STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE CITY OF INGLEWOOD OVERSIGHT BOARD

CITY OF INGLEWOOD COUNCIL CHAMBERS ONE MANCHESTER BOULEVARD INGLEWOOD, CALIFORNIA 90301

Thursday, May 17, 2012

6:00 PM

OPENING CEREMONIES - 6:00 P.M.

Call to Order

Chair Butts called the meeting to order at 6:03 p.m.

Pledge of Allegiance

The Pledge of Allegiance was led by Chair Butts.

Roll Call

Present: Chair James T. Butts, Jr., Vice Chair Michael Banner (arrived at

6:11 p.m.); Board Members: Carolyn M. Hull, Joseph T. Rouzan, Jr., Glenston Thompson (arrived at 7:00 p.m.), Jo An Higdon and

Margarita Cruz

PUBLIC COMMENTS REGARDING AGENDA ITEMS

Persons wishing to address the Oversight Board on any item on today's agenda may do so at this time.

There were none.

REVIEW AND APPROVE

1. Recommendation/ Approve: Review and approve of the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2012 through June 30, 2012. (Continued from meetings of 5-1-12 and 5-10-12) (12-1970)

Board Member Hull suggested that the Oversight Board look at the Recognized Obligation Payment Schedule (ROPS) one line item at a time prior to voting on the approval of ROPS in its entirety

Chair Butts addressed Board Member Hull's suggestion and stated that a motion and second have been made and the item was open for discussion. Chair Butts also stated that the request to review each line item will need to be accepted by a majority of the members present.

He further indicated that from the City's prospective, ROPS I and II are all contracted legal obligations that were engaged as a Successor Agency (SA) and are valid obligations.

Board Members Hull and Higdon requested clarification of the line items listed on ROPS I and II.

Board Member Higdon voiced concerns and asked for clarification if the ROPS have been certified. Chair Butts stated that the ROPS have been approved by the Successor Agency.

Mr. Royce K. Jones, of Kane, Ballmer & Berkman, Special Counsel to the Successor Agency, addressed the Oversight Board and stated that the Oversight Board is approving the ROPS which will then be submitted to the Department of Finance (DOF), and the DOF will make a determination to accept the ROPS as presented. If the DOF does not accept the ROPS as presented, they will have a three day window to provide comments and request additional information. Chair Butts added that the ROPS need to be submitted prior to June 1, 2012.

Board Member Hull raised the concern that Line Item No. 28 has a date of execution that does not comply with the June 28th or June 29th Department of Finance deadline as being a recognized obligation. Chair Butts stated that the item meets the criteria in ABX1 26.

Vice Chair Banner commented on his understanding of the training he received from the County and stated that there are certain obligations that need to be prioritized and decided on in the ROPS. His concern is the amount noted on ROPS I and II, which reflects an amount of \$300 million. Vice Chair Banner requested further clarification.

The Successor Agency informed the Board that the amount will be paid over time and referenced an example of the Hollywood Park Project on Item No. 8 on page 2 of ROPS I and II.

(The Board recessed at 6:24 p.m. and reconvened at 6:35 p.m.)

Following the recess, Successor Agency staff provided the Board with a current ROPS I and II. Vice Chair Banner raised the concern on defaults. Mr. Jones advised the Board that there are no defaults at the present time.

Board Member Higdon reiterated the concern Vice Chair Banner addressed earlier, regarding the total liabilities. The Successor Agency informed the Board that it was advised that the entire Bond proceeds be placed in the ROPS as enforceable obligation.

Board Member Higdon stated that the Board felt uncomfortable voting to approve ROPS as presented and appreciates the Staff's efforts. He suggested that Financial Counsel be available at future Board meetings.

On motion of Chair Butts, seconded by Board Member Cruz, the Board approved the item with an amendment to Adopt the Resolution for ROPS I with the following vote:

Ayes: 6 - Chair Butts, Jr., Vice Chair Banner, Board Member

Hull, Board Member Rouzan, Jr., Board Member

Higdon and Board Member Cruz

Abstentions: 1 - Board Member Thompson

<u>Attachments:</u> ROPS Schedule 1/1/2012 - 6/30/2012

Supporting Document

2. Recommendation/ Approve: Review and approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through December 31, 2012. (Continued from meetings of 5-1-12) (12-1975)

The Oversight Board discussed this Item under the section REVIEW AND APPROVE, Agenda Item 1.

On motion of Chair Butts, seconded by Board Member Cruz, the Board approved the item with an amendment to Adopt the Resolution for ROPS II with the following vote:

Ayes: 6 - Chair Butts, Jr., Vice Chair Banner, Board Member

Hull, Board Member Rouzan, Jr., Board Member

Higdon and Board Member Cruz

Abstentions: 1 - Board Member Thompson

Attachments: ROPS Schedule 7/1/2012 - 12/31/2012

MISCELLANEOUS

1. Matters not on the agenda, to be presented and (if requested) referred to staff or placed on the agenda for action at a future meeting of the Board, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda. (12-2818)

No matters were presented to be placed on the next agenda.

OVERSIGHT BOARD MEMBER REMARKS

Board Members Rouzan and Higdon requested that the Successor Agency supply additional information on each item of the Recognized Obligation Payment Schedule.

Chair Butts requested that the Successor Agency's Financial Consultant be present at all future meetings of the Oversight Board.

ADJOURNMENT

The Special Meeting of the Oversight Board adjourned at 8:01 p.m. The next regular meeting of the Inglewood Oversight Board will be Thursday, June 21, 2012 at 6:00 p.m.