



Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Sam Derting
Michael A. Segala

First and Third Tuesday
Every Month

A G E N D A

**REGULAR MEETING OF THE
SUISUN CITY COUNCIL
SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,
AND HOUSING AUTHORITY
TUESDAY, AUGUST 21, 2012
7:00 P.M.**

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

(Next Ord. No. – 722)
(Next City Council Res. No. 2012 – 71)
Next Suisun City Council Acting as Successor Agency Res. No. SA2012 – 14)
(Next Housing Authority Res. No. HA2012 – 04)

ROLL CALL

Council / Board Members
Pledge of Allegiance
Invocation

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

City Council

1. Presentation of Proclamation to Patricia McKnight, Corresponding Secretary of the Chief Solano Chapter of the National Society Daughters of the American Revolution, Proclaiming September 16-23, 2012 as Constitution Week in Suisun City.
2. Presentation of Certificates of Appreciation for Participation in the Fourth of July Activities.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

CONSENT CALENDARCity Council

3. Approval of a Settlement Agreement with Keetra Welling – (Anderson).
 - a. Council Adoption of Resolution No. 2012___: Authorizing the Execution of the Settlement Agreement between Keetra Welling and the City.
 - b. Council Adoption of Resolution No. 2012___: Adopting the 12th Amendment to the Annual Appropriation Resolution No. 2011-62 Transferring \$27,500 from the Emergency Reserve to Non Departmental to Fund a Portion of the Settlement Agreement with Keetra Welling.
4. Council Adoption of Resolution No. 2012___: Adopting the 11th Amendment to the Annual Appropriation Resolution No. 2011-62 to Transfer \$1,393,500 to the Successor Agency to the Redevelopment Agency of the City of Suisun City – (Garben).

Joint City Council / Suisun City Council Acting as Successor Agency

5. Council/Agency Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council and Suisun City Council Acting as Successor Agency held on July 12, 2012 and July 17, 2012 – (Hobson).
6. Council/Agency Approval of the June 2012 Payroll Warrants in the amount of \$1,023,077.47 and July Payroll Warrants in the amount of \$609,420.61. Council/Agency Approval of the July 2012 Payable Warrants in the amount of \$748,815.13. – (Finance).

GENERAL BUSINESSSuisun City Council Acting as Successor Agency

7. Successor Agency Receiving and Accepting a Recognized Obligation Payment Schedule (ROPS) for the Period of January to June 2013 and Presentation on AB 1484 – (Garben).

PUBLIC HEARINGS:**REPORTS: (Informational items only.)**

8. City Manager/Executive Director/Staff
9. Mayor/Council -Chair/Boardmembers

CLOSED SESSION

Pursuant to California Government Code Section 54950 the Suisun City Council and Successor will hold a Closed Session for the purpose of:

City Council

10. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(b): One potential case.

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

ADJOURNMENT

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting regarding any item on this agenda will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents.

PLEASE NOTE:

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at:

City Hall	Fire Station	Senior Center
701 Civic Center Boulevard	621 Pintail Drive	318 Merganser Drive

Office of the Mayor

Suisun City, California

Proclamation



WHEREAS, the Constitution of the United States, the guardian of our liberties, is a product of reflection and choice, embodying the principles of limited government in a Republic dedicated to rule by law, not by men; and

WHEREAS, September 17, 2012 marks the two hundred twenty fifth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this memorable anniversary, and to the patriotic exercises that will commemorate the occasion; and

WHEREAS, Public Law No. 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through September 23 as Constitution Week.

NOW, THEREFORE, BE IT RESOLVED, THAT I, Pete Sanchez, by virtue of the authority vested in me as Mayor of the City of Suisun City, do hereby proclaim the week of September 17th through September 23rd 2012 as:

“CONSTITUTION WEEK”

in the City of Suisun City and urge all citizens to pay special attention during that week to our Federal Constitution and the advantage of American Citizenship.

In witness whereof I have hereunto set my hand and caused this seal to be affixed.

