

MEETING MINUTES

October 15, 2012 at 11:00AM

Joint Meeting of the Los Banos Designated Local Authority
as Successor Agency to the Los Banos Redevelopment Agency and
the Merced Designated Local Authority as Successor Agency to
the Redevelopment Agency of the City of Merced

Los Banos City Council Chambers
520 J Street, Los Banos, CA 93635

1. Call to Order – At 11:30AM the Merced Designated Local Authority, as Successor to the City of Merced Redevelopment Agency was called to order

Roll Call

Present: Chair, Michael Amabile and Treasurer, Erasmo Viveros

Absent: Vice Chair, P. Cannon Michael

Staff Present: Mark Persico, DLA Staff - Kosmont Companies

Joy Otsuki, DLA Legal Counsel - Leibold, McClendon & Mann

2. Public Comments: None
3. Adjourn to Closed Session – Real Property Negotiations Costco Parking Lot
4. Reconvene Open Session at 11:57AM - No reportable action.
5. Status of Due Diligence Review of the Low and Moderate Income Housing Funds – discussion only.

Staff reported that they are working with Gallina, LLP to gather the necessary documents and begin the DDR. While the October 1 deadline has passed, staff believes the review can be completed by December 15, 2012.

6. Review of the Financial Statements of the former City of Merced Redevelopment Agency

Staff noted that the former Agency transferred \$41.7 million in assets to the Public Financing and Economic Development Authority as shown on page 7 and 44 of the Redevelopment Agency Financial Statement.

Motion:

Motion by Michael Amabile to receive and file the Financial Statements of the former RDA, second by Erasmo Viveros. Motion carried 2-0.

7. Review of Standard & Poor's Questionnaire and Ratings Direct

Staff indicated that they completed the questionnaire to the best of their ability given the lack of information provided by the City of Merced. Further, the bond ratings for the former RDA have been suspended due to the lack of financial information.

Motion:

Motion by Michael Amabile to receive and file the Standard and Poor's questionnaire and Ratings Direct, second by Erasmo Viveros. Motion carried 2-0.

8. Approval of Minutes – August 2, 2012

Motion:

Motion by Erasmo Viveros approve minutes as submitted, second by Michael Amabile. Motion carried 2-0

9. Report regarding property tax sharing agreement between the City of Merced and the County of Merced.

Staff indicated they have not been able to obtain an agreement that the former Redevelopment Agency was party to. The only agreement staff has is between the City and the County of Merced for library and other services.

Motion:

Motion by Michael Amabile to receive and file the Property Tax Sharing Agreement between the City and County, second by Erasmo Viveros. Motion carried 2-0.

10. Status report regarding next steps and response to the Department of Finance letter for ROPS I, II and III.

Staff discussed the Meet and Confer process outlined on the Department of Finance website and in Health and Safety Code Section 34177 (m). Staff indicated they would like direction to file a meet and confer request on behalf of the DLA Board.

Motion:

Motion by Michael Amabile, to have staff file a meet and confer request, second by Erasmo Viveros. Motion carried 2-0.

11. Report regarding the on-going remediation of 1415 and 1455 R Street.

Staff discussed the meetings they have had Merced city staff previously overseeing remediation, the Regional Water Board, and Provost & Pritchard, the consultant retained by the former RDA. Staff would like to negotiate a contract with Provost & Pritchard to resume remediation of the R Street properties.

Motion:

Motion by Michael Amabile, to authorize staff to negotiate with Provost & Pritchard to continue remediation of 1415 and 1455 R Street, second by Erasmo Viveros. Motion carried 2-0.

12. Status of the Merced County Agreed Procedures Audit (AUP).

Staff discussed the AUP completed by Merced County as required by AB 26, and the fact that the certified public accounting firm, Brown Armstrong, was denied access to the Merced financial statements. The lack of data made it difficult for the firm to complete a meaningful AUP. Staff prepared a sent a draft management letter to Brown Armstrong, and staff is seeking approval of the management letter.

Motion:

Motion by Michael Amabile, to authorize staff to take the necessary steps to complete the management response to the AUP, second by Erasmo Viveros. Motion carried 2-0.

13. Adjournment of Los Banos DLA Meeting – 12:40PM.

Submitted:



Secretary, Mark H. Persico
Kosmont Companies, Staff to the Designated Local Authority

Approved:



Chair, Michael Amabile
Merced Designated Local Authority