

Lindsay Oversight Board Agenda

Council Chambers at City Hall
251 E. Honolulu, Lindsay, Ca. 93247
September 16, 2013 at 10:00am

1. OPEN SESSION

- A. CALL TO ORDER:** 10:00 am
- B. ROLL CALL:** Board members McQueen, Lara, Calvin, Hemaidan, Ishida, Mercer, Wilkinson
- C. Flag Salute:**

2. PUBLIC COMMENT –

The public is invited to comment on any subject under the jurisdiction of the Board, including agenda items, other than noticed public hearings. Comments shall be limited to three (3) minutes per person, with thirty (30) minutes overall for the entire comment period, unless otherwise indicated by the Chairperson.

3. Approval of Meeting Minutes for August 19, 2013

4. Information Item Only:

Presented by Tamara Laken – Finance Director

- A. State Controller's Office Requesting Review**

5. Recognized Obligation Payment Schedule (ROPS) (ROPS will follow)

Presented by Tamara Laken – Finance Director

- A. Review and Approval of Jan – June 2014 (ROPS 13-14B)**

Resolution No. 13-04

5. Adjournment

Notice: if documents are distributed to board members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at City Hall located at 251 E. Honolulu during regular business hours. If a disability-related modification or accommodation is requested, please contact City Manager's Office at 559-562-7103. In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact City Manager's Office at (559) 562-7103. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Lindsay Oversight Board
Council Chambers at City Hall
251 East Honolulu, Lindsay, California
Monday, August 19, 2013
10:00 a.m.

CALL TO ORDER.

Chairman McQUEEN called the meeting noted above to order at 10:00 a.m. in the Council Chambers at City Hall, 251 E. Honolulu, Lindsay, California.

BOARD PRESENT: MERCER, WILKINSON, LARA, McQUEEN.

BOARD ABSENT: CALVIN, ISHIDA, HEMAIDAN.

STAFF PRESENT: Maria Knutson, Tamara Laken and Bill Zigler.

FLAG SALUTE: Led by Board member WILKINSON.

PUBLIC COMMENT: None.

APPROVAL OF FEBRUARY 28, 2013 MINUTES.

Chairman McQueen: Board members, you have reviewed the minutes of the February 28, 2013 Board meeting, if they are acceptable, do I hear a motion to approve?

ACTION:

On Motion by WILKINSON and Second by MERCER, Minutes were approved as presented.

Update on the following:

a) Department of Finance (DOF's) Final Letter for:

- Low/Mod Income Housing Fund Due Diligence Review
(LMIHF DDR)
- Other Funds Due Diligence Review

b) Bond Rating Report - Standard & Poors dated June 7, 2013

Finance Director Tamara Laken stated there were no action items on today's agenda, but since it had been almost 6-months since the last meeting staff wanted to make sure the Board members were kept updated on and informed on these items. She reviewed and briefly discussed the history of the Due Diligence process, including the report by the independent audit firm, the original finding by the Department of Finance (DOF) in relation to the Due Diligence Reports (DDR), and the final DOF finding for both the former LMI and former Capital Projects Funds. She reported the City/Successor Agency has worked out an arrangement with the DOF on the LMI DDR which DOF determined had a balance due of \$578,422; a down payment of \$200,000 has been made as well as an additional payment of \$28,422 leaving a balance of \$350,000 remaining. The work out arrangement was made for 8 months and the City is on track to have that paid off in that time.

On the Capital Projects DDR-our auditor determined we should owe \$773,767 , the DOF determined we owe \$1.537 million, but after detailed discussion with DOF and providing additional information it was determined nothing is owed, the balance is zero.

She also reported on the restructuring of the HELP/RDLP Loans that are related to the DDGs. There was a slight residual balance on our last ROPS of about \$136,000 which was requested to be applied as good faith down payments for restructuring these two loans which are not secured with property tax revenue. The final

agreement with CalFHA for the RDLP \$3.69 Million Loan, plus accrued interest, is a down payment of \$88,414 and \$50,000 per year, in semi annual payments, with the interest rate going forward reduced to 1.5% for an extended period of 8 years. The reason this is not coming before you for a vote is because any additional amounts will be coming from the City with the exception of minimal residual amounts that will be requested on each ROPS which is presented to the Board for approval prior to submission to the DOF. There is no repayment mechanism in the Retirement Property Tax Trust Fund (RPTTF) which is all tied up with bonds. So the City will have to make sure that these payments are made. The other caveat on this one is any additional Lindsay Oversight Board Meeting Minutes

