MINUTES OF THE INITIAL MEETING OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY HELD ON WEDNESDAY, APRIL 25, 2012, AT 6:40 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO STREET, MONTCLAIR, CALIFORNIA

I. PRELIMINARY MATTERS

A. Introductions of Board Members and Staff

Mr. Terry Catlin introduced himself as President of the **Inland Empire Utilities Agency (IEUA)** and **Ms. Christina Valencia** as **IEUA** Chief Financial Officer. He stated that he is the **IEUA** appointee and that **Ms. Valencia** will serve as his alternate.

Ms. Kim Erickson introduced herself as the Director of Accounting Services for **Chaffey Community College** and stated that she is the **Chaffey Community College District** appointee.

Mrs. Tenice Johnson introduced herself as Chair of the Montclair Planning Commission and stated that she is the **County of San Bernardino** citizen appointee.

Ms. Janet Kulbeck introduced herself as a Junior Accountant with the City of Montclair and stated that she is the City of Montclair employee organization appointee.

Mr. John Richardson introduced himself as a Government Relations Analyst with the **County of San Bernardino** and stated that he is the **County of San Bernardino** appointee.

Mr. Bill Ruh introduced himself as a Council Member with the City of Montclair, a seat he has held since being elected to the City Council in 1998, and stated that he is Montclair Mayor Paul M. Eaton's appointee.

Deputy City Clerk Yvonne L. Smith introduced herself.

Dave R. McEwen, Esquire, **Stradling Yocca Carlson & Rauth,** introduced himself as Successor Agency Special Counsel and, as such, would only be able to advise the Oversight Board on behalf of the Successor Agency.

Director of Redevelopment/Public Works Marilyn J. Staats introduced herself.

Interim Finance Director Donald L. Parker introduced himself.

B Overview of ABX1 26, Successor Agency and Oversight Board

Successor Agency Special Counsel McEwen reviewed the consequences of the legislation regulating dissolution of California redevelopment agencies; the court case challenging **ABX1 26** and **ABX1 27**; and the establishment of the Successor Agency to the City of Montclair Redevelopment Agency, the Montclair Housing Authority as the Successor Housing Agency to the City of Montclair Redevelopment Agency, and the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency.

C. Overview of Former City of Montclair Redevelopment Agency

Director of Redevelopment/Public Works Staats reviewed the projects completed in each of the former Montclair Redevelopment Agency Project Areas since 2002.

Board Member Ruh noted those familiar with Montclair will recall that the former Montclair Redevelopment Agency replaced a blighted strip mall at the northeast corner of Holt Boulevard and Mills Avenue with affordable housing, which "really turned the neighborhood around and improved it."

D. Oath of Office of Oversight Board Members

Deputy City Clerk Smith collectively administered the Oath of Office to Oversight Board Members Catlin, Erickson, Johnson, Kulbeck, Richardson, and Ruh.

E. Election of Oversight Board Chair and Vice Chair

Moved by Board Member Catlin and seconded by Board Member Johnson to nominate Board Member Ruh to serve as Chairman of the Oversight Board.

There being no further nominations, the nominations for Chairman were closed.

Board Member Ruh's nomination was voted upon as follows:

AYES: Ruh, Richardson, Kulbeck, Johnson, Erickson, Catlin
NOES: None
ABSTAIN: None
ABSENT: Stallings

Chairman Ruh thanked the Oversight Board for electing him to serve as Chairman of the Board.

Moved by Board Member Kulbeck and seconded by Chairman Ruh to nominate Board Member Johnson to serve as Vice Chairperson of the Oversight Board.

There being no further nominations, the nominations for Vice Chairperson were closed.

Board Member Johnson's nomination was voted upon as follows:

AYES: Richardson, Kulbeck, Johnson, Erickson, Catlin, Ruh
NOES: None
ABSTAIN: None
ABSENT: Stallings

Vice Chairperson Johnson thanked the Oversight Board for electing her to serve as Vice Chairperson of the Board.

F. Call to Order

Chairman Ruh called the meeting to order at 6:40 p.m.

