



# TOWN OF PARADISE

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## **The Oversight Board of the Successor Agency to the Paradise Redevelopment Agency Meeting Agenda AMENDED**

**3:30 PM – December 13, 2012**

The Oversight Board holds its meetings in the Town Council Chambers at Town Hall, located at 5555 Skyway, Paradise, California, 95969. In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate, please contact the Town Clerk's Department at 872-6291 Extension 101 at least 48 hours in advance of the meeting. Hearing assistance devices for the hearing impaired are available from the Town Clerk.

Members of the public may address the Oversight Board on any agenda item, including closed session. If you wish to address the Oversight Board on any matter on the Agenda, it is requested that you complete a request card and give it to the Town Clerk prior to the beginning of the Oversight Board Meeting.

All writings or documents which are related to any item on an open session agenda and which are distributed to a majority of the Oversight Board will be available for public inspection at the Town Hall in the Town Clerk Department at 5555 Skyway, Room 3, at the same time the subject writing or document is distributed to a majority of the subject body. Regular business hours are Monday through Thursday from 8:00 a.m. to 5:00 p.m.

### **1. OPENING**

- a. Call to order
- b. Pledge of Allegiance to the Flag of the United States of America
- c. Roll Call

### **2. PUBLIC COMMUNICATION**

This is the time for members of the audience who have completed a "Request to Address Board" card and given it to the Clerk to present items not on the Agenda. Comments should be limited to a maximum of three minutes duration. The Oversight Board is prohibited by State Law from taking action on any item presented if it is not listed on the Agenda.

### **3. ITEMS FOR CONSENT CALENDAR**

A roll call vote will be taken one time for all items placed on the consent calendar.

- a. Approve Minutes of the June 21, 2012, Regular Meeting; and, the August 23, 2012, October 4, 2012 and October 11, 2012 Special Meetings of the Oversight Board Meetings.

### **4. ITEMS FOR CONSIDERATION - ACTION CALENDAR**

- a. Consider adopting Resolution No. 12-03, A Resolution Approving By-Laws for the Governance of the Meetings of the Oversight Board of the Successor Agency to the Paradise Redevelopment Agency. Approval would amend Section 10 relating to rules of order and Section 7 relating to designation of a Secretary to the Oversight Board. **(ROLL CALL VOTE)**

- b. Review and request public comment on the results of the Due Diligence Review of Other Funds of the former Paradise Redevelopment Agency.  
**NOTE:** The report was available and added as agenda material on 12/12/2012.

The Oversight Board must convene a public comment session on the results of the Due Diligence Review (DDR) for the Successor Agency of the Paradise Redevelopment Agency conducted pursuant to Health & Safety Code Section 34179.5, including the determination of the amount of cash and cash equivalents determined to be available for allocation to taxing entities.

The public comment session must occur at least five business days prior to Oversight Board approval of the Due Diligence Review. A subsequent special meeting will be called for the Oversight Board to approve the DDR.

### **5. CLOSED SESSION - None.**

### **6. ADJOURNMENT**

STATE OF CALIFORNIA ) COUNTY OF BUTTE )	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date: _____	
TOWN/ASSISTANT TOWN CLERK SIGNATURE	

**MINUTES**  
**The Oversight Board of the Successor Agency**  
**to the Paradise Redevelopment Agency**

**Regular Meeting - 3:30 PM – June 21, 2012**

**1. OPENING**

The meeting of the Oversight Board was called to order at 3:35 pm by Vice Chair McGreehan who led Pledge of Allegiance to the Flag of the United States of America.

Board Members present:

1. Kevin Bultema, Butte County Office of Education, Assistant Superintendant
2. Steve “Woody” Culleton, Town of Paradise Mayor (arrived at 3:40 pm)
3. Lauren Gill, Town of Paradise, Assistant Town Manager
4. Al McGreehan, Paradise Recreation & Parks District Board Member
5. George Siler, Butte County, Member of the Public
6. Trevor Stewart, California Community College Chancellor's Office, Director of Business Services, Butte-Glenn Community College District,
7. Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

**2. PUBLIC COMMUNICATION** - None.

**3. ITEMS FOR CONSENT CALENDAR**

**3a: MOTION by Siler, seconded by Gill**, approve Oversight Board Minutes for the meetings April 26, 2012; May 29, 2012; and, June 14, 2012. Board vote was unanimous with Culleton absent and not voting.

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

Chair Culleton arrived at 3:40 pm and Vice Chair McGreehan turned the meeting over to the Chair.

**4a: MOTION by McGreehan**, seconded by Stewart, tabled selection of legal counsel for the Oversight Board to the Town of Paradise Successor Agency to the Paradise Redevelopment Agency until there is a need to agendize. Ayes of Bultema, Culleton, Gill, McGreehan, Siler, and Stewart; no of Yamaguchi.

**4b. MOTION by McGreehan, seconded by Gill**, adopted by-laws for the Oversight Board as presented by Successor Agency staff. Roll call vote was unanimous. By-laws are attached hereto and incorporated as part of the minutes by reference.

**4c. MOTION by Yamaguchi, seconded by Stewart**, set the regular meeting date for the Oversight Board of the Successor Agency to the Paradise Redevelopment Agency for the third Thursday of the month at 3:30 pm every

third month; and, concurred that the next regular meeting be scheduled for September 20, 2012 at 3:30 pm. Roll call vote was unanimous.