ATTEST: _____

DATE: _____

AGENDA TRANSMITTAL

MEETING DATE: August 21, 2012

CITY AGENDA ITEM: Approval of a Settlement Agreement with Keetra Welling:

- a. Council Adoption of Resolution No. 2012-__: Authorizing the Execution of the Settlement Agreement between Keetra Welling and the City; and
 - b. Council Adoption of Resolution No. 2012-__: Adopting the 12th Amendment to the Annual Appropriation Resolution No. 2011-62 Transferring \$27,500 from the Emergency Reserve to Non-Departmental to Fund a Portion of the Settlement Agreement with Keetra Welling.
-

FISCAL IMPACT: The funding sources would be \$7,500 from the Workers' Compensation Fund Reserve, and \$27,500 from the General Fund Emergency Reserve.

BACKGROUND: On October 29, 2001, Keetra Welling was hired by the City to serve as a Communications and Records Technician I/II-I. On June 24, 2008, Ms. Welling submitted her resignation to be effective July 1, 2008. In 2010, Ms. Welling filed complaints against the City regarding her employment, as well as alleged work-related injuries.

STAFF REPORT: After Ms. Welling and her attorneys, and the City and its attorneys conducted due diligence on behalf of their constituents that included conducting discovery, as well as participating in a mediation process, the Parties have agreed to a settlement agreement that mutually releases the other Party.

The agreement reads in part:

Nothing contained herein shall be construed as an admission by the Parties of any liability of any kind. The Parties deny any liability in connection with any claim and intend hereby solely to avoid further litigation and buy their peace.

Accordingly, any and all claims are hereby settled and all litigation will hereby be dropped.

RECOMMENDATION: It is recommended that the City Council adopt:

1. Resolution No. 2012-__: Authorizing the Execution of the Settlement Agreement between Keetra Welling and the City; and
2. Resolution No. 2012-__: Adopting the 12th Amendment to the Annual Appropriation Resolution No. 2011-62 Transferring \$27,500 from the Emergency Reserve to Non-Departmental to Fund a Portion of the Settlement Agreement with Keetra Welling.

PREPARED BY:

Ronald C. Anderson, Jr., Assistant City Manager

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager

ATTACHMENTS:

1. Resolution No. 2012-__: Authorizing the Execution of the Settlement Agreement between Keetra Welling and the City; and
2. Resolution No. 2012-__: Adopting the 12th Amendment to the Annual Appropriation Resolution No. 2011-62 Transferring \$27,500 from the Emergency Reserve to Non-Departmental to Fund a Portion of the Settlement Agreement with Keetra Welling.

RESOLUTION NO. 2012-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE EXECUTION OF A SETTLEMENT AGREEMENT
BETWEEN THE KEETRA WELLING AND THE CITY**

WHEREAS, on October 29, 2001, Keetra Welling was hired by the City to serve as a Communications and Records Technician I/II-I; and

WHEREAS, on June 24, 2008, Ms. Welling submitted her resignation to be effective July 1, 2008; and

WHEREAS, in 2010, Ms. Welling filed complaints against the City regarding her employment, as well as alleged work-related injuries; and

WHEREAS, after Ms. Welling and her attorneys, and the City and its attorneys conducted due diligence on behalf of their constituents that included conducting discovery, as well as participating in a mediation process, the Parties have agreed to a settlement agreement that mutually releases the other Party.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Suisun that the attached settlement agreement in the amount of \$35,000 is hereby approved, and the City Manager is hereby authorized to execute the agreement on the City's behalf.

PASSED AND ADOPTED by the City Council of the City of Suisun City at a regular meeting thereof held on the 21st day of August, 2012 by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said City this 21st day of August, 2012.

Linda Hobson, CMC
City Clerk

RESOLUTION NO. 2012-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ADOPTING THE 12TH AMENDMENT TO THE ANNUAL APPROPRIATION
RESOLUTION NO. 2011-62 TRANSFERRING \$27,500 FROM THE EMERGENCY
RESERVE TO NON-DEPARTMENTAL TO FUND A PORTION OF THE SETTLEMENT
AGREEMENT WITH KEETRA WELLING**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:

THAT Section 011 of Part III of the Annual Appropriation Resolution No. 2011-62 be and is hereby amended as follows:

