

**MINUTES OF THE JOINT SPECIAL MEETING OF THE MADERA CITY COUNCIL AND  
REGULAR MEETING OF THE MADERA REDEVELOPMENT AGENCY  
CITY OF MADERA, CALIFORNIA**

January 11, 2012  
6:00 p.m.

City Hall  
Council Chambers

**1. CALL TO ORDER – CLOSED SESSION**

Mayor/Redevelopment Agency Chairperson/Housing Authority Chairperson Brett Frazier opened the Closed Session portion of the Regular Meeting of the Housing Authority of the City of Madera and the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:00 p.m. and called for the roll call.

**ROLL CALL** Present: Mayor/RDA Chairperson/HA Chairperson Brett Frazier  
Mayor Pro-Tem/RDA Vice Chairperson/HA Vice Chairperson Andrew J. Medellin  
Council Member/Agency Member/Commissioner Sally J. Bomprezzi  
Council Member/Agency Member/Commissioner Gary L. Svanda  
Council Member/Agency Member/Commissioner Robert L. Poythress

**2. CLOSED SESSION**

**2A. Closed Session Announcement**

There are no items for this section.

*Mayor/Redevelopment Agency Chairperson/Housing Authority Chairperson Brett Frazier adjourned the Closed Session portion of the meetings and recessed the meeting of the Housing Authority of the City of Madera at 6:02 p.m.*

*Mayor/Chairperson Frazier called for the Workshop presentation as listed on the Joint meeting agenda of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency.*

**WORKSHOP**

Report on the Tire Grant Activities Performed in 2011/2012 (Report by Viola Rodriguez and Manuel Ruiz) **(City)**

Recognition for Participation in the Waste Tire Amnesty Day Events:

- Madera County Probation Department
- Citizens on Patrol
- Subway Sandwiches located on Schnoor Avenue

Viola Rodriguez, Neighborhood Preservation Officer/Waste Tire Coordinator, addressed the Council/Agency Board presenting them with the details of the City's tire grant activities. Ms. Rodriguez highlighted the need for waste tire collection in the state, saying that over 44 million tires are generated on an annual basis, and of that number 72% are recycled. She said the problem exists with the 12 million tires that are not recycled, which end up in landfills, illegal stockpiles or illegally dumped in urban and rural areas. Ms. Rodriguez reviewed how waste tires affect the community impacting health concerns, the environment and creating blight to the neighborhoods. Ms. Rodriguez reported on a local tire fire occurring in 2003 at Ellis and Raymond Road. She said the tire fire cost \$81,000 to remediate involving the removal of 487 tires. Ms. Rodriguez noted that the state has enacted laws that regulate generating, hauling and storing of waste tires and highlighted the requirements of each activity. She additionally reviewed how the regulations are administered and enforced. Ms. Rodriguez commented that tire removal is made possible through state-funded grants, which the City applies for annually. She said that Madera participates in three grant programs: Local Enforcement Agency (LEA), Clean-Up Grant, and Amnesty Grant. From 2003-2011, she noted that 297,068 tires have been remediated from the City and County of Madera. Through the LEA grant, staff currently conducts the inspection of 53 businesses in Madera, performs surveillance, receives training, and provides education to the public and businesses. The Clean-up grant has resulted in the collection of 7,024 tires over the last year, and a total of 56,774 tires. The Waste Tire Amnesty program allows for the collection of waste tires through five Tire Amnesty Day Events scheduled throughout the

year. This program allows citizens from the city and county areas to rid their properties of waste tires; it's not intended for businesses; it's supported by volunteers; participants drop off tires by reservation only, and public notice of the events is provided. Citizens can dispose of up to 20 tires with an exemption letter. Ms. Rodriguez said the volunteer groups participating in the program are the Citizens on Patrol, CISP Workers, and Boot Camp cadets through the Madera County Probation Department. She reported the Waste Tire Amnesty program has netted a total of 240,294 waste tires, with over 16,000 tires collected in the last year. She reiterated that there is no shortage of waste tires in Madera County. There has not been a decrease in the number of tires generated. We still are not recycling 100% of the waste tires, and there still are illegal tire dumpings creating continued health hazards. Ms. Rodriguez ended the presentation reviewing ways citizens can make a difference in the handling of waste tires, including maintaining, storing, and disposing of waste tires.

