



OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY AGENDA REPORT



DEPARTMENT: Administrative Services

MEETING DATE: January 23, 2017

PREPARED BY: Buffy Bullis, Director

AGENDA LOCATION: OB AR-1

TITLE: Administrative Budget No. 17-18A and 17-18B, Oversight Board Resolution No. OB2017-01

BACKGROUND: Pursuant California Health and Safety Code (HSC) Sections 34171 and 34177, the Successor Agency is required to prepare a proposed administrative budget for each six-month fiscal period. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity. Each proposed administrative budget must be submitted to the Oversight Board for approval.

Under HSC Section 34171(b), the “Administrative Cost Allowance” is the maximum amount of administrative costs that may be paid by the Successor Agency from the Redevelopment Property Tax Trust Fund (RPTTF) in a fiscal year. Commencing July 1, 2016, and for each fiscal year thereafter, the Administrative Cost Allowance shall be up to three percent of the actual property tax distributed to the Successor Agency in the preceding fiscal year for payment of approved enforceable obligations, reduced by the Successor Agency’s Administrative Cost Allowance and loan repayments made to the City (if applicable) during the preceding fiscal year. However, the Administrative Cost Allowance shall not be less than \$250,000 in any fiscal year, unless the amount is reduced by the Oversight Board. In addition, the Successor Agency’s annual administrative costs (except for administrative costs paid from bond proceeds or grant funds) must not exceed fifty percent of the total RPTTF moneys distributed to pay enforceable obligations in the preceding fiscal year, reduced by the Successor Agency’s Administrative Cost Allowance and loan repayments made to the City for loans re-established pursuant to HSC Section 34191.4 during the preceding fiscal year.

Under HSC Section 34177, the Successor Agency is required to: 1) prepare each proposed administrative budget; 2) submit each proposed administrative budget to the Oversight Board for its approval; and 3) provide the administrative cost estimates to the County Auditor-Controller from the approved administrative budget. These cost estimates are to be provided for each six-month period. The Administrative Cost Allowance is allocated to each Successor Agency based upon an approved administrative budget.

In order to facilitate the use of City staff and resources, the City and the Successor Agency entered into a Cooperative Agreement on April 3, 2012. Under the terms of the Agreement, the City will advance administrative costs to the Successor Agency. The Cooperative Agreement provides for the Successor Agency to use the City’s staff, facilities, and other resources for the administration and operations of the Successor Agency, and for the Successor Agency to reimburse the City for such advances.

OB AR-1

The attached Resolution approves the proposed administrative budget for the six-month periods covering July 1, 2017 to December 31, 2017, attached as Exhibit A, and January 1, 2018 to June 30, 2018, attached as Exhibit B, to the Resolution. Please note that the Administrative Budgets No. 17-18A and 17-18B have been included as a separate line item on the Recognized Obligation Payment Schedule (ROPS) No. 17-18 that is being presented to the Board as a separate Resolution during this meeting. The Administrative Budgets No. 17-18A and 17-18B were approved by the Successor Agency on January 17, 2017.

OPTIONS: The following options are presented for consideration:

1. Approve the administrative budgets for the periods of July 1, 2017 to December 31, 2017 and January 1, 2018 to June 30, 2018.
2. Direct Staff to make modifications to the administrative budgets. If this option is chosen, there could be a delay in the presentation of the administrative budget to the DOF.
3. Reject the administrative budget. If this option is chosen, the City will not be reimbursed for its costs of providing administrative support as the Successor Agency.

RECOMMENDATION: Staff recommends that the Oversight Board to the Successor Agency to the Monrovia Redevelopment Agency adopt Oversight Board Resolution No. OB2017-01, approving the proposed Administrative Budgets No. 17-18A and 17-18B, and taking certain other actions.

BOARD ACTION REQUIRED: If the Oversight Board concurs, the appropriate action would be a motion to adopt Oversight Board Resolution No OB2017-01.

RESOLUTION NO. OB2017-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY APPROVING PROPOSED ADMINISTRATIVE BUDGETS FOR THE SIX-MONTH FISCAL PERIODS FROM JULY 1, 2017 THROUGH DECEMBER 31, 2017 AND FROM JANUARY 1, 2018 THROUGH JUNE 30, 2018, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Monrovia Redevelopment Agency (Successor Agency) must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the oversight board for the Successor Agency (the "Oversight Board") for approval.

