

MINUTES

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

January 22, 2019, 8:30 a.m.

1. CALL TO ORDER

The regular meeting of the Orange Countywide Oversight Board was called to order at 8:37 a.m. on January 22, 2019 at 2323 N. Broadway, Santa Ana, California by Chairman Brian Probolsky, presiding officer.

Present:	6	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones (arrived during Item 4A)
		Board Member:	Steve Franks
		Board Member:	Chris Gaarder
		Board Member:	Dean West
		Board Member:	Phillip E. Yarbrough
Absent:	1	Board Member:	Charles Barfield

Also present were Chris Nguyen, Staff to the Oversight Board; Patrick Bobko, Counsel; Kathy Tavoularis, Clerk of the Board, and Clare Venegas, Consultant.

1. PLEDGE OF ALLEGIANCE

Led by Board Member Yarbrough.

2. APPROVAL OF MINUTES FROM SEPTEMBER 18, 2018

Minutes from the September 18, 2018 Board meeting. On the motion of Board Member Yarbrough, seconded by Board Member West, the minutes were unanimously approved.

3. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSOR AGENCY FOR APPROVAL OF AMENDMENT TO COOPERATIVE AGREEMENT

A. City of Orange

ACTION: On the motion of Board Member West, seconded by Board Member Gaarder, the resolution was unanimously approved.

4. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSOR AGENCY FOR TRANSFER OF PROPERTY

A. City of Orange

Board Member West made a motion to approve the resolution, seconded by Board Member Gaarder.

Chairman Probolsky and Board members discussed process for comments by the public and Successor Agencies. Chairman Probolsky asked Board Clerk Tavoularis if there were any requests for public comment; she confirmed there were none.

Chairman Probolsky opened discussion with Will Kolbow, Administrative Services Director for the City of Orange and their counsel. Board members discussed the City's request, during which time Vice Chairman Jones arrived and joined the discussion. After discussion completed, Board Members West and Gaarder withdrew their motion. Board members requested the Successor Agency not return with the item until after appraising the value of the property and analyzing financial options regarding the property.

The item failed for lack of a motion. Staff member Nguyen noted the Successor Agency could re-submit the item at a later date with the requests from the Board members as discussed.

5. ADOPT RESOLUTIONS REGARDING REQUESTS BY SUCCESSOR AGENCIES FOR ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET

A. County of Orange

ACTION: On the motion of Board Member Yarbrough, seconded by Board Member West, the resolution was unanimously approved.

B. Costa Mesa

ACTION: On the motion of Board Member Yarbrough, seconded by Board Member West, the motion was unanimously approved.

C. Cypress

ACTION: On the motion of Board Member Yarbrough, seconded by Board Member Franks, the motion was unanimously approved.

D. Fountain Valley

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Board Member Gaarder seconding. Board Member West inquired of Successor Agency staff regarding the Department of Finance approval letter's caveats on administrative expenses. He

also commented on the breakdown of administrative expenses, stating his desire for the Oversight Board to ensure Successor Agencies reduce their administrative costs. Motion unanimously approved.

E. Fullerton

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Board Member Gaarder seconding. Board Member Gaarder inquired of Successor Agency staff regarding the \$6M payment on line 4 for the 2005 Tax Allocation Bonds. Motion unanimously approved.

F. Garden Grove

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Board Member Franks seconding. Board Member Gaarder inquired of Successor Agency staff regarding the state of the Housing Entity Administrative Cost Allowance litigation by various Successor Agencies statewide with the Department of Finance. Board Member West inquired more specifically about Line 51, Garden Grove's request for Housing Entity Administrative Cost Allowance. Motion unanimously approved.

G. Irvine

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Board Member Gaarder seconding. Board Member Gaarder asked a question about the \$236M balance of the Stipulated Judgment Enforceable Obligation presented in the ROPS on Line 18, which was addressed by Amy Roblyer, Senior Management Analyst for the City of Irvine. Board Member West asked about the lawsuit against the Department of Finance that led to the Settlement Agreement for \$292M (with the remaining balance of \$236M), and the questions were addressed by Irvine City Attorney Jeff Melching. Board Member West noted he would like to see momentum from all Successor Agencies to reduce administrative expenses. Chairman Probolsky created an ad hoc committee to work with staff on an administrative budget template. He also asked staff to work with Board Member West on a letter that could be reviewed and approved by the Oversight Board at a later meeting to be sent to the Successor Agencies. Motion unanimously approved.