Mr. Taubert contributed the success of Madera's waste tire program to the dedication and hard work of Viola and she deserves a lot of credit.

Ms. Rodriguez presented a recognition plaque to the volunteers supporting the program including the Citizens on Patrol and Madera County Probation Department. She also acknowledged the Subway Sandwiches store on Schnoor Avenue for their commitment to customer services in providing sandwiches to the five Tire Amnesty Day Events.

Council Member Poythress acknowledged and expressed appreciation to Viola, staff and the volunteers for the successful program to rid the community of nearly 300,000 waste tires.

*Mayor/Chairperson Frazier adjourned the Workshop portion of the meeting at 6:25 p.m.*

## **RECESS**

### **3. CALL TO ORDER – REGULAR SESSION**

Mayor/Redevelopment Agency Chairperson/Housing Authority Chairperson Brett Frazier opened the Regular Meeting of the Housing Authority of the City of Madera and the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:30 p.m. and called for the roll call.

**ROLL CALL** Present: Mayor/RDA Chairperson/HA Chairperson Brett Frazier  
Mayor Pro-Tem/RDA Vice Chairperson/HA Vice Chairperson Andrew J. Medellin  
Council Member/Agency Member/Commissioner Sally J. Bomprezzi  
Council Member/Agency Member/Commissioner Gary L. Svanda  
Council Member/Agency Member/Commissioner Robert L. Poythress

Agency staff members present: Executive Director Jim Taubert, General Counsel/City Attorney Brent Richardson, Agency Treasurer/Finance Director David Croff, Redevelopment Manager Bob Wilson, Neighborhood Preservation Manager Manuel Ruiz, and Agency Secretary Sandi Brown.

City of Madera staff members present: City Administrator David Tooley, Community Development Director David Merchen, and City Clerk Sonia Alvarez

## **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Brett Frazier.

## **PUBLIC COMMENT – REGULAR SESSION**

*The first fifteen minutes of the meeting are reserved for members of the public to address the Agency or Council on items which are within the subject matter jurisdiction of the Agency or Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson/Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.*

Mayor/Redevelopment Agency Chairperson/Housing Authority Chairperson Brett Frazier asked if there were members of the public wishing to address the City Council/Agency Board/Housing Authority Commission.

**Nick Benjamin, Executive Director of the Housing Authority of the City of Madera, addressed the Council/Agency Board/Commissioners** and read the following letter, requesting his comments become part of the official record.

To: Madera City Council/Madera Redevelopment Agency Board

Date: January 11, 2012

Honored City Council and Redevelopment Agency Board, forgive me for writing to you about matters of which you are all keenly aware. However, I feel compelled to go on public record at a time when words such as dissolution, elimination and closure are used in describing the proposed status of the Madera Redevelopment Agency. Thanks to the work of Governor Brown, partisan politicians in the state legislature and the California Supreme Court, you and all agency boards across the state have been brought to the crossroads of being forced to eliminate (at least for now) the Madera Redevelopment Agency.

I realize that the actions you will likely take tonight will be accompanied with feelings of deep regret. Further, by taking the action required, you are being faithful to your sworn duty, and in both regards, I have the utmost respect for all of you.

I urge you and the fine leadership and staff of the agency to 'be of good courage.' I say this not because of the current and continuing work of advocates to amend or introduce new legislation to somehow save, restructure or revive redevelopment agencies. I offer you all encouragement because regardless of the fervent efforts of politicians, regardless of the horror stories of wasteful spending from a handful of redevelopment agencies in the state and regardless of what the future holds, the work, the indelible mark of the Madera Redevelopment Agency cannot, will not, ever be eliminated or dissolved.

