

**MINUTES
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

SAN JOSE, CALIFORNIA

THURSDAY, AUGUST 23, 2012

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 9:02 a.m. in the Council Chambers at San Jose City Hall.

1. Call to Order and Roll Call

9:03 a.m.- Call to Order in Council Chambers

BOARD MEMBERS PRESENT

Chuck Reed, City of San José
Abe Andrade, City of San José
Donald F. Gage, Santa Clara Valley Water District
Emily Harrison, County of Santa Clara (Alternate)
Ed Maduli, California Community Colleges
Kenneth Shelton, Santa Clara County Office of Education
Jai Singh, County of Santa Clara

STAFF PRESENT

Debra Figone, Successor Agency Executive Officer
Richard Doyle, Successor Agency General Counsel
Richard Keit, Successor Agency Managing Director
Leslye Corsiglia, San Jose Director of Housing
Julia Cooper, San José Acting Director of Finance
Patty Deignan, Chief Deputy City Attorney

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/clerk/agenda.asp> or <http://www.sanjoseca.gov/clerk/MeetingArchive.asp>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

2. Adoption of Agenda

Approved.

3. Closed Session Report

None.

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated July 9, 2012 and August 9, 2012.

Action: The Minutes were approved.

5. Consent Calendar

1. Monthly Financial Statements (First Meeting of the Month) – None.
2. Audit Status – None.

6. Items Scheduled for Action/Discussion

6.1 Approval of January – June 2013 Administrative Budget

Documents Filed: Memorandum from Executive Officer Debra Figone, dated August 17, 2012, recommending adoption of a Resolution.

Successor Agency Managing Director Richard Keit responded to questions from Board Members.

Action: Resolution No. 2012-08-1025 approving the January – June 2013 Successor Agency Administrative Budget was adopted. (7-0)

6.2 Approval of Recognized Obligation Payment Schedule 3

Documents Filed: (1) Memorandum from Executive Officer Debra Figone, dated August 22, 2012, recommending adoption of a Resolution approving the Recognized Obligation Payment Schedule for January 1, to June 30, 2013 (ROPS 3). (2) Supplemental memorandum from General Counsel, Richard Doyle, dated August 22, 2012, providing additional background regarding the County Auditor Controller's objection to items on the ROPS 3. (3) Letter from the County of Santa Clara Director of Finance Vinod K. Sharma, dated August 22, 2013, providing objections to the ROPS as submitted by the Successor Agency.

Successor Agency Managing Director Richard Keit provided an overview recommending ROPS 3 approval.

6.2 Approval of Recognized Obligation Payment Schedule 3 (Cont'd.)

Discussion followed with Board Members requesting simplification of the scheduling and use of footnotes where specific fees are not noted. Executive Officer Debra Figone requested that Staff use footnotes to work through the complexities of the scheduling as submitted.

The City's Legal Counsel clarified the disputes regarding enforceable obligations, and Mayor Reed stressed the need to avoid breaching covenants and avoiding legal conflict with bond holders.

Acting Assistant Director of Finance, Arn Andrews identified the two paths that can be taken, indicating both have legal implications which will have to be settled through case law.

Deputy County Counsel, Steve Mitra representing the County Auditor Controller, County of Santa Clara, clarified the County of Santa Clara's positions and discussed the County's issues with the diversion of property taxes. Special Assistant for the County Executive James Williams discussed specific line items to be changed or removed from ROPS.

Motion: Board Member Gage moved approval of ROPS 3 with changes as discussed and recommendation to look at the County and City for special conditions pending decisions made by the Department of Finance as the final arbiter should the County and City be unable to reach an agreement and return back to the Board. A special meeting of the Board will be held during the week of August 27th provided there are issues getting the County Counsel and City to agree to wording of the resolution. Board Member Harrison seconded the motion.

Action: On a call for the question and carried unanimously, Resolution No. 2012-08-1026 approving the Recognized Obligation Payment Schedule for January 1, to June 30, 2013 (ROPS 3) was adopted. (7-0)

7. Reports

7.1 Verbal Report on Solicitations.

Successor Agency Managing Director Richard Keit presented a report on solicitations with the need to extend to a new date, possibly as late as 2013 before soliciting a process.

Action: No action required.

7.2 Report on Outstanding Audits and Reporting Requirements

Documents Filed: Memorandum from Executive Officer Debra Figone, dated August 17, 2012, providing an outline of Successor Agency Outstanding Audits and Reporting Requirements.

Successor Agency Managing Director Richard Keit continued with an overview of the outstanding audits and reporting requirements noting that the State has yet to put together the final procedures for Item #6, due diligence review of housing funds.

Action: No action required.

8. Future Agenda Items.

None.

9. Open Forum

None.

10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency was adjourned at 10:53 a.m. to 9:00 a.m. Thursday, September 13, 2012 at San José City Hall.

Minutes Recorded, Prepared and Respectfully Submitted by,

ATTEST:
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY
DENNIS D. HAWKINS, CMC, CLERK OF THE BOARD

Ruth Krantz, Deputy Clerk of the Board

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