

A G E N D A

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

FRIDAY, APRIL 13, 2012

1:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

(Next Board Res. No. OB2012 – 03)

ROLL CALL

Board Members

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

GENERAL BUSINESS

- 1) Approving the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule, and Directing Their Transmittal as Required by State Law – (Garben)
 - a) Adoption of Board Resolution No. OB2012-01: Approving the Enforceable Obligation Payment Schedule as Amended by the Successor Agency
 - b) Adoption of Board Resolution No. OB2012-02: Approving the Recognized Obligation Payment Schedule as Amended by the Successor Agency for the Period January 1 to June 30, 2012.
- 2) Introduction of the Successor Agency Administrative Budget – (Garben)

REPORTS: *(Informational items only.)*

- 3) Staff
- 4) Chair/Boardmembers

ADJOURNMENT

A complete packet of information containing Staff Reports and exhibits related to each item is available for public review at least 72 hours prior to a Board Meeting or, in the event that it is delivered to the Boardmembers less than 72 hours prior to a Board Meeting, as soon as it is so delivered. The packet is available for review in the Suisun City Manager's Office during normal business hours, and online at www.suisun.com/Oversight-Board.html.

AGENDA TRANSMITTAL

MEETING DATE: April 13, 2012

BOARD AGENDA ITEM: Approving the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule, and Directing Their Transmittal as Required by State Law by

- a. Adoption of Board Resolution No. OB2012-01: Approving the Enforceable Obligation Payment Schedule as Amended by the Successor Agency; and
- b. Adoption of Board Resolution No. OB2012-02: Approving the Recognized Obligation Payment Schedule as Amended by the Successor Agency for the Period January 1 to June 30, 2012

FISCAL IMPACT: None.

BACKGROUND: As part of the State's 2011-12 budget bills, the California Legislature adopted, and the Governor signed, AB26X-1 (AB26) and AB27X-1 (AB27) in law on June 29, 2011. The constitutionality of AB26 and AB27 was challenged, and on December 29, 2011, the California Supreme Court upheld AB26 as constitutional but struck down AB27 as unconstitutional. As a result, all Redevelopment Agencies in California were dissolved effective February 1, 2012.

AB26 required Redevelopment Agencies to adopt an Enforceable Obligation Payment Schedule (the "EOPS"), and transmit it to the Successor Agency (the "Agency"), which accepted the EOPS on August 23, 2011. On April 3, 2012, the Agency amended the EOPS, which requires approval of the Oversight Board.

The EOPS lists all of the Agency's obligations that must be paid through June 30, 2012, and includes items such as debt service on bonds or other loan payments, pass-through payments, employee costs, audit costs, project costs and administrative costs. The Agency can only make payments on an obligation listed on the EOPS. The Agency may amend the EOPS at any time, but as previously mentioned, amendments to the EOPS require Oversight Board approval.

AB26 also required Redevelopment Agencies to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule (the "ROPS"). The Agency accepted the draft ROPS on September 20, 2011, and accepted an updated draft ROPS on April 3, 2012, to be forwarded to the Oversight Board for approval.

The ROPS lists the same obligations as the EOPS, with the exception of pass-through payments, and outlines the sources from which the required payments will be made. The ROPS must be certified by the Auditor-Controller and approved by the DOF. The ROPS should be approved by the Oversight Board and submitted to the DOF by April 15, 2012.

STAFF REPORT: On April 3, 2012, the Agency forwarded the EOPS and ROPS to the Oversight Board for its review and approval.

The EOPS includes 14 obligations of the Agency, including:

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

- Redevelopment bond indebtedness to finance project area infrastructure and related items,
- The Suisun City Marina expansion loan,
- Reimbursement of the 333 Sunset office building loan,
- The Main Street West Development and Disposition Agreement,
- Civic Center Certificates of Participation,
- Supplemental Education Revenue Augmentation Fund (the "SERAF") payment loan,
- Iconic sign contract,
- Unfunded liabilities related to employee costs, and
- Audit and administrative costs.

It is important to note the DOF has reviewed the EOPS, and requested additional information from staff regarding three items. Agency staff has provided the DOF with all information they have requested, but has not received a formal response as of this writing.

The obligations listed on the ROPS are identical with the EOPS approved by the Agency. However, the ROPS before the Oversight Board for approval includes a loan guaranty for a business start-up loan that staff discovered was inadvertently omitted from the ROPS of April 3, 2012.

Supplemental summary descriptions of each item listed on the ROPS along with detailed back-up documentation will be provided to the Board prior to the meeting.

