion of the Prior Period Adjustment (PPA) for the ROPS 13-14A period the County Auditor Controller (CAC) made an adjustment for the amounts listed above. HSC section 34186 (a) specifies prior period adjustments self-reported by successor agencies are subject to audit by the CAC and the State Controller. Since Finance does not have authority to overturn CAC determinations, these line items are not enforceable obligations and not eligible for RPTTF funding on this ROPS.
- Item Nos. 65 and 66 – Reimbursement request for ROPS 13-14A unfunded obligations totaling \$448,912. During ROPS 13-14A, the Agency spent amounts in excess of those approved by Finance. The Agency provided supporting documentation to validate these amounts and additional RPTTF funding was approved during the ROPS 13-14B period. Therefore, the Agency was fully funded for these obligations during ROPS 13-14B. As such, there is no funding shortfall related to these items and the amounts requested for these line items are not enforceable obligations and not eligible for RPTTF funding on this ROPS.
- Claimed administrative costs exceed the allowance by \$29,664. HSC section 34171 (b) limits fiscal year 2014-15 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$250,000 in administrative expenses. Although \$226,664 is

claimed for administrative cost, Item Nos. 19, 54, and 68 totaling \$53,000 are considered as administrative expenses and should be counted toward the cap. Therefore, \$29,664 of excess administrative cost is not allowed.

In addition, Finance noted the following:

The Agency interchanged Item Nos. 67 and 68 on this ROPS. For consistency purposes between ROPS periods, Item Nos. 67 and 68 will be restored to the original format listed on the ROPS template as follows:

- Item No. 67 – Project Administrative Costs
- Item No. 68 – Legal Costs for Enforceable Obligations

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$4,981,917 as summarized below:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	7,555,466
Total RPTTF requested for administrative obligations	226,664
Total RPTTF requested for obligations	\$ 7,782,130
Total RPTTF requested for non-administrative obligations	7,555,466
<u>Denied Items</u>	
Item No. 31	(587,509)
Item No. 32	(172,343)
Item No. 33	(22,204)
Item No. 34	(17,602)
Item No. 35	(7,946)
Item No. 36	(13,182)
Item No. 37	(429)
Item No. 38	(150)
Item No. 61	(5,000)
Item No. 65	(22,403)
Item No. 66	(426,509)
	<u>(1,275,277)</u>
<u>Reclassified Items</u>	
Item No. 19	(15,000)
Item No. 54	(18,000)
Item No. 68	(20,000)
	<u>(53,000)</u>
Total RPTTF for non-administrative obligations	\$ 6,227,189
Total RPTTF requested for administrative obligations	226,664
<u>Reclassified Items</u>	
Item No. 19	15,000
Item No. 54	18,000
Item No. 68	20,000
	<u>53,000</u>
Administrative costs in excess of the cap	(29,664)
Total RPTTF authorized for administrative obligations	\$ 250,000
Total RPTTF authorized for obligations	\$ 6,477,189
ROPS 13-14A prior period adjustment	(1,495,272)
Total RPTTF approved for distribution	\$ 4,981,917

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15A review, Finance requested financial records to support the cash balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15A review period to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 14-15B.

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Kylie Oltmann, Supervisor or Hugo Lopez, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Denise Bates, Accounting Manager, City of West Covina
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County
California State Controller's Office

Nita McKay

From: RedevelopmentAdministration@dof.ca.gov
Sent: Tuesday, March 04, 2014 9:01 AM
To: Nita McKay
Cc: Denise Bates
Subject: West Covina ROPS 14-15A Accepted

Thank you for submitting your ROPS 14-15A through the Redevelopment Agency Dissolution Web Application (RAD App). This email serves as notice that Finance has accepted your 14-15A submittal as received on March 3, 2014.

As a reminder, the ROPS submitted through the RAD App was only received by Finance. In accordance with HSC section 34177 (1)(2)(C), agencies should separately e-mail a copy of the Excel ROPS and OB resolution to the County Auditor-Controller and the State Controller's Office. A copy of the ROPS should also be posted on agency websites.

Sincerely,
Department of Finance
Local Government Unit

Nita McKay

From: RedevelopmentAdministration@dof.ca.gov
Sent: Monday, March 03, 2014 7:27 PM
To: Nita McKay
Cc: Denise Bates
Subject: West Covina ROPS 14-15A Received

Thank you for submitting your ROPS 14-15A through the Redevelopment Agency Dissolution Web Application (RAD App). A notification e-mail has been sent to Finance's Redevelopment Administration inbox. Once Finance reviews the submitted ROPS documents for completion, the Agency will receive a separate e-mail notification accepting or rejecting the final ROPS. If rejected, the Agency will have to resubmit the required ROPS documents through the RAD App again.

Beginning with ROPS 13-14B, agencies must use the RAD App for ROPS submission. No other means of submission will be accepted. ROPS submitted through the RAD App will only be received by Finance. In accordance with HSC section 34177 (1)(2)(C), agencies should separately e-mail a copy of the Excel ROPS and OB resolution to the County Auditor-Controller and the State Controller's Office. A copy of the ROPS should also be posted on agency websites.

Sincerely,
Department of Finance
Local Government Unit

Nita McKay

From: RedevelopmentAdministration@dof.ca.gov
Sent: Wednesday, February 12, 2014 12:27 PM
Subject: Sponsoring Entity Loan Repayment Calculator

Dear Successor Agencies:

On January 29, 2014, Finance e-mailed successor agencies providing guidance on former redevelopment agency (RDA)/sponsoring entity loan agreements. In an effort to assist successor agencies in calculating the maximum loan repayment amount, Finance has posted a loan repayment calculator on our webpage for your use. This is only a tool and does not guarantee approval of repayment amounts listed on the ROPS.

