

MINUTES

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

September 18, 2018, 9:30 a.m.

1. CALL TO ORDER

The regular meeting of the Orange Countywide Oversight Board was called to order at 9:30 a.m. on September 18, 2018 at 550 South Main Street, Room 7, Orange, California by Chairman Brian Probolsky, presiding officer.

Present:	7	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Charles Barfield
		Board Member:	Steve Franks
		Board Member:	Chris Gaarder
		Board Member:	Dean West
		Board Member:	Phillip E. Yarbrough

Absent: None

Also present were Chris Nguyen, Staff to the Oversight Board; Anthony Kuo, Clerk of the Oversight Board, and Clare Venegas, Consultant to the Oversight Board

2. PLEDGE OF ALLEGIANCE

Led by Chairman Probolsky.

3. OATH OF OFFICE

The Honorable Eric H. Woolery, Orange County Auditor-Controller, administered the Oath of Office for The Honorable Phillip E. Yarbrough to represent the California Community Colleges.

Board Member Yarbrough suggested to Chairman Probolsky moving Public Comment up on the agenda in advance of the presentations for other agenda items.

PUBLIC COMMENTS

Chairman Probolsky asked if any Board Members objected, and seeing none, opened Public Comment. No public comments were made.

4. APPROVAL OF MINUTES FROM AUGUST 7, 2018

Moved by Board Member Barfield, seconded by Board Member Gaarder.

5. ADOPTION OF RESOLUTION FOR REGULAR 2019 MEETING SCHEDULE

Staff member Nguyen presented a resolution setting forth the regular meeting schedule for 2019 (January 22, January 29, April 30, July 30, September 24) and location (the Rancho Santiago Community College District board room in Santa Ana). He noted some meeting dates such as the January meetings are anticipated to be lengthier and some dates may be ultimately cancelled depending on number of requests for agenda items by Successor Agencies. He noted that the resolution also delegated to staff the ability to move the September 24 regular meeting to September 17, provided notice is given no later than the April 30 regular meeting.

Vice Chairman Jones requested that the meeting notices be sent to Board Members via electronic calendar invitations. Board Member Yarbrough requested staff avoid major religious holidays like Yom Kippur when scheduling future meetings. Chairman Probolsky requested an earlier start time, to which the Board agreed on 8:30 a.m. as the start time for all future meetings.

ACTION: The resolution was moved by Board Member Barfield, seconded by Board Member Yarbrough, unanimously approved.

6. PRESENTATION ON THE BOARD'S DUTIES AND RESPONSIBILITIES

Staff member Nguyen provided a presentation of the Oversight Board's duties and responsibilities, citing the relevant language from Health and Safety Code Section 34179, and oversight relationship over the Successor Agencies in Orange County. He also noted the items that require Oversight Board approval including Recognized Obligation Payment Schedules (ROPS) and amendments; Last and Final ROPS; Issuance of bonds or other indebtedness; Pledges or agreements for the pledge of property tax revenue; Establishment of new repayment terms for outstanding loans; Compensation agreements; Property dispositions; and Final resolution of dissolution for the Successor Agency. Nguyen also noted Health and Safety Code does not allow Oversight Board members to be compensated or reimbursed for expenses.

Board Member Franks asked whether they would be able to get information about all of the Successor Agencies and the status of their obligations. Staff member Nguyen noted that the staff, along with the assistance of Curt Pringle & Associates, the consultant, are working on a "snapshot survey" for Successor Agencies to complete and will present the findings at a future meeting. Board Member Franks also inquired about the Oversight Board's administrative budget and how funds are allocated and drawn upon. Staff member Nguyen replied that only actual administrative and set-up costs are drawn upon as needed from the Redevelopment Property Tax Trust Fund (RPTTF), and such allocations do not require Board action.

7. ADOPT RESOLUTION AT THE REQUEST OF SEAL BEACH SUCCESSOR AGENCY FOR APPOINTMENT OF NEW OVERSIGHT AGENT AND PROGRAM ADMINISTRATOR

Vikki Beatley, the City of Seal Beach's Director of Finance and City Treasurer, presented the resolution requesting the Oversight Board authorize the Successor Agency's execution and delivery of Amendment No. 2 to appoint a successor Oversight Agent and Program Administrator for Seal Beach Shores, a mobile home park project, per the bond issuance documents.

ACTION: The resolution was moved by Board Member Yarborough, seconded by Board Member Barfield, unanimously approved.

8. ADOPT RESOLUTION AT THE REQUEST OF GARDEN GROVE SUCCESSOR AGENCY FOR TRANSFER OF PROPERTY

Vice Chairman Jones recused himself on this item and left the Board room.