In this time of forced dissolution and political maneuvering, I have resisted the temptation to rail and accuse the parties responsible. Instead, it is most appropriate to simply express gratitude, personally and on behalf of many. Thank you to the agency board, leadership and fine staff of the Madera Redevelopment Agency for your many, many accomplishments. Thank you on behalf of the hundreds of Madera families who reside in homes that you are responsible for constructing and making available. Thank you on behalf of the senior citizens and the low-income families who reside in quality affordable rental housing that would not have been possible without your contribution.

Finally, thank you on behalf of the thousands of Maderans who benefit from the numerous street and sidewalk improvements, graffiti abatement and code enforcement and countless other redevelopment projects, too numerous to list.

Eliminated, dissolved, I respectfully disagree. Regardless of what new changes legislation may or may not bring, I submit to you that as long as there is Madera, California, the Madera Redevelopment Agency lives on.

**Vernon Price, homeless advocate, addressed the Council/Agency Board/Commissioners** stating that he would like to stand behind Nick Benjamin's comments. He said that he did not really know what the Redevelopment Agency did until he participated in the Citizens' Academy and expressed his appreciation to the City Council and Redevelopment Agency, saying the City will press forward through this struggling time. Mr. Price, stating that he was speaking on behalf of the Bill Hughes' family who recently passed away, expressed the family's appreciation for the assistance the Redevelopment Agency provided in helping the Hughes' family with fencing and home improvements. Mr. Price also expressed appreciation for the support of the Housing Authority that is allowing him to attend the Housing Conference.

No further comments were heard.

Mayor/Redevelopment Agency Chairperson/Housing Authority Chairperson Brett Frazier recessed the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment at 6:38 p.m. and called for the items as listed on the Housing Authority meeting agenda.

Mayor/Agency Chairperson Brett Frazier reconvened the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:40 p.m.

Mayor/Agency Chairperson Frazier called for the items as listed on the Consent Calendar.

#### 4. CONSENT CALENDAR

- 4A. Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Special Meeting of the Madera Redevelopment Agency – December 14, 2011 **(City/Agency)**
- 4B. Listing of Warrants Issued from December 12, 2011 to January 6, 2012 **(Agency)**
- 4C. Monthly Financial Reports – Redevelopment Agency **(Agency)**
- 4D. Monthly Financial Reports – Code Enforcement **(City)**
- 4E. Code Enforcement Activity Report **(City)**
- 4F. Code Enforcement Funds Collection Report for Period Ending December 31, 2011 **(City)**
- 4G. Report on Waste Tire Amnesty Day Events Held in 2011/2012 **(City)**
- 4H. Consideration of a Resolution Approving the Adoption of the Updated Enforceable Obligations Payment Schedule for the Period Covering January 1, 2012 to June 30, 2012 **(Agency)**

Mayor/Chairperson Frazier asked members of the Council/Agency Board if there were any items on the Consent Calendar they wished to have pulled for further discussion. No items were pulled.

Mayor/Chairperson Frazier called for a motion to approve the items presented on the Consent Calendar.

**MRA-1496** RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, APPROVING AND ADOPTING THE UPDATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO PART 1.8 OF THE REDEVELOPMENT LAW (4H)

*On motion by Council/Agency Member Svanda, seconded by Council/Agency Member Bompreszi, the Consent Calendar as presented was unanimously approved resulting in the approval of the minutes of the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency for December 14, 2011 and the adoption of Resolution **MRA-1496**.*