B. Health and Safety Code Section 34173(h) authorizes the City to loan or grant funds to the Successor Agency for administrative costs, but the receipt and use of the funds must be reflected on the administrative budget or the Recognized Obligation Payment Schedule, and an enforceable obligation is deemed to be created for the repayment of such loans.

C. By Resolution No. SA 2012-06, adopted by the Successor Agency on April 3, 2012, and Resolution No. 2012-15, adopted by the City Council of the City on April 3, 2012, the Successor Agency and the City Council previously approved a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and other Expenses (the "Cooperative Agreement") by and between the City and the Successor Agency, pursuant to which the City may loan funds to the Successor Agency for administrative costs.

D. The Successor Agency's proposed administrative budgets for the six-month fiscal periods from July 1, 2017 to December 31, 2017 ("Administrative Budget 17-18A") and from January 1, 2018 to June 30, 2018 ("Administrative Budget 17-18B", together with Administrative Budget 17-18A, the "Administrative Budgets") have been presented to this Oversight Board for approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY (THE "BOARD"), HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves Administrative Budget 17-18A, substantially in the form attached hereto as Exhibit A.

Section 3. The Oversight Board hereby approves Administrative Budget 17-18B, substantially in the form attached hereto as Exhibit B.

Section 4. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to

effectuate this Resolution and the Administrative Budgets, including making any adjustment to the proposed Administrative Budgets to make them consistent with the Successor Agency's Recognized Obligation Payment Schedule (the "ROPS") for fiscal year 2017-2018 (as such ROPS is approved by the State Department of Finance).

Section 5. If any provision of this Resolution or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provisions or application, and to this end, the provision of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution regardless that one or more portion may be determined to be invalid.

APPROVED AND ADOPTED this 23rd day of January, 2017.

Tom Adams, Chair
Oversight Board of the Successor Agency to the
Monrovia Redevelopment Agency

ATTEST:

Alice D. Atkins, CMC, Secretary
Oversight Board of the Successor Agency
to the Monrovia Redevelopment Agency

EXHIBIT A

Proposed Administrative Budget No. 17-18A (July 1, 2017 to December 31, 2017)

Proposed Administrative Budget (July 1, 2017 to December 31, 2017)		
	<i>Estimated Amount</i>	<i>Funding Source</i>
Administrative Allowance (Personnel)		
Salaries	\$62,248	RPTTF*
Benefits	\$33,904	RPTTF*
<i>Total Administrative Allowance (Personnel)</i>	<i>\$96,152</i>	
Administrative Allowance (Operations and Maintenance)		
Office Supplies: paper/toner/other supplies	\$2,000	RPTTF*
Printing/Shipping/Postage	\$500	RPTTF*
Professional Services/Other: legal ads/audit services	\$30,467	RPTTF*
<i>Total Administrative Allowance (Operations and Maintenance)</i>	<i>\$32,967</i>	
TOTAL Administrative Allowance	\$129,119	* Redevelopment Property Tax Trust Fund (RPTTF)

EXHIBIT B

Proposed Administrative Budget No. 17-18B
(January 1, 2018 to June 30, 2018)

Proposed Administrative Budget (January 1, 2018 to June 30, 2018)		
	<i>Estimated Amount</i>	<i>Funding Source</i>
Administrative Allowance (Personnel)		
Salaries	\$62,248	RPTTF*
Benefits	\$33,904	RPTTF*
<i>Total Administrative Allowance (Personnel)</i>	\$96,152	
Administrative Allowance (Operations and Maintenance)		
Office Supplies: paper/toner/other supplies	\$2,000	RPTTF*
Printing/Shipping/Postage	\$500	RPTTF*
Professional Services/Other: Legal, Continuing Disclosure, Audit, Other	\$30,467	RPTTF*
<i>Total Administrative Allowance (Operations and Maintenance)</i>	\$32,967	
TOTAL Administrative Allowance	\$129,119	* Redevelopment Property Tax Trust Fund (RPTTF)