Lisa Kim, the City of Garden Grove's Community and Economic Development Director, discussed the agency's request to approve the transfer of certain real property to New Age Brookhurst, LLC in accordance with the Long Range Property Management Plan.

Board Members Franks and Yarborough inquired about the sale proceeds and market valuation. Board Member West asked about the property tax distribution.

ACTION: Moved by Board Member Yarbrough, seconded by Board Member Gaarder, unanimously approved.

9. ADOPT RESOLUTIONS REGARDING REQUESTS BY SUCCESSOR AGENCIES FOR AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

At 10:06 a.m., Vice Chairman Jones returned to the dais. Jones requested staff provide a legal opinion on recusals of Successor Agencies where he is also a sitting board member. Staff member Nguyen noted that staff will have an update later in the agenda regarding Board counsel.

- a. Anaheim:** Staff member Nguyen introduced the item. City of Anaheim Community and Economic Development Director John Woodhead presented a resolution approving amendment to FY 2018-19 ROPS for the Anaheim Successor Agency, and explained the background. The amendment requests RPTTF funds to pay a City loan obligation for construction of the Packing House alleyway. Department of Finance denied the request for funding, and they are awaiting a trial court decision that is consistent with the appellate court.

Board Member Franks asked if the Oversight Board's action make us a party to litigation. Board Member West asked about why the Department of Finance denied the request.

Staff member Nguyen noted that the first paragraph from resolution was

mistakenly placed there and should be deleted.

ACTION: Motion by Board Member Yarbrough, seconded by Vice Chairman Jones, unanimously approved, with an amendment to delete the erroneous first paragraph.

- b. **Garden Grove** – 10:13 a.m. Vice Chairman Jones recused himself from this item. Staff member Nguyen explained the request to approve the Garden Grove’s Amended ROPS 18-19 B. The funds should have come from FY 17-18 instead of FY 18-19.

ACTION: Motion by Board Member Barfield, seconded by Board Member Yarbrough, unanimously approved.

At 10:16 a.m., Vice Chairman Jones returned to dais.

- c. **Mission Viejo** -- Staff member Nguyen noted this item is to approve the Amended ROPS 18-19B, noting that Mission Viejo’s increase of \$33,000 is the result of implementing the settlement agreement resulting from litigation between the State, the County, and City. Nguyen noted Mission Viejo staff were in attendance to answer any questions.

Board Member Gaarder clarified that this reflects a change in how the expenses are allocated between the parties. Nguyen said that ROPS only pertains to money coming from the RPTTF.

ACTION: Motion by Board Member Gaarder, seconded by Board Member Barfield, unanimously approved.

- d. **San Juan Capistrano** – Staff member Nguyen introduced the San Juan Capistrano Successor Agency request to approve the Amended ROPS 18-19B for the second half of Fiscal Year 2018-19 to ensure that the Successor Agency complies with its bond covenants.

Vanessa Ludband, counsel to the San Juan Capistrano Successor Agency, explained the amended ROPS adjusts the timing of tax deposits in order to fully comply with the agreements. Board Member Franks asked whether this timing issue may occur with other agencies.

ACTION: Motion by Board Member Yarbrough, seconded by Vice Chairman Jones, unanimously approved.

- a. **Santa Ana** -- Staff member Nguyen introduced the request by the Santa Ana Successor Agency to approve a resolution approving an amendment to the FY 2018-19 ROPS to reflect payment of an outstanding obligation that is anticipated in January 2019.

ACTION: Motion by Board Member Gaarder, seconded by Board Member Yarbrough, unanimously approved.

BOARD COMMENTS

Chairman Probolsky invited Board Members to provide additional comments. Board Member Yarbrough noted he would be happy to address any issues or concerns that may arise related to the use of the Rancho Santiago Community College District board facilities for future Oversight Board meetings.

Chairman Probolsky invited staff to provide any additional comments.

STAFF COMMENTS

Staff member Nguyen provided an update regarding hiring Board Counsel. He noted that the Auditor-Controller’s office will soon launch a Request for Proposals to retain a primary counsel, but he anticipates there may be a lot of law firms that are conflicted from participating. The goal is to have counsel in place by the January meeting. Chairman Probolsky noted he would like to see the RFP before it goes out, and invited another Board Member to participate in a subcommittee. Board Member Barfield agreed to participate in that process. Nguyen noted that although the Countywide Oversight Board is a legally separate entity, staff will be following County’s procurement process for counsel selection, rather than inventing an entirely new procurement process.

ADJOURNMENT

Chairman Probolsky adjourned the meeting at 10:36 a.m. and noted the next regular meeting of the Countywide Oversight Board is scheduled for January 22, 2019.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE