

MINUTES

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

July 30, 2019, 8:30 a.m.

1. CALL TO ORDER

The regular meeting of the Orange Countywide Oversight Board was called to order at 8:32 a.m. on July 30, 2019 at 2323 N. Broadway, Santa Ana, California by Chairman Brian Probolsky, presiding officer.

Present:	6	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Chris Gaarder
		Board Member:	Dean West
		Board Member:	Steve Franks
		Board Member:	Phillip E. Yarbrough
Absent:	1	Board Member:	Charles Barfield

Also present were Chris Nguyen, Staff; Patrick Bobko, Counsel; Kathy Tavoularis, Clerk of the Board; Clare Venegas, Consultant; Zeshaan Younus, Consultant; Maggie Miller, Associate Counsel; and Amanda McGuire, Staff.

2. PLEDGE OF ALLEGIANCE

Led by Board Member Franks.

3. APPROVAL OF MINUTES FROM APRIL 30, 2019

Minutes from the April 30, 2019 Board meeting. On the motion of Board Member Yarbrough seconded by Board Member West, the minutes were unanimously approved.

4. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSOR AGENCY FOR AUTHORIZATION TO ISSUE REFUNDING BONDS

- **Buena Park:** Chairman Probolsky noted that the documents provided appear to provide a significant savings to taxpayers. Board Member Yarbrough asked question of Board Member Franks to about whether this was similar to the refinancing done by the County when Board Member Yarbrough was on the former local Oversight Board for the County's Successor Agency and Franks was Director of Orange County Community Resources. Franks confirmed it was similar. On the motion of Franks, Yarbrough seconded and the item was unanimously approved.

5. PRESENTATION ON SUCCESSOR AGENCY ASSET INVENTORY

Staff Member Nguyen led a PowerPoint presentation about properties currently owned by the Successor Agencies. He noted the presentation reflected a correction to the Summary slide for the planned disposition of the property listed for the City of Orange's Successor Agency. It was incorrectly listed in the original PowerPoint as "economic development or public use" when it should be listed as "government use."

Nguyen reviewed the use and status of properties for the seven Successor Agencies that reported still possessing properties-- Anaheim, Fullerton, Garden Grove, La Habra, Orange, Santa Ana and Seal Beach.

Board Member Yarborough asked for clarification about the "Zoned for Professional" notation on the slide for the Santa Ana Successor Agency properties. Board Member Franks clarified that zoning designation is for professional office, commercial, and medical uses.

Chairman Probolsky asked about the current status of the Santa Ana Successor Agency property at the corner of Main Street and 3rd Street. Board Members Yarborough and Gaarder expressed a desire to understand the Successor Agency's future plans for that property. Nguyen noted staff will take a deeper look at that property.

Board Member Yarborough asked about the Seal Beach Police Station that is listed as a property still retained by the Seal Beach Successor Agency. Nguyen noted it was originally built in 1976 and is currently being used as the Seal Beach Police Department headquarters. Yarborough asked why it has not already been transferred to the City since it will likely continue to be retained for government use. Franks said it would be helpful to find out why the Seal Beach Successor Agency is still holding onto the Police Station property. General Counsel Bobko said staff will inquire.

Board Member Yarborough stated the Oversight Board's role is to ensure Successor Agencies transfer such governmental use properties out of their ownership as quickly as possible.

Board Member Franks noted that many of the properties look like small easements and suggested staff ask the Successor Agencies for clarification as to why these parcels have not been already been acquired by the individual cities.

Board Member Gaarder noted it would be helpful to know what the long-term intended government uses are for any properties that Successor Agencies still own. He noted that since future city councils and economic conditions change, the Oversight Board should understand what the long-term plans are as that may have implications for the Board.

Board Member Franks asked whether there is a timeline specified in the statutes as to how quickly the Successor Agencies must dispose of these properties.

General Counsel Bobko noted that while there is no statute that specifies a timeline, the expectation is that these properties would be disposed expeditiously. He said the Oversight Board has wide discretion on how quickly and aggressively it would like to act on the disposition of Successor Agency properties.

Board Member Yarborough noted that there may be willing private sector buyers for miscellaneous Successor Agency properties that are not intended for government use.

6. DIRECTION REGARDING SUCCESSOR AGENCY ASSETS

Agenda Item 6 was continued until after Closed Session.

PUBLIC COMMENTS:

Chairman Probolsky invited public comment. Board Clerk Tavoularis noted no public comment requests were submitted. Probolsky invited those in attendance to provide public comment, but no one stepped forward.

STAFF COMMENTS:

Chairman Probolsky stated that Staff Comments and Board Comments would be taken up after Closed Session, but Staff Member Nguyen suggested that the portion of the Board Comments related to the Chairman's update on administrative budgets be addressed before the Closed Session to accommodate the Successor Agency representatives in attendance who might wish to leave.

BOARD COMMENTS:

Chairman Probolsky said that he and staff are inviting Successor Agencies to seek guidance on the consideration of Administrative Budgets for annual Recognized Obligation Payment Schedules (ROPS) filings that the Oversight Board will consider in December and January.

Staff Member Nguyen said Successor Agencies had requested that the Oversight Board review and pre-approve a draft administrative budget in September, which would allow them time to address any concerns when submitting final versions with the annual ROPS that will be considered for a final vote by the Oversight Board in January. Chairman Probolsky clarified that the September pre-approval vote would be akin to a straw vote.

Board Member West said he favors the idea and noted that the Department of Finance's letters in April provided guidance that Oversight Boards are responsible for ensuring administrative costs are being reduced. This process will help ensure the Successor Agencies understand that the Oversight Board is here to assist them in being in compliance with the Department of Finance's directives. Board Member Gaarder requested that the Oversight Board receive copies of Department of Finance guidance letters in the future with the items.

CLOSED SESSION: CS-1. ANTICIPATED LITIGATION – INITIATION OF LITIGATION –GOVERNMENT CODE SECTION 54956.9(D)(4) – ONE CASE.

Chairman Probolsky recessed the meeting to Closed Session at 8:58 a.m. to consider Agenda Item CS-1. He noted the discussion may occur on Agenda Item 6 after the Closed Session.

REPORT ON CLOSED SESSION CS-1:

Upon returning from Closed Session, General Counsel Bobko reported that the Oversight Board's only reportable action was to form an ad hoc subcommittee consisting of Chairman Probolsky, Board Member West, and Board Member Yarborough to explore ways to expedite the disposition of Successor Agency properties.

Bobko also noted that Board Member Gaarder recused himself from Closed Session CS-1. He also noted that Board Member Franks may recuse himself from future Closed Sessions.

6. DIRECTION REGARDING SUCCESSOR AGENCY ASSETS (Continued from Earlier in the Meeting)

Probolsky asked for any discussion or direction on Agenda Item 6, and as there was none, Agenda Item 6 was dispensed with.

STAFF COMMENTS (Continued from Earlier in the Meeting):

Chairman Probolsky invited Staff Comments. Staff Member Nguyen reported about the recent visit he and Board Clerk Tavoularis had with the staff of the Los Angeles County Consolidated Oversight Boards, which is comprised of five separate Oversight Boards due to a statutory exception for Los Angeles County due to its enormous number of Successor Agencies.

BOARD COMMENTS (Resumed from Earlier in the Meeting):

Chairman Probolsky invited additional Board Comments. Board Member Yarborough thanked staff for work on Successor Agency asset inventory.

ADJOURNMENT

Chairman Probolsky noted the next regular meeting of the Countywide Oversight Board is scheduled for September 17, 2019 and adjourned the meeting at 9:50 a.m.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

CLERK OF THE BOARD

DATE