The calculator can be found at: http://www.dof.ca.gov/redevelopment/RDA_dissolution_QandA/view.php under Sponsoring Entity Loan Repayments.

If you have any questions, please contact RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Department of Finance
Redevelopment Agency Administration

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

AGENDA REPORT
Item No. V - A
Date: May 1, 2014

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Christopher J. Chung, Executive Director

BY: Paulina Morales, Project Manager

SUBJECT: REQUEST TO CHANGE DATE AND TIME OF MEETING

RECOMMENDED ACTION:

It is recommended that the Oversight Board direct staff accordingly.

DISCUSSION:

On February 6, 2014, the Oversight Board approved to consider a request by Chairperson Sutkin to change the date and/or time of the Oversight Board meetings brought before the Oversight Board for consideration. The request would require an amendment to Resolution No. OB-0002 (Attachment No. 1).

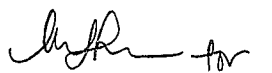
Resolution No. OB-0002 was adopted by the Oversight Board on April 19, 2012. The established date, time, and location of the meetings are the first Thursday of the month at 4:00 p.m. held at West Covina City Hall (1444 West Garvey Avenue South).

Should the Oversight Board wish to change the date and/or time of the Oversight Board meetings, the Board will need to establish a proposed new date and/or time of the Oversight Board meetings. Staff will then prepare a Resolution to amend Resolution No. OB-0002 for adoption at the next Oversight Board meeting. All actions of the Oversight Board require four affirmative votes.

Options:

- 1) Direct staff to prepare and bring back a Resolution to amend Resolution No. OB-0002 to change the date and/or time of the Oversight Board meetings.
- 2) Do not direct staff to prepare and bring back a report.

Prepared By:



Paulina Morales
Project Manager

Attachment:

1. Resolution No. OB-0002 - Date, Time, and Location of Meetings

2. Resolution No. OB-0004 - Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

Attachment No. 1

RESOLUTION NO. OB-0002

~~A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR
AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY
ESTABLISHING THE DATE, TIME AND LOCATION OF OVERSIGHT
BOARD MEETINGS~~

WHEREAS, the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency ("Oversight Board") has met and conferred to determine a date, time and location for Oversight Board meetings.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

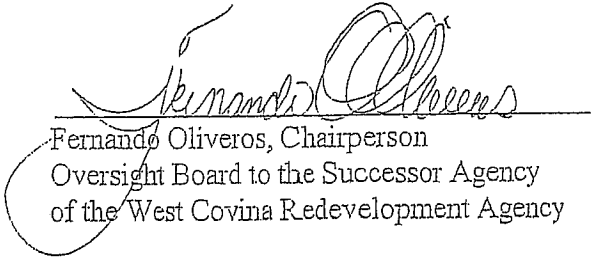
SECTION 1. The Oversight Board will meet on the first Thursday of the month at 4:00 p.m. beginning Thursday, May 3, 2012 and the meetings shall be open to the public. Meetings may be adjourned by the presiding officer or by the Secretary if a quorum is not present.

SECTION 2. The location of the Oversight Board meetings shall be at West Covina City Hall, 1444 W. Garvey Avenue, West Covina California.

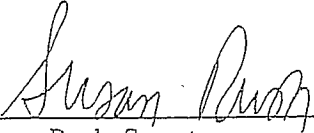
SECTION 3. Special meetings may be called by the Chairperson or by four (4) board members, and notice thereof shall be provided in accordance with the Brown Act.

SECTION 4. The Successor Agency Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.

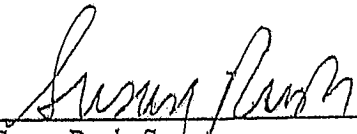

Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

ATTEST


Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

RESOLUTION NO. OB-0004

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR
AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY
APPROVING RULES OF PROCEDURE AND TAKING CERTAIN
ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and,

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and,

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board to the Successor Agency of the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR
AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY
RESOLVES:

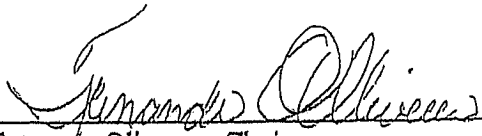
SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Rules of Procedure substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

SECTION 3. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

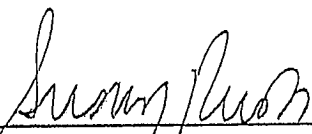
SECTION 4. The Successor Agency Secretary shall certify to the adoption of this resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.



Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

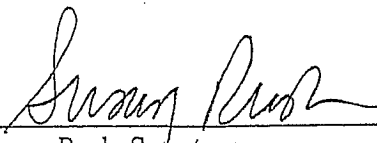
ATTEST



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

RULES OF PROCEDURE OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY

ARTICLE 1 - MEETINGS

Section 1. Regular Meetings

The day, time and location of the regular meetings of the Oversight Board shall be determined by the Oversight Board and approved by resolution. The meetings will be held at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, California. In the event a regular meeting falls on a legal holiday, said meeting shall be held on the next business day unless otherwise determined by the Oversight Board.

Section 2. Special Meetings

The Chairperson of the Oversight Board may, when he or she deems it necessary, and shall, upon the written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 54950 et seq., as it now exists or may hereafter be amended (the "Brown Act").

Section 3. Adjourned Meetings

The board members may adjourn any meeting to a time and place specified in the order of adjournment. When an order of adjournment of any meeting fails to state an hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act.

Section 4. Quorum

Four (4) board members of the Oversight Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. Every official act of the Oversight Board shall be adopted by four affirmative votes except in situations where the law requires a greater number of votes.