	<u>Increase/ (Decrease)</u>
TO: NON-DEPARTMENTAL DEPARTMENT Emergency Reserve	\$ (27,500)
TO: NON-DEPARTMENTAL DEPARTMENT Non- Departmental	<u>\$ 27,500</u>
TOTAL Section 011	<u>\$ -</u>

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

	<u>Sources</u>	<u>Uses</u>
<u>General Fund</u>		
Appropriations:		
A/C No. 011-98200-1990 Emergency Reserve		\$ (27,500)
A/C No. 011-91925-1910 Self-Insurance Claims Paid	<u>\$ -</u>	<u>\$ 27,500</u>
Total General Fund	<u>\$ -</u>	<u>\$ -</u>

THAT the purpose is to appropriate funds for

ADOPTED AND PASSED at a regular meeting of the City Council of the City of Suisun City duly held on the 21st day of August, 2011 by the following vote:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS

WITNESS my hand and seal of the said City this 21st day of August 2011.

Linda Hobson, CMC

AGENDA TRANSMITTAL

MEETING DATE: August 21, 2012

CITY COUNCIL AGENDA ITEM: Adoption of Council Resolution No. 2012-__: Adopting the 11th Amendment to the Annual Appropriations Resolution No. 2011-62 to Transfer \$1,393,500 to the Successor Agency to the Redevelopment Agency of the City of Suisun City.

FISCAL IMPACT: It is necessary to transfer funds that were initially transferred by the former Redevelopment Agency to the City in March 2011, back to the Successor Agency in order to meet the financial obligations of the Successor Agency.

BACKGROUND: Part of the orderly dissolution of the former redevelopment agency requires that former redevelopment agency funds transferred to the City be transferred back to the Successor Agency in order for the Successor Agency to meet its financial obligations. The FY 2012-13 Annual Budget, that was adopted on June 19, 2012, assumed that the \$1,393,500 would be transferred out of the City's capital reserve accounts in FY 2011-12.

STAFF REPORT: Although the adopted budget assumed the \$1,393,500 would be transferred from the City to the Successor Agency, an amendment to the FY 2011-12 Annual Appropriation Resolution was never adopted. Thus, the \$1,393,500 is still technically in City capital reserve accounts.

Adopting the 11th Amendment to the Annual Appropriations Resolution No. 2011-62 would provide the necessary authority to transfer the funds from the City to the Successor Agency, which is consistent with the FY 2012-13 budget as adopted.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-__: Adopting the 11th Amendment to the Annual Appropriations Resolution No. 2011-62 to Transfer \$1,393,500 to the Successor Agency to the Redevelopment Agency of the City of Suisun City.

ATTACHMENTS:

1. Resolution No. 2012-__: Adopting the 11th Amendment to the Annual Appropriations Resolution No. 2011-62 to Transfer \$1,393,500 to the Successor Agency to the Redevelopment Agency of the City of Suisun City.

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Ronald C. Anderson, Acting City Manager

RESOLUTION NO. 2012-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ADOPTING THE 11TH AMENDMENT TO THE ANNUAL APPROPRIATION
RESOLUTION NO. 2011-62 TO TRANSFER \$1,393,500 TO THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY TO THE CITY OF SUISUN CITY**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:

THAT Section 010 of Part III of the Annual Appropriation Resolution No. 2011-62 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	NON-DEPARTMENTAL Capital Replacement Reserve	\$ (1,060,400)
TO:	NON-DEPARTMENTAL Emergency Reserve	\$ (333,100)
TO:	NON-DEPARTMENTAL Non-Departmental	<u>\$ 1,393,500</u>
	TOTAL Section 010	<u>\$ -</u>

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

		<u>Sources</u>	<u>Uses</u>
<u>General Fund</u>			
Appropriations:			
A/C No. 010-98132-1990	Capital Replacement Reserve	\$ -	\$ (1,060,400)
A/C No. 010-98200-1990	Emergency Reserve	\$ -	\$ (333,100)
A/C No. 010-85902-1910	Transfer to Fund 902	<u>\$ -</u>	<u>\$ 1,393,500</u>
	Total General Fund	<u>\$ -</u>	<u>\$ -</u>

THAT the purpose is to appropriate funds for a transfer of \$1,393,500 to Fund 902.

