

**SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD  
MINUTES**

Monday, June 25, 2012  
Community Development Department Conference Room  
410 McGroarty Street  
San Gabriel, California 91776

**1. CALL TO ORDER/ROLL CALL**

Present:

Board Member Hamid Behdad, Appointee, Chancellor of the California Community Colleges  
Board Member Frank Cheng, Appointee, Los Angeles County Library  
Board Member David R. Gutierrez, Appointee, Mayor City of San Gabriel  
Board Member Annie Huang, Appointee, Los Angeles County Board of Supervisors  
Board Member Thomas Marston, Appointee, Mayor City of San Gabriel  
Board Member David Sweeney, Appointee, Los Angeles Board of Supervisors

Absent:

Board Member Eugenio D. Villa, Appointee, Los Angeles County Board of Education

Also present were:

Robin Scherr, Economic Development Manager, City of San Gabriel  
Peter Wallin, Deputy City Attorney, City of San Gabriel  
Camille Paton, Deputy City Clerk, City of San Gabriel

**2. PUBLIC COMMENT**

**PUBLIC COMMENT: PURSUANT TO GOVERNMENT CODE SECTION 54954.3, THIS IS THE TIME PROVIDED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COUNCIL ON ITEMS OF INTEREST THAT ARE NOT ON THE AGENDA WITHIN THE SUBJECT MATTER JURISDICTION OF THE OVERSIGHT BOARD.**

There was no one from the audience who wished to speak.

**3. MINUTES OF REGULAR BOARD MEETING OF MAY 3, 2012 MEETING**

Chair Behdad asked for a clarification on the interest rate of the city loan. Vice Chair and City Finance Director Marston reported that the Department of Finance had reviewed the loan and approved the current interest rate. Vice-Chair Marston also reported that he was unable to find any financing at this time given the current dynamics of redevelopment dissolution but

offered that financing might be available at a later date.

MOTION: Moved by Board Member Sweeney, seconded by Board Member Gutierrez to approve the minutes of regular board meeting of May 3, 2012. Motion carried 6-0 (Board Member Villa was absent).

#### **4. NEW BUSINESS**

- a. RESOLUTION NO. OB 12-05 AMENDING BYLAWS FOR THE OVERSIGHT BOARD CHANGING THE REGULARLY SCHEDULED MEETING TIMES.

Economic Development Manager Scherr provided the staff report.

MOTION: Moved by Board Member Marston, seconded by Board Member Gutierrez to adopt Resolution No. OB 12-05 amending the bylaws for the Oversight Board to change the regularly scheduled meeting times. Motion carried 6-0.

- b. APPROVAL OF RESOLUTION NO. OB 12-06 RECONFIRMING ITEMS NO. 25 SAN GABRIEL BOULEVARD STREETSCAPE IMPROVEMENT PROJECT AND ITEM 29, SAN GABRIEL BOULEVARD GATEWAY CORRIDOR IMPROVEMENTS PROJECT (FAIRVIEW TO GRAND) IN THE FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2012 AND RESOLUTION NO. OB 12-07 RECONFIRMING ITEM NO. 29 IN THE SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1 TO DECEMBER 31, 2012.

Economic Development Manager Scherr provided the staff report. Deputy City Attorney Wallin explained the legal issues that were not considered by the Department of Finance in its rejection of ROPS items No. 25 and 26 and the arguments set forth in the Successor Agency's appeal letter. Board Member Cheng questioned the need to reconfirm already approved ROPS items and was in favor continuing this item for the next meeting and/or exhausting all administrative remedies before making a board action. Deputy City Attorney Wallin emphasized that the current Department of Finance appeal would have stronger standing with the passing of Resolution No. OB 12-06 and OB 12-07. Chair Behdad agreed with Deputy City Attorney's assertion that approving both resolutions would assist in keeping items No. 25 and No. 29 alive on the ROPS and not constitute a confirmation of the appeal letter. Vice Chair Marston's interpretation of the resolutions is that the Oversight Board discussed the matter and came to the conclusion that the Successor Agency is right and would like the Department of Finance to reconsider its ruling.

NEW MOTION: Moved by Board Member Cheng to continue Resolution Item No. OB 12-06 and Item No. 12-07 till the next Oversight Board Meeting or when the Department of Finance makes a ruling on the Successor Agency's appeal letter.

Board Member Huang asked for clarification as to the status of items not rejected by the Department of Finance. Economic Development Manager Scherr clarified that the remaining items had been approved and are not subject to subsequent review. Board Member Huang then indicated her belief that there is no harm in passing the resolutions if the other items on the ROPS are not in jeopardy. Board Member Cheng stated his concern of setting a precedent that necessitates reconfirmation of future items rejected by the Department of Finance. Chair Behdad and Vice Chair Marston disagreed that it would constitute a precedent and indicated the Board will take up new items as they present themselves. Board Member Cheng asked whether other Oversight Boards are making similar actions. Deputy City Attorney confirmed the Successor Agency at the City of La Verne is also putting forth a similar motion.