Section 5. Order of Business

(a) Agenda: The order of business of each meeting shall be as contained in the Agenda prepared by the Oversight Board Secretary. The Agenda shall be a listing by topic of the subjects which shall be taken up for consideration in the following order:

- (i) Call to Order
- (ii) Changes to Agenda
- (iii) Public Comment
- (iv) Consent Agenda
- (v) Business Item(s)

- (vi) Study Session
- (vii) Board Members' Comments
- (viii) Closed Session
- (ix) Adjournment

All resolutions shall be in writing and designated by number, reference to which shall be inscribed in the minutes and an approved copy of each resolution filed in the official book of resolutions of the Oversight Board.

(b) Preparation of Agenda: The Executive Director of the Successor Agency or his designee shall be responsible for the preparation of the Agenda. The Executive Director shall have the ability to place items on the agenda deemed necessary for consideration by the Oversight Board.

Any requests by Oversight Board Members for reports, studies or investigations that are not readily available must be placed on the Oversight Board Agenda as items of business and must be approved by a majority vote of the Oversight Board. Such Board Member's request can either be made directly to the Executive Director or at an Oversight Board meeting under "Board Members' Comments" section of the Agenda. Upon receiving a request, the Executive Director, or his designee shall prepare and place on a future agenda, a staff report stating the request made by the Board Member for Oversight Board consideration. If approved by majority vote, the Executive Director shall then prepare the requested matter (i.e. report, study or investigation) and if necessary or requested, subsequently place the matter on a future Agenda for discussion and consideration.

(c) Delivery of Agenda: The Agenda and related staff reports will ordinarily be delivered to the board members via e-mail 72 hours prior to a regular scheduled meeting and 24 hours prior to a special meeting.

The Agenda and staff reports shall also be available to the general public at the time it is delivered to the board members.

(d) Roll Call: Before proceeding with the business of the Oversight Board, the Oversight Board Secretary shall call the roll of the board members and the names of those present shall be entered in the minutes. The order of roll call shall be alphabetical with the Chairperson called last.

(e) Approval of Minutes: From time to time, the Oversight Board shall approve minutes of the previous meeting or meetings.

(f) Public Comment: Pursuant to Government Code 54954.3, each agenda for a regular meeting shall provide an item entitled "Public Comment." The purpose of such item shall be to provide an opportunity for members of the public to directly address the Oversight Board on items of interest to the public that are within the subject matter jurisdiction of the Oversight Board. In order to assure that the intent of Government Code 54954.3 is carried out, five (5) minutes is the amount of time allocated for each individual speaker. The time limit may be extended or limited by the chairperson to assure the efficient conduct of business.

(g) Consent Agenda: Items of routine nature, non-controversial, and approval of minutes shall be placed on the consent agenda. All items may be approved by one blanket

motion upon unanimous consent. Prior to review of the consent agenda, any board member may request that any item be withdrawn from the consent agenda for separate consideration.

(h) Call to Order: The meeting of the Oversight Board shall be called to order by the Chairperson, or in his/her absence, by the Vice Chairperson. The person calling meetings to order shall be referred to as the "Presiding Officer." In the absence of both the Chairperson and the Vice Chairperson, the meeting shall be called to order by the secretary to the Oversight Board and the Board shall select a Temporary Chairperson, who shall serve as the Presiding Officer for the meeting.

(i) Participation of Presiding Officer: The Presiding Officer may move, second, and debate, subject only to such limitations of debate as are imposed on all board members, and he or she shall not be deprived of any of the rights and privileges of a board member by reason of his or her acting as Presiding Officer. However, the Presiding Officer is primarily responsible for the conduct of the meeting.

(j) Question to be Stated: The Presiding Officer shall verbally restate each question immediately prior to calling for the vote. Following the vote, the Presiding Officer shall verbally announce whether the question carried or was defeated. The Presiding Officer may also publicly state the effect of the vote for the benefit of the audience before proceeding to the next item of business.

(k) Maintenance of Order: The Presiding Officer is responsible for the maintenance of order and decorum at all times. No person is allowed to speak who has not first been recognized by the Presiding Officer. All questions and remarks shall be addressed to the Presiding Officer.

Section 6. Rules, Decorum and Order

(a) Points of Order: The Presiding Officer shall determine all Points of Order subject to the right of any member to appeal to the Oversight Board. If any appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?" in which event a majority vote shall govern and conclusively determine such question of order.

(b) Decorum and Order - Board members:

(i) Any board member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself or herself to the question under debate.

(ii) A board member, once recognized, shall not be interrupted while speaking unless called to order by the Presiding Officer; unless a Point of Order is raised by another board member; or unless the speaker chooses to yield to questions from another board member.

(iii) Any board member called to order while he or she is speaking shall cease speaking immediately until the question of order is determined. If ruled to be in order, he or she shall be permitted to proceed. If ruled to be not in order, he or she shall remain silent or shall alter his or her remarks so as to comply with rules of the Oversight Board.

(iv) Board members shall accord the utmost courtesy to each other, to city or Oversight Board employees, and to the public appearing before the Oversight Board and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities.

(v) Any board member may move to require the Presiding Officer to enforce the rules and the affirmative vote of a majority of the Oversight Board shall require him or her to so act.

(vi) Except where specifically authorized by Oversight Board action, no board member shall make any statement or give the appearance or indicate in any way that he or she is representing the Oversight Board.

(c) Decorum and Order - Employees: Members of the administrative staff of the Oversight Board shall observe the same rules of procedure and decorum applicable to board members. The Executive Director shall ensure that all Oversight Board employees observe such decorum. Any staff members, including the Executive Director, desiring to address the Oversight Board or members of the public shall first be recognized by the Presiding Officer. All remarks shall be addressed to the Presiding Officer and not to any one individual board member or member of the public.