It should be noted that AB26 requires that the Agency establish loan repayment schedules for any obligations listed on the ROPS that do not have a repayment schedule. Such schedules will be brought to the Board for approval once they are adopted by the Agency.

Thus, it is recommended the Successor Agency approve the amended EOPS (consistent with the amended ROPS) and ROPS, and direct staff to forward the approved ROPS to the DOF.

RECOMMENDATION: It is recommended that the Board approve the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule, and direct their transmittal as required by state law by

- a. Adoption of Board Resolution No. OB2012-01: Approving the Enforceable Obligation Payment Schedule as Amended by the Successor Agency; and
- b. Adoption of Board Resolution No. OB2012-02: Approving the Recognized Obligation Payment Schedule as Amended by the Successor Agency for the Period January 1 to June 30, 2012

ATTACHMENTS:

1. Board Resolution No. OB2012-01: Approving the Enforceable Obligation Payment Schedule as Amended by the Successor Agency; and
2. Board Resolution No. OB2012-02: Approving the Recognized Obligation Payment Schedule as Amended by the Successor Agency for the Period January 1 to June 30, 2012
3. EOPS
4. ROPS

RESOLUTION NO. OB 2012 - 1

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY APPROVING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AS AMENDED BY THE SUCCESSOR AGENCY

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor has signed, companion bills AB 26 X1 (AB 26) and AB 27 X1 (AB 27), requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of AB 26 and invalidated AB 27; and

WHEREAS, the Court's decision results in the implementation of AB 26, which dissolves all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency (the "Agency") to the Redevelopment Agency for purposes of winding down the Redevelopment Agency under AB 26; and

WHEREAS, pursuant to AB 26, codified as Health and Safety Code Section 64176, the City as Successor Agency is required to maintain an "Enforceable Obligation Payment Schedule" (the "EOPS"), which schedule was updated and adopted by the Agency on April 3, 2012; and

WHEREAS, pursuant to AB 26, codified as Health and Safety Code Section 64176, the Agency forwarded the EOPS to the Oversight Board for approval.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency does resolve as follows:

Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. The EOPS, attached hereto and incorporated herein by this reference, is hereby adopted pursuant to Health & Safety Code Section 34177(a)(1), subject to all reservations of rights and contingencies set forth above.

Section 3. The Successor Agency Executive Director or designee is authorized to take all actions necessary to implement this Resolution pursuant to the requirements of AB 26.

PASSED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Friday, the 13th of April, 2012, by the following vote:

AYES:	BOARDMEMBERS:	_____
NOES:	BOARDMEMBERS:	_____
ABSENT:	BOARDMEMBERS:	_____
ABSTAIN:	BOARDMEMBERS:	_____

WITNESS my hand and the seal of the City of Suisun City this 13th of April, 2012.

Linda Hobson, CMC
Secretary

RESOLUTION NO. OB 2012 - 2

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AS AMENDED BY THE SUCCESSOR AGENCY FOR THE PERIOD JANUARY 1 TO JUNE 30, 2012

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor has signed, companion bills AB 26 XI (AB 26) and AB 27 XI (AB 27), requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of AB 26 and invalidated AB 27; and

WHEREAS, the Court's decision results in the implementation of AB 26, which dissolves all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency (the "Agency") to the Redevelopment Agency for purposes of winding down the Redevelopment Agency under AB 26; and

WHEREAS, pursuant to AB 26, codified as Health and Safety Code Section 64176, the City as Successor Agency is required to maintain a "Recognized Obligation Payment Schedule" (the "ROPS"), which schedule was updated and adopted by the Agency on April 3, 2012; and

WHEREAS, pursuant to AB 26, codified as Health and Safety Code Section 64176, the Agency forwarded the ROPS to the Oversight Board for approval.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency does resolve as follows:

Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. The ROPS, attached hereto and incorporated herein by this reference, is hereby adopted pursuant to Health & Safety Code Section 34180, subject to all reservations of rights and contingencies set forth above.

Section 3. The Successor Agency Executive Director or designee is authorized to take all actions necessary to implement this Resolution, including without limitation, the posting of this Resolution and the Recognized Obligation Payment Schedule on the Board's website, and the provision of notice of adoption of this Resolution and such Schedule to the State Department of Finance.