ADOPTED AND PASSED at a regular meeting of the City Council of the City of Suisun City duly held on the 19th day of June, 2012 by the following vote:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

WITNESS my hand and seal of the said City this 19th day of June 2012.

Linda Hobson, CMC
City Clerk

MINUTES

**SPECIAL MEETING OF THE
SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY
THURSDAY, JULY 12, 2012
12:00 Noon**

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

ROLL CALL

Mayor / Chairman Sanchez called the Meeting to order at 12:00 PM with Council / Board Members, Derting, Segala and Sanchez present. Council / Board Members Day and Hudson were absent

PUBLIC COMMENT - None

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION - None

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CLOSED SESSION

Pursuant to California Government Code Section 54950 the Suisun City Council Acting as Successor Agency to the Redevelopment Agency of the City of Suisun City will hold a Closed Session for the purpose of:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(b): One potential case.

**12:01 PM – Mayor / Chairman Sanchez recessed the City Council Acting as
Successor Agency to the Redevelopment Agency to Closed Session.**

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

**12: PM – Mayor / Chairman Sanchez reconvened the City Council Acting as Successor
Agency to the Redevelopment Agency reconvened the meeting and reported the Successor
Agency will follow legislative intent of the meet and confer process and coordinate actions
of litigation with the League of California Cities.**

CONSENT

GENERAL BUSINESS

2. Successor Agency Response to the Enactment of AB 1484 (Redevelopment Dissolution Trailer Bill) and Urgency Action Under Health & Safety Code Section 34183.5(b) - (Garben)
 - a. Agency Adoption of Resolution No. SA 2012-12: Adopting the First Amendment to the Annual Appropriation Resolution No. SA 2012-09 to Appropriate \$145,400.
 - b. Agency Adoption of Resolution No. SA 2012-13: Authorizing the Executive Director to Make Payment under Protest.

City Manager Bragdon advised the Agency to amend Resolution SA 2012-12 replacing Redevelopment Agency with Successor Agency throughout resolution and amend Resolutions SA 2012-12 and SA 2012-13 to adopted at Special Meeting.

- c. **Motioned by Council / Board Member Derting and seconded by Council / Board Member Segala to adopt SA 2012-12 and SA2012-13 with the above amendments and to send copy of Payment Under Protest letter to Oversight Board Chairman Spering. Motion carried unanimously by the members present.**

ADJOURNMENT

There being no further business, Mayor / Chairman Sanchez adjourned the City Council / Agency meeting at 12:42 PM.

Linda Hobson, CMC
City Clerk

MINUTES

REGULAR MEETING OF THE SUISUN CITY COUNCIL

SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,

AND HOUSING AUTHORITY

TUESDAY, JULY 17, 2012

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

ROLL CALL

Mayor / Chairman Sanchez called the Meeting to order at 7:02 PM with Council / Board Members Day, Derting, Hudson, Segala and Sanchez present.

Pledge of Allegiance was led by Council / Board Member Hudson.

Invocation was given by City Manager Bragdon.

PUBLIC COMMENT - None

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION - None

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

1. Presentation by Wayne Lewis, Assistant Public Works Director – Transportation, City of Fairfield on the Proposed Changes to Fairfield and Suisun Transit (FAST) Services.

Wayne Lewis discussed the proposed changes and benefits to the various transit routes throughout Suisun City and Fairfield.

2. Introduction and of new Suisun City Public Works Department 2012 MTC High School Intern, Christine Smith – (Kasperson).

She is a senior in high school and

3. Appointment of Voting Delegate and Alternate(s) for the League of California Cities Annual Conference.

Motioned by Mayor Sanchez and seconded by Council Member Day to appoint Vice Mayor Hudson as the voting delegate and Mayor Sanchez as the alternate voting delegate. Motion carried unanimously.

4. Presentation of a Proclamation to the Police Department Proclaiming August 7, 2012 as “National Night Out”

Mayor Sanchez read and Council Member Hudson presented the proclamation to Police Commander Tim Mattos.

7:24 PM Council / Board Member left the Council Chambers.

Mayor Sanchez reported that Council Member Day would be replacing Council Member Hudson on the Johnson Ad Hoc Committee.

