

OVERSIGHT BOARD RESOLUTION NO. 2015-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR THE 15-16B SIX-MONTH FISCAL PERIOD OF JANUARY 1, 2016 TO JUNE 30, 2016 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, the former Community Development Agency of the City of Mission Viejo ("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 Mission Viejo ("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 and other subsequent legislation (together, "Dissolution Law"); and

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Community Development Agency of the City of Mission Viejo ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); 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 Law; and

WHEREAS, Section 34177(j) requires the Successor Agency to prepare an administrative budget for the 15-16B six-month fiscal period of January 1, 2016 to June 30, 2016 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 Administrative Budget for the 15-16B six-month fiscal period of January 1, 2016 to June 30, 2016 has been submitted to the Oversight Board for its review and approval; and

WHEREAS, the Administrative Budget, 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, the Oversight Board has reviewed the Successor Agency's Administrative Budget for the 15-16B six-month fiscal period of January 1, 2016 to June 30, 2016 and desires to approve such Administrative Budget and to authorize the Successor Agency, to cause posting of this Resolution on the Successor Agency website, and to direct transmittal thereof to the County Auditor-Controller and State Department of Finance ("DOF"); and

WHEREAS, pursuant to Section 34179(h), written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided however, that pursuant to Section 34177(m) as to each ROPS submitted, which includes a line item for the Administrative Budget, the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO:

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 Law, the Oversight Board approves the Administrative Budget for the 15-16B six-month fiscal period of January 1, 2016 to June 30, 2016 submitted herewith as Attachment 1, which is incorporated herein by this reference.

Section 3. The Oversight Board authorizes transmittal of the Administrative Budget for the 15-16B six-month fiscal period of January 1, 2016 to June 30, 2016 to the County Auditor-Controller and DOF.

Section 4. The Administrative Services Director of the Successor Agency or her authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Law.

Section 5. Pursuant to Section 34179(h), written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided however, that pursuant to Section 34177(m) as to each ROPS submitted, which includes a line item for the Administrative Budget, DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

Section 6. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 24th day of September 2015.



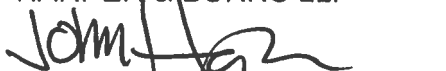
Brian Probolsky, Chairperson
Oversight Board of the Successor Agency to the
Community Development Agency of the City of
Mission Viejo

ATTEST:



Sherry Merrifield, Secretary
Oversight Board of the Successor Agency
to the Community Development Agency of the City of Mission Viejo

APPROVED AS TO FORM:
HARPER & BURNS LLP



John R. Harper, Esq.
Oversight Board Counsel

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF MISSION VIEJO)

I, Sherry Merrifield, Secretary of the Oversight Board of the Successor Agency to the Community Development Agency of the City of Mission Viejo, hereby certify that the foregoing resolution was duly adopted by the Oversight Board at a regular meeting held on the 24th day of September 2015, and that it was so adopted by the following vote:

AYES: Chairperson Probolsky, Vice-Chair Butterfield, Board Member
 Dyas, Board Member Gilbert and Board Member Kelley

NOES: None

ABSENT: Board Member Fitzsimons and Board Member Hampton



Sherry Merrifield, Secretary
Oversight Board of the Successor Agency to the
Community Development Agency of the City of
Mission Viejo

**ATTACHMENT 1
to Oversight Board Resolution No. 2015-04**

**Successor Agency Administrative Budget
for the 15-16B Six-Month Fiscal Period of January 1, 2016 to June 30, 2016**

(attached)

**SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF MISSION VIEJO
ADMINISTRATIVE BUDGET
January 1, 2016 through June 30, 2016**

The funding source for the proposed administrative budget for the Successor Agency of the Community Development Agency of the City of Mission Viejo ("Successor Agency") is the Redevelopment Property Tax Trust Fund ("RPTTF") distributed bi-annually by the County of Orange Auditor-Controller as the Successor Agency's "Administrative Cost Allowance". The proposed administrative budget is comprised of three elements: direct personnel costs; other direct costs; and indirect costs.

Direct Personnel Costs

Employees expected to dedicate time specifically related to Successor Agency issues over the six month period of January 1, 2016 through June 30, 2016 have been individually listed within this section of the budget. *Fiscal Year 2015/2016 Costs* for each position includes total salary and benefits estimated to be budgeted for these positions for FY 2015/2016 by the City of Mission Viejo. *Annual Hours* is the hours estimated to be attributable to Successor Agency Issues by each position. *Total Annual Agency Cost* is calculated by applying the annual hours to the total 2015/2016 cost for each position. *Total Sixth Month Cost* is equal to 6/12th of the Total Annual Agency Cost amount. The budget for Direct Personnel Costs for fiscal year 2015/2016 is expected to remain the same as FY 2015/2016 since we have yet to see a decline in staff time spent on Successor Agency issues and we anticipate pending significant staff time resolving the distribution of tax increment to taxing entities based on pass through agreements.

Other Direct Costs

Other direct costs will change from period to period. For the six months from January 1, 2016 through June 30, 2016, it is anticipated that other direct costs will be legal services provided by the City of Mission Viejo's contracted City Attorney, the Successor Agency Attorney and Oversight Board Attorney, annual financial statement audit cost, travel costs for Department of Finance meet and confer meetings and Oversight Board meeting costs.

Indirect Costs

The indirect costs are calculated based upon the City of Mission Viejo's cost allocation plan. Indirect costs include administrative support from the General Government program area, including the City Council, City Clerk, City Manager and Administrative Services programs as well as financial overhead costs related to insurance, payroll, accounts payable, treasury, purchasing, and facilities usage.

	<u>Fiscal Year</u>			
	<u>2015/2016</u>	<u>Annual</u>	<u>Total Annual</u>	<u>Total Six Month</u>
	<u>Costs</u>	<u>Hours</u>	<u>Agency Cost</u>	<u>Cost</u>
<i>Direct Personnel Costs</i>				
City Manager	\$ 299,000	50	\$ 7,200	\$ 3,600
Director of Administrative Services	230,000	325	35,900	18,000
Treasury Manager	171,000	435	35,800	17,900
Administrative Assistant	89,000	75	3,200	1,600
Total Direct Personnel Costs			82,100	41,100
<i>Other Direct Costs</i>				
Attorney Services			100,000	50,000
Auditing Services			5,000	2,000
Meet and Confer travel costs			3,500	1,450
Oversight Board meeting costs			1,400	700
Total Estimated Direct Cost				95,250
<i>Indirect Costs</i>				
City Overhead			58,000	29,750
Total Successor Agency Administrative Budget			250,000	\$ 125,000