



Board of Directors
Howard Rudd, Chair
John Norman, Secretary/Treasurer
Nick Alexander
Louise Walker

AGENDA
Special Board Meeting
Via Zoom

[<https://zoom.us/j/93112219376?pwd=N045ckdYdmxNWmNZdFcrM2hnUEVGZz09>]
June 25, 2020 @ 9:00 a.m.

In response to the Governor's Executive Order N-29-20 relating to the COVID-19 Pandemic, the Roseville Community Development Corporation Board of Directors will be conducting this meeting on Zoom at <https://zoom.us/j/93112219376?pwd=N045ckdYdmxNWmNZdFcrM2hnUEVGZz09>. Members of the public may join the meeting by clicking the link above or typing the meeting address into their web browser and may offer written public comment via email to rcdc@rosevillecdc.org. Public comments will be accepted until the adjournment of the meeting, distributed to the Board members and included in the record.

- I. Silent Roll Call**
- II. Closed Session**
 - A. Conference with Real Property Negotiator**
 - a. Property – 110 Pacific Street, Roseville, CA
 - b. Agency Negotiator – Mike Isom, CEO
 - c. Negotiating Party – Golden State Homes, LLC
 - d. Under Negotiation – Purchase, Price and Terms of Payment
 - B. Conference with Legal Counsel – Anticipated Litigation (Significant Exposure to Litigation pursuant to Subdivision (b) of Section 54956.9)**

One Potential Case
- III. Non-Agenda Public Comment**
- IV. Action Items**
 - a. Approve the January 24, 2020 Special Board Meeting Minutes
 - b. Approve the Fiscal Year 2020-21 Budget
- V. Board and Staff Comments**
- VI. Adjournment**



Meeting Minutes
Special Board Meeting
January 24, 2020

Present: Chairman Howard Rudd, Secretary/Treasurer John Norman, and Director Walker

Corporate Counsel: Larry Larsen, Law Offices of Gregory D. Thatch

Corporate Staff: CEO Mike Isom

II. Non-Agenda Public Comment

Chairman Rudd opened the floor for public comment

None Received

III. Action Items

a. Approve the December 12, 2019 Board Meeting Minutes

Secretary/Treasurer Norman made a motion to approve the minutes for the December 12, 2019 Board Meeting. Chairman Rudd seconded the motion.

Votes: Motion Carried 3-0

Yes: Chairman Rudd, Secretary/Treasurer Norman, Director Walker

b. Accept the RCDC FY2018-19 Audited Financial Statement Report

Director Walker made a motion to accept the RCDC FY2018-19 Audited Financial Statement Report. Secretary/Treasurer Norman seconded the motion.

Votes: Motion Carried 3-0

Yes: Chairman Rudd, Secretary/Treasurer Norman, Director Walker

IV. Closed Session

A. Conference with Real Property Negotiator

- a. Property – 238 Vernon Street, Roseville, CA
- b. Agency Negotiator – Mike Isom, CEO
- c. Negotiating Party – Mez Investment Group
- d. Under Negotiation – Purchase, Price and Terms of Payment

B. Conference with Real Property Negotiator

- a. Property – 238 Vernon Street, Roseville, CA
- b. Agency Negotiator – Mike Isom, CEO
- c. Negotiating Party – Golden State Homes, LLC
- d. Under Negotiation – Purchase, Price and Terms of Payment

C. Conference with Real Property Negotiator

- a. Property – 238 Vernon Street, Roseville, CA
- b. Agency Negotiator – Mike Isom, CEO
- c. Negotiating Party – Thomas Roth

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d. Under Negotiation – Purchase, Price and Terms of Payment

D. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Section 54956.9)

Ryan v. City of Roseville, et al.
USDC – Eastern District of California Case #2:17-cv-01453-MCW-DB

Ryan v. City of Roseville. et al.
Placer County Superior Court Case #SCV0041974

Nothing to Report.

V. Board and Staff Comments

CEO Isom informed the Board that the annual update required by the bylaws will be on the February 19, 2020 City Council agenda.