New Motion did not receive a second and failed to pass.

MOTION: Moved by Board Member Gutierrez, seconded by Board Member Sweeney to adopt Resolution No. OB 12-06 reconfirming Item No. 25 San Gabriel Boulevard Streetscape Improvement Project and Item 29, San Gabriel Boulevard Gateway Corridor Improvements Project (Fairview to Grand) in the first Recognized Obligation Payment Schedule for the period from January 1 to June 30, 2012. Motion carried 5-1 (Board Member Villa was absent, Board Member Cheng voted No).

Deputy City Attorney Wallin explained the legal issues not considered by the Department of Finance in its rejection on Item No. 29 in the second recognized Obligation Payment Schedule and the argument set forth in the Successor Agency's appeal letter. Board Member Cheng inquired about the MTA deadline to commit the matching funds. Economic Development Manager Scherr informed the board that the deadline was May 28<sup>th</sup> of the previous month and at that time the Oversight Board had approved the ROPS and was waiting to hear from the Department of Finance for approval. Deputy City Attorney Wallin clarified that the grant contract will not be signed without the Department of Finance approval and therefore the Successor Agency will be under no legal obligation to commit funds.

MOTION: Moved by Board Member Gutierrez, seconded by Board Member Huang to adopt Resolution No. OB 12-07 reconfirming Item No. 29 in the second Recognized Obligation Payment Schedule for the period from July 1 to December 31, 2012.

Motion carried 5-1 (Board Member Villa was absent, Board Member Cheng voted No).

c. FINANCIAL REPORTS.

Economic Development Manager Scherr provided the staff report and Vice Chair Marston answered Oversight Board questions regarding the reports submitted. The report was received and filed.

d. APPROVAL OF RESOLUTION NO. OB 12-08 DIRECTING THE DISPOSITION OF REAL PROPERTY LOCATED AT 1266-88 E. LAS TUNAS DRIVE PREVIOUSLY ACQUIRED BY THE SAN GABRIEL REDEVELOPMENT AGENCY.

Economic Development Manager Scherr provided the staff report. Deputy City Attorney Wallin gave background on the property and answered questions.

MOTION: Moved by Chair Sweeney, seconded by Board Member Guterrez to adopt Resolution No. OB 12-08 approving the disposition of real property located at 1266-88 E. Las Tunas Drive previously acquired by the San Gabriel Redevelopment Agency. Discussion took place regarding Motion carried 5-1 (Board Member Villa was absent, Board Member Cheng abstained).

e. APPROVAL OF PROCESS TO SELECT OVERSIGHT BOARD LEGAL COUNSEL.

Economic Development Manager provided the staff report.

MOTION: Moved by Chair Behdad, seconded by Board Member Gutierrez to approve the process of selecting Oversight Board legal counsel as amended to include Chair Behdad's appointment of an ad hoc committee of three Board members with Board Member Cheng serving as Chair. Chair Behdad and Vice Chair Marston were named to serve on the Ad Hoc Committee. The Ad Hoc committee will identify five or more attorneys and issue a request for qualifications. The information provided by the law firms will be reviewed and the top three law firms will be interviewed by the Ad Hoc Committee. After evaluating the final firms, the Ad Hoc Committee will provide the Oversight Board with a recommendation. Motion carried 6-0 (Board Member Villa was absent).

f. REGULAR MEETING SCHEDULE

Deputy City Clerk Paton polled board members to determine if there will be quorums for the July 23 and August 27 regular meetings. A quorum was reached for both days. Staff intends to cancel these meetings unless agenda items arise.

## **5. BOARD ITEMS**

Chair Behdad had questions for staff and Deputy City Attorney Wallin concerning land use policy and the role of the Oversight Board. Clarification was requested for the next meeting.

Chair Behdad asked Deputy City Attorney for clarification on the Brown Act and if board members are restricted from engaging in political activities in the upcoming elections.

Board Member Cheng asked Deputy City Attorney for his interpretation of the line in AB26 that states unencumbered amounts need to be given back to either the state, the county or taxing agencies and when he thought this would take place. Deputy City Attorney Wallin responded that the unencumbered cash will be returned after all the audits have taken place and a procedure for doing so hasn't been established yet.

## **9. ADJOURNMENT**

Adjournment to the Regular Board meeting of July 23, 2012, commencing at 10:00 a.m. in the City of San Gabriel Community Development Department Conference Room, 410 McGroarty Street.

Oversight Board actions are subject to review by the California State Department of Finance. As such, the Oversight Board Actions shall not be effective for three days pending a request for review by the Department of Finance.