August 19, 2013

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Department of Finance (DOF's) Update cont.

amount that we may send them will be applied to reduce principal. According to the way the previous contract was written, any additional payments would only go towards interest. Rich and I explained to them there would be no reason to continue making payments if that was the case. The CalHFA reps then agreed to allow us to have any additional payments applied to the principal. There was the same issue with the \$1.25 million HELP loan. Again, Rich & I were able to restructure that loan with a 5-year extension. The down payment on that one was \$43,000 with annual payments of \$100,000. The payments will not be coming out of the RPTTF, this will be coming out of the city general fund although we will request any residual amounts that may be available. We will continue to request those so when you see the ROPS you will see a \$5 million dollar request knowing that we only have \$700,000 available. I will continue to do that until we are able to pay off everything. We have made those down payments and they have been sent along with the executed restructuring contracts.

So those are the main things we needed to make sure that you were aware of. Again, these are not action items we simply wanted to ensure that you are totally informed of what we have going. Are there any questions?

There were no questions from Board members.

Vice Chairman LARA stated he would just like to commend the Chief and Staff on their tremendous work, thank you.

Laken: Now on the Bond Rating, this is just informational. We have not gone up, not gone down. We've made our payments, we have been on time. We have provided all the information to the rating companies that they needed. They looked at our assessments and it has probably gone up slightly but not enough to make a difference as far as the project area. So they have confidence that we will continue to meet our bond payments.

The last item is the properties update. She reported that the City of Lindsay has successfully transferred the Sequoia Villa's property to the Tulare County Housing Authority and we are on target to meet our national objective for housing and for having them occupied by late fall. So, until we clear up the remaining \$350,000 that is owed to the other taxing entities I do not believe we are allowed to sell any property at this time and get the full clearance from the Department of Finance. We are trying to meet that obligation but until we do, we are still stalled as far as any property sales.

Bill Zigler was in attendance to provide any information on city owned real property inventory.

Laken: Thank you again for attending this meeting. There were no action items on this agenda but one of the reasons that we do this in a public forum is because that way we are also transparent to the public. Everything that we have discussed today is available to the public.

Chairman McQueen asked if there were any questions from the Board, seeing there were none, he asked if there was a Motion to adjourn.

ADJOURN. Upon motion of MERCER, Second of LARA, Chairman McQUEEN, adjourned the meeting of the Lindsay Oversight Board at 10:20 a.m.

ATTEST:

LINDSAY OVERSIGHT BOARD

Carmela Wilson, City Clerk

Greg McQueen, Chairperson

From: [Tamara Laken](#)
To: "Carmen Wilson"; "William Zigler"; "Maria Knutson"
Cc: "Michelle Wilkinson"; "Rwilkinson"
Subject: FW: SCO's RDA Asset Transfer Review
Date: Monday, September 09, 2013 5:03:31 PM
Attachments: [Lindsay RDA PBC.xlsx](#)
[Certification.htm](#)

Attached is the list of items that will be needed by the DOF auditor on October 28th; please note that we will need to reserve the conference room for the time frame referenced in her email and with the exception of Carmen, everyone receiving this email is requested to be at the entrance conference scheduled for 1:00 PM on October 28th which should take no more than 30 minutes.

Carmen, please send items #14 and #15 electronically to Maria who will prepare a zip file to forward to this auditor. I will handle all items except #4, #5, #14 (Oversight Board resolution), #16, #17, #18, #21 – Maria, you should have all the info for this, but may need help from Bill on #10.

Thank you all,

Tamara

From: KLiu@sco.ca.gov [mailto:KLiu@sco.ca.gov]
Sent: Monday, September 09, 2013 2:43 PM
To: tlaken@lindsay.ca.us
Cc: sfreesmeier@sco.ca.gov
Subject: SCO's RDA Asset Transfer Review

Good Afternoon Tamara,

It was nice speaking to you last Friday. Per our discussion, the State Controller's Office is currently conducting reviews on all former Redevelopment Agencies pursuant to ABX1 26, H&S Code Section 34167.5. The main purpose of our review is to determine if any asset transfers took place during January 1, 2011 through January 31, 2012 and whether they are allowable or unallowable.

I would like to confirm our entrance conference to be on Monday, October 28, 2013 at 1:00 pm. Please invite all parties that would have interest in this review process. The meeting should only take about 30 minutes. I am in the process of having a formal entrance letter prepared and sent to your office. Per your instructions, the entrance letter will be addressed to the City Manager, Rich Wilkinson.