(d) Decorum and Order - Public: Members of the public attending Oversight Board meetings shall observe the same rules of order and decorum applicable to the Oversight Board. Any person making impertinent and slanderous remarks or who becomes boisterous while addressing the Oversight Board or while attending the Oversight Board meeting shall be removed from the room and such person may be barred from further audience before the Oversight Board. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the Presiding Officer, who may direct the sergeant-of-arms to remove such offenders from the room. Aggravated cases shall be prosecuted on appropriate complaint signed by the Presiding Officer.

(e) Enforcement of Decorum: As set forth in Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the board members may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Oversight Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(f) Conflict of Interest: All board members are subject to the provisions of California Law, such as Chapter 7, Title 9, of the California Government Code, relative to conflicts of interest, and to conflicts of interest codes adopted by the Oversight Board.

(g) Limitation of Debate: No board member normally should speak more than once upon any one subject until every other board member choosing to speak thereon has spoken. No member shall speak for a longer time than five minutes each time he has the floor, without approval of a majority vote of the Oversight Board.

(h) Dissents and Protests: Any board member shall have the right to express dissent from or protest to any action of the Oversight Board and have the reason entered in the minutes. If such dissent or protest is desired to be entered in the minutes, this should be made clear by language such as, "I would like the minutes to show that I am opposed to this action for the following reasons . . ."

(i) Procedures In Absence of Rules: In the absence of a rule herein to govern a point or procedure, Robert's Rules of Order, Newly Revised, shall be used as a guide.

(j) Rulings of Presiding Officer Final Unless Overruled: In presiding over Oversight Board meetings, the Presiding Officer shall decide all questions of interpretation of these rules, points of order or other questions of procedure requiring rulings. Any such decision or ruling shall be final unless overridden or suspended by a majority vote of the board members present and voting.

Section 7. Addressing the Oversight Board

(a) Manner of Addressing the Oversight Board: Any member of the public desiring to address the Oversight Board shall proceed to the podium and wait to be recognized by the Presiding Officer. After being recognized, he shall state his name and address for the record.

All remarks and questions shall be addressed to the Presiding Officer and not to any individual board member, staff member or other person. No person shall enter into any discussion without being recognized by the Presiding Officer.

(b) Time Limitation: For time limitation applicable to public comment, see Article I, Section (5). This limitation shall not apply to any staff presentation.

(c) Addressing the Oversight Board After Motion Is Made: After a motion has been made, no member of the public shall address the Oversight Board without first securing permission by a majority vote of the Oversight Board.

(d) Limitations Regarding Public Comments and Reports: The making of oral communications to the Oversight Board by any member of the public during the "Public Comments" portion of the agenda shall be subject to the following limitations:

At any time, before or after the oral communication is commenced, the Presiding Officer may if he or she deems it preferable, direct that the communication be made instead either to the Executive Director or other appropriate staff member during regular business hours, or in writing for subsequent submittal to board members.

(e) Persons Authorized to be Within Platform: No person except Oversight Board Officials shall be permitted behind the Oversight Board dais without permission or consent of the Presiding Officer.

Section 8. Motions

(a) Processing of Motions: When a motion is made and seconded, it shall be stated by the Presiding Officer before debate. A motion so stated shall not be withdrawn by the mover without the consent of the person seconding it.

(b) Motions Out of Order: The Presiding Officer may at any time, by majority consent of the board members, permit a board member to introduce a resolution or motion out of the regular agenda order.

(c) Division of Question: If the question contains two or more divisional propositions, the Presiding Officer may, and upon request of a board member shall (unless appealed), divide the same.

(d) Precedence of Motions: When a motion is before the Oversight Board, no motion shall be entertained except the following, which shall have precedence in the following order:

Adjourn
Fix hour of adjournment
Table
Limit or terminate discussion
Amend
Postpone

(e) Motion to Adjourn: (not debatable) A motion to adjourn shall be in order at any time, except as follows:

- When repeated without intervening business or discussion.
- When made as an interruption of a board member while speaking.
- When discussion has been ended, and vote on a motion is pending, and
- While a vote is being taken.

(f) Motion to Fix Hour of Adjournment: Such a motion shall be to set a definite time at which to adjourn and shall be debatable and shall be amendable by unanimous vote.

(g) Motion to Table: A motion to table shall be used to temporarily by-pass the subject. A motion to table shall be undebatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" at any time prior to the end of the next regular meeting.

(h) Motion to Limit or Terminate Discussion: Such a motion shall be used to limit or close debate on, or further amendment to, the main motion and shall be undebatable. If the motion fails, debate shall be reopened; if the motion passes, a vote shall be taken on the main motion.

(i) Motion to Amend: A motion to amend shall be discussed only as to the amendment. A motion to amend an amendment is possible but no additional motions to further amendments may be made. Any amendment shall relate to the original motion and not introduce a different matter. Amendments shall be voted first, then the main motion as amended. Alternatively, the original maker of the main motion may agree to revise the original motion and if the second agrees to second the revised motion, the Oversight Board may vote on the main motion as revised.

Section 9. Voting Procedure

(a) Voting Procedure: In acting upon every motion, the vote shall be taken by audible vote or if requested by roll call. The vote on each motion shall then be entered in full upon the record. If the vote is by roll call, the order of voting shall be alphabetical with the Chairperson voting last. The Secretary shall call the names of all members seated when a roll call vote is ordered or required. Members shall respond 'aye,' 'no' or 'abstain.'

Any action or motion of the board shall require four affirmative votes. Any member may change his or her vote before the next order of business.

(b) Failure to Vote: A board member who abstains due to reasons of conflict shall, for purpose of the item under consideration, be considered as if absent. A board member abstaining for reasons other than conflict shall be counted as present for purposes of a quorum and such abstentions are not counted as an affirmative vote.