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

5. Council Adoption of Resolution No. 2012-59: Acting as the Legislative Body of Community Facilities District No. 1, Peterson Ranch, Providing for the Levy and Collection of Special Taxes for Fiscal Year 2012-13 – (Kasperson).
6. Council Adoption of Resolution No. 2012-60: Providing for the Levy and Collection of Special Taxes for Community Facilities District (CFD) No. 2 for Fiscal Year 2012-13 – (Kasperson).
7. Setting Ad Valorem Tax Rates for Voter-Approved Debt Service Issues – (Anderson).
 - a. Council Adoption of Resolution No. 2012-61: Approving the Debt Service Rate for the North Bay Aqueduct Bond Issue for Fiscal Year 2012-13.
 - b. Council Adoption of Resolution No. 2012-62: Approving the Debt Service Rate for the Highway 12 Bond Issue for Fiscal Year 2012-13.
8. Council Adoption of Resolutions Adjusting Employee Pay and Benefits – (Anderson).
 - a. Council Adoption of Resolution No. 2012-63: Approving the Memorandum of Understanding (MOU) with the Suisun City Employees' Association (SCEA) and Authorizing the City Manager to Execute it on Behalf of the City.
 - b. Council Adoption of Resolution No. 2012-64: Approving the Memorandum of Understanding (MOU) with the Suisun City Management and Professional Employees' Association (SCMPEA) and Authorizing the City Manager to Execute it on Behalf of the City.
 - c. Council Adoption of Resolution No. 2012-65: Authorizing Unrepresented Executive Management and Confidential Employees to Receive Pay and Benefits Comparable to those Received by Represented Employees.
 - d. Council Adoption of Resolution No. 2012-66: Amending the Salary Resolution No. 2012-54 to Adjust Salaries of Employees Covered by the Two Approved memorandums of Understanding, as well as for Unrepresented Employees.
9. Council Adoption of Resolution No. 2012-67: Authorizing the City Manager to Execute an Agreement with Liebert Cassidy Whitmore for Legal Services - (Anderson).

Housing Authority

10. Housing Authority Adoption of Resolution No. HA 2012-03: Authorizing the Execution of a Termination and Settlement Agreement Relating to Resale Restrictions and Option to Purchase on one Property in Harbor Park– (Garben).

Joint City Council / Suisun City Council Acting as Successor Agency

11. Council/Agency Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council, Suisun City Council Acting as Successor Agency, and Housing Authority held on June 12, 2012 and July 3, 2012 – (Hobson).
12. Council/Agency Approval of the June 2012 Payable Warrants in the amount of \$983,021.07. – (Finance).
13. **Motioned by Council / Board Member Derting and seconded by Council / Board Member Day to approve the Consent Calendar. Motion carried unanimously.**

GENERAL BUSINESS

PUBLIC HEARINGS:

PUBLIC HEARING

14. Council Adoption of Resolution No. 2012-68: Accepting the Community Development Block Grant (CDBG) Planning and Technical Assistance (PTA) Grant-funded Phase I Senior Housing Feasibility Study, Approving Closeout of the Grant, Requesting that Unused Funds for Phase II (approximately \$35,000) be Disencumbered by the State, and Authorizing the City Manager to Execute any Documents Necessary to Accomplish these Tasks - (Wooden).

Mayor Sanchez opened the public hearing and hearing no comments, closed the public hearing.

REPORTS: (Informational items only.)

City Manager/Executive Director/Staff

Mayor/Council -Chair/Boardmembers

Council / Board Member Segala asked for clarification on Item 8 and reported there was no senior discount for Solano Garbage and suggested the City Council take a look at obtaining one.

Council / Board Member Day commented on the 4th of July and asked that the City Council recognize the committee.

Mayor / Chairman Sanchez report on the elimination of part of the Brown Act and advised the City of Suisun City would be continuing with the Brown Act. Solano County Water Agency raised property tax by \$.02 per hundred dollars of assessed value even though the Agency has \$13M in reserve.

