



Huntington Beach
Oversight Board

HUNTINGTON BEACH OVERSIGHT BOARD
Supplemental Communication
Joan L. Flynn, Board Secretary

TO: Oversight Board Members
FROM: Joan L. Flynn, Board Secretary *JLF*
DATE: May 14, 2012
SUBJECT: **SUPPLEMENTAL COMMUNICATION FOR THE MAY 14, 2012, SPECIAL OVERSIGHT BOARD MEETING**

Attached is a Supplemental Communication received after distribution of the May 14, 2012 agenda packet:

Amended Page Two of the April 5, 2012 City of Huntington Beach Oversight Board Special Meeting Minutes.

Approved and Adopted Minutes for the March 26, 2012 Special Meeting

A motion was made by Delgado, second Bone, to approve and adopt the Oversight Board minutes of the meeting of March 26, 2012, as written and on file in the Office of the Board Clerk, Joan L. Flynn. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal
NOES: None
ABSTAIN: Carchio

Presentation Was Made by Finance Director Lori Ann Farrell - Reviewed the Recognized Obligations Payment Schedule (ROPS) and Approved the Recognized Obligations Payment Schedule (ROPS) and Approved the Enforceable Obligation Payment Schedule (EOPS)

Boardmember Steve Bone made an announcement that, as a shareholder, he had an economic conflict of interest within the EOPS and ROPS for items pertaining to the ~~Hilton and the Hyatt~~. Director Farrell indicated the PowerPoint was broken into two sections – one which contained no projects or debt obligations referencing the Hyatt, ~~either hotel~~ and a second portion which only contained items that reference the Hyatt, ~~these hotels~~. The board decided they would hear the first section that did not include the Hyatt, ~~hotels~~, and then vote on that section only. Boardmember Bone would then recuse himself while the second presentation of the EOPS and ROPS was reviewed, discussed and voted upon.

After the presentation by Director Farrell discussion ensued on the following topics: the inclusion of the obligations in other supporting, audited reports and any outside audits performed in relation to the items on the EOPS and ROPS; the substance of the amendments which were submitted to the City Council at their last meeting (the EOPS and ROPS listings given to the Oversight Board at their first meeting contained all the amendments); the possibility and protocol to incorporate any future claim to an obligation that is not on the list; the addition to the ROPS of the cost of outside counsel if any were hired by the Board; and how the payment priority would be assigned if not enough tax increment was realized to pay all the obligations.

A motion was made by Carchio, second Delgado, to approve the Enforceable Obligation Payment Schedule (EOPS) excluding #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton Properties) for the period covering August 1, 2011 to June 30, 2012. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal, Carchio
NOES: None

A motion was made by Carchio, second Delgado, to approve the Recognized Obligation Payment Schedule (ROPS) excluding #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton