

CITY OF ALHAMBRA
NOTICE OF REGULAR MEETING
OF THE
ALHAMBRA OVERSIGHT BOARD
WEDNESDAY, AUGUST 22, 2012
2:00 p.m.

NOTICE IS HEREBY GIVEN that a **Regular Meeting of the Alhambra Oversight Board** will be held on **Wednesday, August 22, 2012 at 2:00 p.m.** at Alhambra City Hall Council Chambers, 111 South First Street, Alhambra, California, pursuant to the order of the Alhambra Oversight Board Secretary.

An agenda of such adjourned regular meeting is attached hereto, incorporated herein by reference and made a part hereof as though fully set forth herein.

Mary K. Swink
Alhambra Oversight Board Secretary

Notice No: N2M12-114
Posted: August 17, 2012

AGENDA
CITY OF ALHAMBRA
OVERSIGHT BOARD
REGULAR MEETING

August 22, 2012, 2:00 p.m. Alhambra City Hall City Council Chambers

1. Call to Order

2. Roll Call/Introductions

Mark Paulson, Chairman & Representative of San Gabriel Valley Municipal Water District
Michael Messina, Vice-Chairman & Representative of City of Alhambra
Miguel Duran, Representative of Los Angeles County
James Funk, Representative of City of Alhambra
Nicole Lash, Representative of Alhambra Unified School District
Gordon Eng, Representative of Los Angeles County
Richard Verches, Representative of Community College Board

3. Flag Salute

4. Approval of the Minutes.

Recommended Action

That the Oversight Board review and approve, as submitted, the Minutes of the July 25, 2012 Meeting of the Alhambra Oversight Board.

5. January 2013 through June 2013 - Recognized Obligation Payment Schedule

The Recognized Obligation Schedule (ROPS) lists enforceable obligations of the Successor Agency and must be approved by the Oversight Board. The ROPS for the period of January 2013 through June 2013 must be submitted to the Los Angeles Auditor-Controller by September 1, 2012 to assure the disbursement of the tax increment funding by June 1, 2012.

Recommended Action

It is recommended that the Oversight Board review and approve Resolution No. 0025 approving the amended Recognized Obligation Schedule for the period January 2013 through June 2013, directing Successor Agency staff to transmit the approved Recognized Obligation Schedule to the Los Angeles County Auditor Controller, the State Controller and the State Department of Finance.

6. Award Contract: Due Diligence Reviews as Required by AB 1484

AB 1484 requires the Successor Agency to secure an independent auditor to conduct a “due diligence” review of the former Redevelopment Agency fund balances. White, Nelson, Diehl, and Evan, LLP Certified Public Accountants and Consultants have agreed to conduct the audit for the Successor Agency. However, the procedures for the “due diligence” review have not been issued by the State Department of Finance. It is anticipated the procedures will be issued on or about September 1, 2012. The “due diligence” review for the low/mod housing funds must be completed by October 1, 2012. Without the procedures for the audit, the auditor cannot submit a formal proposal to the Successor Agency, but believes the work will be within the \$7,000.00 to \$10,000.00 range. Due to the timing of the work, it is recommended that the Oversight Board authorize staff to negotiate a contract with White, Nelson, Diehl, and Evan LLP at an amount not to exceed \$10,000.00. The cost for the audit is accounted for in the Successor Agency’s Administrative Budget.

The audit firm of Moss, Levy, & Hartzheim, LLP was also requested to submit a proposal for the “due diligence” review. This firm declined due to the timing of the procedures and when the work was required to be completed.

The results of the audits will be submitted to the Oversight Board for their review and approval.

Recommended Action

It is recommended that the Oversight Board review and approve Resolution No. 0026 authorizing staff to negotiate a contract with White, Nelson, Diehl, and Evan LLP Certified Public Accountants and Consultants in an amount not to exceed \$10,000.00, directing Successor Agency staff to transmit the approved Resolution No. 00026 to the Los Angeles County Auditor Controller, the State Controller and the State Department of Finance

7. Public Comments

Comments must pertain to the business of the Oversight Board. Kindly limit all oral communications to five (5) minutes.

8. Adjournment

Adjourn to the next regularly scheduled meeting on Wednesday, September 12, 2012 at 2:00 pm.

Copies of staff reports or other written documentation, if any, relating to each item of business described above are on file in the Alhambra City Hall, Development Services Department, 111 S. First Street, Alhambra California 91801, and are available for public inspection upon request during regular business hours of 8:00am to 5:00pm, Monday through Friday.