ADJOURNMENT

There being no further business, Mayor Sanchez adjourned the City Council meeting at 7:39 PM.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: August 21, 2012

SUCCESSOR AGENCY AGENDA ITEM: Receiving and Accepting a Recognized Obligation Payment Schedule (ROPS) for the Period of January to June 2013 and Presentation on AB 1484.

FISCAL IMPACT: None. There are no obligations listed that were not contemplated in the FY 2012-13 Annual Budget.

BACKGROUND: A component to the dissolution of the former redevelopment agency requires the Successor Agency prepare a ROPS and submit it to the Oversight Board every six months. To date, the Successor Agency has prepared a ROPS for the January to June 2012 six-month period, as well as the July to December 2012 six-month period.

In June, as part of the State's budget, Assembly Bill 1484 (AB 1484) was adopted, which made several technical and substantive changes to the initial redevelopment dissolution act (AB 26). AB 1484 included several modifications to items associated with the ROPS:

ROPS Submittal Deadline – The deadline for the submittal of an Oversight Board approved ROPS for the January to June 2012 timeframe was moved up to September 4, 2012.

ROPS Submittal/Approval Process – The Successor Agency must now submit the ROPS to the County Auditor-Controller, County Administrative Officer, and the State Department of Finance (DOF) at the same time as the ROPS is submitted to the Oversight Board.

ROPS Form – AB 1484 requires the ROPS be submitted on a new form provided by the DOF.

Penalties – AB 1484 prescribes a penalty to the City of \$10,000 per day for each day the ROPS is submitted late. Failure to submit the ROPS within 10 days of the deadline will result in a 25% reduction of the Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS.

STAFF REPORT: In light of the changes to AB 26 as a result of AB 1484, staff has prepared a ROPS for the period of January through June of 2013. Generally, the current ROPS includes line items that have been listed on previously adopted ROPS, but contains updated numbers. One new item is a lease agreement between the former Redevelopment Agency and the California State Lands Commission associated with the Suisun City Marina (although no payment is due during the January to June 2013 period).

Pursuant to a letter from the DOF dated July 12, 2012, agencies requesting reconsideration of previously denied obligations may include them in the January through June 2013 period ROPS. Thus, two items that were removed from the previous ROPS for the period of January through June 2012 (after approval had been issued in writing by the DOF) have been included for reconsideration. The two items disapproved by the Department of Finance are the

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

administrative/operational costs incurred by the former redevelopment agency for the month of January 2012 (\$135,900), and the former redevelopment agency's portion of the audit contract for FY 2010-11 (\$9,500) had been disapproved by the DOF.

Staff recommends that the Successor Agency receive and accept the amended ROPS.

A summary outlining key provisions of AB 1484 drafted by the League of California Cities is also attached. Staff will also provide a brief presentation outlining the key components of AB 1484.

RECOMMENDATION: It is recommended that the Successor Agency receive and accept the Updated Draft Recognized Obligation Payment Schedule for the Period of January 1, 2013 through June 30, 2013, and receive the presentation on AB 1484.

ATTACHMENTS:

1. ROPS (January 1, 2013 through June 30, 2013).
2. League of California Cities AB 1484 Summary.

ROPS Document Will Be Provided Prior To Meeting.



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Major Provisions of AB 1484¹

1. **Three payments:** Successor agency must make three payments:

- July 12: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency
- November 28: Low-Moderate Income Housing Fund
- April 10: Unencumbered cash

In addition to these three payments, if a successor agency did not make complete 2011-12 pass-through payments, amount of payment not made will be deducted from property tax distribution from auditor-controller.²

2. **New audit by October 1:** Successor agency must retain licensed accountant to audit books:³

- Audit of LMIHF
- Audit of cash assets
- Audit of cash transfers to public agencies and private parties⁴

3. **New penalties:**

- Failure to make July 12 payment: successor agency subject to civil penalty of 10% of the amount owed plus 1.5% of the amount owed for each month that payment is not made unless DOF finds that payment of penalty will jeopardize payment of enforceable obligations. Until payment is made,

¹ This initial Draft summary of AB 1484 was prepared by the League's Special Counsel, Betsy Strauss, on June 28, 2012, with the objective of providing something quickly to city officials. The League will continue to refine this analysis with the assistance of its RDA Attorney Working Group and other city officials.