G. Roll Call

Deputy City Clerk Smith noted for the record that Board Member Stallings is not in attendance at the meeting.

Present: Chairman Ruh; Vice Chairperson Johnson; Board Members Catlin, Erickson, Kulbeck, and Richardson; Director of Redevelopment/Public Works Staats; Interim Finance Director Parker; Successor Agency Special Counsel McEwen; Deputy City Clerk Smith

Absent: Board Member Stallings (excused)

II. PUBLIC COMMENT – None

III. BUSINESS ITEMS

A. Consider Adoption of Resolution No. 12-01, a Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Affirming Selection of Officers, Designating a Secretary, and Designating Points of Contact for Department of Finance Review Requests Pursuant to California Health and Safety Code, Division 24, Part 1.85, Section 34179

Moved by Board Member Catlin and seconded by Vice Chairperson Johnson that Resolution No. 12-01, entitled, **"A Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Affirming Selection of Officers, Designating a Secretary, and Designating Points of Contact for Department of Finance Review Requests Pursuant to California Health and Safety Code, Division 24, Part 1.85, Section 34179,"** be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 12-01 was adopted by the following vote:

AYES: Richardson, Kulbeck, Erickson, Catlin, Johnson, Ruh
NOES: None
ABSTAIN: None
ABSENT: Stallings

B. Consider Adoption of Resolution No. 12-02, a Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Adopting a Conflict of Interest Code for the Oversight Board

Moved by Board Member Catlin and seconded by Board Member Richardson that Resolution No. 12-02, entitled, **"A Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Adopting a Conflict of Interest Code for the Oversight Board,"** be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 12-02 was adopted by the following vote:

AYES: Richardson, Kulbeck, Erickson, Catlin, Johnson, Ruh
NOES: None
ABSTAIN: None
ABSENT: Stallings

C. Consider Adoption of Resolution No. 12-03, a Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule Pursuant to California Health and Safety Code, Division 24, Part 1.85, Section 34179 and Authorizing Posting and Transmittal Thereof

Director of Redevelopment/Public Works Staats directed the Oversight Board's attention to Item 8—Mission Boulevard joint Redevelopment Project Area Tax Allocation Note Issue of 2008—on page 1 of the draft Recognized Obligation Payment Schedule (ROPS). She stated that without some future direction, the Successor Agency will be defaulting on the Tax Allocation Notes because it was long anticipated that the former Redevelopment Agency would reissue bonds to replace the notes. She asked that Successor Agency Special Counsel McEwen report on this item.

Successor Agency Special Counsel McEwen advised that Successor Agency staff has been working toward finding a solution related to payment of the notes for some time. He emphasized that there is a lack of clear authority in **ABX1 26** for the Successor Agency to

issue refunding bonds aside from a reference in the provisions related to the Oversight Board that the Oversight Board must approve refunding bonds, which would imply that the Successor Agency has the authority to issue them. He stated that there is no authorizing statutes setting forth the terms to include in the indenture, the ability to pledge certain revenues as security for those bonds. He stated, "Our thought was that we would rely upon a separate statute, the Refunding Bond Law, to issue refunding bonds secured by the revenues that are currently pledged to the notes and that we would then file a validation proceeding, which is a court proceeding, which could take four or five months to complete and have them validate the issuance of those bonds. That gives us the clear authority that we need in order to deliver an unqualified bond counsel opinion. That was where we were going about a month ago. Since then, we have had further discussions—internal at my office and with others around the state—about the various concepts. One of the things that we are looking at—and I do not want to get anybody's hopes up that this absolutely works, but I think it does—is to actually have the Montclair Financing Authority issue bonds, the proceeds of which would then be used to acquire a local obligation, which is the notes of the Successor Agency, hold those notes as the source of revenue from the Redevelopment Property Tax Trust Fund; and as those moneys come in, they would then be used to pay debt service on the Authority bonds. That has some attraction to it because I do not think it requires a validation proceeding, and we can get it done relatively quickly. We may not get it done by June 1. There are a lot of various issues that we need to deal with to make sure that we do not create a future liability or issues for the Oversight Board to deal with, and our hope is that we will be able to resolve all these and bring it back to you at your next meeting sometime in May. Then we will be able to proceed from there, and we will have far more details on how that might work at that time. There is also some cash on hand that could be applied to a reduction of the amount of the outstanding notes. We will be working on that to maximize the benefit of applying revenues on hand to do that."