Should any person have a question concerning any of the above agenda items prior to the meeting described herein, he or she may contact Mary Swink, Assistant City Manager/ Director of Development Services, either in person at the Development Services Department at Alhambra City Hall, 111 South First Street, or by calling via telephone at (626) 570-5041 during regular business hours.

MINUTES
CITY OF ALHAMBRA
OVERSIGHT BOARD
SPECIAL MEETING

July 25, 2012, 2:00 p.m. Alhambra City Hall City Council Chambers

1. **Call to Order:** At 2:00 p.m., the Oversight Board of the Successor Agency convened in the Council Chambers of Alhambra City Hall.

2. **Roll Call/Introductions**

PRESENT: DURAN, ENG (2:04 p.m.), FUNK, MESSINA, PAULSON
ABSENT: LASH, VERCHES

Officials Present: Director of Development Services/Successor Agency Board Secretary Swink; Finance Director Espinoza; Assistant City Attorney Richman; Deputy Director of Development Services/Successor Agency Staff Reynoso; Project Manager/Successor Agency Staff Smith; Project Manager/Successor Agency Staff Alvarez; Deputy Director of Utilities Ray.

3. **Flag Salute:** Led by Chairman Paulson

4. **Approval of the Minutes**

Action

The Oversight Board reviewed and approved, as submitted, the Minutes of the June 13, 2012 Special Meeting of the Alhambra Oversight Board.

Vote: Moved: MESSINA Seconded: FUNK
 Ayes: DURAN, FUNK, MESSINA, PAULSON
 Abstain: NONE
 Noes: NONE
 Absent: ENG, LASH, VERCHES

5. **Oversight Board Attorney**

A contract with the law firm of Lewis Brisbois Bisgaard has been prepared for the position of Oversight Board Attorney.

Action

The Oversight Board accepted the contract to hire Lewis Brisbois Bisgaard as Oversight Board Attorney in an amount not to exceed \$30,000 for fiscal year 2012/2013 approving Resolution No.0023. Costs included in the Administrative Budget of the Recognized Obligation Payment Schedule.

Vote: Moved: MESSINA Seconded: FUNK
Ayes: DURAN, FUNK, MESSINA, PAULSON
Abstain: NONE
Noes: NONE
Absent: ENG, LASH, VERCHES

6. Assembly Bill No. 1484

On June 27, 2012, the Legislature passed and the Governor signed AB 1484 which primarily makes technical and substantive amendments to the Dissolution Act ABx1 26. As a budget “trailer bill,” AB 1484 took immediate effect upon signature by the Governor.

Major milestones were added and or modified in the new legislation. A copy of AB 1484, a summary of the bill prepared by the California League of Cities and a copy of a milestone calendar have been provided to the Oversight Board members.

Recommended Action

No action required.

ENG: at 2:04 p.m. entered room.

7. Housing Assets

AB 1484 requires the Successor Agency to submit to the Department of Finance a list of all housing assets transferred from the former redevelopment agency to the City’s housing successor. These assets include housing obligations/assets which was approved by the Oversight Board Resolution No. 0004 on March 29, 2012, two housing properties and notes receivable from past housing rehabilitation projects and the City’s First Time Homebuyer program.

Action

The Oversight Board reviewed and approved Resolution No. 0024 approving the Housing Asset list directing Successor Agency staff to transmit the approved Housing Asset List to the Los Angeles County Auditor Controller, the State Controller and the State Department of Finance.

Vote: Moved: FUNK Seconded: MESSINA
Ayes: DURAN, ENG, FUNK, MESSINA, PAULSON
Abstain: NONE
Noes: NONE
Absent: LASH, VERCHES

8. Public Comments

There were no public comments.

9. Adjournment

At 2:34 p.m., as there was no further business for the Board to transact, with a unanimous consent the Oversight Board adjourned their respective meeting to the next regularly scheduled meeting.

PASSED, APPROVED AND ADOPTED this 22nd day of August, 2012.

Mark Paulson, Chairperson

ATTEST:

Mary K. Swink
Successor Agency Staff
Director of Development Services

DATE: August 22, 2012

TO: Chairman and Members of the Oversight Board of the Alhambra
Successor Agency

AGENDIZED BY: Mary K. Swink, Successor Agency Staff Member

SUBJECT: The Recognized Obligation Payment Schedules covering the period of
January 1, 2013 through June 30, 2013.

PURPOSE:

To request that the Oversight Board of the Alhambra Successor Agency approve the Recognized Obligation Payment Schedules (ROPS) dated August 15, 2012 covering the period of January 1, 2013 through June 30, 2013, and authorize Successor Agency staff to transmit the schedule to the Los Angeles County Auditor-Controller, the California State Controller's Office and the California State Department of Finance.

