

**MINUTES OF THE OVERSIGHT BOARD
FONTANA REDEVELOPMENT SUCCESSOR AGENCY
FRIDAY, APRIL 20, 2012**

CALL TO ORDER/ROLL CALL:

The Meeting of the Oversight Board, Fontana Redevelopment Successor Agency, was called to order at 9:00 a.m., which was held on Friday, April 20, 2012, in the Fontana City Hall, Executive Conference Room, 8353 Sierra Avenue, Fontana, California.

OSB Members Present: Chairperson Evelyne Ssenkoloto, OSB Members Alejandro Alvarez, Cid Pinedo, and John Roberts. OSB Members Absent: Vice-Chair Acquanetta Warren.

OSB Staff Present: David Edgar, Deputy City Manager, Administrative Services; Jeff Ballinger, City Attorney, Best, Best & Krieger; Sandra Medina, Deputy City Clerk; Lisa Strong, Management Services Director; and Cecilia Lopez-Henderson, Administrative Project Coordinator (Recording Secretary).

PUBLIC COMMUNICATIONS:

There were no public communications received.

A. OATH OF OFFICE

Deputy City Clerk Sandra Medina administered the Oath of Office to Ms. Lynne Fischer, County of San Bernardino Board of Supervisors Appointment.

B. APPOINTMENT OF SECRETARY

ACTION: OSB Member Roberts nominated OSB Member Fischer for Secretary, seconded by OSB Member Alvarez. Motion passed unanimously by vote of 5-0.

C. APPROVAL OF MINUTES FROM APRIL 6, 2012 MEETING

ACTION: OSB Member Pinedo moved to approve the April 6, 2012 Minutes of the Oversight Board Meeting, Fontana Redevelopment Successor Agency, seconded by OSB Member Alvarez. Motion passed unanimously by vote of 5-0. Abstain: OSB Member Fischer.

D. RESOLUTION APPROVING SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FROM JULY 1, 2012 THROUGH DECEMBER 31, 2012.

(Vice-Chair Warren arrived at 9:15 a.m.)

Chairperson Ssenkoloto asked whether correspondence was received on this item. Recording Secretary Cecilia Lopez-Henderson responded that correspondence dated April 10, 2012 was received from the Western Center on Law and Poverty. A copy is on file with the City Clerk's Department.

Deputy City Manager David Edgar summarized the correspondence and stated that the correspondence comes under the auspices of the Public Interest Law Project, but in actuality the letter is from the Western Center on Law and Poverty and is questioning the Oversight Board's (OSB) actions taken on April 6, 2012. Mr. Edgar stated that the OSB is not currently involved in the litigation with Western Center on Law and Poverty. Western City sued the former Redevelopment Agency of the City of Fontana on a previous action involving the Jurupa Redevelopment Project Area that occurred between 1982 and 1985. The litigation is going through the court right now, and a closed session will be scheduled, if and when this item comes before the OSB. This item is not on the agenda; therefore, no action is required on the part of the OSB.

OSB Member Fischer stated that the legal counsel for the OSB is for the agency and not the OSB. Ms. Fischer questioned whether the letter from the Western Center on Law and Poverty required a response. Legal Counsel Ballinger stated that the OSB does not need to respond to the lawsuit because the OSB has not been named. OSB Member Pinedo inquired about the comment regarding violation of the Brown Act. Legal Counsel Ballinger responded that if an agency has a website, then the agency meeting notice must be posted. Nevertheless, the City did post the agenda within the 72-hour requirement and therefore the posting requirements were met.

Management Services Director Lisa Strong presented the staff report on the Second Recognized Obligation Payment Schedule (ROPS), of which a complete copy is on file in the City Clerk's Department.

Ms. Strong stated that the first ROPS have been submitted to the Department of Finance (DOF), State Controller's Office, and the County. In response, the City received an email which stated that additional information was needed, but specific items in question were not provided.

Ms. Strong stated that when ROPS II is submitted to the County, the City will be requesting its share of the tax increment to pay for the obligations, which are exactly the same that were covered by the first ROPS, with the exception of an audit. The audit has been estimated at \$50,000 because it was not sure what exactly will be audited. All the other obligations that are in ROPS II are the next six months worth of payments. Ms. Strong explained that bonded indebtedness was split into two payments that are due for the year, so the payments are evened out through the year. Ms. Strong added that the only exceptions are Numbers 2 and 3 on ROPS II, which are the Jurupa Hills bonds. The full amounts are shown in the first six months because an Owner Participation Agreement (OPA) requires those to be paid first before the OPA is paid.