Board Member Catlin asked for clarification on the disposition of the Mission Boulevard joint Redevelopment Project Area Tax Allocation Note Issue of 2008.

Successor Agency Special Counsel McEwen clarified that under normal circumstances when redevelopment agencies have issued tax allocation notes in the past, the notes contained a covenant that the agency would use its best efforts to sell refunding bonds prior to the notes' maturity. He noted it is unfortunate that prior to the notes' maturity, the state acted to prevent redevelopment agencies from issuing refunding bonds except for the purpose of paying debt service spikes within six months. Because June 1, 2012, does not fall within the requisite six-month period, the Successor Agency is prevented from issuing refunding bonds, he

added. He advised that the Successor Agency is left with either finding some authority to issue bonds, the proceeds of which would be used to acquire the Tax Allocation Notes, which would be kept outstanding as a source of security for the bonds, or simply to refund them and have a new pledge of revenues as security for the refunding bonds.

Board Member Catlin expressed his opinion that it is important for the minutes of this meeting to reflect Successor Agency Special Counsel McEwen report and the discussion on ROPS Item 8.

Interim Finance Director Parker advised that first the deadline set by **ABX1 26** and then the California Supreme Court's stay on the legislation's court case prevented the Tax Allocation Notes from being refunded and extended to a long-term-type of financing. He added that, unfortunately, the "cash on hand" mentioned by Successor Agency Special Counsel McEwen is in different Project Areas, so crossing Project Areas will have to be explored.

Chairman Ruh asked about the possibility of merging Project Areas to disencumber the funds.

Successor Agency Special Counsel McEwen expressed his opinion that the funds could be used without merging Project Areas.

Interim Finance Director Parker stated that doing so would require the approval of the Oversight Board and potentially the offices of the San Bernardino County Auditor-Controller and the California Department of Finance (DOF).

Vice Chairperson Johnson asked for clarification on Item 9 related to the sudden drop in Redevelopment Agency employee costs in May 2012.

Director of Redevelopment/Public Works Staats replied that employees were laid off as part of the restructuring process. She advised that many City positions were partially funded by the former Redevelopment Agency because portions of their jobs, particularly in Finance Division, related to redevelopment. She noted of three positions fully funded by the Agency, one was eliminated.

Board Member Richardson asked if Item 9 would more appropriately be an administrative cost.

Interim Finance Director Parker replied that the ROPS was prepared using an older reporting format before DOF issued a new ROPS sample. He added that the new report format contains all administrative cost categories. He emphasized that DOF and the State Controller have specified that any item affecting an enforceable obligation should be shown with the other enforceable obligations

and not listed with administrative costs, indicating that most of the duties of Agency and City staff are related to enforceable obligation rather than administrative work.

Concerning the "Project Management Costs" referenced in Item 9, Board Member Richardson inquired as to current projects.

Director of Redevelopment/Public Works Staats replied that certain construction projects, including Alma Hofman Park and graffiti abatement, were ending while functions related to bond issues in specific Project Areas remain ongoing. She advised that the majority of staff time relates to development of a property owners association in North Montclair referenced in the report as "Foundation Area 1" or "FA 11." She stated that all **Best Best & Krieger LLP** Agency legal fees referenced in Item 24 also relate to Foundation Area 11. She added that a portion of staff time referenced in Items 32 through 34 relates to economic development activities with the Montclair Chamber of Commerce that are winding down.

Board Member Richardson noted he is appreciative of all the information provided to him by Director of Redevelopment/Public Works Staats prior to the meeting. Expressing his understanding that agreements between the former Redevelopment Agency and the City of Montclair may only be repaid if made within two years of the Redevelopment Agency's inception, he asked for clarification on the Project Area III Agency/City loan agreement referenced in Item 17.