Board concurred that there is preference for more simplified rules of order and that the by-laws be brought back for the Board to consider Rosenberg's Rules of Order rather than Robert's Rules of Order.

**4d. MOTION by Gill, seconded by Stewart,** approved the Successor Agency to the Paradise Redevelopment Agency Administrative Budget for July 1, 2012 through December 31, 2012 in the amount of \$125,000 as presented by Successor Agency Staff. Roll call vote was unanimous.

Board concurred to direct Successor Agency Staff to provide further justification for the estimated costs to the Successor Agency set forth in the administrative budget for review at the next Oversight Board Meeting.

**4e.** Following review and discussion, the Board took no action relating to the estimates of projected tax increment revenues relative to obligated debt for the Successor Agency to the Paradise Redevelopment Agency.

**5. CLOSED SESSION** - None.

**6. ADJOURNMENT**

Chair Culleton adjourned the Oversight Board Meeting at 4:40 pm.

DATED APPROVED:

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

\_\_\_\_\_  
Joanna Gutierrez, CMC

**BYLAWS  
OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY  
TO PARADISE REDEVELOPMENT AGENCY**

Section 1.      Name of Board.

The official name shall be the "Oversight Board of Successor Agency to Paradise Redevelopment Agency" ("Oversight Board").

Section 2.      Place of Meeting.

The regular place of meetings of the Oversight Board shall be at the Paradise Town Hall located at 5555 Skyway, Paradise, California, on the third Thursday every three months, at 3:30 p.m., unless otherwise cancelled or adjourned to another day or place pursuant to the Ralph M. Brown Act.

Section 3.      Powers.

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code sections 34179, 34180, and 34181. A true copy of each statute is attached to these bylaws.

Section 4.      Members and Officers.

The members of the Oversight Board shall be composed of seven members. The members shall elect one of their members as the Chairperson and select one of their members as the Vice-Chairperson. All Oversight Board members shall be selected pursuant to the requirements set forth in the California Health and Safety Code section 34179.

Section 5.      Chairperson.

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 6.      Vice-Chairperson.

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

Section 7.      Secretary.

The Oversight Board shall designate a person to serve as the Secretary to the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs.

Section 8.      Vacancies.

When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy.

Section 9.      Compensation.

Oversight Board members shall serve without compensation or reimbursement for expenses.

Section 10.     Robert's Rules.

Except as may be provided in the California Brown Act and these bylaws, the meeting procedures of the Oversight Board shall be governed by the latest revised edition of *Robert's Rules of Order*.

Section 11.     Amendments.

The Bylaws may be amended by a majority vote of the entire Oversight Board.

**The Oversight Board of the Successor Agency  
to the Paradise Redevelopment Agency  
Special Meeting Minutes  
3:30 PM – August 23, 2012**

**1. OPENING**

The Special Meeting of the Oversight Board was called to order by Chairman Culleton at 3:30 pm in the Town Council Chambers located at 5555 Skyway, Paradise, California, who led the Pledge of Allegiance to the Flag of the United States of America.

**Board Members Present:**

- Steve “Woody” Culleton, Town of Paradise Mayor
- Lauren Gill, Town of Paradise, Assistant Town Manager
- Al McGreehan, Paradise Recreation & Parks District Board Member
- George Siler, Butte County Member of the Public
- Trevor Stewart, California Community College Chancellor’s Office Director of Business Services, Butte-Glenn Community College District
- Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

**Board Members Absent:**

- Kevin Bultema, Assistant Superintendent, Butte County Office of Education

**2. PUBLIC COMMUNICATION - None.**

**3. ITEMS FOR CONSENT CALENDAR - None.**

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

**Agenda Item 4a:** **MOTION by Gill, seconded by Siler**, approved the fiscal year 2012/13 Budget of the Town of Paradise as Successor to the Paradise Redevelopment Agency (approved by the Successor Agency on 7/31/2012). Roll call vote was unanimous; Bultema absent and not voting.

**Agenda Item 4b:** **MOTION by Gill, seconded by Siler**, approved the Recognized Obligation Payment Schedule for the period of January 1 through June 30, 2013 (approved by the Successor Agency on 8/7/2012). Roll call vote was unanimous; Bultema absent and not voting.

**Agenda Item 4c:** Town/SA Finance Director Will reported to the Oversight Board regarding the disposition of the three real properties received from the dissolved Paradise Redevelopment Agency. The properties are the Community Park parking lot at 786-794 Birch Street; Commercial Building located at 5456 Black Olive Drive; and, a Park and Ride parking lot located at 176 Pearson Road. Successor Agencies need to receive a State Department of Finance (DOF) Finding of Completion, and then, must submit a long range property plan for Oversight Board and DOF approval in order to retain dissolved RDA properties and reinstate loans made between the dissolved RDA

and the sponsoring agency. In order for the Successor Agency to retain the properties, certain criteria must be met:

1. Retention for government use;
2. Retention for future development;
3. Sale of property; and
4. Use to fulfill an enforceable obligation.