PASSED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Friday, the 13th of April, 2012, by the following vote:

AYES:	BOARDMEMBERS:	_____
NOES:	BOARDMEMBERS:	_____
ABSENT:	BOARDMEMBERS:	_____
ABSTAIN:	BOARDMEMBERS:	_____

WITNESS my hand and the seal of the City of Suisun City this 13th of April, 2012.

Linda Hobson, CMC
Secretary

Name of Redevelopment Agency: Redevelopment Agency of the City of Suisun City
 Project Area(s): Suisun City Redevelopment Agency Project Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month												11 Mo. Total	
					August	September	October	November	December	January	February	March	April	May	June			
1) 1988 Tax Exempt Bonds	US Bank	Bonds issue to fund Redevelopment Proj	21,900,526	554,080				384,540					453,475					548,015
2) 2003 Series A Tax Allocation Bonds	US Bank	Bonds issue to fund Redevelopment Proj	5,005,000	575,500			390,414						125,084					515,498
3) 2003 Series B Tax Allocation Bonds	US Bank	Refunding of 1983 Tax Alloc Bonds	30,015,000	3,044,050			2,416,855						625,184					3,044,049
4) Marina Expansion Loan	Dept of Boating & Waterways	Marina Rehabilitation	6,466,572	452,070			452,070											452,070
5) Marina Expansion Loan	Shelton Oil	Marina Rehabilitation	2,281,591	268,000			268,000											268,000
6) Reimbursement-333 Sunset Lease	City of Suisun City	Third Party Lease reimbursement	325,080	48,800			48,800											48,800
7) Audit Cost	Vavrinek, Trine & Day	Audit Costs FY 10-11	18,500	18,500					10,000									19,500
8) Administrative Cost	Various	Staff labor, Rent/Utilities, Supplies, Legal	1,201,300	135,900			135,900		135,900				50,000					50,000
9) Main Street West DDA	Main Street West	DDA Obligations/Administration	6,801,500	185,700									4,600					4,600
10) SERAF Payment	LowMed Housing Fund	SERAF	3,231,623															0
11) Civic Center COP	Suisun Public Financing Auth.	Agency's share of Civic Center COP	11,000															0
12) Iconic Sign	Earthquake & Structures, Inc.	Gateway Sign Design	178,000															0
13) Unfunded Liability	PER'S, Agency employees	Unfunded PERS and Accrued Leave																0
14)																		0
15)																		0
16)																		0
17)																		0
18)																		0
19)																		0
20)																		0
21)																		0
22)																		0
23)																		0
24)																		0
25)																		0
26)																		0
Totals - This Page			79,303,992	6,289,000	636,770	135,900	3,607,719	145,800	205,100	135,900	135,900	69,500	959,543	76,500	54,600	54,600	54,600	9,065,932
Totals - Page 2			0	0									0	0	0	0	0	0
Totals - Page 3			0	0									0	0	0	0	0	0
Totals - Page 4			0	0									0	0	0	0	0	0
Totals - Other Obligations			0	3,344,244	786,646	0	0	0	0	0	0	0	0	0	0	0	0	3,344,244
Grand total - All Pages			\$ 79,303,992	\$ 9,643,244	\$ 1,425,416	\$ 1,425,416	\$ 3,607,719	\$ 1,458,900	\$ 205,100	\$ 1,330,892	\$ 1,330,892	\$ 69,500	\$ 959,543	\$ 1,147,192	\$ 54,600	\$ 54,600	\$ 54,600	\$ 9,410,176

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.)
 ** Include only payments to be made after the adoption of the EOPS.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE PERIOD**

Name of Successor Agency Successor Agency to the Redevelopment Agency of the City of Suisun City

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Balance Carried Forward From:		
Outstanding Debt or Obligation (From Form A, Page 1 Totals)	\$ 76,852,397.01	\$ 6,477,931.25
Outstanding Debt or Obligation (From Form B, Page 1 Totals)	Total Due for Six Month Period	
	\$ 1,334,542.50	
Available Revenues other than anticipated funding from RPTTF (Form C)	\$ 295,100.00	
Anticipated Funding from Redevelopment Property Tax Trust Fund (RPTTF) (Form C)	\$ 1,039,442.50	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000)	\$ 250,000.00	

Consolidate on this form all of the data contained on Form A, B and C. Form A is to include all outstanding obligation entered into for period filed. Form B is to include payment requirement for each enforceable obligation for each month. Form C is to enter the anticipated funding source for each listed enforceable obligation.

