

CITY OF ESCONDIDO

MINUTES OF THE REGULAR MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE ESCONDIDO REDEVELOPMENT AGENCY

December 12, 2012

The regular meeting of the Oversight Board of the Successor Agency of the Escondido Redevelopment Agency was called to order at 10:00 a.m., by Vice-chairman Rojas in Training Room 1 at City Hall, 201 North Broadway, Escondido, California.

Board Members Present: Vice-chairman Rojas, Boardmember Masson, Boardmember Baker, Boardmember McNamara, and Boardmember Manusov.

Commissioners absent: Chairman Phillips and Boardmember Yerxa.

Staff present: Jeffrey Epp, City Attorney; Joan Ryan, Finance Manager; Christine Holmes, City Accountant; and Ty Paulson, Minutes Clerk.

MINUTES

Moved by Boardmember Masson, seconded by Boardmember Baker, to approve the minutes of the October 15, 2012, meeting as amended. Motion carried unanimously.

1. Opportunity for Public Comment on Due Diligence Review of the Other Funds of the Redevelopment Agency

Ms. Ryan referenced the staff report and noted that on January 8th another meeting would need to be held to approve the report conducted by Rich Kikuchi of Lance, Soll & Lunghard. She then introduced Rich Kikuchi who was hired to conduct the "Agreed Upon Procedures" review of the Other Funds of the Redevelopment Agency.

Rich Kikuchi, Lance, Soll & Lunghard, LLP provided an overview of the Due Diligence Review and agreed upon procedures. He explained that all of the procedures and required procedures were listed on the first six pages of the report with Page 10 being a summary snapshot of four different time periods. He then stated that he was available for questions.

Boardmember Manusov and Mr. Kikuchi discussed the differences between an audit and an agreed upon procedures review.

Vice-chairman Rojas asked Mr. Kikuchi if his understanding was that the Board would have a separate financial statement. Mr. Kikuchi noted that this would be reported on the City's financial statement in the private purpose trust fund.

Discussion ensued regarding a clarification of the loans receivable as outlined on Page 10 of the summary.

Vice-chairman Rojas provided an explanation of the Board's future role, noting that the transactions would be audited with excerpts being provided to the board periodically. He stated that some of the goals of the board members would be to ensure that the enforceable obligations were paid, ensure that any excess cash was given to the county and distributed to respective agencies, and to ensure the assets the City had were used for public purpose or sold.

Boardmember Manusov asked if a meet and confer process had occurred with the Department of Finance. Vice-chairman Rojas replied in the affirmative and noted that staff would provide an update at the January 8th meeting.

Boardmember Manusov and Mr. Epp discussed the pending lawsuits between various jurisdictions and the State Board of Equalization.

Ms. Ryan provided a meeting schedule to the Board.

Boardmember Manusov noted that she would be retiring from the School District as well as resigning from the Oversight Board.

Boardmember Manusov noted that due to a potential conflict of interest some oversight boards were hiring outside council. Mr. Epp noted that some cities were sharing legal council in order to cut costs. He also stated that he could provide more background on this in January if the Board desired. Boardmember Baker concurred.

Vice-chairman Rojas noted that the cost for hiring outside council might be an issue.

Boardmember Manusov and Vice-chairman Rojas discussed the school district pass-thru payments. Boardmember Manusov expressed her concern with the school district pass-thru payments ending, noting that the school district supported the City's 2035 date for the loan repayment.

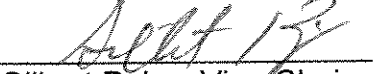
Boardmember Manusov and staff discussed the process and background for the pass-thru agreements.

Boardmember Masson asked if the Board could obtain a copy of the pass-thru agreements. Mr. Epp replied in the affirmative.

ORAL COMMUNICATIONS: None.

ADJOURNMENT:

Vice-Chairman Rojas adjourned the meeting at 10:54 am.



Gilbert Rojas, Vice-Chairman



Ty Paulson, Minutes Clerk