Attorney Moore reported that the three properties meet the criteria for retention and Finance Director Will has identified the Town's auditor for the purpose of reviewing the unobligated balances for transfer to taxing entities, which is required in order to obtain the Finding of Completion. The accountant must first be approved by the County Auditor, then the review for the housing fund must be completed by October 1, 2012 and other funds by December 15, 2012. A long-term property management plan will come back to the Oversight Board after approval by the Successor Agency, after which it will be forwarded to the Department of Finance.

**5. CLOSED SESSION - None.**

**6. ADJOURNMENT**

Chair Culleton adjourned the Oversight Board meeting at 4:20 p.m.

DATE APPROVED:

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

\_\_\_\_\_  
Joanna Gutierrez, CMC, Town Clerk



**The Oversight Board of the Successor Agency  
to the Paradise Redevelopment Agency  
Meeting Minutes**

**3:30 PM – October 04, 2012 – Special Meeting**

**1. OPENING**

The Special Meeting of the Oversight Board was called to order by Board Chair Culleton at 3:30 p.m. in the Town Council Chamber located at 5555 Skyway, Paradise, California, who led the Pledge of Allegiance to the Flag of the United States of America.

**BOARD MEMBERS PRESENT:**

1. Kevin Bultema, Assistant Superintendent, Butte County Office of Education
2. Steve “Woody” Culleton, Town of Paradise Mayor
3. Lauren Gill, Town of Paradise, Assistant Town Manager
4. Al McGreehan, Paradise Recreation & Parks District Board Member
5. George Siler, Butte County Member of the Public
6. Trevor Stewart, California Community College Chancellor’s Office Director of Business Services, Butte-Glenn Community College District,
7. Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

**BOARD MEMBERS ABSENT:** None.

**STAFF PRESENT:** Joanna Gutierrez, SA/Town Clerk; Dwight Moore, SA/Town Attorney and Gina Will, SA/Town Finance Director.

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

Chair Culleton announced that pursuant to Health and Safety Code Section 34179.6, the purpose of this special meeting is for the Oversight Board to convene a public comment session on the results of the Due Diligence Review (DDR) conducted pursuant to Health and Safety Code Section 34179.5 for the Successor Agency of the Paradise Redevelopment Agency Low and Moderate Income Housing Funds, including the determination of the amount of cash and cash equivalents determined to be available for allocation to taxing entities. It was necessary for a public comment session to occur at least five business days prior to Oversight Board approval of the Due Diligence Review. A subsequent special meeting has been called in order that the Oversight Board may consider taking action relating to the Due Diligence Review.

Chair Culleton opened the matter for public comment and noted that there was no members of the public in attendance. Board Member McGreehan confirmed that there was no requirement for a published notice of hearing on this matter; and, Clerk Gutierrez informed the board that this meeting was noticed in the same manner as Town Council regular meetings with information distributed to the media, the Town

Council and Town staff, to citizens who have requested meeting agendas, and posted on the Town of Paradise website more than 72 hours in advance of the meeting.

Chair Culleton announced that he has called a special meeting for October 11, 2012 in order for the Oversight Board to consider adopting a resolution approving the results of the Due Diligence Review of the Successor Agency Low and Moderate Income Housing Funds in order that the review be completed by October 15, 2012 as required by the Health and Safety Code.

### **3. ADJOURNMENT**

Chair Culleton adjourned the special meeting of the Oversight Board at 3:40 pm.

DATE APPROVED:

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

\_\_\_\_\_  
Joanna Gutierrez  
Paradise Town Clerk

**The Oversight Board of the Successor Agency  
to the Paradise Redevelopment Agency  
Meeting Minutes**

**3:30 PM – October 11, 2012**

**1. OPENING**

The Special Meeting of the Oversight Board was called to order by Board Chair Culleton at 3:32 p.m. in the Town Council Chamber located at 5555 Skyway, Paradise, California, who led the Pledge of Allegiance to the Flag of the United States of America.

**BOARD MEMBERS PRESENT:**

1. Kevin Bultema, Assistant Superintendent, Butte County Office of Education
2. Steve “Woody” Culleton, Town of Paradise Mayor
3. Al McGreehan, Paradise Recreation & Parks District Board Member
4. Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

**BOARD MEMBERS ABSENT:**

1. Lauren Gill, Town of Paradise, Assistant Town Manager
2. George Siler, Butte County Member of the Public
3. Trevor Stewart, California Community College Chancellor’s Office Director of Business Services, Butte-Glenn Community College District

**STAFF PRESENT:** Dina Volenski, SA/Assistant Town Clerk and Gina Will, SA/Town Finance Director.

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

Chair Culleton stated that the Due Diligence Report of the Successor Agency Low & Moderate Income Housing Fund (LMIHF) is required by the Health & Safety Code, includes determination of the amount of cash and cash equivalents determined to be available for disbursement to taxing entities, and must be reviewed and approved by the Oversight Board and forwarded to the Department of Finance and Butte County Auditor-Controller no later than October 15, 2012.

Finance Director Will stated that the Due Diligence Report dated June 30, 2012 and resolution document approving the report allocates an amount of \$92,640 to pass through agencies and is awaiting approval by the Oversight Board as the required public comment session was held last week by the board on October 4, 2012.

Director McGreehan asked if the resolution should specify which agencies receive a portion of the money.

Finance Director Will stated that the county receives the total amount and it is up to the county to determine where the funds are distributed based upon the allocation documents submitted.