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

Name _____ Title _____

Signature _____ Date _____

Name of Successor Agency:

Successor Agency to the Redevelopment Agency of the City of Suisun City

FORM A

Page 1 of 1

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177(f)

Filed for Period January 1, 2012 to June 30, 2012

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
1) 1998 Tax Exempt Bonds	US Bank	Bonds Issued to Fund Redevelopment Project	21,900,525.73	548,015.00
2) 2003 Series A Tax Allocation Bonds	US Bank	Bonds Issued to Fund Redevelopment Project	5,005,000.00	515,497.50
3) 2003 Series B Tax Allocation Bonds	US Bank	Refunding of 1993 Tax Allocation Bonds	30,015,000.00	3,044,048.75
4) Marina Construction Loan	Dept of Boating and Waterways	Marina Construction/Rehab.	6,488,571.56	452,070.00
5) Marina Expansion Loan	Sheldon Oil	Marina Expansion/Land Acquisition	2,251,591.39	268,000.00
6) Reimbursement - 333 Sunset Lease	City of Suisun City	Lease Payment Reimbursements	325,080.28	48,800.00
7) Audit Cost	Vavrinek, Trine & Day	FY 10-11 Audit Costs	19,500.00	19,500.00
8) Main Street West DDA	Various	DDA Obligations		195,700.00
9) SERAF Payment	Low/Mod Housing Fund	SERAF Loan Payment	6,901,505.00	
10) Civic Center COP	City of Suisun City	Civic Center COP Reimbursement Agreement	3,231,623.00	
11) Unfunded Liability	PERS Agency Employees	Unfunded PERS and Accrued Leave	168,000.00	
12) 1998/2003 Tax Allocation Bonds	Various	Bond Proceeds	225,000.00	
13) Iconic Sign Design	Earthquake and Structures, Inc.	Gateway Sign Design	11,000.00	
14) Admin Cost	Various	Staffing Costs, Rent/Utilities, Supplies, Legal, Oversight Board, Etc		1,201,300.00
15) Foster Boltz Loan Guaranty	Travis Credit Union	Loan Guaranty to Travis Credit Union For Equipment/Start-up Loan to Business	300,000.00	185,000.00
16)				
17)				
18)				
19)				
20)				
Totals - This Page			\$ 76,852,397.01	\$ 6,477,931.25
Totals - Page 2			\$ -	\$ -
Grand total - All Pages			\$ 76,852,397.01	\$ 6,477,931.25

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177(i)
Filed for Period

Project Name / Debt Obligation	Project Area	Payments by Month												Subtotal	Adjustments from Prior Schedule	TOTAL				
		January	February	March	April	May	June	July	August	September	October	November	December							
1) 1998 Tax Exempt Bonds	All Areas			153,475.00													\$ 153,475.00		\$ 153,475.00	
2) 2003 Series A Tax Allocation Bonds	All Areas			125,083.75														\$ 125,083.75		\$ 125,083.75
3) 2003 Series B Tax Allocation Bonds	All Areas			625,183.75														\$ 625,183.75		\$ 625,183.75
4) Marina Construction Loan	All Areas																	\$ -		\$ -
5) Marina Expansion Loan	All Areas																	\$ -		\$ -
6) Reimbursement - 333 Sunset Lease	All Areas																	\$ -		\$ -
7) Audit Cost	All Areas						9,500.00											\$ 9,500.00		\$ 9,500.00
8) Main Street West DDA	All Areas		4,600.00	4,600.00	17,000.00	4,600.00					4,600.00						\$ 35,400.00		\$ 35,400.00	
9) SERAF Payment	All Areas																	\$ -		\$ -
10) Civic Center COP	All Areas																	\$ -		\$ -
11) Unfunded Liability	All Areas																	\$ -		\$ -
12) 1998/2003 Tax Allocation Bonds	All Areas																	\$ -		\$ -
13) Iconic Sign Design	All Areas																	\$ -		\$ -
14) Admin Cost	All Areas	135,900.00	50,000.00	50,000.00	50,000.00	50,000.00					50,000.00						\$ 385,900.00		\$ 385,900.00	
15) Foster Boltz Loan Guaranty	All Areas																	\$ -		\$ -
16)																		\$ -		\$ -
17)																		\$ -		\$ -
18)																		\$ -		\$ -
19)																		\$ -		\$ -
20)																		\$ -		\$ -
Totals - This Page		\$ 135,900.00	\$ 54,600.00	\$ 968,342.50	\$ 54,600.00	\$ 54,600.00	\$ 76,500.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 1,334,542.50	\$ -	\$ 1,334,542.50	
Totals - Page 2		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages		\$ 135,900.00	\$ 54,600.00	\$ 968,342.50	\$ 76,500.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 54,600.00	\$ 1,334,542.50	\$ -	\$ 1,334,542.50	