#### 5. PROJECTS AND REPORTS

##### 5A. Consideration of Actions Related to the Dissolution of the Madera Redevelopment Agency **(Agency/City)**

Mr. Taubert presented the staff report, advising that since the Supreme Court decision, staff have been participating in conference calls with the League and CRA officials and Brent's City Attorney's group, and yesterday attended a legal briefing presented by Best, Best and Krieger. He said at best many things are very unclear about what we are doing; there are a lot of "I don't know" answers. He said there are attempts to perhaps clean things up because there are a lot of contradictions in the legislation. He said that we do know that SB 659 has been introduced, which would extend the dissolution to April 15 2012. He said that SB 654 has been introduced that would totally restore affordable housing funding. But, he added, we have not heard if either bill has gotten any traction. What we do know, Mr. Taubert said, is the decision to become a Successor Agency has to be made by Friday. There is no deviation from that at the present time. He said that he has been monitoring communities and most have said yes, with a notable exception today of the City of Los Angeles. He added that the City of Merced is also likely to decline primarily because they own a large number of contaminated properties, which is a big concern for LA also. He added that as a Successor Agency, if you assume that responsibility, you assume the responsibility for cleanup. On the plus side, Madera's biggest assets are properties and we have completed environmental assessments on all the properties that we own. Mr. Taubert advised that the other thing we know about the Successor Agency is they are the Successor Housing Agency. Unless the Steinberg bill, SB 654, is passed, the cost

of becoming a Successor Housing Agency may come with obligations in many dollars. The primary obligation would be replacement housing obligations. During the process of assembling property for the courthouse project and the Riverwalk subdivision, we displaced about 40 individual units that we are obligated to replace. He advised that we also have to enforce affordability covenants and that is an activity that has to occur until the year 2053. Mr. Taubert said that a number of eyes have looked at the Enforceable Payment Obligation Schedule, and he said unless approved by the Oversight Board and the State Department of Finance, redevelopment cannot fund code enforcement and graffiti abatement activities. He said that we have no written agreement or contractual arrangement, and even if we did, he said, the legislation provides for the discontinuance of funding for activities performed by the sponsoring agency. If in fact, the Oversight Board did find that code enforcement and graffiti was an activity they'd like to see continued, we would still have to get it past the Department of Finance. In the long term, when property values improve, the City's general fund will be a beneficiary. The City has given up a significant amount of revenue since 1991 for redevelopment financing. It is not like everything has fallen, and he said that is important to remember.

### **5A.1 Consideration of a Resolution of the Madera Redevelopment Agency Designating the City of Madera as Successor Agency (Agency)**

Mr. Taubert said that as of February 1, we transfer all properties, contracts, leases, books and records to the Successor Agency. Per the legislation right now, we are prohibited from taking any action and that includes the transfer of property. The one question that has come up and hasn't been answered is how we transfer property while we still exist, and when we are on title for 45-50 properties. We are exploring the transfer of title with the Recorder's Office and the title companies. None of the attorneys seem to have an answer. The Successor Agency has a singular role and that is to dispose of our assets in a manner aimed at maximizing value. This will become important, he said, when dealing with the Oversight Board. An example he gave was the Riverwalk subdivision. As bare land right now it might bring \$120,000 or \$130,000. If the Oversight Board allows the Successor Agency to invest funds to develop the lots, the property could be worth as much as \$4,000,000.00 on build-out. Make no mistake about it, our role, your role has changed, and he said that is to get rid of the assets.

The role of the Sponsoring Housing Agency, he said, and David and I are on the same page recommending that you do both, is to assume all the housing functions. Right now, the legislation reads all the housing functions with the exception of the money, which means all the obligations with no money to perform the obligations. We have heard that is what the Steinberg's bill is attempting to prevent. As of February 1<sup>st</sup>, when you assume this function you will have all the powers that redevelopment law provides, which means you can sell property, we can do construction loans, we can get back into the housing business, subject to the approval of the Oversight Board, and ultimately the Department of Finance.

While in some communities the role of the Oversight Board might be an adversarial, Mr. Taubert observed that the Oversight Board in our case can be of tremendous assistance, but there is a lot of importance in who is selected. Mr. Taubert reviewed the positions making up the Oversight Board to include: 1) One member appointed by the Board of Supervisors; 2) One member appointed by the Mayor; 3) One member appointed by the largest special district, and in our case it is the Mosquito Abatement District; 4) One member appointed by the County Superintendent of Education to represent schools; 5) One member appointed by the Chancellor of the Community College District, which is not the State Center College District, this is the California Chancellor; 6) One member of the public appointed by the Board of Supervisors; and 7) One member appointed by the Mayor from the recognized employee organization representing the largest number of former Redevelopment Agency employees employed by the Successor Agency. Mr. Taubert said we have only three employees and only two are represented by the Mid-Management Bargaining unit. He added that the Oversight Board membership needs to be completed by May 1, 2012 and said it is incumbent upon us to move quickly on the Oversight Board.