FACTS:

1. The Recognized Obligation Payment Schedules (ROPS) dated August 15, 2012 covering the period of a January 1, 2013 through June 30, 2013 has been prepared by Successor Agency staff.
2. The form for the ROPS has been revised by the State Department of Finance to allow the agency to show multiple funding sources including bond reserves, lease revenue, and anticipated Redevelopment Property Tax Trust Fund (RPTTF - tax increment money).
3. In addition to the bond payments and two "third party" agreements on the current ROPS, staff has included enforceable obligations that may be required to be paid by the Successor Agency should the property assets be transferred to the Successor Agency during the period of this ROPS.
4. AB 1484 requires that the Los Angeles County Auditor-Controller release the amount of anticipated Redevelopment Property Tax Trust Fund (RPTTF) money available for the sixth month period of January 2013 to June 2013 by September 1, 2012. However, the ROPS for that period must be submitted to the State Department of Finance by September 1, 2012. Therefore, staff had to estimate the anticipated RPTTF money available based on former payments.
5. The ROPS must be submitted to the Los Angeles County Auditor-Controller, the California State Controller's Office and the California State Department of Finance by September 1, 2012. The State Department of Finance (DOF) is given five days to request a review of the ROPS. If that request is made, DOF has 45 days to complete their review.

RECOMMENDATION:

Staff recommends that the Oversight Board of the City of Alhambra Successor Agency approve Resolution No. 0025 approving the Amended Recognized Obligation Payment Schedules (ROPS) covering the period January 1, 2013 through June 30, 2013, as required by AB1484, and to authorize Successor Agency staff to transmit the documents to the Los Angeles County Auditor-Controller, the California State Controller's Office and the California State Department of Finance.

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency to the Alhambra Redevelopment Agency
County:	<u>Los Angeles</u>
Primary Contact Name:	Mary K. Swink
Primary Contact Title:	Director of Development Services
Address	111 S. First St., Alhambra, CA 91801
Contact Phone Number:	<u>626-570-5040</u>
Contact E-Mail Address:	<u>sswink@cityofalhambra.org</u>
Secondary Contact Name:	Silvia Smith
Secondary Contact Title:	<u>Project Manager</u>
Secondary Contact Phone Number:	<u>626-570-5032</u>
Secondary Contact E-Mail Address:	<u>ssmith@cityofalhambra.org</u>

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the Alhambra Redevelopment Agency

Outstanding Debt or Obligation		Total Outstanding Debt or Obligation
		\$ 99,084,041
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	581,635
B	Anticipated Enforceable Obligations Funded with RPTTF	5,479,807
C	Anticipated Administrative Allowance Funded with RPTTF	250,000
D	Total RPTTF Requested (B + C = D)	5,729,807
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 6,311,442
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	5,729,807
F	Variance (E - D = F) <i>Maximum RPTTF-allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ -
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	5,143,690
H	Enter Actual Obligations Paid with RPTTF	4,690,737
I	Enter Actual Administrative Expenses Paid with RPTTF	178,121
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	274,832
K	Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 5,454,975

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) of the Health and Safety code,
 I hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named agency.

 Name

 Title

 Signature

 Date

RESOLUTION No. 0025

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE ALHAMBRA REDEVELOPMENT AGENCY APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIOD
JANUARY 1, 2013 THROUGH JUNE 30, 2013.**

WHEREAS, California Health and Safety Code section 34179 requires that each Successor Agency have an Oversight Board; and

WHEREAS, Section 34177 requires each Successor Agency to prepare a Recognized Obligation Payment Schedule (“ROPS”) and section 34180 requires the Oversight Board to approve same; and

WHEREAS, Section 34177 provides that each ROPS shall be forward looking to the next six months; and

WHEREAS, section 34177 requires that the ROPS for the period of January 1, 2013 through June 30, 2013 prepared by the Successor Agency and approved by the Oversight Board be transmitted to the County Auditor-Controller, the State Controller and the State Department of Finance by September 1, 2012; and

WHEREAS, the County will not make any payments of property taxes to the Successor Agency for use in payment of the obligations listed on the ROPS until the ROPS has been approved by the Oversight Board. Any delay in such payment could impair the Successor Agency’s ability to make payments for the enforceable obligations; and

WHEREAS, the Successor Agency prepared ROPS for the period January 1, 2013 through June 30, 2013 is attached hereto as Exhibit A.

**NOW THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE ALHAMBRA REDEVELOPMENT AGENCY HEREBY RESOLVES:**

SECTION 1. The ROPS for the period January 1 2013 through June 30, 2013 attached hereto as Exhibit A is hereby approved.