Interim Finance Director Parker clarified that the amount is the remaining balance owed to the City on the last loan made to the Agency, advising that all the other loans were repaid.

Director of Redevelopment/Public Works Staats stated that DOF has questioned the item.

Moved by Board Member Richardson, seconded by Board Member Erickson, and carried to remove the note for $58,738 referenced in Item 17 from page 1 of the ROPS.

Board Member Richardson engaged Interim Finance Director Parker in a discussion related to the Successor Agency administrative cost allowance that is payable from property tax revenues of up to 5 percent of the property tax allocated to the Successor Agency for Fiscal Year 2011-12 and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the Successor Agency for each fiscal year thereafter.

Board Member Richardson asked for clarification on the administrative cost allowance.

Interim Finance Director Parker advised that by law, the amount was to be 5 percent of property tax increment revenues allocated to the Successor Agency for Fiscal Year 2011-12. He stated that the counties have decided, however, that the first administrative cost allowance payment on June 1, 2012, will cover the period July 1, 2012, through December 31, 2012, and will be based on 3 percent of property tax increment revenues.

Board Member Richardson noted the $525,676.12 in administrative costs through June 2012 referenced on page 3 is not 5 percent of the total property tax increment revenue. He stated, "It seemed like there is some money left on the table."

Interim Finance Director Parker advised that there may not be surplus funds "because the administrative cost allowance is a percentage of the property tax increment revenue allocated to the Successor Agency to pay its debts. If the full amount of taxes is allocated, then there is no money left." He further stated, "We are not honestly sure how much of an administrative allowance, if any, we are going to see on this thing. It is all up for debate. The first estimate, if it is made by the County, is to be made May 1 to give us an estimated idea. We do not know what pass-throughs they have paid. We do not know what administrative costs the County has incurred. We do not know what they are looking to allocate to us from the Redevelopment Obligation Payment Fund. Until we see some numbers, we are not going to know if we are even going to get any administrative allowance at all from them. We are basically functioning off Project money we have on hand."

Board Member Richardson inquired as to other items DOF has earmarked besides Item 17.

Interim Finance Director Parker stated, "It has been questioned; it has not been disallowed. DOF has asked questions about items; it has not disallowed anything on the forms yet."

Board Member Richardson asked if DOF has questioned other items at this point.

Director of Redevelopment/Public Works Staats replied that DOF questioned the following items:

1. Item 39 – Graffiti abatement costs. This item was questioned because there is no contract for such; instead, a Resolution related to graffiti abatement services was adopted each year. The $3,761.05 listed is for the month of January 2012, the last month of operation for the Montclair Redevelopment Agency. All subsequent graffiti abatement costs have been assumed by the City.

2. Item 37 – Contract for professional service with Interim Finance Director Parker. DOF requested to review and has been provided with the contract. The City was placed in a difficult position with the abrupt retirement last fall of the former Assistant Finance Director. Interim Finance Director Parker has extensive redevelopment financing and auditing experience.

   Interim Finance Director Parker emphasized that his contract is with the City of Montclair, not the former Redevelopment Agency.

   Director of Redevelopment/Public Works Staats added that the City had insufficient time to conduct an open recruitment for an Assistant Finance Director replacement because time was of the essence in obtaining professional assistance regarding matters related to the Redevelopment Agency's dissolution.

   Chairman Ruh asked if DOF will consider such reasoning a defensible argument.

   Director of Redevelopment/Public Works Staats answered, "I do not know."

   Interim Finance Director Parker answered, "I believe it would because **ABX1 26** allows a successor agency to obtain the necessary services to meet the administrative burden.

Chairman Ruh asked for clarification on item 27, a contract for professional services with Southern California Association of Governments (SCAG) related to the Compass 2% Strategy Demonstration Project.

Director of Redevelopment/Public Works Staats replied that the item dates back to 2006 and advised that though SCAG has yet to bill the Agency for its technical consulting services on the project (part of the North Montclair Downtown Specific Plan), the contractual amount remains an Agency obligation.

