

**MINUTES**  
**PARADISE TOWN COUNCIL**  
**SPECIAL MEETING – 4:00 PM – June 07, 2012**

**1. OPENING**

The Special Town Council meeting was called to order by Mayor Culleton at 4:03 p.m. in the Town Council Chambers located at 5555 Skyway, Paradise, California. Mayor Culleton led the Pledge of Allegiance to the Flag of the United States of America.

**COUNCIL MEMBERS PRESENT:** Scott Lotter, Tim Titus and Steve “Woody” Culleton, Mayor

**COUNCIL MEMBERS ABSENT:** Joe DiDuca and Alan White

**STAFF PRESENT:** Assistant Town Clerk Volenski, Town Attorney Moore, Assistant Town Manager Gill and Finance Director Will.

**2. ITEMS FOR CONSIDERATION-ACTION CALENDAR**

Attorney Moore presented the report to the Town Council stating that the Department of Finance disallowed three loans that the Town of Paradise made to the Redevelopment Agency. A letter dated May 11, 2012 from the Department of Finance (DOF) stated they would not recognize almost \$1 million in loans as obligations from the Redevelopment Agency under the new trust fund. After research, it appears the best approach would be to reenter into the agreements based on the provision in the law (Health & Safety Code 34178) that says the agreements are void, however, a Successor Agency wishing to enter or reenter into an agreement with the city that formed the redevelopment agency that it is succeeding may do so upon obtaining the approval of the oversight board.

The way the law is currently written, this may be the only way for the DOF to recognize the obligation and if the law changes and they still do not recognize the obligation there is nothing lost. Attorney Moore has drafted an agreement for every loan with no changes to the previous agreements.

2a. **MOTION by Titus, seconded by Lotter**, adopted Town of Paradise Resolution No. 12-20 and authorized the Town of Paradise to re-enter into the following three (3) loan agreements with the Successor Agency of the Paradise Redevelopment Agency with the amendments to the contracts(in Recitals, Section B, adding Health and Safety Code Section 34178):

1. A five (5) year interest bearing loan at 4.5% interest from the Town of Paradise in the amount of \$479,613 to cover Agency non-housing administrative and program costs through June 2011. Agreement dated March 1, 2011.
2. A five (5) year interest bearing loan at 4.5% interest from the Town of Paradise in the amount of \$657,595 to cover Agency non-housing administrative and program costs through June 2009. Agreement dated March 9, 2010.

3. A five (5) year repayable loan at 4.5% interest from the Town of Paradise in the amount of \$198,712 to cover Agency non-housing administrative and program costs through September 2006. Agreement dated March 27, 2007.

Roll call vote was unanimous with DiDuca and White absent and not voting.

### **3. ADJOURNMENT**

Mayor Culleton adjourned the Special Town Council meeting at 4:18 p.m.

**DATE APPROVED:** July 10, 2012

By: \_\_\_\_\_  
Steve "Woody" Culleton, Mayor

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Dina A. Volenski, Assistant Town Clerk