SECTION 3. Successor Agency staff is directed to provide a copy of this Resolution along with the approved ROPS to the County Auditor-Controller, the State Controller’s Office and the State Department of Finance.

PASSED, APPROVED AND ADOPTED this 22nd day of August 2012.

Mark Paulson, Chairperson

ATTEST:

Mary K. Swink
Successor Agency Staff
Director of Development Services

I HEREBY CERTIFY that the above and foregoing resolution was duly passed and adopted by the Oversight Board for the Successor Agency to the Alhambra Redevelopment Agency at its regular meeting held on August 15, 2012

AYES:
NOES:
ABSENT:
ABSTAINED:

Mary K. Swink
Successor Agency Staff
Director of Development Services

RESOLUTION No. 0026

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ALHAMBRA REDEVELOPMENT AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO RETAIN AN ACCOUNTING FIRM AS REQUIRED BY HEALTH AND SAFETY CODE SECTION 34179.5

WHEREAS, California Health and Safety Code section 34179.5 requires each Successor Agency to employ a licensed accountant, approved by the County auditor-controller, to conduct a due diligence review to determine the unobligated balances in the low-mod and other revenue accounts of the former Alhambra Redevelopment Agency available for transfer to taxing entities; and

WHEREAS, the Successor Agency has contacted White, Nelson, Diehl, and Evan, LLP Certified Public Accountants, who are willing to undertake the required due diligence review; and

WHEREAS, time is of the essence as the agreed upon procedures for the conduct of the due diligence review are not anticipated to be promulgated until September 1, and the due diligence review of the low-mod moneys is due by October 1; and

WHEREAS, the County Auditor-Controller has approved White, Nelson for purposes of undertaking such due diligence review.

NOW THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ALHAMBRA REDEVELOPMENT AGENCY HEREBY RESOLVES:

SECTION 1. The Oversight Board hereby authorizes the Successor Agency to enter into a contract with White, Nelson, Diehl, and Evan, LLP in an amount not to exceed \$10,000 for purposes of conducting the due diligence review required by Health and Safety Code section 34179.5. Funds for such contract are available in the Successor Agency's Administrative Budget. The City's Director of Development Services, as staff to the Successor Agency is authorized to execute such contract.

SECTION 2. The City's Director of Development Services as staff to the Successor Agency is directed to transmit a copy of this resolution to the County Auditor-Controller, the State Controller and the Department of Finance pursuant to Section 34179.

PASSED, APPROVED AND ADOPTED this 22nd day of August 2012.

Mark Paulson, Chairperson

ATTEST:

Mary K. Swink
Successor Agency Staff
Director of Development Services

NITIN P. PATEL, CPA

Position

Engagement Partner

Education

University of California at Irvine - Bachelor of Arts in Economics

California State University at Long Beach - Masters of Accounting Program

Licensing

Certified Public Accountant in California since 1988

Professional

Organizations

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
California Society of Municipal Finance Officers (CSMFO) - Associate Member
CSMFO Professional and Technical Standards Review Committee - Report Reviewer
for Award Program
Governmental Accounting and Auditing Committee of Orange County - Committee
Chairman (2001-2002)
California Governmental Accounting and Auditing Committee Member

Range of

Experience

Has been with Diehl, Evans & Company, LLP since 1986 with emphasis in governmental accounting and financial reporting.

Responsible for firm's in-house governmental accounting and auditing training programs.

Mr. Patel served as the Engagement Partner on the following local government audits in 2011:

City of Alhambra	Alhambra Redevelopment Agency
City of Lake Elsinore	Lake Elsinore Redevelopment Agency
City of Lake Forest	Lake Forest Redevelopment Agency
City of Newport Beach	Marin County Redevelopment Agency
City of Palm Desert	Palm Desert Redevelopment Agency
City of San Fernando	San Fernando Redevelopment Agency
City of Sanger	Sanger Redevelopment Agency
City of Westminster	Westminster Redevelopment Agency

Experience includes supervision of over one hundred audits of governmental agencies including cities, redevelopment agencies, non-profit corporations, joint powers authorities and special districts.

Other experience includes providing consulting services for governmental agencies including special internal control reviews, cost allocation plans, cable television rate reviews, reviews of City Treasurer operations and transient occupancy tax reviews of city hotels/motels.