A board member who leaves the dais solely to avoid participating in a specific item shall, in absence of a conflict, be counted as if they were present but abstaining and such abstentions shall not be counted as an affirmative vote.

(c) Reconsideration: Any board member who voted with the majority may move a reconsideration of any action at the same meeting. If the motion to reconsider passes, then the original item may be reconsidered at that time or agendaized for the next meeting which meets any applicable noticing requirements. After a motion for reconsideration has once been acted upon, no other motion for reconsideration thereof shall be made without unanimous consent of the Oversight Board.

Section 10 Resolutions

(a) Definitions: The Actions of the Oversight Board will take one of three forms: "resolution," "minute order," and "motion" (hereafter recorded by minute entry). Resolutions, in addition to being referenced in the minutes, will be recorded by a separate document, numbered in sequence and preserved in a separate set of books. Such "resolutions" are used for various reasons, such as when specifically required by law, when needed as a separate evidentiary document to be transmitted to another governmental agency, or where the frequency of future reference back to its contents warrants a separate document (with the additional "whereas" explanatory material it often recites) to facilitate such future reference and research.

A "minute order" as used locally denotes an Oversight Board action which is recorded simply by an item entry in the minutes of the meeting at which it was accomplished, and no separate document is made to memorialize it. However, sequential numbering shall be assigned to each motion to facilitate indexing.

(b) Resolutions Prepared In Advance: Where a resolution has been prepared in advance, the procedure shall be: motion, second, discussion, vote pursuant to methods prescribed above, and result declared. It shall not be necessary to read a resolution in full or by title except to identify it. Any member may require that the resolution be read in full.

(c) Resolutions Not Prepared In Advance: Where a resolution has not been prepared in advance, the procedure shall be to instruct the Executive Director of the Successor Agency to prepare a resolution for presentation at the next Oversight Board meeting.

(d) Urgency Resolutions: In matters of urgency, a resolution may be presented verbally in motion form together with instructions for written preparation for later execution. After the resolution has been verbally stated, the voting procedure described above shall be followed.

ARTICLE II - MISCELLANEOUS

Section 11. Amendments to Rules of Procedure

The Rules of Procedure of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Rules of Procedure proposed to be amended.

Section 12. Rules Directory

To the extent not required by State laws, these rules of procedure shall be considered directory only; and compliance herewith shall not be considered mandatory or jurisdictional.

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

AGENDA REPORT

Item No. V - B

Date: May 1, 2014

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Christopher J. Chung, Executive Director

BY: Paulina Morales, Project Manager

SUBJECT: REQUEST TO INCORPORATE AN ANNUAL ELECTION PROCESS FOR THE CHAIRPERSON AND VICE-CHAIRPERSON

RECOMMENDED ACTION:

It is recommended that the Oversight Board direct staff accordingly.

DISCUSSION:

On February 6, 2014, the Oversight Board approved to consider a request by Board Member Lee to incorporate an annual election process for the Chairperson and Vice-Chairperson. The request would require an amendment to the Board's Bylaws (Attachment No. 1) to include an annual rotation process of the Chairperson and Vice-Chairperson.

On April 19, 2012, the Oversight Board adopted Resolution No. OB-0003 establishing the Board's Bylaws. Under the Bylaws, selection of the Chairperson and Vice-Chairperson are as follows:

ARTICLE II - OFFICERS

Section 1. Officers and Officials

The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson.

Other officials acting as its staff shall be the Executive Director of the Successor Agency, Secretary, Finance Director, Community Development Commission Director, Police Chief and such other employees of the Successor Agency/and or City of West Covina as deemed necessary by the Executive Director of the Successor Agency.

Section 2. Chairperson

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 3. Vice-Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

The adopted Bylaws of the Oversight Board do not include terms for the selected officers nor an annual election process for the Chairperson and Vice-Chairperson. Should the Oversight Board wish to incorporate an annual election process and hold an election, staff will prepare a Resolution approving the amended Bylaws and a Resolution to designate the newly elected Chairperson and Vice-Chairperson for the next Oversight Board meeting. Any action or motion by the board shall have four affirmative votes.

It is important to note that a 7-day written notice to all Board members is required prior to making any amendments to the Bylaws. The notice will be given at the Oversight Board meeting in which the Board directs staff to prepare the Resolutions.

Options:

- 1) Direct staff to prepare and bring back Resolution to amend the Bylaws adding a section to incorporate an annual election of the Chairperson and Vice-Chairperson and to hold an election and have a Resolution to designate the newly elected Chairperson and Vice-Chairperson.
- 2) Do not direct staff to prepare and bring back a report.

Prepared By:

 for

Paulina Morales
Project Manager

Attachment:

1. Resolution No. OB-0003 – Bylaws
2. Resolution No. OB-0004 – Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

RESOLUTION NO. OB-0003

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING BYLAWS AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board for the Successor Agency to the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Bylaws substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

SECTION 3. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 4. The Oversight Board Secretary shall certify to the adoption of this resolution.

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

ARTICLE I - THE OVERSIGHT BOARD

Section 1. Name of Authority

The official name shall be the "Oversight Board of the Successor Agency to the West Covina Redevelopment Agency" (herein referred to as "Oversight Board").

Section 2. Oversight Board Members

The Oversight Board shall be composed of seven members. All Oversight Board members shall be selected pursuant to the guidelines set forth in the California Health and Safety Code 34179.

Section 3. Place of Meeting

The office and regular place of meeting of the Oversight Board shall be at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA.

Section 4. Powers

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code Sections 34179, 34180, and 34181.

ARTICLE II - OFFICERS

Section 1. Officers and Officials

The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson.