I have also attached with this email, a list of documents that will be needed for the review. Please send the items to me electronically prior to my arrival.

The fieldwork process should take approximately 1-2 weeks, which begins immediately after the entrance conference and I will be needing working accommodations (mainly a desk and internet access) on site. If you can assist with arranging this, that would be greatly appreciated.

Please feel free to contact me if there should be any questions or concerns. Thank you very much for your help and I look forward to working with you.

Kandy Liu

Auditor

State Controller's Office | Division of Audits | Local Government Bureau | RDA
901 Corporate Center Drive, Suite 200 Monterey Park, CA 91754

Cell 310-961-1742 | Fax 323-981-6811

kliu@sco.ca.gov

State Controllers Office
 Lindsay Redevelopment Agency Asset Transfer Review (ABx1 26)
 For the period 1/1/2011 - 1/31/2012
 Please send any questions to Kandy Liu 310-961-1742 or kliu@sco.ca.gov

9/12/13

Note: All documents requested are for the period 1/1/2011 to 2/1/2012 for the former Redevelopment Agency and the current Successor Agency. Further documentation may be requested during fieldwork. This includes, but is not limited to, additional resource requests to support real property transfers, journal entries, etc. Additionally, when applicable, system generated lists, or screenshots, in electronic format are preferred.

Requested Items	Agency	Information to Be Provided By:	Date Requested	Date Due	Status	Days Outstanding	Number of Postponements	Evidence received by	Date Received	Additional Comments
1 Successor Agency and Former RDA Employee Contact Listing	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
2 Chart of Accounts with account descriptions	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
3 Listing of RDA and Successor Agency Funds	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
4 RDA audited financial statement 6/30/10	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
5 RDA audited financial statement 6/30/11	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
6 RDA Trial Balance (all funds) 12/31/10	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
7 RDA Trial Balance (all funds) 6/30/11	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
8 RDA Trial Balance (all funds) 1/31/12	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
9 Successor Agency Trial Balance 2/29/12	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
10 RDA Capital Assets Ledger 12/31/10, 6/30/11, 1/31/12	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
11 RDA General Ledger Detail (all funds) 7/1/10 -6/30/11	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
12 RDA General Ledger Detail (all funds) 7/1/11 - 1/31/12	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
13 Successor Agency General Ledger Detail (all funds) 2/1/12-2/29/12	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
14 Resolutions for the transferred assets reported to SCO	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
15 Resolutions for the establishment of the Successor Agency and Successor Housing Authority	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
16 List of Successor Agency Oversight Board Members	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
17 Other Funds Due Diligence Report (DDR)	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
18 Low and Moderate Income Housing Fund Due Diligence Report (DDR)	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
19 Copies of the Journal Entry Vouchers created for the transfer of assets from RDA to SA	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
20 RDA Long Term Debt Schedules	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
21 ROPS I, II, III and DOF Determination Letters	Successor Agency	TBD	9/9/2013	10/1/2013	Open					
22 Workspace with internet connection for two auditors	Successor Agency	TBD	9/9/2013	10/1/2013	Open					

OVERSIGHT BOARD RESOLUTION NO. 13-04

**A RESOLUTION OF THE LINDSAY OVERSIGHT BOARD ADOPTING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JAN. 1
THRU JUNE 30, 2014.**

At a Regular meeting of the Lindsay Oversight Board, duly held on the 16th day of September 2013, at the hour of 10:00 a.m. in the Council Chambers at City Hall, Lindsay, California 93247, the following resolution was adopted:

WHEREAS, the City of Lindsay agreed to serve as successor agency for the now dissolved Lindsay Redevelopment Agency pursuant to Resolution 12-02 adopted on January 10, 2012, and

WHEREAS, the Lindsay Oversight Board for the dissolved Lindsay Redevelopment Agency has reviewed the recognized obligation payment schedule and seeks the adoption of ROPS for the period Jan. 1, 2014 thru June 30, 2014.

NOW, THEREFORE BE IT RESOLVED, that the Lindsay Oversight Board hereby approves the *Recognized Obligation Schedule* for the period Jan. 1, 2014 thru June 30, 2014 as attached and made a part hereof.

PASSED, APPROVED AND ADOPTED by the Lindsay Oversight Board this 16th day of September 2013.

ATTEST:

LINDSAY OVERSIGHT BOARD

Carmela Wilson, City Clerk

Greg McQueen, Chairman