

MINUTES: of a special joint meeting of the City Council and the Successor Agency to the Redevelopment Agency of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on July 11, 2012 at 6:15 P.M.

PRESENT: Pete Aguilar, Mayor
Paul Foster, Mayor Pro Tem
Jon Harrison, Councilmember
Bob Gardner, Councilmember

ABSENT: Jerry Bean, Councilmember

STAFF: Enrique Martinez, City Manager; Dan McHugh, City Attorney; Sam Irwin, City Clerk; Tina Kundig, Finance Director/City Treasurer; Oscar Orci, Development Services Director; Debbie Scott-Leistra, Human Resources Director

Mayor Aguilar called the meeting to order and offered those present the opportunity to provide public comment on any item to be discussed in closed session.

LATE BREAKING ITEMS:

Closed Session Agenda - On motions of Mayor Pro Tem Foster, seconded by Councilmember Gardner, the City Council approved by 4/5ths majority vote the inclusion for consideration of two agenda items for a closed session meeting of the City Council.

PUBLIC COMMENTS:

Transparency – Amanda Frye asked for more details on the items to be discussed in closed session.

CLOSED SESSION:

1. Conference with legal counsel: Anticipation Litigation - Government Code §54956.9(c)
 - a. One Case: Possible initiation of litigation by the City of Redlands
2. Conference with legal counsel: Existing Litigation - Government Code §54956.9(a)
 - a. One Case: Workers' Compensation Appeals Board claim of Rich Lindner

The meeting reconvened to an open session at 7:07 P.M.

CLOSED SESSION REPORT:

City Attorney McHugh announced that, during the closed session, the City Council approved, by a four to zero vote, the settlement of the Workers' Compensation Appeals Board claim of Rich Lindner.

PUBLIC COMMENTS:

Transparency – Steve Rogers asked why the meeting wasn't being televised.

DISCUSSION:

Resolution No. 7195 – Loan to Successor Agency – Economic Development Manager Mike Lengyel presented background information leading to a request to the City of Redlands for a loan to the Successor Agency in the amount of \$65,607.37 to provide adequate funds for a \$2,601,269 payment to the San Bernardino County Auditor-Controller Treasurer/Tax Collector. Assembly bill 1484, signed into law on June 27, 2012, significantly modifies AB 1X26, the redevelopment agency dissolution bill. The bill includes a mechanism for recovering and distributing to taxing agencies property taxes that were allocated to a successor agency for the January 1, 2012 – June 30, 2012 period, but not expended during that same period. The Successor Agency received \$3,928,752 in tax increment for the period November 2011 to January 31, 2012, but the approved Recognized Obligation Payment Schedule (ROPS) for January through June 2012 only totals \$1,061,700. Pursuant to the new legislation, on July 9, 2012 the County Auditor-Controller sent the Successor Agency the attached letter demanding payment of the difference of \$2,867,052, essentially disallowing expenditures that were made by the Redevelopment Agency or Successor Agency from July 2011 to January 2012. The Successor Agency is making required pass-through payments of \$265,783 reducing the outstanding balance to \$2,601,269. Under AB 1484, the Successor Agency must make the \$2,601,269 payment by July 12, 2012 or be subject to a penalty of 10% of the amount owed, plus 1.5% for each additional month that the payment is late. In addition, the City potentially may not receive its scheduled July 18, 2012 distribution of sales taxes, or any subsequent distribution, until the required payment is made. On motion of Mayor Pro Tem Foster, seconded by Councilmember Gardner, the City Council approved Resolution No. 7195 approving the loan from the Water Fund 501 and authorizing the execution and recording of loan documents.

PUBLIC COMMENTS:

Balanced Budget – Steve Rogers referred to an article in a local newspaper which stated the City of Redlands FY 2012-2013 Budget has a significant revenue shortfall. He pointed out that the Budget was presented for approval by the City Council as “balanced” and asked why the discrepancy.

ADJOURNMENT:

There being no further business, this meeting was adjourned at 7:26 P.M. The Council will meet again next at their regular meeting on July 17, 2012.