Board Member Bultema stated, for clarification, that this money is not new money to the schools, but is money that off sets the amount the state pays toward their revenue limit.

**Agenda Item 2a: MOTION by Yamaguchi, seconded by Bultema,** adopted Resolution No. 12-02, A Resolution of the Oversight Board of the Successor Agency to the Paradise Redevelopment Agency Relating to the Due Diligence Review of the Low and Moderate Income Housing Funds. Roll call vote was unanimous with Gill, Siler and Stewart absent and not voting. (1390-30-06)

### **3. ADJOURNMENT**

After discussion and concurrence, Chair Culleton adjourned to December 6, 2012 to hold a Special Meeting to receive public comment (five days prior to approval) for the Due Diligence Review (DDR) and December 13, 2012 as the next Regular Oversight Board meeting.

Chair Culleton adjourned the special meeting of the Oversight Board at 3:43 pm.

DATE APPROVED:

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

\_\_\_\_\_  
Dina Volenski  
Paradise Assistant Town Clerk



**Town of Paradise  
Successor Agency to Paradise  
Redevelopment Agency  
Agenda Summary  
Date: December 13, 2012**

**Agenda Item: 4a**

**Originated by:** Joanna Gutierrez, CMC  
Town Clerk/Successor Agency Clerk

**Reviewed by:** Gina Will, Finance Director/Successor Agency Finance Director  
Dwight Moore, Town Attorney/Successor Agency Attorney  
Charles L. Rough, Jr., Town Manager/Successor Agency Manager  
Lauren Gill, Assistant Manager/Successor Agency Assistant Manager

**Subject:** Proposed Amendment to Section 10 and Section 7 of the Oversight Board Bylaws.

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**Action Requested:** Consider amendment to Section 10 the Bylaws of the Oversight Board of Successor Agency to Paradise Redevelopment Agency to reflect that the Oversight Board meetings shall be governed by the latest revised edition of *Rosenberg's Rules of Order*; and to Section 7 to designate the Successor Agency Clerk to record the proceedings of the Oversight Board; and, adopt Resolution No. 12-03, A Resolution Approving Bylaws for the governance of the meetings of the Oversight Board of the Successor Agency to the Paradise Redevelopment Agency.

**Alternatives:** Consider alternative direction staff relating to the bylaws.

**Background:** At the June 21, 2012 meeting, the Oversight Board adopted bylaws as presented by the Successor Agency staff. The Board also concurred that they would prefer to use Rosenberg's Rules of Order to govern their meeting procedures. The bylaws also state that the board shall designate a secretary to record meeting proceedings. Inasmuch as Health & Safety Code Section 34179(c) allows the Oversight Board to direct successor agency staff to perform work in furtherance of the Oversight Board's duties and responsibilities, it is suggested that the board consider appointing the Successor Agency Clerk as Secretary to the Oversight Board.

**Discussion:** It is suggested that the Board approve the amendments and adopt the bylaws by resolution and establishing a formal policy by Board resolution.

**Conclusion:** Adopting bylaws by resolution establishes a formal permanent record of the bylaws for the Oversight Board, in addition to the minute order.

**Fiscal Impact Analysis:** Successor Agency staff time in the creation, distribution and archiving document(s) related to this item. (Clerk/Assistant Clerk 2 hours; Finance .25 hours; Attorney .30 hours; Manager .25 hours at a combined, average hourly cost of \$80 an hour) for a total estimated cost of \$240.

**RESOLUTION NO. 12-02**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF  
THE PARADISE REDEVELOPMENT AGENCY APPROVING BY-LAWS FOR THE  
GOVERNANCE OF THE OVERSIGHT BOARD**

WHEREAS, the Oversight Board of the Successor Agency to the Paradise Redevelopment Agency desires to set forth certain procedures relating to the conduct of board meetings;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency of the Paradise Redevelopment Agency as follows:

Section 1. The Oversight Board bylaws shall be amended as attached to this resolution as Exhibit A; and,

Section 2. The resolution shall become effective on the date of adoption by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the Paradise Redevelopment Agency on this \_\_\_th day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
Steve "Woody" Chair

ATTEST:

\_\_\_\_\_  
Joanna Gutierrez, CMC  
Successor Agency Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Dwight L. Moore  
Successor Agency Attorney

**Section 34179.** (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the

chairperson and other members to the Department of Finance on or before May 1, 2012.

Members shall be selected as follows:

- (1) One member appointed by the county board of supervisors.
  - (2) One member appointed by the mayor for the city that formed the redevelopment agency.
  - (3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.
  - (4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.
  - (5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.
  - (6) One member of the public appointed by the county board of supervisors.
  - (7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.
  - (8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.
  - (9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.
  - (10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.
- (b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.
- (c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such

costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government **Code** shall apply to oversight boards. Notwithstanding Section 1099 of the Government **Code**, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government **Code**. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government **Code**, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.



(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

### **Section 34180**

All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

### **Section 34181**

The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

**BYLAWS  
OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY  
TO PARADISE REDEVELOPMENT AGENCY**

Section 1. Name of Board.

The official name shall be the "Oversight Board of Successor Agency to Paradise Redevelopment Agency" ("Oversight Board").

Section 2. Place of Meeting.

