

CITY COUNCIL

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Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 10

Date: March 28, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Attorney
Gil Rojas, Director of Finance

SUBJECT: Oversight Board Formation

RECOMMENDATION:

It is requested that Council consider and act upon Mayoral appointments to the Oversight Board.

BACKGROUND:

Pursuant to Health and Safety Code Section 34179, which deals with the dissolution of redevelopment agencies, each successor agency must have an Oversight Board ("Board") composed of seven (7) members.

The Oversight Board consists of two (2) members appointed by the County Board of Supervisors. Supervisor Pam Slater-Price has agreed to consider individuals recommended for this position. The Board of Supervisors is to make County appointments on March 28, 2012. The Board also includes two (2) members appointed by the mayor for the city that formed the redevelopment agency (i.e. Mayor Abed) which includes a member representing former redevelopment agency employees. One member is to be appointed by the largest special district (by property tax share) with territory in the territorial jurisdiction of the former redevelopment agency. In the City's case, this is the Palomar Pomerado Health District. One member is appointed by the County Superintendent of Education or the County Board of Education. Finally, one member is appointed by the Chancellor of the California Community Colleges.

The Board members must select a chairperson of the Board and report that person's name to the State Department of Finance by May 1, 2012. The Board may direct successor agency (i.e. City) staff to perform work in furtherance of the Board's duties. The successor agency shall pay for all costs of Board meetings and may include such costs in its administrative budget. However, Board members serve without compensation or reimbursement for expenses.

Board members have personal immunity from suit for their actions taken within the scope of their responsibilities as Board members. A majority of the total membership of the Board (4 members) shall constitute a quorum for the transaction of business and a majority vote of the total Board membership is required for action. The Board is subject to the Brown Act, Public Records Act and

Political Reform Act of 1974. It is anticipated that the City's Finance Director will provide staff support for the Board.

Board members are bound by a fiduciary responsibility to holders of enforceable obligations; therefore, they cannot act arbitrarily. Board action is subject to State Department of Finance review and there is an appeals process in place which checks the ultimate power of the Board.

Other than to indicate which entities have appointing authority and, in some cases, to specify that an appointee must be a member of the public, the dissolution law is silent on whether Oversight Board members are elected or non-elected, or can be part of a City's staff. Because redevelopment dissolution issues can be somewhat complex and background in finance and redevelopment is helpful, many entities are appointing staff members to the Oversight Board when possible.

It is recommended that Escondido City Manager Clay Phillips and Escondido's Finance Director, Gil Rojas be appointed to serve as the City's representatives on the Oversight Board. The County is presently considering two members of the public. The Community College Chancellor has appointed Palomar Community College Board Member, Paul McNamara and Palomar Pomerado has appointed their Chief Financial Officer, Bob Hemker. We are awaiting appointment information from the County Office of Education.

Respectfully submitted,



Jeffrey R. Epp
City Attorney



Gil Rojas
Director of Finance