



City of Loma Linda Official Report

Ovidiu Popescu, Chairman
Ronald Dailey, Vice Chairman
Stan Brauer, Board Member
Rhodes Rigsby, Board Member
Phillip Dupper, Board Member

AGENCY AGENDA: January 24, 2012
TO: Agency Board Members
VIA: T. Jarb Thaipejr, Executive Director
FROM: Pamela Byrnes-O'Camb, Agency Secretary
SUBJECT: Minutes of January 10, 2012

Approved/Continued/Denied By Redevelopment Agency Date _____
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RECOMMENDATION

It is recommended that the Agency Board approve the Minutes of January 10, 2012.

City of Loma Linda

Redevelopment Agency Minutes

Regular Meeting of January 10, 2012

A regular meeting of the Redevelopment Agency was called to order by Chairman Popescu at 5:35 p.m., Tuesday, January 10, 2012 in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Agency Members Present:	Ovidiu Popescu, Chairman Ron Dailey, Vice-Chairman Stan Brauer Rhodes Rigsby Phill Dupper
Agency Members Absent:	None
Others Present:	Executive Director T. Jarb Thaipejr General Counsel Richard E. Holdaway Special Counsel Mark Huebsch

CRA-2012-01 - Closed Session (5:30 p.m.) - Conference with Legal Counsel – Existing Litigation League of California Cities and California Redevelopment Agency vs. Matosantos (Government Code Section 54956.8)

The Agency Board immediately recessed to consider the item as listed and reconvened at 7:03 p.m. with all members present. General Counsel Holdaway announced that the Agency Board met with Legal Counsel and there was no action to report.

The Agency Board recessed until 8:13 p.m. and reconvened with all members present.

CC-2012-002

CRA-2012-002- Joint meeting of the City Council and Redevelopment Agency regarding presentation of the audit report for fiscal year ending June 30, 2011 by audit firm of Caporicci & Larson

Sheri Lejman of the audit firm Caporicci & Larson, Inc. presented the Basic Financial Statements for the fiscal year ended June 30, 2011, outlining the City's responsibilities to present the City's financial position and results of its operations fairly and in conformity with generally accepted accounting principles; adopt sound accounting policies; provide reasonable accounting estimates; establish and maintain internal controls; and prevent and detect fraud.

She went on to say that the responsibilities of the auditing firm were to obtain reasonable assurance that the financial statements were free of material misstatement; examine, on a test basis, evidence supporting amounts and disclosures; assess accounting principles used, estimates made, and evaluate the overall financial statement presentation; review the city's internal control policies and procedures; and express an opinion on the City's financial statements.

Ms. Lejman noted that the financial statements were fairly presented in all material aspects; significant accounting policies had been consistently applied; estimates were reasonable; and disclosures were properly reflected in the financial statements. She added there were no disagreements with management, material errors, irregularities, material weaknesses in internal accounting controls, or accounting issues discovered; and no compliance issues identified. The City and Redevelopment Agency received a "clean" audit opinion.

She then responded to questions and was thanked for her presentation.

Finance Director/Treasurer DeAnda then presented an overview of the Financial Statement and Comprehensive Annual Financial Report – CAFR which included the Independent Auditors' Report; Management's Discussion and Analysis; Basic Financial Statements including Government-Wide Financial Statements (net assets, activities, various fund financial statements and notes to the Basic Financial Statements); and required supplementary Information. She noted that the Statistical Section of the CAFR provided financial trends, revenue and debt capacity, demographic, economic and operating information.

Ms. DeAnda then reviewed the City's and Redevelopment Agency's Financial Statements and responded to questions.

Mayor pro tempore Popescu indicated that he and Mayor Rigsby met with the auditing firm and Finance Starr prior to this meeting as has been the City's custom and noted that the audit was clearly presented.

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Councilman Dailey commended the City Manager, Finance Director and Staff for their efforts and noted that the letter of transmittal provided an excellent description and summary of the various aspects of the audit.

By common consent, the audit was accepted.