Mr. Taubert explained that the role of the Successor Agency is similar to your role now where you approve the day-to-day activities, but again everything has to be approved by the Oversight Board. Mr. Taubert concluded that staff is recommending that the Agency Board approve the designation of the City as the Successor Agency and that the City accept the designation. Mr. Taubert said all the attorneys are recommending that the cities need to accept the designation by resolution. Mr. Richardson added that in

light of the confusion in the transfer of title, the passage of the resolution will provide a paper trail expressing the intent to have the transfer approved by the designated Successor Agency.

Mayor Frazier asked for clarification that if there is cleanup legislation, are the actions we are taking today irreversible. Mr. Taubert said that is correct. The City Attorney's office prepared the resolutions to include language that the actions become null and void should the legislation be reversed. Mr. Taubert said he talked to Senator Canella's office staff and that if something were to happen it will not happen this week. With the pending Friday deadline, it is important that we proceed with these actions.

Mr. Taubert said the final action before the Council is the appointment of two members of the Council to work with him to contact local taxing entities regarding the formation of the Oversight Board. He asked if there were further questions and there were none.

Chairperson Frazier called for a motion to adopt the resolution.

**MRA-1497** A RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, CALIFORNIA, DESIGNATING THE CITY OF MADERA AS SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA (5A.1)

On motion by Agency Member Poythress, seconded by Agency Member Bomprezzi, **Resolution Number MRA-1497** was unanimously approved.

#### **5A.2 Consideration of a Resolution of the City of Madera Accepting Designation as Successor Agency (City)**

Mayor Frazier called for a motion to adopt the resolution.

**CC 12-08** A RESOLUTION OF THE CITY OF MADERA, CALIFORNIA, ACCEPTING DESIGNATION AS SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA (5A.2)

On motion by Council Member Svanda, seconded by Council Member Bomprezzi, **Resolution Number CC 12-08** was unanimously approved.

#### **5A.3 Consideration of a Resolution of the Madera Redevelopment Agency Designating the City of Madera as Successor Housing Agency (Agency)**

Chairperson Frazier called for a motion to adopt the resolution.

**MRA-1498** A RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, CALIFORNIA, DESIGNATING THE CITY OF MADERA AS SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA WITH RESPECT TO HOUSING FUNCTIONS (5A.3)

On motion by Agency Member Poythress, seconded by Agency Member Bomprezzi, **Resolution Number MRA-1498** was unanimously approved.

#### **5A.4 Consideration of a Resolution of the City of Madera Accepting Designation as Successor Housing Agency (City)**

Mayor Frazier called for a motion to adopt the resolution.

**CC 12-09** A RESOLUTION OF THE CITY OF MADERA, CALIFORNIA, ACCEPTING DESIGNATION AS SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT

AGENCY OF THE CITY OF MADERA WITH RESPECT TO HOUSING FUNCTIONS  
(5A.4)

On motion by Council Member Svanda, seconded by Council Member Medellin, **Resolution Number CC 12-09** was unanimously approved.

**5A.5 Appointment of Two Members to Contact Local Taxing Entities Regarding the Formation of an Oversight Board (City)**

Mayor Frazier stated that he would like to sit on the committee and asked if there was another member of the Council interested in serving on the committee. Council Member Svanda responded that he would like to volunteer to serve on the committee. Mayor Frazier asked if there was an objection; there were none.

City Attorney Richardson asked for confirmation that Mayor Frazier and Council Member Svanda were the two Council members appointed to the ad-hoc committee. Mayor Frazier concurred.

Mayor Frazier asked if a second ad-hoc committee could be created where members of the Council could meet with the Executive Director and City Administrator as to where we go from here, how to operate afterward.

Mr. Richardson said to the extent it's a question of the Board as a whole and we need to call a special meeting, we can do that.

Council Member Svanda asked if the ad-hoc committee just appointed could make the inquiries and bring back a report to the full Board. Mr. Richardson said he did not see a problem with that.

