

MINUTES OF A REGULAR MEETING OF THE  
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY

HELD

February 4, 2014

A regular meeting of the Oversight Board to the Successor Agency to the Dissolved Cypress Redevelopment Agency was called to order at 5:00 p.m. by Board Chair Bailey in the Executive Board Room, 5275 Orange Avenue, Cypress, California.

Board Members present:

Board Chair Doug Bailey  
Board Vice Chair Leroy Mills  
Board Member Matt Burton  
Board Member Charles Mealey  
Board Member Fred Williams

Board Members absent:

Board Member Bruce Saltz  
Board Member Mariellen Yarc

Staff present:

City Manager John Bahorski (Successor Agency)  
Successor Agency Counsel Bill Ihrke  
Redevelopment Project Manager Steve Clarke (Successor Agency)  
City Clerk/Secretary Denise Basham (Successor Agency)

ORAL COMMUNICATIONS:

None.

NEW BUSINESS:

Item No. 1: APPROVAL OF MINUTES – MEETING OF NOVEMBER 5, 2013.

It was moved by Board Vice Chair Mills and seconded by Board Member Burton, to adopt Resolution No. OB-22 approving the meeting minutes of November 5, 2013. Board Member Williams stated he would abstain due to his absence from the meeting.

The motion was carried by the following vote:

AYES: 4 BOARD MEMBERS: Burton, Mealey, Mills and Bailey  
NOES: 0 BOARD MEMBERS: None  
ABSENT: 2 BOARD MEMBERS: Saltz and Yarc  
ABSTAIN: 1 BOARD MEMBERS: Williams

OVERSIGHT BOARD RESOLUTION NO. OB-22

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY  
APPROVING THE MINUTES OF THE OVERSIGHT BOARD  
MEETING OF NOVEMBER 5, 2013

Item No. 2: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
(ROPS 14-15A) FOR THE PERIOD JULY 1, 2014 THROUGH DECEMBER 31, 2014.

Board Member Burton stated that the ROPS for the period of July 1 – December 31, 2014 is \$66,000 and includes the \$44,000 Senior Center bond and \$22,000 in administrative costs which includes staff time, audit fees, and attorney fees. He indicated that this is a significant reduction from the previous ROPS. He stated that the Oversight Board is being

asked to approve the ROPS for submittal to the Department of Finance County-Auditor Controller by the March 3, 2014, deadline.

Board Member Williams asked if the Certificates of Participation (COP) payment was accepted.

The City Manager responded that the COP payment was consented and accepted.

Board Member Williams asked about the promissory note back to the City.

Successor Agency Counsel replied that the promissory note is part of the litigation and that decisions regarding the entered and re-entered agreement at the trial court level have been appealed by the State. He stated that the case against the State is moving forward and that the petition would be amended to include allegations that trial judges said could be done under the law at that time.

Board Member Williams asked if any portion of the \$25 million payments should be excluded.

Successor Agency Counsel advised that it be left off and handled through litigation.

Board Member Burton clarified that for this six month period, which is July 1 through December 31, 2014, no amounts would be due.

Board Chair Bailey clarified that the payment would remain an item of the ROPS in order to keep it active.

The City Manager responded in the affirmative and stated that our case is set for hearing on May 2, 2014, and that the amount could be added to the next six month ROPS depending upon the outcome of the litigation.

Board Chair Bailey asked about the City's property management plan.

The City Manager commented that the property management plan is not included as not to weaken the City's position in the lawsuit, however that may change with the next ROPS based on the outcome of the litigation.

It was moved by Board Vice Chair Mills and seconded by Board Member Williams, that the Oversight Board to the Dissolved Cypress Redevelopment Agency adopt the Resolution approving and adopting the Recognized Obligation Payment Schedule (ROPS 14-15A) for the period of July 1, 2014 through December 31, 2014.