The regular place of meetings of the Oversight Board shall be at the Paradise Town Hall located at 5555 Skyway, Paradise, California, on the third Thursday every three months, at 3:30 p.m., unless otherwise cancelled or adjourned to another day or place pursuant to the Ralph M. Brown Act.

Section 3. Powers.

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code sections 34179, 34180, and 34181. A true copy of each statute is attached to these bylaws.

Section 4. Members and Officers.

The members of the Oversight Board shall be composed of seven members. The members shall elect one of their members as the Chairperson and select one of their members as the Vice-Chairperson. All Oversight Board members shall be selected pursuant to the requirements set forth in the California Health and Safety Code section 34179.

Section 5. Chairperson.

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 6. Vice-Chairperson.

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

Section 7. Secretary.

The Oversight Board shall designate ~~a person~~ the Successor Agency Secretary to serve as the Secretary to the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep

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OVERSIGHT BOARD  
EXHIBIT A – Resolution No. 12-02

a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs.

Section 8. Vacancies.

When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy.

Section 9. Compensation.

Oversight Board members shall serve without compensation or reimbursement for expenses.

Section 10. Robert's Rules.

Except as may be provided in the California Brown Act and these bylaws, the meeting procedures of the Oversight Board shall be governed by the latest revised edition of ~~Robert's Rules of Order.~~ Rosenberg's Rules of Order.

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Section 11. Amendments.

The Bylaws may be amended by a majority vote of the entire Oversight Board.



# Rosenberg's Rules of Order

REVISED 2011

*Simple Rules of Parliamentary Procedure for the 21st Century*

*By Judge Dave Rosenberg*



## MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

## VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

### About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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### ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.



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## INTRODUCTION

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The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

### Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

### The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

### The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:



**First**, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

**Second**, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

**Third**, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

**Fourth**, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

**Fifth**, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

**Sixth**, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

**Seventh**, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

**Eighth**, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

**Ninth**, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

**Tenth**, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

## Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move ... ”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”


The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

## The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

**The basic motion.** The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”



**The motion to amend.** If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

**The substitute motion.** If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

## Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be

as follows:

**First**, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

**Second**, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

**Third**, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

## To Debate or Not to Debate


The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

**Motion to adjourn.** This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

**Motion to recess.** This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

**Motion to fix the time to adjourn.** This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.



**Motion to table.** This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

**Motion to limit debate.** The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

**NOTE:** A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

## Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

**Motion to limit debate.** Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

**Motion to close nominations.** When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

**Motion to object to the consideration of a question.** Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

**Motion to suspend the rules.** This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

## Counting Votes

The matter of counting votes starts simple, but can become complicated.


Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in



California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

*How does this work in practice?*

*Here are a few examples.*

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

## The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.





## Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

**Privilege.** The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

**Order.** The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

**Appeal.** If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

**Call for orders of the day.** This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

**Withdraw a motion.** During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

## Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

**Rule One:** Tell the public what the body will be doing.

**Rule Two:** Keep the public informed while the body is doing it.

**Rule Three:** When the body has acted, tell the public what the body did.



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**Oversight Board of the  
Successor Agency to the Paradise  
Redevelopment Agency**

**Agenda Item: 4b**

**Agenda Summary  
Date: December 13, 2012**

**Originated by:** Gina S. Will, Finance Director/Town Treasurer

**Reviewed by:** Charles L. Rough, Jr., Town Manager  
Dwight L. Moore, Town Attorney

**Subject:** Due Diligence Review of the Other Than Housing Paradise  
Redevelopment Funds

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**Action Requested:** Review the Due Diligence Review of the other than housing funds of the former Paradise Redevelopment Agency and allow for public comment on the report.

**Discussion:**

In accordance with Health and Safety Code 34179.5, with approval of Butte County Auditor-Controller, the Successor Agency to the Paradise Redevelopment Agency hired Moss, Levy & Hartzheim, LLP, Certified Public Accountants, to complete a Due Diligence Review of the funds other than Low and Moderate Income Housing Funds. The purpose of the review was to determine the amount of cash and cash equivalents that are available for disbursement to taxing entities.

In addition to identifying available cash and cash equivalents, the review confirmed that the Successor Agency of the Paradise Redevelopment Agency is complying with its statutory requirements with respect to AB 1484 including transferring all assets to the Successor Agency and using those assets appropriately. The auditors found no exceptions as a result of the procedures performed to review compliance.

Staff did identify for the auditors, A.P.N.: 052-204-008, located at 5588 Black Olive Drive, valued at \$67,659, that title is actually held by the Town of Paradise not by the Paradise Redevelopment Agency. This was confirmed through the auditor's performance of procedure 4 as noted in the report. A copy of the related Grant Deed is attached for review.

The attached Due Diligence review of the funds other than Housing funds is hereby submitted to the Oversight Board for review and pursuant to Health and Safety Code Section 34179.6, for public comment. The report was also submitted to the county auditor-controller, The State Controller's Office and the Department of Finance on December 12, 2012. The Oversight Board has until January 15, 2013 to review, approve and transmit to the Department of Finance and county auditor-controller the determination of the amount of cash and cash equivalents that are available for

disbursement to taxing entities. Another Oversight Board meeting has been scheduled for January 10, 2013 for this purpose.

**Fiscal Impact Analysis:**

Page 13 of the Due Diligence review identifies that there are no funds available for disbursement to taxing entities.