Mayor Frazier commented that we have always operated as a 'where do we go from here' agency and we need to realize that something just happened and we need to figure out how to we operate moving forward and how do we still get the greatest benefit to the City of Madera even in dissolution. He continued that he thinks there are ways to do accomplish that.

Mr. Richardson said that from February 1<sup>st</sup> on as a Successor Agency, we can put items on the City Council meetings and have discussions on those items. He said some of the mechanisms as to where you go from here are still murky and we are trying to find out what happens from the straight mechanics standpoint, but he said as of February 1<sup>st</sup> the Successor Agency will be the City of Madera. As City Council members we can agendaize an item where we can provide you with answers to those questions.

Mayor Frazier asked for the concurrence of the Council asking if an ad-hoc committee would be a good idea and place it on next week's Council meeting agenda to explore where we go from here.

Council Member Bompreszi asked if that isn't putting the cart before the horse and that we wait until the Oversight committee is part of the discussion.

Council Member Svanda continued that plans need to be initiated right now to save graffiti abatement, to save neighborhood revitalization, to save code enforcement, to save all the things that we have spent 20 years establishing and it just went poof into the night about 20 minutes ago. Member Svanda said that we need to be sitting down right now as we approach the Oversight Board and making sure they understand the importance of all of these things and a strategy to keep them in place. He said that we have done too much good work and he thought the time to be talking about those things is now, whether it's an ad-hoc committee or the City Council, or whomever, we need to be talking of the next level of ownership to these programs to make sure they are not done away with – too much work.

Mr. Richardson said that will involve some discussion with City staff and discussion as a City Council as well, because essentially it is going to fall on the City of Madera to keep these things going in its current phase, unless he said, they come through with legislation.

City Administrator David Tooley stated for the purpose of clarification and to reinforce what Jim has already said, all you can do as a Successor Agency or what is within the context of the Enforceable Obligation Schedule, and it's only those things that are clearly defined as allowable in the schedule. That does not include code enforcement, he said. For the very least from February 1<sup>st</sup> unless we see some kind of legislation, from February 1 to May, those costs are on the City's dime. Redevelopment puts \$259,000 a year in the City's budget for code enforcement. It is a budget decision and a budget discussion. He said that he felt the responsibility is Jim's and his to bring back a recommendation and then you make a determination. You will have to prioritize – is code enforcement more important than parks, is it more important than police – is it more important than fire. This is a budget decision that you as a committee as a whole need to make.

Council Member Bompreszi stated that she liked the idea of having a special meeting to talk about it – the members of the Council concurred.

Council Member Poythress agreed that he too was open to it and said that he felt the logical process would be to take a look at those things Redevelopment did and identify those things and then do what we need to do in terms of cost, as the City Administrator just talked about. He said that would allow us to prioritize those things and said that he felt it would lead to a more intelligent discussion, when we have that special meeting. Member Poythress recommended that David and Jim get together and formulate the numbers, the things that RDA did, so that it would make it more meaningful. Once completed, they could let us know when they are ready to meet and we can have that discussion.

Mr. Tooley said in a sense, it's a fairly easy analysis. Of the \$459,000, \$259,000 went to code enforcement and \$136,000 to the City Attorney's office. If you have one less City attorney in your prospective budget, we are talking about what you do with code enforcement, and how that interplays with all other City services. It's not simple, he said, but it is a financial decision and you make those every day. He said that we can bring that back to you.

Council Member Poythress stated that we have to know also where we are six months into the year in terms of our budget, what's happened or hasn't happened. We need to have the up-to-date numbers. Mr. Tooley replied that he felt staff can do all of that.

Council Member Svanda asked if we are talking about a special meeting after staff has had adequate time to gather the information. Mr. Taubert indicated that is what he heard.

Mayor Frazier asked for concurrence; all members of the Council concurred.

