SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY

AGENDA REPORT

MEETING DATE: August 21, 2012 **ITEM NUMBER: 1**

SUBJECT: **SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR PERIOD JANUARY 1, 2013 TO JUNE 30, 2013**

DATE: **August 21, 2012**

FROM: **FINANCE DEPARTMENT**

PRESENTATION BY: **BOBBY YOUNG, FINANCE & I.T. DIRECTOR**

CONTACT: **COLLEEN O'DONOGHUE, ASSISTANT FINANCE DIRECTOR (714) 754-5219**

RECOMMENDED ACTION

Adopt Successor Agency Resolution No. 12-__ Approving the Successor Agency's Proposed Administrative Budget for the Period January 1, 2013 to June 30, 2013 Pursuant to Health and Safety Code Section 34177(j) of the Dissolution Act

BACKGROUND AND DISCUSSION

The Dissolution Act, Parts 1.8 and 1.85 of the California Health and Safety Code, as modified by the Supreme Court's opinion in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 and as amended by Assembly Bill 1484 chaptered and effective June 27, 2012, in particular Section 34177(j), requires the Successor Agency to the Costa Mesa Redevelopment Agency ("Successor Agency") to prepare a proposed "Administrative Budget" for the period concurrent with the six-month fiscal period of each Recognized Obligation Payment Schedule ("ROPS"). To date the Successor Agency previously prepared and approved and the Oversight Board reviewed and approved Administrative Budgets through December 31, 2012.

Pursuant to AB 1484, each ROPS includes a line item for the Successor Agency's Administrative Budget for the applicable period and AB 1484 requires that the third ROPS for the period January 1, 2013 to June 30, 2013 shall be approved by the Successor Agency and Oversight Board and submitted to the State Department of Finance ("DOF") by September 1, 2012.

Successor Agency staff has prepared and now submits to the Successor Agency for review and approval the proposed Administrative Budget for the period January 1, 2013 to June 30, 2013. Pursuant to Section 34177(j) as amended by AB 1484, an Administrative Budget

is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming six-month fiscal period (here, January 1, 2013 to June 30, 2013 per AB 1484); (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the City to the Successor Agency.

Attached is the proposed Successor Agency Administrative Budget, which if approved will next be submitted to the Oversight Board of the Successor Agency for review and approval at a special meeting on August 23, 2012. Under Section 34177(k), the Successor Agency would then provide to the County of Orange Auditor-Controller ("CAC") the administrative cost estimates from the approved Administrative Budget that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for such period.

FISCAL AND LEGAL REVIEW

The Finance Department and Development Services Department staffs have worked with the Successor Agency's economic/financial consultant, Keyser Marston & Associates, and with special counsel Stradling Yocca Carlson & Rauth in preparation of this third Administrative Budget pursuant to the Dissolution Act.

CONCLUSION

Staff recommends adoption of the attached resolution approving the Successor Agency's proposed Administrative Budget for the period January 1, 2013 to June 30, 2013.

Thomas R. Hatch
Chief Executive Officer

Bobby Young
Finance & I.T. Director

Colleen O'Donoghue
Assistant Finance Director

Attachments:

1. Proposed Administrative Budget for January 1, 2013 to June 30, 2013
2. Successor Agency Resolution No. 12-__

ATTACHMENT 1

Proposed Successor Agency Administrative Budget for January 1, 2013 to June 30, 2013

(attached)

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
01/01/2013- 6/30/2013

Personnel Expenditures

Department	Position	Annual Wages, Benefits, etc.	Percent to S.A. Admin	Annual S.A. Admin Costs	Current Costs 01/01/13 - 06/30/2013
Development Services	Executive Secretary	$ 98,599.00	60%	$ 59,159.40	$ 29,579.70
Development Services	Management Analyst (HCD)	$ 115,618.00	40%	$ 46,247.20	$ 23,123.60
Development Services	Management Analyst (Dev Svcs)	$ 120,822.00	60%	$ 72,493.20	$ 36,246.60
Finance	Accounting Supervisor	$ 137,656.00	15%	$ 20,648.40	$ 10,324.20
Finance	Asst Fin Director	$ 187,679.00	15%	$ 28,151.85	$ 14,075.93
Finance	Budget Analyst	$ 129,500.00	9%	$ 11,655.00	$ 5,827.50
				Total Personnel Expenditures	**$ 119,177.53**

Other Administrative Expenditures for period 01/01/13-06/30/2013 (not related to projects)

Department	Activity	Annual S.A. Admin Costs	Percent to S.A. Admin	6 Month Costs 01/01/13 - 06/30/2013
Finance	Audit Services	$ 10,000.00	100%	$ 5,000.00
Development Services	Legal	$ -	100%	$ -
Development Services	Consulting	$ -	100%	$ -
Admin Services	Central Services	$ 1,000.00	100%	$ 500.00
Admin Services	Postage	$ 645.00	100%	$ 322.50
	Total Other Expenditures	**$ 11,645.00**		**$ 5,822.50**

Total Admin Budget **$ 125,000.03**

ATTACHMENT 2

Successor Agency Resolution No. 12-__

(attached)

SUCCESSOR AGENCY RESOLUTION NO. 12-__

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY 1, 2013 TO JUNE 30, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, the Costa Mesa Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Costa Mesa ("City"); and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Costa Mesa Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting has occurred on April 19, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the period from January 1, 2013 to June 30, 2013 and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming six-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

WHEREAS, the Successor Agency's proposed Administrative Budget for the period January 1, 2013 to June 30, 2013 has been reviewed and by this Resolution the Successor Agency desires to approve such Administrative Budget and authorize submittal thereof to the Oversight Board for its review and approval; and

WHEREAS, the Administrative Budget, when and as approved by the Oversight Board, will be provided to the County of Orange Auditor-Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budget will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for the applicable six-month period; and

WHEREAS, once the Oversight Board has reviewed and approved the Successor Agency's proposed Administrative Budget for the period January 1, 2013 to June 30, 2013 then the Successor Agency staff will cause to be posted this Resolution, including the Administrative Budget, on the Successor Agency website, and will transmit such to the County Auditor-Controller, the State Controller's Office and Department of Finance ("DOF").

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to the Dissolution Act, the Successor Agency approves the Administrative Budget for the period January 1, 2013 to June 30, 2013 submitted herewith as Attachment 1, which is incorporated herein by this reference.

Section 3. The Successor Agency authorizes transmittal of the Administrative Budget for the period January 1, 2013 to June 30, 2013 to the Oversight Board for its review and approval and also directs staff to send the Administrative Budget County Auditor-Controller and DOF once reviewed and approved by the Oversight Board.

Section 4. The Assistant Finance Director of the Successor Agency or her authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 21st day of August 2012.

_____
Eric Bever, Chair
Successor Agency to the Costa Mesa
Redevelopment Agency

(SEAL)

ATTEST:

_____
Brenda Green, City Clerk/Secretary
Successor Agency to the Costa Mesa Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF COSTA MESA)

I, Brenda Green, City Clerk/Secretary of the Successor Agency to the Costa Mesa Redevelopment Agency, hereby certify that the foregoing resolution was duly adopted by the Successor Agency at a regular meeting held on the 21st day of August 2012, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

_____
Brenda Green, City Clerk/Secretary
Successor Agency to the Costa Mesa
Redevelopment Agency

(SEAL)

ATTACHMENT 1
to Successor Agency Resolution No. 12-___

Successor Agency Administrative Budget
for the Period January 1, 2013 to June 30, 2013

(attached)

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
01/01/2013- 6/30/2013

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