Chairman Ruh noted his recollection of the item from 2006.

Board Member Richardson noted Item 2, "Contract for construction," in the amount of $1.9 million on page 2 appears to be past the June 28 deadline. He asked if DOF has questioned the item.

Director of Redevelopment/Public Works Staats replied that it has not. She noted the item was removed from the July 3, 2011 Redevelopment Agency Board agenda and was never approved. She stated that the project represents the hope of the Successor Agency in the event subsequent legislation will allow the Successor

Agency to keep the funds so the special needs housing project could be developed.

Chairman Ruh clarified that the special needs project would have benefitted individuals with physical challenges and developmental disabilities.

Vice Chairperson Johnson received clarification that the former Redevelopment Agency would have worked with **National Community Renaissance of California** on the project. She asked if the project was submitted unapproved in order to meet a deadline.

Interim Finance Director Parker advised that the project and others on page 2 were submitted in accordance with the April 15, 2012 deadline as required by the County, the State Controller, and DOF.

Vice Chairperson Johnson expressed her opinion that it would be in the Successor Agency's best interest to submit all possible projects for DOF's consideration.

Chairman Ruh advised that the special needs project gives the Oversight Board an idea of the types of projects for which the former Redevelopment Agency was using redevelopment moneys. He noted it would be one of the first special needs housing projects in western San Bernardino County and would be very innovative.

Chairman Ruh concurred with Vice Chairperson Johnson regarding submittal of all possible projects for DOF's consideration.

Chairman Ruh concurred. He noted onsite assistance would be available to residents. He added that the location of the housing subdivision would be close to mass transit to Los Angeles, San Bernardino, and Riverside counties, a benefit to residents who are unable to drive their own vehicles.

In the event legislation is passed that would allow the Successor Agency to keep the $1.9 million, Board Member Kulbeck asked if the project could be added back to the ROPS should it be removed in the interim.

Successor Agency Special Counsel McEwen answered, "It would depend on the content of the legislation."

Board Member Richardson noted his inquiries do not question the integrity of the projects but only, from his experience with other successor agencies, the June 28, 2011 deadline for projects. He expressed his opinion that Montclair has done a great job, noting his appreciation of staff's presentation highlighting projects completed over the past ten years. He expressed his concern of the likelihood that DOF would not approve the special needs

project as well as have questions on a number of items, which would take more staff time to answer.

Board Member Catlin asked if there is a downside to leaving the item on the ROPS for review by DOF.

Chairman Ruh replied that the only downside would be if DOF orders its removal.

Board Member Richardson stated that he is only abiding by his fiduciary duty to holders of enforceable obligations and the taxing entities in suggesting removal of certain items "that, in all likelihood, are going to be removed. I feel compelled that we should probably remove them so that those other enforceable obligation holders and those taxing entities would be first to receive their funds."

Interim Finance Director Parker pointed out the funding source for items on page 2 is primarily the Low- to Moderate-Income Housing Fund and not the County Treasury's Redevelopment Property Tax Trust Fund.

Board Member Catlin asked Board Member Richardson if the funding clarification changes the County's perspective regarding beneficiaries of property tax revenue distributions not being affected by the housing obligations on page 2.

Board Member Richardson answered, "No" because from his experience, he does not believe DOF would support the special needs project, particularly since DOF has already highlighted it and upon resubmittal of the ROPS, would again highlight it and other projects with concerns.

Vice Chairperson Johnson suggested the item remain on the ROPS and be considered a learning experience for the Oversight Board.

Board Member Catlin asked if the $525,676.12 total of administrative costs through June 2012 referenced on page 3 represents 5 percent or 3 percent of the Successor Agency's property tax increment revenue allocation.

Interim Finance Director Parker replied that it merely represents Agency administrative costs paid for out of current Project resources we have on hand. He stated, "We are not limiting it to 5 percent or 3 percent because we do not know what amount we will be allocated. We do not know which percentage will apply. We believe it is going to be the 3 percent, but we really have no way to compute that number until the County provides an allocation. Right now, these are the costs we are claiming at this point in time for the administrative burden for the Successor Agency when this form was filed."