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177(f)
File for Period

Project Name / Debt Obligation	Total from Form B	RPTTF	Source of Payment					Other Revenue Sources	TOTAL
			Low and Moderate Income Housing Fund	Bond Proceeds	Reserve Balances	Administrative Cost Allowance			
1) 1998 Tax Exempt Bonds	\$ 163,475.00	163,475.00						\$ 163,475.00	
2) 2003 Series A Tax Allocation Bonds	\$ 125,083.75	125,083.75						\$ 125,083.75	
3) 2003 Series B Tax Allocation Bonds	\$ 625,183.75	625,183.75						\$ 625,183.75	
4) Marina Construction Loan	\$ -							\$ -	
5) Marina Expansion Loan	\$ -							\$ -	
6) Reimbursement - 333 Sunset Lease	\$ -							\$ -	
7) Audit Cost	\$ 9,500.00	9,500.00						\$ 9,500.00	
8) Main Street West DDA	\$ 35,400.00	35,400.00			59,100.00			\$ 94,500.00	
9) SERAF Payment	\$ -							\$ -	
10) Civic Center COP	\$ -							\$ -	
11) Unfunded Liability	\$ -							\$ -	
12) 1998/2003 Tax Allocation Bonds	\$ -			225,000.00				\$ 225,000.00	
13) Iconic Sign Design	\$ -				11,000.00			\$ 11,000.00	
14) Admin Cost	\$ 365,000.00	362,000.00						\$ 362,000.00	
15) Foster Boliz Loan Guaranty	\$ -				186,000.00			\$ 186,000.00	
16)	\$ -							\$ -	
17)	\$ -							\$ -	
18)	\$ -							\$ -	
19)	\$ -							\$ -	
20)	\$ -							\$ -	
Totals - This Page	\$ 1,334,542.50	\$ 1,340,642.50	\$ -	\$ 225,000.00	\$ 255,100.00	\$ -	\$ -	\$ 1,635,742.50	
Totals - Page 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand total - All Pages	\$ 1,334,542.50	\$ 1,340,642.50	\$ -	\$ 225,000.00	\$ 255,100.00	\$ -	\$ -	\$ 1,635,742.50	

AGENDA TRANSMITTAL

MEETING DATE: April 13, 2012

BOARD AGENDA ITEM: Introduction of the Successor Agency Administrative Budget

FISCAL IMPACT: None

BACKGROUND: Pursuant to AB 26, the Successor Agency is to prepare a proposed administrative budget and submit it to the Oversight Board for approval. The Successor Agency adopted a draft administrative budget at its meeting on March 6, 2012.

STAFF REPORT: Pursuant to Section 34177(j) of AB 26, the Successor Agency is required to prepare and submit a proposed administrative budget to the Oversight Board for its approval. The administrative budget must include the following pursuant to AB 26:

- Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period
 - Identify proposed sources of payment
- Proposals for arrangements of administrative and operational services provided by the City

Pursuant to Section 34171(b) of AB 26, an administrative cost allowance is provided to the Successor Agency. This allowance comes from property tax revenues and is subject to approval of the Oversight Board. The administrative cost allowance for FY 2011-12 is up to 5% of property tax allocated to the Successor Agency and 3% of the property tax allocated to the Redevelopment Obligation Retirement Fund for each fiscal year thereafter. There is a provision that provides the administrative cost allowance shall not be less than \$250,000 for any fiscal year unless a lesser amount is agreed to by the Successor Agency. Pursuant to Form B of the ROPS, the Successor Agency is expecting to receive a property tax allocation of \$1,334,543 for FY 2011-12. Taking 5% of the \$1,334,543 would result in an administrative cost allowance of \$66,727.15. Thus, the minimum administrative cost allowance of \$250,000 is estimated.