Other officials acting as its staff shall be the Executive Director of the Successor Agency, Secretary, Finance Director, Community Development Commission Director, Police Chief and such other employees of the Successor Agency/and or City of West Covina as deemed necessary by the Executive Director of the Successor Agency.

Section 2. Chairperson

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 3. Vice-Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

Section 4. Executive Director

The City Manager of the City of West Covina shall serve as the Executive Director of the Successor Agency. The Executive Director shall have general supervision of the administration of its business and affairs of the Oversight Board.

Section 5. Secretary

The Assistant City Clerk or her designee shall act as the Secretary of the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs. In the absence of the Secretary, the Executive Director to the Successor Agency shall appoint a member of the staff to act as Secretary.

Section 6. Finance Director

The Finance Director shall be the Finance Official of the Oversight Board. The Finance Director shall prepare all budgets and financial report statements as required by law for the Oversight Board.

Section 7. Community Development Commission Director

The Community Development Commission Director shall be the Designated Staff of the Oversight Board and shall be the contact person for the Oversight Board members.

Section 8. Police Chief

The Police Chief or his designee shall be sergeant of arms of the Oversight Board.

Section 9. Vacancies

When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy or pursuant to California Health and Safety Code Section 34179.

Section 10. Compensations

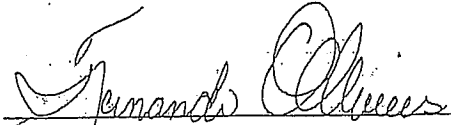
Oversight Board member shall serve without compensation or reimbursement for expenses.

ARTICLE III - MISCELLANEOUS

Section 11. Amendments to Bylaws

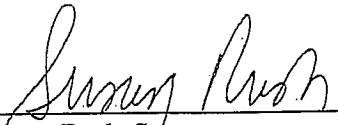
The Bylaws of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Bylaws proposed to be amended.

APPROVED AND ADOPTED on this 19th day of April, 2012.



Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

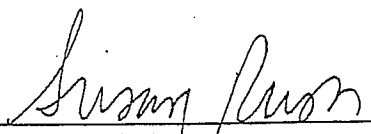
ATTEST



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

RESOLUTION NO. OB-0004

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING RULES OF PROCEDURE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and,

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and,

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board to the Successor Agency of the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Rules of Procedure substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

SECTION 3. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 4. The Successor Agency Secretary shall certify to the adoption of this resolution.

RULES OF PROCEDURE OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY

ARTICLE 1 - MEETINGS

Section 1. Regular Meetings

The day, time and location of the regular meetings of the Oversight Board shall be determined by the Oversight Board and approved by resolution. The meetings will be held at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, California. In the event a regular meeting falls on a legal holiday, said meeting shall be held on the next business day unless otherwise determined by the Oversight Board.

Section 2. Special Meetings

The Chairperson of the Oversight Board may, when he or she deems it necessary, and shall, upon the written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 54950 et seq., as it now exists or may hereafter be amended (the "Brown Act").

Section 3. Adjourned Meetings

The board members may adjourn any meeting to a time and place specified in the order of adjournment. When an order of adjournment of any meeting fails to state an hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act.

Section 4. Quorum

Four (4) board members of the Oversight Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. Every official act of the Oversight Board shall be adopted by four affirmative votes except in situations where the law requires a greater number of votes.

Section 5. Order of Business

(a) Agenda: The order of business of each meeting shall be as contained in the Agenda prepared by the Oversight Board Secretary. The Agenda shall be a listing by topic of the subjects which shall be taken up for consideration in the following order:

- (i) Call to Order
- (ii) Changes to Agenda
- (iii) Public Comment
- (iv) Consent Agenda
- (v) Business Item(s)

- (vi) Study Session
- (vii) Board Members' Comments
- (viii) Closed Session
- (ix) Adjournment

All resolutions shall be in writing and designated by number, reference to which shall be inscribed in the minutes and an approved copy of each resolution filed in the official book of resolutions of the Oversight Board.

(b) Preparation of Agenda: The Executive Director of the Successor Agency or his designee shall be responsible for the preparation of the Agenda. The Executive Director shall have the ability to place items on the agenda deemed necessary for consideration by the Oversight Board.

Any requests by Oversight Board Members for reports, studies or investigations that are not readily available must be placed on the Oversight Board Agenda as items of business and must be approved by a majority vote of the Oversight Board. Such Board Member's request can either be made directly to the Executive Director or at an Oversight Board meeting under "Board Members' Comments" section of the Agenda. Upon receiving a request, the Executive Director, or his designee shall prepare and place on a future agenda, a staff report stating the request made by the Board Member for Oversight Board consideration. If approved by majority vote, the Executive Director shall then prepare the requested matter (i.e. report, study or investigation) and if necessary or requested, subsequently place the matter on a future Agenda for discussion and consideration.

(c) Delivery of Agenda: The Agenda and related staff reports will ordinarily be delivered to the board members via e-mail 72 hours prior to a regular scheduled meeting and 24 hours prior to a special meeting.

The Agenda and staff reports shall also be available to the general public at the time it is delivered to the board members.

(d) Roll Call: Before proceeding with the business of the Oversight Board, the Oversight Board Secretary shall call the roll of the board members and the names of those present shall be entered in the minutes. The order of roll call shall be alphabetical with the Chairperson called last.

(e) Approval of Minutes: From time to time, the Oversight Board shall approve minutes of the previous meeting or meetings.

(f) Public Comment: Pursuant to Government Code 54954.3, each agenda for a regular meeting shall provide an item entitled "Public Comment." The purpose of such item shall be to provide an opportunity for members of the public to directly address the Oversight Board on items of interest to the public that are within the subject matter jurisdiction of the Oversight Board. In order to assure that the intent of Government Code 54954.3 is carried out, five (5) minutes is the amount of time allocated for each individual speaker. The time limit may be extended or limited by the chairperson to assure the efficient conduct of business.