VII. Adjournment – 2.45 p.m.



Item IV-B (Action): Approve Fiscal Year 2020-21 Budget

RECOMMENDATION

Staff recommends that the Board of Directors approve the attached Budget for FY2020-21. **(Attachment 1)**

BACKGROUND

The RCDC budget for FY2020-21 includes budgets for RCDC Operations and 110 Pacific Street, LLC. The following table summarizes both budgets, with detail presented in the attached FY2020-21 Draft Budget spreadsheet incorporated as Attachment 1 to this report.

OPERATIONS BUDGET

Revenues and Expenses for the RCDC Operations and 110 Pacific, LLC (Columns A & B):

Line	Revenue	FY2020-21
18	Investment Revenue (Interest)	\$6,849
10	Gain/Loss on Investment	\$21,703

Line	Expenses	FY2020-21
27 - 57	Contract Administration (Staff)	\$12,914
	Office (printing, supplies, postage, phone line)	\$450
	Contract Services	\$0.00
	Insurance (L, D & O)	\$13,145
	Legal Fees & Accounting (Audit)	\$29,500
	Travel & Board Meeting Expenses	\$175
78	Deferred Interest	\$113,142
82	Total Expenses (before adjustments)	\$185,942
78	Deferred Interest adjustments (add back)	(\$113,142)
82	Total Expenses Adjusted FY2020-21	\$185,942
86	Net Income/(Loss) (Financial Statements)	(\$157,390)

DISCUSSION

The Operations budget for the RCDC is \$50,819, down 9% from the FY2020 budget of \$55,705 due primarily to reduced demand for contract staffing as the Corporation winds down. The current operating budget is comprised of basic operating expenses such as costs for contract staff, insurance, accounting & audit, legal fees, and other miscellaneous operating expenses. Since the nominal revenue from money market interest earnings is the only revenue for the RCDC operations, it creates a net loss (adjusting for deferred interest) of \$43,970. Staff estimates \$2,722,037 in cash resources as of June 30, 2020, which will offset the projected net loss.

The operating budget for 110 Pacific Street assumes minimal revenue (\$21,703) resulting from anticipated sale of the property. Ordinary expenses for 110 Pacific, LLC total \$21,981 for legal, insurance, audit, property tax, and depreciation. The budget assumes expenses for the full year; however, following successful resolution of the federal litigation, staff hopes to sell the property in the first or second fiscal quarter, facilitating quick dissolution of the LLC.

ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION, INC.
FY2019-20 PROPOSED BUDGET