The proposed administrative budget is driven by the costs listed on the Recognized Obligation Payment Schedule (ROPS). The proposed budget is segregated into two components; Administrative Costs and Debt Service/Other Enforceable Obligations. The Administrative Costs will be paid out of an Administrative Cost Allowance, which is anticipated to be the minimum of \$250,000 identified in AB 26. The line items provided in the Debt Service/Other Enforceable Obligations will be funded by Redevelopment Property Tax Trust Fund (former tax increment) or reserve balances

The administrative costs consist of a proposed staffing total of 2.8 full-time equivalent employees (\$142,000), approximately 34% of the former Redevelopment Agency's contribution to the City's Cost Allocation Plan (\$45,050), with the remaining \$62,950 contained in a general administrative cost line item. The proposed administrative costs were derived from the adopted budget of the

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

former Redevelopment Agency and amended based on the relatively limited operations of the Successor Agency. For instance, the former Redevelopment Agency employed 8.4 full-time equivalent positions. From February 1, 2012 through June 30, 2012, staff is recommending the Successor Agency employ 2.8 full time equivalent positions. As the Successor Agency matures, it is anticipated less staffing will be required, and amendments to staffing and other items within the budget will be required. The debt service and enforceable obligations contained in the budget are based on contractual obligations and are consistent with the amounts contained in the ROPS. Changes are anticipated to the proposed draft of the budget as the implementation of AB 26 moves forward.

RECOMMENDATION: No action is recommended at this time as this is an informational item. This item will be brought back for consideration of the Oversight Board at a later date.

ATTACHMENTS:

1. Successor Agency Budget

Report by Fund/Program

<u>Fund</u>	<u>Program Description</u>	<u>Account Description</u>	<u>FY 12 Budget</u>
901	3510 Successor Agency Administration		
	R	76810 Payment From RPTTF/Admin Cost	(\$250,000)
	R Total		(\$250,000)
	E	90100 Salaries	\$96,500
		90300 Benefits	\$41,200
		90400 Payroll Taxes	\$4,300
		91140 General Administrative	\$62,950
		92130 Risk Management Charges	\$1,050
		92140 Information Technology Charges	\$1,500
		92210 Cost Allocation Plan Charges	\$42,500
	E Total		\$250,000
	Successor Agency Administration Total		\$0
901 Total			\$0
902	7508 2003 Series B RDA Bonds		
	R	75110 Interest Earnings	(\$66,000)
		76800 Payment From RPTTF	(\$559,184)
	R Total		(\$625,184)
	E	94000 Debt Service	\$625,184
	E Total		\$625,184
	2003 Series B RDA Bonds Total		\$0
	7509 Cal Boat Loan		
	R	75110 Interest Earnings	(\$5,000)
		76800 Payment From RPTTF	\$0
	R Total		(\$5,000)
	E	94000 Debt Service	\$0
	E Total		\$0
	Cal Boat Loan Total		(\$5,000)
	7530 2003 Series A RDA Bonds		
	R	75110 Interest Earnings	(\$5,000)
		76800 Payment From RPTTF	(\$120,084)
	R Total		(\$125,084)
	E	94000 Debt Service	\$125,084
	E Total		\$125,084
	2003 Series A RDA Bonds Total		\$0
	7541 1998 RDA Bonds		
	R	75110 Interest Earnings	\$0
		76800 Payment From RPTTF	(\$153,475)
	R Total		(\$153,475)
	E	94000 Debt Service	\$153,475
	E Total		\$153,475
	1998 RDA Bonds Total		\$0
	7620 Sheldon Oil Note		
	R	76800 Payment From RPTTF	\$0
	R Total		\$0
	E	94000 Debt Service	\$0
	E Total		\$0
	Sheldon Oil Note Total		\$0

Report by Fund/Program

<u>Fund</u>	<u>Program Description</u>	<u>Account Description</u>	<u>FY 12 Budget</u>
7680	Main Street West DDA		
	R	76800 Payment From RPTTF	(\$35,400)
	R Total		(\$35,400)
	E	90160 Salary Transfers	\$23,000
		91415 Contract Services/Buildings	\$12,400
		91495 Property Taxes/Assessment Fees	\$0
		91510 Utilities/PG&E	\$0
		91525 Utilities/Water & Sewer	\$0
		91920 Payments to Others (Line of Credit)	\$0
		93140 Major Facilities Repairs	\$0
	E Total		\$35,400
	Main Street West DDA Total		\$0
7685	Other Enforceable Obligations		
	R	76800 Payment From RPTTF	\$0
	R Total		\$0
	E	91140 General Administrative	\$0
		94120 Debt Service/Civic Center COP	\$0
		94125 Debt Service/SERAF Note	\$0
		94130 Debt Service/Harbor Rd. Note	\$0
		94135 Debt Service/333 Sunset Note	\$0
		94140 PERS Pension Obligation	\$0
	E Total		\$0
	Other Enforceable Obligations Total		\$0
902 Total			(\$5,000)
Grand Total			(\$5,000)