(g) Consent Agenda: Items of routine nature, non-controversial, and approval of minutes shall be placed on the consent agenda. All items may be approved by one blanket

motion upon unanimous consent. Prior to review of the consent agenda, any board member may request that any item be withdrawn from the consent agenda for separate consideration.

(h) Call to Order: The meeting of the Oversight Board shall be called to order by the Chairperson, or in his/her absence, by the Vice Chairperson. The person calling meetings to order shall be referred to as the "Presiding Officer." In the absence of both the Chairperson and the Vice Chairperson, the meeting shall be called to order by the secretary to the Oversight Board and the Board shall select a Temporary Chairperson, who shall serve as the Presiding Officer for the meeting.

(i) Participation of Presiding Officer: The Presiding Officer may move, second, and debate, subject only to such limitations of debate as are imposed on all board members, and he or she shall not be deprived of any of the rights and privileges of a board member by reason of his or her acting as Presiding Officer. However, the Presiding Officer is primarily responsible for the conduct of the meeting.

(j) Question to be Stated: The Presiding Officer shall verbally restate each question immediately prior to calling for the vote. Following the vote, the Presiding Officer shall verbally announce whether the question carried or was defeated. The Presiding Officer may also publicly state the effect of the vote for the benefit of the audience before proceeding to the next item of business.

(k) Maintenance of Order: The Presiding Officer is responsible for the maintenance of order and decorum at all times. No person is allowed to speak who has not first been recognized by the Presiding Officer. All questions and remarks shall be addressed to the Presiding Officer.

Section 6. Rules, Decorum and Order

(a) Points of Order: The Presiding Officer shall determine all Points of Order subject to the right of any member to appeal to the Oversight Board. If any appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?" in which event a majority vote shall govern and conclusively determine such question of order.

(b) Decorum and Order - Board members:

(i) Any board member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself or herself to the question under debate.

(ii) A board member, once recognized, shall not be interrupted while speaking unless called to order by the Presiding Officer; unless a Point of Order is raised by another board member; or unless the speaker chooses to yield to questions from another board member.

(iii) Any board member called to order while he or she is speaking shall cease speaking immediately until the question of order is determined. If ruled to be in order, he or she shall be permitted to proceed. If ruled to be not in order, he or she shall remain silent or shall alter his or her remarks so as to comply with rules of the Oversight Board.

(iv) Board members shall accord the utmost courtesy to each other, to city or Oversight Board employees, and to the public appearing before the Oversight Board and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities:

(v) Any board member may move to require the Presiding Officer to enforce the rules and the affirmative vote of a majority of the Oversight Board shall require him or her to so act.

(vi) Except where specifically authorized by Oversight Board action, no board member shall make any statement or give the appearance or indicate in any way that he or she is representing the Oversight Board.

(c) Decorum and Order - Employees: Members of the administrative staff of the Oversight Board shall observe the same rules of procedure and decorum applicable to board members. The Executive Director shall ensure that all Oversight Board employees observe such decorum. Any staff members, including the Executive Director, desiring to address the Oversight Board or members of the public shall first be recognized by the Presiding Officer. All remarks shall be addressed to the Presiding Officer and not to any one individual board member or member of the public.

(d) Decorum and Order - Public: Members of the public attending Oversight Board meetings shall observe the same rules of order and decorum applicable to the Oversight Board. Any person making impertinent and slanderous remarks or who becomes boisterous while addressing the Oversight Board or while attending the Oversight Board meeting shall be removed from the room and such person may be barred from further audience before the Oversight Board. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the Presiding Officer, who may direct the sergeant-of-arms to remove such offenders from the room. Aggravated cases shall be prosecuted on appropriate complaint signed by the Presiding Officer.

(e) Enforcement of Decorum: As set forth in Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the board members may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Oversight Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(f) Conflict of Interest: All board members are subject to the provisions of California Law, such as Chapter 7, Title 9, of the California Government Code, relative to conflicts of interest, and to conflicts of interest codes adopted by the Oversight Board.

(g) Limitation of Debate: No board member normally should speak more than once upon any one subject until every other board member choosing to speak thereon has spoken. No member shall speak for a longer time than five minutes each time he has the floor, without approval of a majority vote of the Oversight Board.

(h) Dissents and Protests: Any board member shall have the right to express dissent from or protest to any action of the Oversight Board and have the reason entered in the minutes. If such dissent or protest is desired to be entered in the minutes, this should be made clear by language such as, "I would like the minutes to show that I am opposed to this action for the following reasons . . ."

(i) Procedures In Absence of Rules: In the absence of a rule herein to govern a point or procedure, Robert's Rules of Order, Newly Revised, shall be used as a guide.

(j) Rulings of Presiding Officer Final Unless Overruled: In presiding over Oversight Board meetings, the Presiding Officer shall decide all questions of interpretation of these rules, points of order or other questions of procedure requiring rulings. Any such decision or ruling shall be final unless overridden or suspended by a majority vote of the board members present and voting.

Section 7. Addressing the Oversight Board

(a) Manner of Addressing the Oversight Board: Any member of the public desiring to address the Oversight Board shall proceed to the podium and wait to be recognized by the Presiding Officer. After being recognized, he shall state his name and address for the record.

All remarks and questions shall be addressed to the Presiding Officer and not to any individual board member, staff member or other person. No person shall enter into any discussion without being recognized by the Presiding Officer.

(b) Time Limitation: For time limitation applicable to public comment, see Article I, Section (5). This limitation shall not apply to any staff presentation.