#### **5B. Acceptance of the Financial Audit Report for Year Ending June 30, 2011 (Agency)**

Bob Wilson, Redevelopment Manager presented the staff report stating that the Agency contracted with Caporicci & Larson, Inc. to complete a financial and compliance audit for the year ending June 30, 2011. In connection with the audit, it's the Agency's responsibility to provide the numbers that make up all the financial statements to the auditors. The auditor's responsibility is to go through the statements and to verify that the activities of the Agency are represented in the financial statement. Mr. Wilson said that the good news is the opinion of the auditor is the activity of the Agency is fairly stated on all material respects in relation to the financial statements as a whole, and that they did not identify any deficiencies in the internal controls over compliance. In the opinion of the auditors, the Agency did comply with all material respects with the compliance requirements for year ending June 30, 2011. Mr. Wilson said that is the good news and went on to say that the bad news within the audit was the auditor's recognition that the state legislature had enacted legislation to abolish all redevelopment agencies in the state. The other note within the audit, he said, was that in 2011 the net tax increment to the Agency decreased by \$643,000, and that was after the previous year of 2010 where the net tax increment decreased by \$166,000. He said that regarding the current year projections for FY 2012, the net tax increment is dropping another \$124,000. He added over the last three years, the Agency is receiving a total of \$1.6 million annually less in net tax increment, which is 25% of the net tax increment that the Agency received in the highlight year of 2009. Mr. Wilson concluded that there were no findings and no compliance issues, which he added is a tribute to Finance staff.



Mayor Frazier asked if there were questions of staff; there were none. Mayor Frazier called for a motion to accept the Financial Audit Report for Year Ending June 30, 2011.

*On motion by Agency Member Bomprezzi, seconded by Agency Member Poythress, the acceptance of the Financial Audit Report for Year Ending June 30, 2011 was unanimously approved.*

**5C. Report to the Department of Housing and Urban Development (HUD) Regarding the Linkage of Code Enforcement Activities to the Elimination of Blight (City/Agency)**

Mr. Taubert presented the staff report stating that up until December 29<sup>th</sup>, staff's major concern was a memo the City received from HUD relative to the use of CDBG funds for code enforcement. Basically, the tone of the memo was "we gave this to you in 2003, aren't you done yet?" He said that we were required to provide HUD with information that outlined what we consider the deterioration of blight, the specific boundaries that we are working in, the condition in each of the CDBG census tracks, and a strategy to arrest the decline. The report included in the staff report was created to provide justification for the use of CDBG monies for the use of code enforcement activities.

Council Member Svanda commented that it is an extremely comprehensive program that illustrates what we have been doing in the City of Madera – job well done. Council Member Bomprezzi concurred.

Mayor/Chairperson Frazier stated this is an information item and no action is required.

**5D. Discuss and Provide Direction Regarding Resident Engagement Activities (City)**

Mr. Taubert presented the staff report stating that the success of the graffiti effort, the Citizens' Academy, the Lake Street project, the fact that we have had 14 neighborhoods say that they want to get engaged in improving their neighborhoods, is a strong indication to the Council that citizens want to get involved and they are willing to do something to make their neighborhood and community better. Mr. Taubert said that the key question is now, "what do we want to do, where do we want to go, and how do we get to where we want to go." He said that the sense he got from Council at the last meeting, is their desire to expand on the neighborhood program and activities and get more people involved. He added that in light of everything else, he hopes it will continue to be a priority for the Council because he believes it singularly has the potential to have the greatest impact on the future of the City. Mr. Taubert said that Council Member Poythress referred to it as a 'game changer' and he said that he too felt it could be a game changer. Mr. Taubert advised at some point we need to have a discussion on how we make a more structured program. He noted that in light of the Supreme Court decision and the CDBG issue, we will need to be creative, and said that he hoped this is something that we continue to pursue as a City.

Mayor Frazier responded that this needs to be a discussion at another time.

Council Member Poythress added that he agreed with Jim and said that it not only needs to be continued but needs to be ramped up for a lot of reasons. He said we can look at a lot of things that our City has done, but it's really the people – that's the backbone – the soul of the City and makes Madera what it is. He added that in light of the elimination of Redevelopment Agency and budget crunches, to him this is the answer. It's not only that we continue it, but he said he thinks there will be some answers to our budget problems within a major volunteer effort. He continued saying there is a void now because of budget cuts and it's imperative that we do include this as a main priority.