The motion was carried by the following vote:

AYES: 5 BOARD MEMBERS: Burton, Mealey, Williams, Mills and Bailey  
NOES: 0 BOARD MEMBERS: None  
ABSENT: 2 BOARD MEMBERS: Saltz and Yarc

#### OVERSIGHT BOARD RESOLUTION NO. OB-23

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY APPROVING THE  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 14-15A) FOR THE  
PERIOD JULY 1, 2014 THROUGH DECEMBER 31, 2014.

Item No. 3: ADOPTION OF THE ADMINISTRATIVE BUDGET FOR THE CYPRESS  
SUCCESSOR AGENCY FOR THE SIX-MONTH PERIOD OF JULY 1, 2014 THROUGH  
DECEMBER 31, 2014.

Board Member Burton stated that the Department of Finance requires budget adoption every six months in conjunction with the ROPS, and that it would be presented to the Successor Agency at the next regular City Council meeting for approval.

It was moved by Board Member Williams and seconded by Board Vice Chair Mills, that the Oversight Board to the Dissolved Cypress Redevelopment Agency adopt the Resolution approving and adopting the administrative budget for the Successor Agency for the six-month period of July 1, 2014 through December 31, 2014.

The motion was carried by the following vote:

AYES: 5 BOARD MEMBERS: Burton, Mealey, Williams, Mills and Bailey  
NOES: 0 BOARD MEMBERS: None  
ABSENT: 2 BOARD MEMBERS: Saltz and Yarc

OVERSIGHT BOARD RESOLUTION NO. OB-24

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY APPROVING THE  
ADMINISTRATIVE BUDGET FOR THE SIX-MONTH PERIOD OF  
JULY 1, 2014 THROUGH DECEMBER 31, 2014.

OVERSIGHT BOARD INFORMATIONAL ITEMS & ANNOUNCEMENTS:

Board Member Mealey asked about the status of the City of Cerritos lawsuit.

Successor Agency Counsel replied that there are more than 150 active lawsuits filed and that the City of Cerritos lawsuit is in regard to the taking of sales and property tax, and that there has been no official word of appeal by any of the cities, however it most likely will be. He indicated that that lawsuit is directly counter to the League of California Cities case in which the judge ruled in favor of the League. He stated that the City of Cerritos and City of Bellflower lawsuits would most likely go upon appeal.

Board Member Williams asked about the status of lawsuits that are similar to Cypress' and what the timing issues would be.

Successor Agency Counsel stated that there are three lawsuits that deal specifically with the entered/re-entered agreements and that all three were decided at the trial court level in favor of the cities, and that the State appealed all three decisions. He stated that there are several cities that are citing those decisions with possible settlements reached because the State may want to cut its losses.

The City Manager remarked that people are now arguing about the promissory notes and the land.

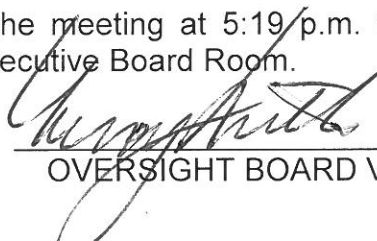
Board Vice Chair Mills asked how long the Oversight Board and Successor Agency would continue to exist.

Successor Agency Counsel responded that this Oversight Board, which is jurisdiction and City specific, is supposed to end in 2016 and would go to a County-wide Board that would handle all of the jurisdictions within the counties, however litigation is expected to continue beyond that time.

The City Manager stated that legislation may be sponsored to extend the 2016 deadline due to existing litigation.

Successor Agency Counsel stated that property management plans may also be extended beyond the 2016 deadline.

ADJOURNMENT: Board Chair Bailey adjourned the meeting at 5:19 p.m. to Tuesday, February 18, 2014, beginning at 5:30 p.m. in the Executive Board Room.

  
OVERSIGHT BOARD VICE CHAIR

ATTEST:

*Renise Basham*  
CITY CLERK AS SECRETARY  
TO THE OVERSIGHT BOARD