(c) Addressing the Oversight Board After Motion Is Made: After a motion has been made, no member of the public shall address the Oversight Board without first securing permission by a majority vote of the Oversight Board

(d) Limitations Regarding Public Comments and Reports: The making of oral communications to the Oversight Board by any member of the public during the "Public Comments" portion of the agenda shall be subject to the following limitations:

At any time, before or after the oral communication is commenced, the Presiding Officer may if he or she deems it preferable, direct that the communication be made instead either to the Executive Director or other appropriate staff member during regular business hours, or in writing for subsequent submittal to board members.

(e) Persons Authorized to be Within Platform: No person except Oversight Board Officials shall be permitted behind the Oversight Board dais without permission or consent of the Presiding Officer.

Section 8. Motions

(a) Processing of Motions: When a motion is made and seconded, it shall be stated by the Presiding Officer before debate. A motion so stated shall not be withdrawn by the mover without the consent of the person seconding it.

(b) Motions Out of Order: The Presiding Officer may at any time, by majority consent of the board members, permit a board member to introduce a resolution or motion out of the regular agenda order.

(c) Division of Question: If the question contains two or more divisional propositions, the Presiding Officer may, and upon request of a board member shall (unless appealed), divide the same.

(d) Precedence of Motions: When a motion is before the Oversight Board, no motion shall be entertained except the following, which shall have precedence in the following order:

- Adjourn
- Fix hour of adjournment
- Table
- Limit or terminate discussion
- Amend
- Postpone

(e) Motion to Adjourn: (not debatable) A motion to adjourn shall be in order at any time, except as follows:

- When repeated without intervening business or discussion.
- When made as an interruption of a board member while speaking.
- When discussion has been ended, and vote on a motion is pending, and
- While a vote is being taken.

(f) Motion to Fix Hour of Adjournment: Such a motion shall be to set a definite time at which to adjourn and shall be debatable and shall be amendable by unanimous vote.

(g) Motion to Table: A motion to table shall be used to temporarily by-pass the subject. A motion to table shall be undebatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" at any time prior to the end of the next regular meeting.

(h) Motion to Limit or Terminate Discussion: Such a motion shall be used to limit or close debate on, or further amendment to, the main motion and shall be undebatable. If the motion fails, debate shall be reopened; if the motion passes, a vote shall be taken on the main motion.

(i) Motion to Amend: A motion to amend shall be discussed only as to the amendment. A motion to amend an amendment is possible but no additional motions to further amendments may be made. Any amendment shall relate to the original motion and not introduce a different matter. Amendments shall be voted first, then the main motion as amended. Alternatively, the original maker of the main motion may agree to revise the original motion and if the second agrees to second the revised motion, the Oversight Board may vote on the main motion as revised.

Section 9. Voting Procedure

(a) Voting Procedure: In acting upon every motion, the vote shall be taken by audible vote or if requested by roll call. The vote on each motion shall then be entered in full upon the record. If the vote is by roll call, the order of voting shall be alphabetical with the Chairperson voting last. The Secretary shall call the names of all members seated when a roll call vote is ordered or required. Members shall respond 'aye,' 'no' or 'abstain.'

Any action or motion of the board shall require four affirmative votes. Any member may change his or her vote before the next order of business.

(b) Failure to Vote: A board member who abstains due to reasons of conflict shall, for purpose of the item under consideration, be considered as if absent. A board member abstaining for reasons other than conflict shall be counted as present for purposes of a quorum and such abstentions are not counted as an affirmative vote.

A board member who leaves the dais solely to avoid participating in a specific item shall, in absence of a conflict, be counted as if they were present but abstaining and such abstentions shall not be counted as an affirmative vote.

(c) Reconsideration: Any board member who voted with the majority may move a reconsideration of any action at the same meeting. If the motion to reconsider passes, then the original item may be reconsidered at that time or agendized for the next meeting which meets any applicable noticing requirements. After a motion for reconsideration has once been acted upon, no other motion for reconsideration thereof shall be made without unanimous consent of the Oversight Board.

Section 10 Resolutions

(a) Definitions: The Actions of the Oversight Board will take one of three forms: "resolution," "minute order," and "motion" (hereafter recorded by minute entry). Resolutions, in addition to being referenced in the minutes, will be recorded by a separate document, numbered in sequence and preserved in a separate set of books. Such "resolutions" are used for various reasons, such as when specifically required by law, when needed as a separate evidentiary document to be transmitted to another governmental agency, or where the frequency of future reference back to its contents warrants a separate document (with the additional "whereas" explanatory material it often recites) to facilitate such future reference and research.

A "minute order" as used locally denotes an Oversight Board action which is recorded simply by an item entry in the minutes of the meeting at which it was accomplished, and no separate document is made to memorialize it. However, sequential numbering shall be assigned to each motion to facilitate indexing.

(b) Resolutions Prepared In Advance: Where a resolution has been prepared in advance, the procedure shall be: motion, second, discussion, vote pursuant to methods prescribed above, and result declared. It shall not be necessary to read a resolution in full or by title except to identify it. Any member may require that the resolution be read in full.

(c) Resolutions Not Prepared In Advance: Where a resolution has not been prepared in advance, the procedure shall be to instruct the Executive Director of the Successor Agency to prepare a resolution for presentation at the next Oversight Board meeting.

(d) Urgency Resolutions: In matters of urgency, a resolution may be presented verbally in motion form together with instructions for written preparation for later execution. After the resolution has been verbally stated, the voting procedure described above shall be followed.

ARTICLE II - MISCELLANEOUS

Section 11. Amendments to Rules of Procedure

The Rules of Procedure of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Rules of Procedure proposed to be amended.

Section 12. Rules Directory

To the extent not required by State laws, these rules of procedure shall be considered directory only; and compliance herewith shall not be considered mandatory or jurisdictional.