Board Member Erickson asked Interim Finance Director Parker for clarification on his comment concerning the Successor Agency receiving either a 5 percent or 3 percent property tax increment revenue allocation from the County once other obligations were paid.

Interim Finance Director Parker advised that of the total amount of property tax increment revenue generated by Project Area and computed by the County, pass-through payments, obligations needing to be paid, and the County's administrative charges are deducted. He noted the Successor Agency receives a percentage share based upon the obligations the County sends the Agency to pay; and if the allocation is only enough to pay the Agency's obligations, there is nothing left for administrative costs. He stated, "It remains an unknown quantity as to how it will be administered by the County.

Board Member Catlin asked if there is any dispute on the part of the County about existing pass-through obligations.

Director of Redevelopment/Public Works Staats answered, "I would not think so." She noted the County has been provided with copies of all older pass-through agreements and has retained **HdL Companies,** a consultant also retained by the former Redevelopment Agency, to calculate the payments coming due.

Board Member Catlin suggested the process has been streamlined.

Interim Finance Director Parker stated, "Well, it is somewhat of a straightforward process. Right now, the current problem is how to distribute the pass-throughs to ensure nobody is getting more of a share than they would have under the old statutory arrangements. If that happens, somebody's getting what they call a 'haircut.' They are trying to figure that one out at the present time. There are 56 counties in California, and you cannot have collective agreement. Every county is doing it a bit differently."

Moved by Vice Chairperson Johnson and seconded by Board Member Catlin that Resolution No. 12-03, entitled, **"A Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule Pursuant to California Health and Safety Code, Division 24, Part 1.85, Section 34179 and Authorizing Posting and Transmittal Thereof,"** be read by number and title only, further reading be waived, and it be declared adopted, noting the removal of Item 17. "Agency Loan Agreements," in the amount of $58,738 from page 1 of the ROPS.*

Board Member Richardson inquired as follows:

1. Will the ROPS be reconsidered by the Oversight Board after DOF review and potential return to the Successor Agency?

   Successor Agency Special Counsel McEwen replied that DOF would return the ROPS with any highlighted items to the Oversight Board for reconsideration, after which time the Oversight Board would adjust the ROPS and resubmit it to DOF for approval. He noted the possibility exists that the process could be endlessly repeated.

2. Is there a deadline for final approval of the ROPS?

   Successor Agency Special Counsel McEwen advised that it only covers payments through June 2012, so it would need to be approved by that time.

3. Will there be a need to conduct more special meetings because of the time constraint?

   Noting the ROPS only covers payments through June 2012, Interim Finance Director Parker advised that the allocation from the County due June 1 would cover the Successor Agency's obligations for the first six months of the next fiscal year; and the Oversight Board would be considering that ROPS at the next meeting. He advised that the Agency will pay for all obligations on this ROPS with cash on hand.

   Board Member Richardson noted the four-month court case compressed the time for dissolution actions, which should have begun last fall, to occur. He noted the importance of the next ROPS in terms of the allocation received on June 1.

Vice Chairperson Johnson noted cuts to the next ROPS might be more severe once the Oversight Board receives feedback from DOF on this one.

Director of Redevelopment/Public Works Staats stated that, unfortunately, the final ROPS for the next six months is due May 15, 2012, and will be discussed at the next meeting.

*The Oversight Board waived the reading of the Resolution.

Resolution No. 12-03 was adopted by the following vote:

AYES: Richardson, Kulbeck, Erickson, Catlin, Johnson, Ruh
NOES: None
ABSTAIN: None
ABSENT: Stallings

D. Consider Adoption of Resolution No. 12-04, a Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget Pursuant to Health and Safety Code Section 34177(j)

Consider Authorization to Prepare a Cost Reimbursement Agreement Between the City and the Successor Agency

Moved by Board Member Catlin and seconded by Board Member Richardson that the following actions be taken:

1. That Resolution No. 12-04, entitled, **"A Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget Pursuant to Health and Safety Code Section 34177(j),"** be read by number and title only, further reading be waived, and it be declared adopted.

