

MINUTES OF THE SPECIAL MEETING OF THE  
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY  
TO THE CITY OF MONTCLAIR REDEVELOPMENT  
AGENCY HELD ON WEDNESDAY, FEBRUARY 27, 2013,  
AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS,  
5111 BENITO STREET, MONTCLAIR, CALIFORNIA

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**I. PRELIMINARY MATTERS**

**A. Call to Order**

Chairman Ruh called the meeting to order at 6:00 p.m.

**B. Roll Call**

Present: Chairman Ruh; Vice Chairperson Johnson; Board Members Catlin, Erickson, and Kulbeck; Deputy City Manager/ Executive Director of Economic Development Staats; Finance Director Parker; Secretary Smith

Absent: Board Member Richardson (excused); Board Member Stallings (excused)

**II. PUBLIC COMMENT - None**

**III. APPROVAL OF MINUTES**

**A. Minutes of the Oversight Board Special Meeting of January 29, 2013**

Moved by Board Member Erickson, seconded by Board Member Kulbeck, and carried to approve the minutes of the Oversight Board special meeting of January 29, 2013.

**IV. BUSINESS ITEMS**

**A. Adoption of Resolution No.13-04, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2013, Through December 31, 2013, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 12.85, and Authorizing Posting and Transmittal Thereof**

Board Member Catlin asked for clarification on the amount of property tax to be distributed to the taxing entities.

Finance Director Parker answered, "The County would compute the amount of property taxes available, then take off its administrative fee, pay any pass-through obligations that are present, and at that point would look to see what obligations the Successor Agency has. Any money left over after that would be redistributed to all the taxing entities. The Inland Empire Utilities Agency would receive its share out of any money remaining. That is what happened last time in the process that any money that was over and above what the Successor Agency needed was, in effect, redistributed to all the taxing entities. This occurs about every six months."

Board Member Catlin inquired as follows:

1. What is the deciding factor in completion of the Finding of Completion?

Finance Director Parker answered, "Once the Successor Agency makes the payments to the County pursuant to the due diligence reviews—including payment for the Low- to Moderate-Income Housing Fund portion and the other funds portion approved by the Oversight Board and currently being reviewed by the Department of Finance (DOF)—once it is approved by DOF and the Successor Agency makes that payment, then supposedly the Successor Agency is eligible for a Finding of Completion. Once the Finding of Completion is issued, the Successor Agency would be able to use the pre-2011 bond proceeds.

2. Are any of the projects or debt obligations controversial?

Finance Director Parker answered, "No, they are all pretty straightforward. None of them involve any legal issues whatsoever. We had that one previously for the \$1 million encumbered in the Promissory Note to the Montclair Housing Corporation. We decided not to go forward with it and paid it to the County, and it was redistributed to the taxing entities."

Moved by Board Member Catlin and seconded by Board Member Erickson that Resolution No. 13-04, entitled, "**A Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2013, Through December 31, 2013, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof,**" 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. 13-04 was adopted by the following vote:

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

**B. Adoption of Resolution No. 13-05, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget for July 1, 2013, Through December 31, 2013, Pursuant to Health and Safety Code Section 34177(j)**

Board Member Catlin asked if the Successor Agency has been able to recover any of the costs for past budgets.

Finance Director Parker answered, "Yes. In January, we received our first administrative cost allocation. Prior to that, we had been using funds we had on hand in reserves, which satisfied the administrative obligations we had. This last time, for the period January 1, 2013, through June 30, 2013, we received \$191,000, which will be used to cover the administrative costs from January through June 2013. We may be limited on this one to \$250,000; that is possible. The way the law works is that it is 3 percent of what is allocated with a minimum of \$250,000. Since 3 percent of our amount would not equal \$250,000, we may be able to receive \$250,000 only. If that is the case, any amounts that are unpaid will function as a loan from the City to the Successor Agency to be payable in the future when our costs go way down. I envision our costs will go down dramatically. Once we stop fighting with DOF in trying to get all these costs through, I would assume that administratively, we will have less and less of a burden to go forward with.

Deputy City Manager/Economic Development Executive Director Staats pointed out that two costs—Asset Management Disposal for Kosmont Companies and Integra Ellis—are not included in the administrative budget. She stated that staff is asking that those costs be paid out of the Redevelopment Property Tax Trust Fund and that the amounts may actually be different on the Recognized Obligation Payment Schedule because the amounts shown are estimates.

Finance Director Parker stated, "Once a Finding of Completion is issued, then the Successor Agency must go through a formal land management-type process, at which point the Agency would present the disposition of all Successor Agency-owned properties to the Oversight Board. As part of that, the Agency will need to

obtain appraisals and go through the process. Those costs are estimating what needs to be done. We are not exactly sure when the costs will be applied, and perhaps they will not be applied during the six months because the process cannot go forward until we receive the Finding of Completion."

Deputy City Manager/Economic Development Executive Director Staats added that the Successor Agency will have six months to dispose of any excess properties that are not in public use, at which time an asset management plan would be submitted to the state.

Moved by Board Member Catlin and seconded by Board Member Kulbeck that Resolution No. 13-05 entitled, "**A Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Retroactively Approving the Successor Agency's Proposed Administrative Budget for July 1, 2013, Through December 31, 2013, 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.

The Oversight Board waived the reading of the Resolution.

Resolution No. 13-05 was adopted by the following vote:

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

**C. Report and Direction to Staff Regarding Solicitation of Proposals for Legal Counsel to the Oversight Board for the Former City of Montclair Redevelopment Agency**

Chairman Ruh asked if staff would re-solicit Requests for Proposals (RFPs) for legal counsel.

Deputy City Manager/Economic Development Executive Director Staats answered, "Yes, I would suggest that be done; and this time, Agency Special Counsel McEwen indicated he would provide a list of various firms that might be interested. I will email the Request for Proposals to those firms, and I hope we will receive some responses. If any Board Member is aware of any firms that might be interested, please send me an email to let me know. Staff is recommending that the Oversight Board provide direction for staff to continue the RFP process if that is the Oversight Board's desire."

Chairman Ruh stated that direction has been given to staff to re-solicit RFPs for attorney services.

## V. COMMUNICATIONS

### A. Staff

1. Concerning the next meeting, Deputy City Manager/Economic Development Executive Director Staats stated that because Agency staff has had no response from DOF, the only potential item for the next meeting would be the due diligence issue. She suggested staff could contact Oversight Board Members if the due diligence review item is available for the next meeting. Otherwise, she advised there would be no reason to conduct a meeting in March 2013.

Finance Director Parker stated, "We do not know exactly when we will receive a response from DOF. If we do hear from DOF and it is negative or DOF requires some adjustments, we may need to go through a Meet and Confer with DOF. The next payment is supposedly due in April 2013. I hope at that point there would be nothing to approve other than information-wise on DOF's position."

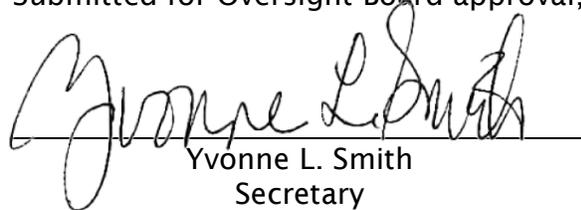
### B. Chairman and Members

1. Chairman Ruh thanked Oversight Board Members for their committed and continued service to the community.

## VI. ADJOURNMENT

At 6:18 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,



Yvonne L. Smith  
Secretary