² Additional information about these payments is found in the Appendix.

³ Agreed-upon procedures audit completed by auditor-controller can substitute for the licensed accountant audit if it includes all statutory requirements

⁴ Successor agency must attempt to recover cash transferred to public agency without an enforceable obligation.

successor agency may only pay bond debt. City subject to same civil penalty. City will not receive July 18 sales tax payment (up to amount owed).⁵

- Failure to transfer LMIHF funds: Offset of city sales tax or property tax of the amount required to be transferred⁶
- Failure to transfer cash assets: Offset of city sales tax or property tax of the amount required to be transferred⁷
- Failure to recover cash transferred to local agency without enforceable obligation: Offset of sales tax or property tax of the local agency to which the cash was transferred.⁸
- Failure to submit ROPS by September 1, 2012 and subsequent deadlines: City to pay civil penalty of \$10,000 per day for each day beyond deadline

4. Safe Harbor: Finding of Completion⁹

The Department of Finance will issue a finding of completion to a successor agency that pays the following amounts:

- ✓ The amount determined in the audit of the LMIHF¹⁰
- ✓ The amount determined in the audit of all other funds¹¹
- ✓ The amount (if any) owing to taxing entities from the December 2011 property tax payment¹²

The following applies to a successor agency that is issued a finding of completion:

- ✓ Loan agreements entered into between the redevelopment agency and the city are deemed to be enforceable obligations if oversight board makes a finding that loan was for legitimate redevelopment purposes. As enforceable obligations, payments are listed on ROPS¹³.

Repayments of loans may not begin prior to 2013-14 fiscal year at maximum amount described in statute. Repayment amounts received by city must first be used to retire outstanding amounts borrowed and owed to LMIHF of the

⁵ Section 34183.5(b)(2)

⁶ Section 34179.6(h)

⁷ Section 34179.6(h)

⁸ Section 34179.6(h); see, also 34179.8

⁹ Section 34191.1.

¹⁰ Section 34179.6

¹¹ Section 34179.6

¹² Section 34183.5

¹³ DOF continues to retain final authority to approve items listed on ROPS.

former redevelopment agency for purposes of the SERAF payment. 20% of loan repayment amount must be transferred to LMIH Asset Fund.¹⁴

- ✓ Bond proceeds derived from bonds issued on or before 12/31/10 shall be used for the purposes for which the bonds were sold. Proceeds which cannot be spent consistent with bond covenants shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.¹⁵ Use of bond proceeds listed on ROPS.¹⁶
- ✓ Real property assets: In lieu of the provisions of AB 26 which require disposal of real property assets at the direction of the oversight board, successor agency prepares a long-range property management plan and submits to oversight board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; use of the property to fulfill enforceable obligations. If plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers until plan approved by oversight board and DOF.¹⁷
- ✓ Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.¹⁸

5. New Power of State Controller¹⁹

AB 1484 directs the Controller to review the activities of successor agencies to determine whether an asset transfer occurred after January 31, 2012, between the successor agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the successor agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.²⁰

6. Increase in authority for Department of Finance

- DOF may eliminate or modify any item on an oversight board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If successor agency disputes DOF

¹⁴ 34191.4(b)(2).

¹⁵ 34191.4(c)

¹⁶ DOF continues to retain final authority to approve items listed on ROPS.

¹⁷ Section 34191.5

¹⁸ Section 33500, 33501

¹⁹ Section 34178.8

²⁰ Section 34167.10. AB 26 directed the State Controller to review asset transfers from redevelopment agencies to the city or county that created the agency that occurred after January 1, 2011. If the city or county was not contractually committed to a third party for the expenditure or encumbrance of those assets, the Controller was directed to order the return the assets to the redevelopment agency or successor agency.

action, disputed item may be carried on ROPS. If dispute resolved in favor of successor agency in the future, the past allocation of property tax to the successor agency is not changed nor is a “liability” created for any affected taxing entity.²¹

- DOF may review and object to oversight board actions approving (1) establishment of new repayment terms for outstanding loans; and (2) setting aside amounts in reserves as required by bond indentures, and similar documents²²