CC-2012-003

CRA-2012-003 - Joint meeting of the City Council and Redevelopment Agency relating to successor agency of the Redevelopment Agency and establishment of a housing authority in connection with designation of successor agency and consideration of disposition of housing assets of the Redevelopment Agency

To implement recommended Alternative #1 (per staff report):

- a. Council Bill #R-2012-03 – Establishing a housing authority
- b. Council Bill #R-2012-04 – Designating the City as the successor agency of the Redevelopment Agency and Housing Authority of Loma Linda as entity to receive transfer of Agency housing assets

Alternative #2:

- a. Council Bill #R-2012-05 - Designating the City as the successor agency of the Redevelopment Agency

Alternative #3:

- a. Council Bill #R-2012-05 - Designate the City as the successor agency of the Redevelopment Agency.
- b. Minute action: direct staff to prepare for the City Council's meeting of January 24, 2011 a resolution confirmation the City's election to have the City receive the Agency's housing assets pursuant to Health and Safety Code Section 34176.

Alternative #4:

- a. Council Bill #R-2012-06 - Adopt a resolution in which the City elects not to serve as the Successor Agency to the Loma Linda Redevelopment Agency pursuant to Health and Safety Code Section 34176.

Special Counsel Huebsch of Stradling Yocca Carlson & Rauth presented the item, stating that the legislature enacted two separate bills: one to eliminate redevelopment agencies and another to allow agencies to participate in a voluntary payment program. The bills were challenged, the outcome of which was that the Supreme Court upheld the bill to dissolve agencies and overturned the voluntary payment program.

He went on to say that under current law, redevelopment agencies were earmarked for dissolution February 1, 2012. Cities that have redevelopment agencies can serve as the successor agency to dispose of agency assets. He then reviewed the series of options available to the City Council and recommended that it would be advantageous to the City to become the successor agency and to create a housing authority to receive the housing assets of the redevelopment agency.

Motion by Dupper, seconded by Popescu and unanimously carried to adopt Council Bill #R-2012-03.

Resolution No. 2721

A Resolution of the City Council of the City of Loma Linda, California, declaring that there is a need for a housing authority to function in the city, declaring that the members of the City Council shall be the Commissioners of the Housing Authority and designating the first Interim Chairman of the Housing Authority

Motion by Brauer, seconded by Dupper and unanimously carried to adopt Council Bill #R-2012-04.

Resolution No. 2722

A Resolution of the City Council of the City of Loma Linda, California electing to have the City of Loma Linda serve as the successor agency to the Loma Linda Redevelopment Agency pursuant to California Health and Safety Code Section 34173 and electing to have the Housing Authority of the City of Loma Linda retain the housing assets and housing functions previously performed by the Loma Linda Redevelopment Agency pursuant to Health and Safety Code Section 34176 and making certain findings in connection therewith

Councilman Dupper commented that the State's actions will negatively impact the City; that it isn't just about making specific decisions about certain things; but making decisions on a vast purview of issues. Mayor pro tempore Popescu elaborated that Governor Brown's actions has negatively affected Loma Linda in the amount of \$1.6 million and will affect the 400 cities in California that had redevelopment agencies; that without redevelopment, it will be difficult to survive and meet the needs of our community in that there will be loss of jobs and tax revenue. Councilman Brauer added that cities have used redevelopment funds to advance projects within their communities; Loma Linda has not abused funding received through its Redevelopment Agency in that the funds were used for infrastructure, housing projects, and other projects beneficial to the city; that he found it outrageous that the governor and legislature would take such action affecting 400 cities within the state.

Mr. Huebsch indicated that at the next meeting the officers for the Housing Authority would be designated and that there may be a resolution indicating that the Agency is not forgiving debts owed to the Agency.

The Agency Board recessed at 8:48 p.m. and reconvened at 8:51 p.m. with all members present. No items were added or deleted; no public participation comments were offered upon invitation of the Chair; and no conflicts of interest were noted.

General

CRA-2012-004 – Minutes

Motion by Rigsby, seconded by Dupper and unanimously carried to approve the Minutes of December 6 and 13, 2011 as presented.

The meeting adjourned at 8:52 p.m.

Approved at the meeting of

Secretary