FY2019-20		CONSOLIDATED	RDCD BUDGET	LLC BUDGET	
Account	CONSOLIDATED FY2019 BUDGET	RDCD OPERATIONS	110 Pacific LLC	Description	
REVENUES / INCOME					
1	43400 · DIRECT PUBLIC SUPPORT-DONATIONS				
2	43410 · Corporate Contributions	-	-		Remaining Advantage Roseville funds resulting from Corporate Contributions were transferred to City of Roseville Economic Development Department in FY2020. Future corporate contributions, if any, made directly to City.
3	43420 · Government Contributions	-	-		
4	SUBTOTAL	-	-		
6	45000 · INVESTMENT				
7	43500 · Rental Income	-	-	-	
8	Property Sale (see Cash Flow)	-	-	-	
10	45010 · Gain/Loss on Investment	21,703	-	21,703	Assumes net proceeds of \$350k, basis at \$343,156-\$6,500 accum. Depr.
11	SUBTOTAL	21,703	-	21,703	
13	47200 · PROGRAM				
14	47250 · Loan Payoffs - Principle	-	-	-	
15	SUBTOTAL	-	-	-	
17	46400 · OTHER INCOME				
18	45030 · Money Market Interest	6,849	6,849	-	Interest received from Money Market (\$2.283m x .003%)
19	SUBTOTAL	6,849	6,849	-	
21	TOTAL REVENUES	28,552	6,849	21,703	
EXPENSES					
26	MANAGEMENT & GENERAL				
26.1	24200 · Prepaid Rent	-	-	-	
26.2	24800 · Tenant Security Deposit	-	-	-	
27	60920 · Business Reg / Filing Fees	65	65	-	Permits, registrations, licenses, moving, royalties, bank charges, filing fees
28	62110 · Accounting	9,500	8,500	1,000	Could be additional costs due to the closure of LLC's
29	62140 · Legal Fees	20,000	15,000	5,000	litigation, dissolution of corporation
30	62180 · Contract Executive Assistant	5,036	5,036	-	Executive Assistant, based on avg 5 hrs per week
31	62190 · Contract Chief Exec Officer	7,878	7,878	-	CEO, based on avg 3 hrs per week
32	62870 · Property Insurance	2,179	-	2,179	
33	65010 · Books, Subscriptions, Reference	-	-	-	Books, subscriptions, reference materials, periodicals for use
34	65020 · Postage, Mailing Service	300	300	-	Postage, parcel delivery, local courier
35	65030 · Printing and Copying	-	-	-	Printing, copying, duplicating, recording
36	65040 · Office Supplies	100	100	-	Supplies and materials for admin operations
37	65050 · Phone Line	50	50	-	
38	65070 · Memberships	185	185	-	Roseville Chamber Membership
39	65120 · Insurance -Directors & Officers	7,373	7,373	-	Total Insurance cost \$13,145
40	65120 · Insurance - General Liability	1,463	1,463	-	
41	65120 · Insurance - Excess Liability	2,130	2,130	-	
42	65130 · Bank Service Charges	350	350	-	Bank Charges
43	65150 · Software/Hardware	-	-	-	
44	65170 · Indirect Costs-COR Executive Assistant	932	932	-	Indirect Costs 18.5% charged thru 12/31/18
45	65170 · Indirect Costs-COR Dev. Svcs Director	1,457	1,457	-	Indirect Costs 18.5% charged thru 12/31/18
46	65180 · Property Taxes	6,501	-	6,501	Property taxes
47	65190 · State/Federal Income Tax	800	-	800	
48	65210 · Professional/Contract Services	-	-	-	Misc. Professional and Contract Services
49	65220 · Miscellaneous	-	-	-	
50	65230 · Sponsorships / RDCD	-	-	-	
50.1	66700 · Professional Fees	-	-	-	Broker Fees for sale of property
51	67200 · Property Repairs/Maintenance	-	-	-	Misc. repairs/maintenance for properties
52	67300 · Equipment Rental	-	-	-	
53	68310 · Training Registration Expense	-	-	-	
54	68320 · Travel/Meetings	-	-	-	Misc. travel expenses
55	68330 · Board Meeting Expense	-	-	-	Refreshments/Facility rental for Board
56	68600 · Utilities	-	-	-	
57	62400 · Depreciation	6,501	-	6,501	
58	SUBTOTAL	72,800	50,819	21,981	

ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION, INC.
FY2019-20 PROPOSED BUDGET

FY2019-20		CONSOLIDATED	RCDC BUDGET	LLC BUDGET	
Account	CONSOLIDATED FY2019 BUDGET	RCDC OPERATIONS	110 Pacific LLC		Description
75	DEBT SERVICE				
78	80030 · Interest Exp-Deferred - \$5 million City Loan	113,142	113,142		Deferred Interest Expense on \$5million Loan (not current expense)
79		-			
80	SUBTOTAL	113,142	113,142	-	
82	TOTAL EXPENSES	185,942	163,961	21,981	
83					
84	TOTAL REVENUES	28,552	6,849	21,703	
85	TOTAL EXPENSES	(185,942)	(163,961)	(21,981)	
86	NET INCOME (LOSS) (FINANCIAL STATEMENTS)	(157,390)	(157,112)	(278)	
87					
88	ADJUSTMENTS: NET INCOME TO CASH FLOW	CONSOLIDATED	RCDC OPERATIONS	110 PACIFIC LLC	
89	TOTAL REVENUES (CASH)	356,849	6,849	350,000	Assumes sale of 110 Pacific at \$350000
90	TOTAL EXPENSES	(185,942)	(163,961)	(21,981)	
91	Add Back Depreciation	6,501	-	6,501	
92	Add Back Deferred Interest	113,142	113,142		
93	TOTAL EXPENSES (Less Depreciation and Deferred Interest)	(66,299)	(50,819)	(15,480)	
95	NET INCOME (LOSS) CASH FLOW	290,550	(43,970)	334,520	
96					