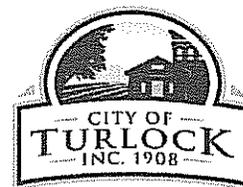


Successor Agency to the Turlock Redevelopment Agency Special Meeting Agenda



SEPTEMBER 11, 2012

7:00 p.m.

City of Turlock Yosemite Room

156 S. Broadway, Turlock, California



Chairman
John S. Lazar

Agency Members
William DeHart, Jr. **Mary Jackson**
Forrest White **Amy Bublak**

Executive Director
Roy W. Wasden
Secretary
Kellie E. Weaver
City Attorney
Phaedra A. Norton

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Successor Agency to the Turlock Redevelopment Agency meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Successor Agency to the Turlock Redevelopment Agency on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the Agency's consideration of the item.

AGENDA PACKETS: Prior to the Successor Agency to the Turlock Redevelopment Agency meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Agency after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. CALL TO ORDER

2. CITIZEN PARTICIPATION:

This is the time set aside for citizens to address the Successor Agency to the Turlock Redevelopment Agency concerning any item that has been described in the notice for the meeting before or during consideration of that item. You will be allowed three (3) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Agency addresses the matter.

3. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS

4. CONSENT CALENDAR:

Information concerning the consent items listed hereinbelow has been forwarded to each Agency Member prior to this meeting for study. Unless the Chairman, an Agency Member or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Agency. The action taken by the Agency in approving the consent items is set forth in the explanation of the individual items.

- A. *Motion:* Accepting Minutes of the August 14, 2012 Meeting of the Successor Agency to the Turlock Redevelopment Agency

5. PUBLIC HEARINGS: None

6. SCHEDULED MATTERS:

- A. Request to authorize the Executive Director to enter into a Contract with JJACPA, Inc. to perform an Agreed Upon Procedures – Due Diligence Review as required under AB1484 in an amount not to exceed \$10,000. (*Lorenzi*)

Recommended Action:

Resolution: Authorizing the Executive Director to enter into a Contract with JJACPA, Inc. to perform an Agreed Upon Procedures – Due Diligence Review as required under AB1484 in an amount not to exceed \$10,000

7. ADJOURNMENT

The foregoing meeting is hereby called by Chairman John S. Lazar at the above mentioned date and time pursuant to California Government Code §54956.



JOHN S. LAZAR, Chairman

AUGUST 14, 2012
7:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

DRAFT

MINUTES
Regular Meeting
Successor Agency to the
Turlock Redevelopment Agency

- 1. **CALL TO ORDER** – Chairman Lazar called the meeting to order at 8:02 p.m.
PRESENT: Agency Members Amy Bublak, Bill DeHart, Mary Jackson, Forrest White and
Chairman John S. Lazar
ABSENT: None

- 2. **CITIZEN PARTICIPATION:** None

- 3. **STAFF UPDATES:**
 - A. Housing Program Services Manager/Interim Assistant City Manager Maryn Pitt provided a legislative update to the Agency.

- 4. **DECLARATION OF CONFLICT OF INTEREST AND DISQUALIFICATIONS:** None

- 5. **CONSENT CALENDAR**
 - Action:** Motion by Agency Member DeHart, seconded by Agency Member Jackson, and carried unanimously to adopt the consent calendar as follows:
 - A. Motion: Accepting Minutes of the May 22, 2012 Regular Meeting of the Successor Agency to the Turlock Redevelopment Agency

- 6. **PUBLIC HEARINGS:** None

- 7. **SCHEDULED MATTERS:**
 - A. Housing Program Services Manager/Interim Assistant City Manager Maryn Pitt presented the staff report on the request to accept the Housing Asset Report and authorize its submission to the Department of Finance (DOF).

Chairman Lazar asked for public comment. No one spoke. Chairman Lazar closed public comment.

Action: **Resolution No. SA-RDA-2012-009** Accepting the Housing Asset Report and authorizing its submission to the Department of Finance (DOF) as required by AB 1484 was introduced by Agency Member Bublak, seconded by Agency Member DeHart, and carried unanimously.

- B. Sr. Accountant Marie Lorenzi presented the staff report on the request to approve a Recognized Obligation Payment Schedule (ROPS) for January – June 2013 pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith. Ms. Lorenzi noted though she anticipates that the format of the January – June 2013 ROPS may look slightly different, the substance will not change, and asked that the Agency approve the recommended ROPS and provide authorization to staff to make appropriate modifications to the format submitted to the Department of Finance.

Chairman Lazar asked for public comment. No one spoke. Chairman Lazar closed public comment.

Action: **Resolution No. SA-RDA-2012-010** Approving a Recognized Obligation Payment Schedule for January – June 2013 pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith was introduced by Agency Member White, seconded by Agency Member Jackson, and carried unanimously.

8. **ADJOURNMENT**

Chairman Lazar adjourned the meeting at 8:10 p.m.

RESPECTFULLY SUBMITTED

Kellie E. Weaver
City Clerk

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**Successor Agency to the
Redevelopment Agency
Synopsis**

September 11, 2012

From: Roy W. Wasden, Executive Director

Prepared by: Marie Lorenzi, Senior Accountant

Agendized by: Roy W. Wasden, Executive Director

1. ACTION RECOMMENDED:

Resolution: Authorizing the Executive Director to enter into a Contract with JJACPA, Inc. to perform an Agreed Upon Procedures – Due Diligence Review as required under AB1484 in an amount not to exceed \$10,000

2. DISCUSSION OF ISSUE:

On June 27, 2012, the California Legislature passed AB 1484 in conjunction with the State's 2012-13 budget. The purpose of AB 1484 was to make technical and other substantive amendments to AB X1 26 based on the to-date experiences at the State and local levels in implementing AB X1 26. This new piece of legislation added a new audit requirement for Successor Agencies (Agency). Agencies now are required to hire a licensed accountant with local government experience to review the available assets (cash and other assets) of the dissolved redevelopment agencies and determine the unencumbered amount available for future distribution to other taxing agencies within the County. This engagement is commonly being referred to as a "Due Diligence Review" (Review). The deadline for completion of this engagement is October 1, 2012 for Housing assets and December 15, 2012 for non-Housing assets.