Continuing

Professional

Education

For the period of January 1, 2009 through December 31, 2011:

Total Hours: 176.00

Total Government Hours: 126.00

Audit Firm: White Nelson Diehl Evans LLP

Diehl, Evans and Company, LLP has been in existence for more than 80 years and providing auditing services to governmental agencies since 1950. In September of 2011, a merger occurred with White, Nelson & Company, LLP. The new firm emerged as White Nelson Diehl Evans LLP (WNDE). A significant part of our practice is devoted to providing professional services to your specialized industry and on an annual basis our firm issues over 100 reports on audits of governmental agencies including, Cities, Redevelopment Agencies, Special Districts and Single Audits of Federal Grants.

REDEVELOPMENT AGENCY EXPERIENCE

Over the past year we audited the following redevelopment agencies.

- | | |
|--|--|
| Alhambra Redevelopment Agency | Rancho Palos Verdes Redevelopment Agency |
| Avalon Community Improvement Agency | Redevelopment Agency of the City of |
| Community Development Commission of | San Buenaventura |
| the City of Downey | San Fernando Redevelopment Agency |
| Hesperia Redevelopment Agency | Sanger Redevelopment Agency |
| City of Lake Elsinore Redevelopment Agency | Signal Hill Redevelopment Agency |
| Lake Forest Redevelopment Agency | Tustin Redevelopment Agency |
| Lakewood Redevelopment Agency | West Covina Community Development |
| Marin County Redevelopment Agency | Commission |
| Palm Desert Redevelopment Agency | Westminster Redevelopment Agency |

LIST OF CITY ENGAGEMENTS

We have listed below the cities which were under contract with us during the past five fiscal years.

City	Period of Service		Scope of Work
	From	To	
Alhambra	2005	Present	CA, RDA, SA
Avalon	2006	Present	CA, RDA, OCU, SCR
Buena Park	2004	2010	CA, RDA, SA, OCU, SCR
Cerritos	1969	2008	CA, RDA, SA
Chino	1995	2009	CA, RDA, SA
Coronado	1970	2007	CA, RDA, SA, PFA, PI
Diamond Bar	2005	2009	CA, SA
Downey	1987	Present	CA, RDA, AQMD, PFA, SA, OCU
Encinitas	2006	2008	CA, SA, Golf Authority
Fullerton	2004	2010	CA, RDA, AQMD, SA, SCR, Cost Allocations
Healdsburg	2003	2009	CA, PI, RDA, T, SA, SCR
Hesperia	1997	Present	CA, RDA, SA
Huntington Beach	2007	2009	CA, RDA, AQMD, SA
Indian Wells	2003	2007	CA, RDA, SA
Irvine	2000	2010	CA, RDA, AQMD, PP, SA, OCU
La Habra Heights	2008	Present	CA, SA, SCR
Lake Elsinore	2005	Present	CA, RDA, PFA, RA, SA
Lake Forest	2011	Present	CA, RDA, SA, Housing Authority
Lakewood	1974	Present	CA, RDA, SA
Los Alamitos	2008	2010	CA, SA (when required)
Mission Viejo	2005	2008	CA, RDA, SA, SCR, SR, OCU
Montebello	2002	2009	CA, RDA, T, SA, Hotel
Newport Beach	2011	Present	CA, SA, SCR
Norwalk	2001	2007	CA, RDA, SA PFA, T, Consortium
Oceanside	2007	2009	CA, RDA, OCU
Palm Desert	2008	Present	CA, RDA, RA, SA
Pico Rivera	2004	2008	CA, RDA, SA
Rancho Palos Verdes	2008	Present	CA, RDA, PI, SCR, SR
San Buenaventura	2011	Present	CA, RDA, PFA, SA, SCR
San Fernando	2007	Present	CA, RDA, SA
San Juan Capistrano	2005	2010	CA, RDA, Community Housing Corp.
Sanger	2011	Present	CA, RDA, PFA, SA, SCR
Santa Clarita	2002	2008	CA, RDA, SA, AQMD, PFA, T
Signal Hill	1962	Present	CA, RDA, SA
Temecula	2002	2007	CA, RDA, SA
Thousand Oaks	2003	2007	CA, RDA, SA, T, Child Care Grant
Tustin	2011	Present	CA, RDA, SA, SCR
West Covina	2011	Present	CA, RDA, AQMD, SA
Westminster	1997	Present	CA, RDA, AQMD, SA

Legend:

AQMD - Air Quality Management District Audit
 CA - City Audit
 OCU - Other Component Unit Audits
 PFA - Public Financing Authority
 PI - Public Improvement
 PP - Pension Plans

RA - Recreation Authority
 RDA - Redevelopment Agency Audit
 SA - Single Audit
 SCR - State Controllers' Reports
 SR - Street Report
 T - Transportation

Substantially all of the above engagements were performed through the firm's Irvine office.