2. That the Oversight Board authorized staff to prepare a Cost Reimbursement Agreement between the City and the Successor Agency.

The Oversight Board waived the reading of the Resolution.

Resolution No. 12-04 was adopted and the Oversight Board authorized staff to prepare a Cost Reimbursement Agreement between the City and the Successor Agency by the following vote:

AYES: Richardson, Kulbeck, Erickson, Catlin, Johnson, Ruh
NOES: None
ABSTAIN: None
ABSENT: Stallings

E. Consider Adoption of Resolution No. 12-05, a Resolution of the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency Establishing the Date, Time, and Location of Oversight Board Meetings

Director of Redevelopment/Public Works Staats advised that this item is up to the Oversight Board's discretion; however, staff suggests the next meeting be scheduled for Wednesday, May 9, 2012, at 6:00 p.m. in the City Council Chambers for review and consideration of the final ROPS for July 1 through December 31, 2012.

Successor Agency Special Counsel McEwen suggested the Oversight Board could certainly choose a date, time, and place for its regular meetings if it is the decision of the Board. He suggested the second Wednesday of each month be designated the Oversight

Board regular meeting, which would remove the special meeting notice requirements, or the item could be continued to the next meeting, which would be a special meeting.

Chairman Ruh noted he could meet on May 9. He stated that he would be in Sacramento May 1 through May 5 and in Washington, D.C., May 9 through May 13, adding that he would be available the second and fourth Wednesdays of the month at 6:00 p.m.

Board Member Catlin advised that he likewise could meet the second or fourth Wednesday of the month at 6:00 p.m. and is in favor of proposed Resolution No. 12-05.

Vice Chairperson Johnson concurred with Chairman Ruh and Board Member Catlin, though she would prefer meeting only once a month.

Successor Agency Special Counsel McEwen suggested the second Wednesday of each month at 6:00 p.m. be scheduled for regular meetings.

It was the consensus of the Oversight Board to conduct regular Oversight Board meetings on the second Wednesday of the month at 6:00 p.m.

Director of Redevelopment/Public Works Staats advised that she would need to check with Board Member Stallings regarding the proposed schedule of meetings.

Successor Agency Special Counsel McEwen suggested the item be continued to the May 9, 2012 meeting to ascertain Board Member Stallings' meeting availability.

It was the consensus of the Oversight Board to continue this item to a special meeting on Wednesday, May 9, 2012, at 6:00 p.m. in the City Council Chambers.

IV. COMMUNICATIONS

A. Staff

1. Director of Redevelopment/Public Works Staats thanked Oversight Board Members for attending the meeting.

B. Chairman and Members

1. Board Member Richardson asked that the Oversight Board be provided with copies of DOF correspondence.

   Director of Redevelopment/Public Works Staats stated that she would be happy to do so.

Chairman Ruh suggested the Oversight Board provide staff with their best mode of communication.

2. Board Member Catlin asked to be provided with a copy of Successor Agency Special Counsel McEwen's presentation.

   Successor Agency Special Counsel McEwen noted he would leave a copy with Director of Redevelopment/Public Works Staats for distribution to the Oversight Board.

3. Vice Chairperson Johnson noted she looks forward to working through the process.

4. Board Member Richardson thanked and expressed his appreciation of staff for all the work involved in meeting preparation. He noted he anticipates the work of the Oversight Board to be a learning process and looks forward "to working with everyone here."

5. Chairman Ruh concurred, noting "this is a very trying time for all our agencies and cities in a very challenged economic environment. I know all of us are looking to that light at the end of the tunnel with all of this. Having said that, I do appreciate, as does everybody here, the dedication that each of you have. You are serving without compensation, remuneration, or any stipend. You are giving a tremendous amount of your time at these meetings and time away from your families and pursuits—it is very much appreciated and truly defines what public service is all about. Thank you."

V. ADJOURNMENT

At 7:45 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,

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Yvonne L. Smith
Secretary