The procedures to be employed in doing this Review were not available to either accountants nor local agencies until the last week of August and most public accounting firms were waiting until the procedures were available before (1) committing to doing the engagement, and (2) providing a cost for the engagement. Compounding matters even more is the fact that late summer and fall is the busiest time of the year for accounting firms that have local government clients, since most local governments have June 30 fiscal year ends.

Last week, Staff was finally able to find an accounting firm to perform this work for the Successor Agency to the Turlock Redevelopment Agency. The work will be done in two parts – first the Housing to meet the October 1, 2012 deadline. Then the non-Housing work will be performed.

In addition to setting the requirements for this Review, AB 1484 also stated that the County Auditor-Controller (AC) was required to approve the accounting firm selected by the Agency for this work. Many of the County Auditor-Controller's have recommended that the Successor Agency engage the City's financial auditor or the accounting firm that performed the Agreed Upon Procedures work earlier this year. Unfortunately for Turlock, neither of these options is available as both of these firms have declined to perform this engagement for us due to time and staffing constraints.

JJACPA, Inc. has been approved the Stanislaus County Auditor- Controller to perform the Due Diligence Review for the City of Ceres. Staff has corresponded with the AC to confirm their approval of the Turlock also engaging JJACPA, Inc. for our Review.

Due to the time constraints in play, Staff does not have a finalized contract to present to the Agency for approval. Therefore, Staff is requesting Agency Board approval authorizing the City Manager/Executive Director to sign the contract on behalf of the Agency once its terms have been approved by the City Manager/Executive Director, City Attorney and JJACPA, Inc.

The final contract will also be presented to the Oversight Board at their next meeting for their affirmation.

3. BASIS FOR RECOMMENDATION:

As the Due Diligence Review is required by law, the Successor Agency is required by law to complete the process. AB 1484 does not provide for an extension of time to get the Review done nor does it provide for penalties for late filing. In the course of communications with JJACPA, Inc. it appears that we will be able to get the Review of the Housing assets completed by the October 1, 2012 deadline.

4. FISCAL IMPACT / BUDGET AMENDMENT:

While AB 1484 requires this Due Diligence Review to be done, it does not provide for a financing mechanism. In addition, AB 1484 does not state whether the cost of this Review will be considered an enforceable obligation which allows the cost to be paid out of RPTTF funds instead of having to be absorbed in the Agency's administrative cost allowance. AB 1484 does include language that

allows Successor Agency's to create enforceable obligations to conduct the work of winding down the former redevelopment agency, including engaging required professional services. While these Review services would seem to fit within this authorization, currently the State Department of Finance is stating that the cost of these services must come from the Agency's administrative allowance.

The anticipated cost of this engagement is \$7,500 to \$10,000. The range is due to the potential additional work that may be needed in evaluating the transfer of assets. At this time, Agency Staff believes the cost will be closer to \$7,500, but is requesting approval of the range to provide the latitude to react to the scope of the work as we get into it and better understand it.

5. EXECUTIVE DIRECTOR'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

None recommended at this.

**BEFORE THE SUCCESSOR AGENCY TO THE
TURLOCK REDEVELOPMENT AGENCY**

IN THE MATTER OF AUTHORIZING THE	}	RESOLUTION NO. SA-RDA-2012-
EXECUTIVE DIRECTOR TO ENTER INTO	}	
A CONTRACT WITH JJACPA, INC. TO	}	
PERFORM AN AGREED UPON	}	
PROCEDURES – DUE DILIGENCE	}	
REVIEW AS REQUIRED UNDER AB1484	}	
IN AN AMOUNT NOT TO EXCEED \$10,000	}	
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WHEREAS, the California State Legislature enacted AB X1 26 (the Dissolution Act) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, by its Resolution No. 2012-009, adopted on January 10, 2012, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the ‘Successor Agency’); and

WHEREAS, the Turlock Agency (the “Redevelopment Agency”), a redevelopment agency in the City of Turlock (the “City”), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012; and

WHEREAS, the California State Legislature enacted AB 1484 on June 27, 2012 to make technical and other amendments to the Dissolution Act based on the to-date experience of the State and local agencies in implementing the Dissolution Act; and

WHEREAS, AB 1484 requires the Successor Agency to engage a licensed accountant with local government experience and expertise to review the available cash and other assets of the Dissolved Redevelopment Agency (the “Due Diligence Review”; and

WHEREAS, Health and Safety Code Section 34177.3 provides that the Successor Agency may create enforceable obligations to conduct the work of winding down the redevelopment agency, including engaging necessary professional services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Successor Agency to the Turlock Redevelopment Agency hereby authorizes the City Manager/Executive Director to enter into a Contract with JJACPA, Inc. to perform an Agreed Upon Procedures – Due Diligence Review as required under AB1484 in an amount not to exceed \$10,000.

PASSED AND ADOPTED at a special meeting of the Successor Agency to the Turlock Redevelopment Agency this 11th day of September, 2012, by the following vote:

AYES:

NOES:

NOT PARTICIPATING:

ABSENT:

ATTEST:

Kellie E. Weaver
City Clerk, City of Turlock, County
of Stanislaus, State of California