**SUCCESSOR AGENCY OF THE  
REDEVELOPMENT AGENCY OF THE  
TOWN OF PARADISE**

**Butte County, California**

**Agreed Upon Procedures – AB 1484  
Other Funds**

June 30, 2012

**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE**  
**BUTTE COUNTY, CALIFORNIA**  
**AGREED UPON PROCEDURES – AB 1484**  
**OTHER FUNDS**  
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June 30, 2012

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MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES ON  
THE OTHER FUNDS**

Oversight Board of the Successor Agency  
of the Redevelopment Agency of the Town of Paradise  
Paradise, California

We have performed the procedures enumerated below solely to assist in ensuring that the Successor Agency of the Redevelopment Agency of the Town of Paradise is complying with its statutory requirements with respect to AB 1484. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures Applied

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former Redevelopment Agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Result:

The former Redevelopment Agency transferred the total asset amount of \$674,007 to the Successor Agency on February 1, 2012. See Attachment A for the listing of all assets that were transferred.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to the Town, County, or Town and County that formed the Redevelopment Agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE  
AGREED-UPON PROCEDURES OF AB 1484

2A. (Continued)

Result:

No assets were transferred from the former Redevelopment Agency to the Town, County, or Town and County that formed the Redevelopment Agency for the period from January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the Town, County, or Town and County that formed the Redevelopment Agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No assets were transferred from the Successor Agency to the Town, County, or Town and County that formed the Redevelopment Agency for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Result:

Not applicable. No assets were transferred to the Town, County, or Town and County that formed the Redevelopment Agency for the period.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures (continued):

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No assets were transferred from the former Redevelopment Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Result:

No assets were transferred from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Result:

Not applicable. No assets were transferred to any other public agency or to private parties for the period.

## SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE AGREED-UPON PROCEDURES OF AB 1484

### 4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

#### Result:

For fiscal year ended June 30, 2010, we compared the financial transactions on Attachment B to the State Controllers' report and audited financial statements and found that total capital assets of \$361,905 on the audited financial statement did not agree with the capital assets of \$294,246 on the summary of the financial transaction by \$67,659. A land had the title of the Town of Paradise other than the Paradise Redevelopment Agency and it was transferred to the Town. See Attachment B.

For fiscal year ended June 30, 2011, we compared the financial transactions on Attachment B to the State Controller's report and audited financial statements and found that total capital assets of \$361,905 on the audited financial statement did not agree with the capital assets of \$294,246 on the summary of the financial transaction by \$67,659. A land of \$67,659 had the title of the Town of Paradise other than the Paradise Redevelopment Agency and it was transferred to the Town. See Attachment B.

For the seven months ended January 31, 2012 of the former Redevelopment Agency, we compared the financial transactions on Attachment B to the Agency's trial balance, fixed assets list, and long-term debt schedule, and found no exceptions as a result of the procedures performed. See Attachment B.

For the five months ended June 30, 2012 of the Successor Agency, we compared the financial transactions on Attachment B to the Agency's trial balance, fixed assets list, and long-term debt schedule, and found no exceptions as a result of the procedures performed. See Attachment B.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former Redevelopment Agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

#### Result:

We found no exceptions as a result of the procedures performed. See Attachment C.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE  
AGREED-UPON PROCEDURES OF AB 1484

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

We found no exceptions as a result of the procedures performed.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

The Successor Agency did not have grant proceeds and program income restricted by third parties.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Result:

We found no exceptions as a result of the procedures performed.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Result:

We found no exceptions as a result of the procedures performed. See Attachment D.

## SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE AGREED-UPON PROCEDURES OF AB 1484

### 7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

Result:

The values of non-liquid assets are based on the book value reflected in the accounting records of the Successor Agency. See Attachment E.

- B. If the assets listed at 7A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

Result:

We found no exceptions as a result of procedure performed.

- C. For any differences noted in 7B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Result:

We found no exceptions as a result of the procedures performed.

- D. If the assets listed at 7A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Result:

Not applicable. The values of non-liquid assets are not listed at estimated market value.

### 8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Result:

No asset balances were retained to satisfy enforceable obligations.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE  
AGREED-UPON PROCEDURES OF AB 1484

8. (Continued)

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    1. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    1. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Result:

The procedure was not considered required as the Successor Agency has no asset balances to be retained.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Result:

The procedure was not considered required as the Successor Agency has no asset balances to be retained.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:
- iv. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - v. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - vi. Include the calculation in the AUP report.

Result:

Procedure 8A, 8B, and 8C did not apply.



SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF PARADISE  
AGREED-UPON PROCEDURES OF AB 1484

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Result:

The procedure was not considered required as the Successor Agency has no cash balances to be retained.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Result:

We found no exceptions as a result of the procedures performed. See Attachment F.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Result:

We found no exceptions as a result of the procedures performed.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

This report is intended solely for the information of the Oversight Committee and the Management of the Successor Agency of the Redevelopment Agency of the Town of Paradise, California State Controller's Office, Department of Finance, and Los Angeles County Auditor-Controller, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 6, 2012

**SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE TOWN OF PARADISE  
Asset Transfer Listing - Other Funds  
on February 1, 2012**

---

Cash with fiscal agent	\$	373,008
Loans receivable		6,753
Fixed assets		294,246
Total	\$	<u>674,007</u>

**SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE TOWN OF PARADISE  
Summary Schedule of Financial Transactions**

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash	\$ 138,814	\$ 65,002	\$ 92,753 *	\$ 92,640 *
Cash with Fiscal Agent	372,982	372,982	373,008	372,975
Tax Increment/Accounts Receivable				
Accrued Interest Receivable	4	3		
Loans Receivable	456,904	450,493	450,493	411,415
Due from RDA Debt Service Fund				
<b>Total Assets</b>	<b>\$ 968,704</b>	<b>\$ 888,480</b>	<b>\$ 916,254</b>	<b>\$ 877,030</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts Payable	\$ 39,187	\$ 5,140	\$ 152	\$ -
Other Liabilities	461,417	455,749	450,493	411,415
Due to RDA Capital Projects Fund				
<b>Total Liabilities</b>	<b>\$ 500,604</b>	<b>\$ 460,889</b>	<b>\$ 450,645</b>	<b>\$ 411,415</b>
<b>Equity</b>	<b>468,100</b>	<b>427,591</b>	<b>465,609</b>	<b>465,615</b>
<b>Total Liabilities + Equity</b>	<b>\$ 968,704</b>	<b>\$ 888,480</b>	<b>\$ 916,254</b>	<b>\$ 877,030</b>
<b>Total Revenues:</b>	<b>\$ 481,647</b>	<b>\$ 427,039</b>	<b>\$ 239,569</b>	<b>\$ 173,501</b>
<b>Total Expenditures:</b>	<b>\$ (5,164,345)</b>	<b>\$ (891,729)</b>	<b>\$ (218,710)</b>	<b>\$ (171,760)</b>
<b>Total Transfers*:</b>	<b>\$ 4,897,270</b>	<b>\$ 424,181</b>	<b>\$ 17,159</b>	<b>\$ (1,735)</b>
<b>* Includes Cash Advances from City</b>				
<b>Net change in equity</b>	<b>\$ 214,572</b>	<b>\$ (40,509)</b>	<b>\$ 38,018</b>	<b>\$ 6</b>
<b>Beginning Equity:</b>	<b>\$ 253,528</b>	<b>\$ 468,100</b>	<b>\$ 427,591</b>	<b>\$ 465,609</b>
<b>Ending Equity:</b>	<b>\$ 468,100</b>	<b>\$ 427,591</b>	<b>\$ 465,609</b>	<b>\$ 465,615</b>
<b>Other Information (show year end balances for all three years presented):</b>				
Capital assets as of end of year	\$ 294,246	\$ 294,246	\$ 294,246	\$ 294,246
Long-term debt as of end of year	\$ 7,524,383	\$ 7,690,508	\$ 7,671,293	\$ 7,669,543
<b>Long-term debt as of end of year:</b>				
100% of TABS	\$ 4,372,733	\$ 4,375,992	\$ 4,375,992	\$ 4,379,251
Note Payable to Jeffords	\$ 110,108	\$ 101,400	\$ 95,992	\$ 91,971
Note Payable to Sweeney	\$ 16,838	\$ 5,114	\$ -	\$ -
Note Payable to Paradise Public Authority	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Note Payable to Town	\$ 84,766	\$ 43,316	\$ 43,316	\$ 43,316
Note Payable to Town	\$ 657,595	\$ 657,595	\$ 537,392	\$ 537,392
Note Payable to Town	\$ -	\$ 479,613	\$ 479,613	\$ 479,613
Advances from Town	\$ 950,645	\$ 699,248	\$ 838,988	\$ 838,000
Compensated absences	\$ 31,698	\$ 28,230	\$ -	\$ -

\* Cash balance belongs to the Low and Moderate Income Housing Fund.

**SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE TOWN OF PARADISE  
Asset Listing of the Successor Agency - Other Funds  
As of June 30, 2012**

---

Cash with fiscal agent	\$	372,975
Loans receivable		1,884
Fixed assets		294,246
Total	\$	<u>669,105</u>

**SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE TOWN OF PARADISE  
Asset Listing for Restricted Balances  
June 30, 2012**

---

<u>Assets</u>	<u>Period of Restriction</u>	<u>Purpose</u>	<u>Amounts</u>
Cash with fiscal agent	December 1, 2006 to December 1, 2016	Debt service reserve	\$ 372,975
		Total	<u>\$ 372,975</u>

**TOWN OF PARADISE  
SUCCESSORY AGENCY  
Non-Liquid Asset - Other Funds  
June 30, 2012**

---

Loans receivable	\$ 1,884
Fixed assets	<u>294,246</u>
	<u><u>\$ 296,130</u></u>

**SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE TOWN OF PARADISE  
OTHER FUNDS**

Attachment F

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Other Funds

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	669,105	*
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)			
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(372,975)	**
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(296,130)	***
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)			
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)			
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance			
Amount to be remitted to county for disbursement to taxing entities	\$	-	

\* See Attachment C - Asset Listing of the Successor Agency as of June 30, 2012

\*\* See Attachment D - Asset Listing for Restricted Balances as of June 30, 2012