7. New restrictions on authority of Successor agency

- No new enforceable obligations except (1) as specifically authorized by the statute; (2) in compliance with enforceable obligations that existed prior to June 28, 2011; or (3) to hire staff, acquire professional services and procure insurance.²³
- May not transfer revenues or powers to any other public or private party except pursuant to enforceable obligation on an approved ROPS. Any such transfer of authority or revenues are “void” and successor agency required to reverse transfers. Controller may audit and order return of transfers of authority or revenues.²⁴
- Actions taken by redevelopment agencies pursuant to VARP (Voluntary Alternative Redevelopment Program in AB 27) are “ultra vires” and do not create enforceable obligations.²⁵
- If successor agency exercised power to reenter into agreements with city (section 34178) and agreement was approved by oversight board but rejected by DOF, successor agency and oversight board may not act to restore funding for the reentered agreement.²⁶
- No reestablishment of loan agreements between successor agency and city except pursuant to safe harbor provisions.²⁷

8. Miscellaneous

- City loans to successor agency: City may loan or grant funds for administrative costs, enforceable obligations or project-related expenses. Receipt and use of these funds shall be reflected on the ROPS or in the

²¹ Section 34179(h)

²² Section 34181(f)

²³ Section 34177.3(a); 34177.3(b)

²⁴ Section 34177.3(c)

²⁵ Section 34177.3(d)

²⁶ Section 34178(a)

²⁷ Section 34180(a)

administrative budget subject to oversight board approval. An enforceable obligation is created for repayment of loans.²⁸

- New Oversight Board Provisions²⁹
 - ✓ Auditor-controller may determine “largest special district”
 - ✓ Section 1090 does not apply to employee representative on oversight board
 - ✓ Oversight board members are protected by immunities applicable to public entities and public employees
 - ✓ Written notice and information about all oversight board actions must be provided to DOF by electronic means. DOF has 40 (instead of 10) days to review and approve, reject, or modify oversight board action.
 - ✓ Oversight board may direct successor agency to provide additional legal or financial advice.
 - ✓ Authorized to contract with the county or other public or private agencies for administrative support
 - ✓ On matters within its purview, decisions made by oversight board “supersede those made by the successor agency or the staff of the successor agency.”³⁰
- New authority for auditor-controller³¹: A county auditor-controller can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.
- Polanco Act protection for successor agency: Cleanup plans and liability limits of redevelopment agency transferred to successor agency and to housing entity, upon entity’s request.³²
- Limited authority for successor agency to refinance existing debt.³³
- Successor agency is separate public entity.³⁴

Appendix – Successor Agency Required Payments/Fund Transfers

²⁸ Section 34175(h)

²⁹ Section 34180

³⁰ Section 34179

³¹ Section 34182.5

³² Section 34173(f)

³³ Section 34177.5

³⁴ Section 34173(g)

✓ **Transfer of Unencumbered Balances**³⁵

AB 26 requires that a successor agency transfer unencumbered cash balances and low and moderate income housing funds to the county auditor-controller for distribution to the taxing entities. AB 1484 requires a successor agency to retain the services of a licensed accountant to audit (1) the balance in the LMIHF; (2) the balance in other cash funds; (3) cash payments that were made in compliance with an enforceable obligation; and (4) cash transfers that were made without an enforceable obligation. In addition to transferring the balances in the LMIHF and other cash funds, a successor agency must make efforts to recover the cash transferred without an enforceable obligation.

✓ **Payment of December 2011 Taxing Entity Property Tax**³⁶

AB 26 distributes property tax through a “waterfall” of payments which includes passthrough payments, payments to successor agencies for enforceable obligations, payments to successor agencies for administrative costs, and payments to taxing entities. The waterfall for the December 2011 property tax payment did not operate as intended because of the stay imposed by the Court in *Matosantos*. The property tax payment to taxing entities was not made. AB 1484 requires successor agencies to make those payments by July 12.

✓ **Payment of 2011-12 Passthrough Payments**

Some successor agencies made 2011-12 passthrough payments and some did not. AB 1484 requires the auditor-controller to reduce property tax payments to those successor agencies that did not make pass through payments in 2011-12.

³⁵ Section 34179.5; 34179.6

³⁶ Section 34183.5