OSB Member Fischer questioned whether any of the items that are on ROPS II were discussed on the ROPS drafts that might have been sent to the DOF. Ms. Strong responded that the DOF did ask for documentation on four items and the City was informed that three of the items should be removed. The DOF stated that denial letters would be sent to the City and the City has not received any denial letters, so the items were left on ROPS II. The item that the DOF requested information for was Number 9, the Owner Participation Agreement (OPA) with Ten-Ninety, but the DOF did not state that this item was to be removed; additional information was requested on Number 5, the Agreement of Purchase and Sale for the North Fontana Redevelopment Project Area. The other item was Number 26, the Duncan Canyon Interchange that the DOF requested additional information. The reason was that a construction contract was not in place, even though many contracts going back to 2006 with SANBAG were in place, the DOF stated that this item would need to be removed. Lastly, additional information was requested for Number 4, a City loan between the City's sewer fund and a project area. The reason that Number 4 was removed was that the loan was not entered into within two years of the establishment of the redevelopment agency.

Ms. Strong referred to Form B, ROPS II, which shows the debt service bond payments split in half, which can cause a short fall in the first six months. Basically, the City is asking the DOF if this money can be held in cash flow reserves, so that the City does not run short when those payments are made. When the bonds are paid off, this money can be returned. The City cannot take the chance that enough money will not be available to make the bond service payments. These items will be classified as cash flow reserves on the balance sheet, and all bonds have been listed that might need cash flow. Ms. Strong stated that Form C, administrative costs, is shown as one line item. A cost allocation plan was prepared, which is how it was determined that it was well above the limit, so it was capped at the limit. There is no Form D because last time Form D had the pass-through payments and now the County will be handling those. The cover sheet contains all this information.

ACTION: Motion was made by OSB Member Pinedo, seconded by Vice-Chair Warren and passed unanimously by vote of 6-0 to adopt Resolution No. FOB 2012-04 of the Oversight Board of the Successor Agency to the Dissolved Fontana Redevelopment Agency, approving a Recognized Obligation Payment Schedule (ROPS) for July 1, 2012 through December 31, 2012 pursuant to Health and Safety Code Sections 34177(I) and 34180(g).

E. STAFF/BOARD MEMBER COMMUNICATIONS

OSB Member Fischer asked who the staff contacts are regarding questions concerning ROPS or future OSB meetings. Deputy City Manager David Edgar responded that questions regarding finance can be directed to Lisa Strong, and questions regarding the agenda, minutes and meeting dates, can be directed to Cecilia Lopez-Henderson. OSB Member Pinedo stated that he may not be present at the June 15, 2012 OSB meeting due to a scheduling conflict. No other Board Member communications were made.

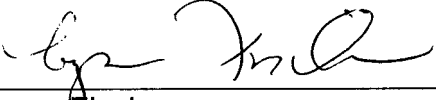
Deputy City Manager David Edgar stated that future OSB meetings will revolve around two sets of issues: one is the future ROPS, and the other is property dispositions. There are approximately 120 small and large parcels in the City of Fontana that require development of a strategy and approach. Presently, the County has been given direction by the DOF to put together an audit to review and that should be done by July 15, 2012. There are three property matters that will go forward on the June 15, 2012 OSB agenda as follows:

- A restaurant agreement with the Hilton Garden Hotel that needs to be extended and cannot wait until the property disposition;
- An agreement with Alfredo's Restaurant, currently in San Bernardino, who want to open a second facility in downtown Fontana; and
- Easement agreements for Westech College. Westech is building a facility within the former Civic Auditorium property, and there are some easement agreements that need to be taken forward for the properties to the north and south. The easement agreements are currently controlled by the former Redevelopment Agency.

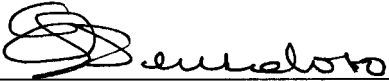
Mr. Edgar stated that legislation is being tracked concerning a strategic plan that the State may require for the disposition of those properties. The Steinberg legislation contemplates this, but it is not known whether the legislation will pass. In the interim, however, the City is working on a strategic plan so that there is some logic to the disposition of properties.

ADJOURNMENT:

The Fontana Oversight Board Meeting adjourned by consensus at 9:30 a.m. to the next Fontana Oversight Board Meeting on Friday, June 15, 2012 at 9:00 a.m., Fontana City Hall, Executive Conference Room, 8353 Sierra Avenue, Fontana, California.



Lynne Fischer
Secretary



Evelyne Ssenkoloto
Chairperson