H. La Palma

ACTION: On the motion of Board Member Yarbrough, seconded by Board Member Gaarder, the motion was unanimously approved.

I. Mission Viejo

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Vice Chairman Jones seconding. Board Member West asked Mission Viejo Successor Agency staff about the Department of Finance's determination letter on administrative costs. Cheryl Dyas, Mission Viejo Director of Administrative Services, noted that the administrative budget is

based on actual staff time and actual costs. Staff member Nguyen thanked the Successor Agency for its 47-line item administrative budget detail, at which point Chairman Probolsky noted it would be a good starting point for the administrative budget template to be created by Oversight Board's staff and the ad hoc committee. Motion was unanimously approved.

J. City of Orange

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Vice Chairman Jones seconding. Board Member West asked whether detail is provided on administrative budget. City of Orange Administrative Services Director Will Kolbow noted the positions that are included in the request. Motion unanimously approved.

K. San Juan Capistrano

ACTION: On the motion of Board Member Yarbrough, seconded by Board Member Gaarder, the motion was unanimously approved.

L. Seal Beach

Vikki Beatley, Seal Beach Finance Director, presented and distributed an amendment to the ROPS previously provided to the Board that would decrease line 18, the Housing Entity Administrative Cost Allowance, to zero.

ACTION: Board Member Yarbrough made a motion to approve the resolution as amended, with Vice Chairman Jones seconding. Board Member Gaarder asked a question regarding the administrative budget, which Beatley answered. Motion was unanimously approved.

M. Stanton

ACTION: Board Member Yarbrough made a motion to approve the resolution, with Board Member West seconding. West inquired about Line 83, a \$2.1M loan from the City of Stanton to the former redevelopment agency. Stanton Assistant City Manager Stephen Parker said they are meeting with the Department of Finance on Friday. Motion was unanimously approved.

N. Westminster

ACTION: Board Member Gaarder made a motion to approve the resolution, with Vice Chairman Jones seconding. Board Member West asked about the Department of Finance determination letter, to which Alexa Smittle, Westminster Senior Administrative Analyst, noted that the cost estimate is based on a settlement from litigation, and the last and final ROPS is imminent. Board Member West inquired about the administrative budget, which was not included, but Smittle said it would be included in the future. Motion was unanimously approved.

STAFF COMMENTS:

Staff member Nguyen welcomed Patrick Bobko as Board Counsel, whose firm Ring Bender won the bid for Board Counsel services after an RFP process. He also noted that with former Oversight Board Clerk Anthony Kuo’s election to the Irvine City Council, and because Irvine is a Successor Agency, the new Clerk of the Board will be Kathy Tavoularis.

Staff member Nguyen also congratulated Vice Chairman Jones and Board Member Yarbrough on their recent re-elections as Mayor of Garden Grove and Trustee of the Rancho Santiago Community College District, respectively. He also congratulated Chairman Probolsky on being selected as President of the Moulton-Niguel Water District, Vice Chairman Jones as Vice Chairman of the Orange County Transportation Authority, Board Member Yarbrough as President of the Rancho Santiago Community College District, and Board Member Barfield as General Manager of the Orange County Employees Association.

BOARD COMMENTS:

Board Member Yarbrough welcomed fellow Oversight Board Members to the Rancho Santiago Community College District Board Room and offered the District’s assistance with any issues that arise with the location.

Chairman Probolsky noted the challenge of reviewing the volume of information for each meeting. He will discuss with staff ways to improve agenda distribution. He thanked Board Member Yarbrough for his assistance in securing the meeting space.

ADJOURNMENT

Chairman Probolsky adjourned the meeting at 10:13 a.m. and noted the next regular meeting of the Countywide Oversight Board is scheduled for January 29, 2019.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

CLERK OF THE BOARD

DATE