

APPROVED MINUTES*

**CITY OF SUNNYVALE
OF THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**WEDNESDAY, AUGUST 29, 2012, 3 P.M.
COUNCIL CHAMBERS
CITY HALL - 456 W. OLIVE AVENUE
SUNNYVALE, CALIFORNIA**

CALL TO ORDER

Chair Picard called the meeting to order at 3:05 p.m.

ROLL CALL

Board Members Present:

Chair Dr. Ben Picard, Superintendent of Schools, Sunnyvale School District
Vice Chair Mary Bradley, Former Director of Finance, City of Sunnyvale
Grace Leung, Director of Finance, City of Sunnyvale
Heather Bilich, County of Santa Clara
David Snow, Deputy Director, Facilities and Fleet Department, County of Santa Clara
Kevin McElroy, Vice Chancellor of Business Services, Foothill-De Anza Community College
(arrived at 3:40 p.m.)

Board Members Absent:

Linda LeZotte, Director, District 4, Santa Clara Valley Water District

Staff Present:

Kathryn Berry, Assistant Agency Counsel
Kathleen Franco Simmons, Agency Clerk
Brice McQueen, Agency Manager

PUBLIC COMMENTS

None.

**Approved by the Board 10/11/2012*

CONSENT CALENDAR

1. Approval of Draft Minutes of July 26, 2012 Redevelopment Successor Agency Oversight Board meeting.

MOTION: Boardmember Snow moved and Boardmember Leung seconded the motion to approve the RSA Oversight Board Meeting Minutes of July 26, 2012 as submitted.

VOTE: 5 - 0 (Boardmember LeZotte and McElroy absent)

PUBLIC HEARINGS/GENERAL BUSINESS

2. Adoption of a Resolution approving the Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the period January 1, 2013 - June 30, 2013.

Agency Manager Brice McQueen provided a report and recommended approval of the Resolution of the Oversight Board of the Successor Agency for the Redevelopment Agency of the City of Sunnyvale approving the Recognized Obligation Payment Schedule and the Administrative Budget for the Period of January through June 2013, making related Findings and Declarations and taking related actions.

Public Hearing opened at 4:03 p.m.

John Guthrie, ABx1 26 Audit Manager for the County, stated that they had the exit conference on the audit with the Finance Director and Agency Manager and presented the fact that this was considered a City loan. He stated the auditors were not presented with any information that this related to any form of debt issuance by the City or the Redevelopment Agency. He stated that the auditors will have to be sent back in to reexamine this issue and currently it is being shown as a City loan disallowed under ABx1 26.

Boardmember Leung stated that this loan has always been looked at as an ABx1 26 exception. She stated the City has always provided every piece of evidence and documentation, provided an eight-page response and didn't at any time try to mislead or not provide evidence.

Mr. Guthrie stated with regard to accrual of a liability for the Development Agreement, AB 1484 did not give relief to cities to provide a reserve for upcoming payments. He stated that even if it were to go on the ROPS, on the next true-up, it is the auditors' responsibility that if it is not paid, to then reduce it from the success RPTTF payment for the following period. He recommended against approval of that item.

Boardmember Bradley stated this is a liability which has a known dollar amount because it is calculated based on tax increment generated by the project in an amount that comes in and is absolutely known and recognized on the City's books.

Public Hearing closed at 4:11 p.m.

Steve Mitra, Deputy County Counsel, Santa Clara County, representing the County Auditor/Controller, requested the resolution to be amended on page 2, paragraph 3, at the end of the sentence, after "Administrative Budget." to include the phrase: "not to exceed the administrative cost allowance per Health and Safety Code 34171(b)."

Counsel Mitra requested removal of paragraph 2, that "the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the Approved Third ROPS and herein approved by the Oversight Board" and recommended amendment of the first paragraph to strike the phrase: "including the agreements and obligations described in the Approved Third ROPS."

Agency Counsel Karen Tiedemann stated that the Administrative Budget is not subject to a cap. After discussion between Mr. Mitra and Agency Counsel Tiedemann and Kathryn Berry, agency counsel indicated the language added to clarify that the administrative cost allowance shall not exceed the amount set forth in the statute.

MOTION: Boardmember Bradley moved and Boardmember Bilich seconded the motion to approve the staff recommendation to adopt the resolution, with the amendments to the resolution as delineated by Counsel Mitra.

VOTE: 4 – 2 (Boardmembers Snow and Bilich dissented)
Motion carried.

INFORMATION ONLY REPORTS/ITEMS

3. Report of Communications from the California State Department of Finance – Agency Manager

Agency Manager McQueen reported there has been no additional communications with the state other than receipt of the procedures for doing the due diligence review. The due diligence review has to be approved by September 15; a brief special meeting may be scheduled.

ADJOURNMENT

Boardmember Bradley moved and Boardmember McElroy seconded the motion to adjourn. Chair Picard adjourned the meeting at 4:26 p.m.

Kathleen Franco Simmons
City Clerk / Agency Clerk

Date

Dr. Ben Picard
Chair, Sunnyvale RSA Oversight Board

Date