**5E. Status Report on Collection of Past Due Administrative Citations (City)**

Mr. David Croff addressed the Council noting that at the December meeting the Council discussed the fines and citations issued by code enforcement officers versus the percentage of fines and citations collected by the collection agency. He said staff was directed to bring back a report to the Council. Mr. Croff said that he contacted Financial Credit Network (FCN) the City's collection agency. He said that staff, including himself, Jim Taubert and Brent Richardson, had a conference call with FCN and discussed a few things. Mr. Croff said that he invited FCN to make a presentation to the Council, and explain their process. Mr. Croff introduced Kris Davisson, Vice President, and Susan Morado, Training and Compliance Officer for FCN. They presented a PowerPoint presentation on FCN that included an overview of their approach

to collections, collection methodology, legal process, statistics, and the City's responsibility. Upon completing their presentation, they asked if the Council had questions.

Council Member Svanda asked what FCN considers the most important factor in being successful in the collection process, and asked is it getting the accounts sooner rather than later – is it the completeness of information on the accounts – is it the type of debt? He said we are talking about code enforcement violation fines, and said that's not a tire on your car or a telephone bill. It's a code violation. Ms. Morado replied just listening to your question would scare me. I would think 'oh my gosh, I'm going to be in trouble.' Member Svanda responded we hope that they do think that; that's the point. He asked, what is the most critical factor in your success? She replied accurate information and getting the accounts to us as quickly as possible. Member Svanda asked, what can we do better other than what we are doing right now to increase your effectiveness? Ms. Morado said that's a great question and the way that the City of Madera can help us is to provide us with a correct name, a current address, and the social security number plays a big part. She said if they have the SSN they can then attach the credit report, which prevents the person from making a purchase, etc. FCN also would like to have the date of birth, and driver's license if possible. She said if it's not possible to get that information up front, she suggested that the officers try to get the information when they make additional contact with the people they cite. Member Svanda said that should be part of our process then to gather as much of this kind of information as possible, so that if by chance they don't pay the bill, we can give you the greatest amount of information so that you are more successful. Ms. Morado said that is correct. Nothing is more intimidating when we receive our client's place of employment, because we dial their place of work and call them. She said clients call us immediately and work out some kind of arrangement for payment. Ms. Morado said that might be impossible with code enforcement. Mr. Taubert said interaction with the citizen being cited is very limited. Member Svanda said staff does have some interaction with the people; we don't just put a summons on the door and turn it over the FCN in one week. We interact with the people as best we can until the issue is resolved or not. He said if we had a check list of the information we need to gather during the process, you are telling me that makes you more effective. Ms. Morado advised that after the account has been assigned to us, should the people contact you, you need to refer them back to us and do not handle the call – let us do the work for you, we want to talk to them. We are trained to collect and that is what we want to do.

Mayor Frazier asked if there were additional questions. There were none.

## 6. AGREEMENTS

There are no items for this section.

## 7. HOUSING

There are no items for this section.

## 8. GENERAL

There are no items for this section.

## 9. AGENCY MEMBER REPORTS

**Agency Member Poythress** stated he had attended a Madera County EDC meeting this afternoon, and it was fairly brief and not a lot of significant information to report. He did say there were several 'kudos' offered to City staff for responsiveness to the EDC requests, especially those related to new business ventures, researching information for EDC staff, etc. . Member Poythress expressed his appreciation to City staff.

**Chairperson Frazier** announced that he was going to start holding 'office hours' on the first, second and third Thursdays of the month. The first and third Thursday will be 1:00 to 2:00 p.m. at City Hall and the second Thursday will be 1:00 to 2:00 p.m. at the Redevelopment Agency. Chairperson Frazier added that he is making himself available during those times for any questions, concerns from City staff or citizens of the community.

**10. ADJOURNMENT**

Mayor/Chairperson Frazier adjourned the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 7:45 p.m.

  
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Sandi Brown, Agency Secretary

  
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Mayor/Chairperson Brett Frazier

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