\*\*\* See Attachment E - Non-Liquid Assets as of June 30, 2012

PARIC  
RECORDING REQUESTED BY  
Mid Valley Title & Escrow Company

**AND WHEN RECORDED MAIL TO:**

TOWN OF PARADISE  
5555 Skyway  
Paradise, CA

95969

RECEIVED

DEC 27 2004

TOWN OF PARADISE

2004-0071052

Recorded	REC FEE	13.00
Official Records	TAX	202.95
County Of	MONUMEN	10.00
BUTTE		
CANDACE J. GRUBBS		
Recorder		
ROSEMARY DICKSON		
Assistant		
09:00AM 19-Nov-2004	Kathy	
	Page 1 of 3	

Space Above This Line for Recorder's Use Only

A.P.N.: 052-204-008-0

File No.: 0402-1648211 (MV)

**GRANT DEED**

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$202.95; CITY TRANSFER TAX \$0.00;  
SURVEY MONUMENT FEE \$

- [ ☒ ] computed on the consideration or full value of property conveyed, OR  
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,  
[ ] unincorporated area; [ ☒ ] City of **Paradise**, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Wayne Lee Llewellyn and Jennifer E. Close, who acquired title as Jennifer E. Halkola, Co-Trustees of the Black Olive Revocable Trust, dated September 16, 1996**

hereby GRANTS to **TOWN OF PARADISE**

the following described property in the Town of **Paradise**, County of **Butte**, State of **California**:

**THE SOUTHERLY 125 FEET OF THAT CERTAIN PIECE OR PARCEL OF LAND SITUATE IN THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 22 NORTH, RANGE 3 EAST, M.D.B. & M., COUNTY OF BUTTE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:**

**BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED DATED FEBRUARY 12, 1903 FROM HENRY MILLER TO FRED M. CLOUGH, RECORDED FEBRUARY 19, 1903, IN BOOK 65 OF DEEDS, PAGE 532, BUTTE COUNTY RECORDS, PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF BIRCH STREET OF THE TOWN OF PARADISE WITH THE WESTERLY LINE OF RIGHT OF WAY (250 FEET WIDE) DESCRIBED IN SAID DEED, DISTANT NORTH 25 DEG. 04' 06" EAST, 1918.43 FEET FROM THE CENTER OF SAID SECTION 22; THENCE NORTH 24 DEG. 05' 30" EAST ALONG SAID WESTERLY LINE OF RIGHT OF WAY 300.0 FEET; THENCE SOUTH 65 DEG. 54' 30" EAST, 40.0 FEET TO A POINT DISTANT 110 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF MAIN TRACK OF THE CENTRAL PACIFIC RAILWAY COMPANY (FORMERLY THE CHICO AND NORTHERN RAILROAD COMPANY) AT ENGINEER STATION 201 + 30; THENCE SOUTH 24 DEG. 05' 30" WEST PARALLEL WITH SAID CENTERLINE OF MAIN TRACT, 300.0 FEET TO A POINT IN SAID EASTERLY PROLONGATION OF THE NORTHERLY LINE OF BIRCH STREET, DISTANT 110 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID CENTERLINE OF MAIN TRACT AT ENGINEER STATION 204 + 30; THENCE NORTH 65 DEG. 54' 30" WEST, ALONG SAID EASTERLY PROLONGATION OF BIRCH STREET, 40.0 FEET TO THE POINT OF BEGINNING.**

Mail Tax Stater 48 o: SAME AS ABOVE



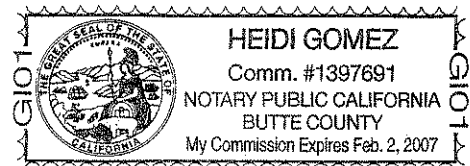
EXCEPTING ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM,  
AND OTHER MINERALS WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED  
THEREFROM, AND ALL RIGHTS THERETO PROVIDED, HOWEVER, THE SURFACE OF SAID  
LAND SHALL NOT BE USED OR DISTURBED.

Dated: 11/10/2004

The Black Olive Revocable Trust

Wayne Lee Llewellyn, Co-Trustee  
Wayne Lee Llewellyn, Co-Trustee

Jennifer E. Close, Co-Trustee  
Jennifer E. Close, Co-Trustee



STATE OF California

}

COUNTY OF Butte

} ss.

}

On 11-12-04, before  
me, Heidi Gomez, notary personally  
appeared Jennifer E. Close,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose  
name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the  
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

*This area for official  
notarial seal*

Signature

Heidi Gomez

My Commission Expires: \_\_\_\_\_

Notary Name: \_\_\_\_\_

Notary Phone: \_\_\_\_\_

Notary Registration Number: \_\_\_\_\_

County of Principal Place of Business: \_\_\_\_\_



STATE OF CALIFORNIA  
COUNTY OF Butte

} ss.

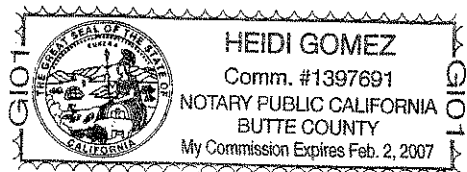
On 11-15-04, before me, Heidi Gomez, notary,  
personally appeared Wayne Lee Llewellyn

\_\_\_\_\_, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Heidi Gomez



(This area for official notarial seal)

Title of Document \_\_\_\_\_  
Date of Document \_\_\_\_\_ No. of Pages \_\_\_\_\_  
Other signatures not acknowledged \_\_\_\_\_