

OVERSIGHT BOARD RESOLUTION NO. 2012-07

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR JULY 1, 2012 THROUGH DECEMBER 31, 2012 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, the 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 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

WHEREAS, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby ("Supreme Court Decision"); and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the successor agency to the dissolved Agency under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the "Successor Agency" and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the 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 Act; and

WHEREAS, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the period from June 1, 2012 through December 31, 2012 and submit it to the Oversight Board for approval; and

WHEREAS, the Successor Agency's proposed Administrative Budget 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 up-coming six-month period; and

WHEREAS, the Oversight Board desires to approve the Successor Agency's proposed Administrative Budget

WHEREAS, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the DOF, and if the DOF requests review hereof, DOF will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF 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 Act, the Oversight Board approves the Successor Agency's proposed Administrative Budget, attached hereto as Attachment No. 1 and incorporated by this reference.

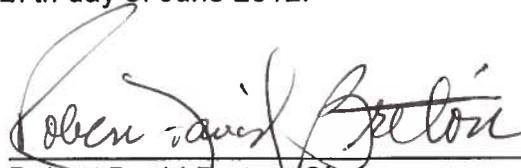
Section 3. The Oversight Board authorizes the Successor Agency to transmit the Administrative Budget to the County Auditor-Controller, the State Department of Finance, and the State Controller's Office.

Section 4. The City Manager of the Successor Agency or his authorized designee is directed to post the Administrative Budget on the City/Successor Agency website.

Section 5. This Resolution shall be effective after transmittal of this Resolution with the Administrative Budget attached to the DOF and the expiration of three (3) business days pending a request for review by the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof it will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

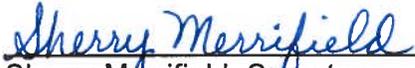
Section 6. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 27th day of June 2012.



Robert David Breton, Chair
Oversight Board to the Successor Agency
of the Community Development Agency of
the City of Mission Viejo

ATTEST:



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

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

I, Sherry Merrifield, Secretary of the Oversight Board to the to the Successor Agency of 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 special meeting held on the 27th day of June 2012, and that it was so adopted by the following vote:

AYES: Board Member Dyas, Board Member Fitzsimons, Vice-Chairperson Probolsky and Board Member Ury

NOES: None

ABSENT: Chairperson Breton, Board Member Hampton and Board Member Imburgia



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

**SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF MISSION VIEJO
ADMINISTRATIVE BUDGET
July 1, 2012 through December 31, 2012**

The proposed administrative budget for the Successor Agency of the Community Development Agency of the City of Mission Viejo 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 July 1, 2012 through December 31, 2012 have been individually listed within this section of the budget. *Fiscal Year 2012/2013 Costs* for each position includes total salary and benefits budgeted for this position for FY 2012/2013 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 2012/2013 cost for each position. *Total Sixth Month Cost* is equal to 6/12th of the Total Annual Agency Cost amount.

Other Direct Costs

Other direct costs will change from period to period. For the six months from July 1, 2012 through December 31, 2012, it is anticipated that other direct costs will be limited to legal services provided by the City of Mission Viejo's contracted City Attorney, the Successor Agency Attorney and Oversight Board Attorney.

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 City Council, Commission and City Clerk general government program area as well as financial overhead costs related to insurance, payroll, accounts payable, purchasing, and facilities usage.

	<u>Fiscal Year</u>			
	<u>2012/2013</u>	<u>Annual</u>	<u>Total Annual</u>	<u>Total Six</u>
	<u>Costs</u>	<u>Hours</u>	<u>Agency Cost</u>	<u>Month Cost</u>
<i>Direct Personnel Costs</i>				
City Manager	\$ 263,801	120	\$ 15,219	\$ 7,600
Assistant City Manager/Director of Public Services	229,926	120	13,265	6,600
Director of Administrative Services	196,805	480	45,417	22,700
Treasury Manager	160,236	480	36,978	18,500
Accounting Supervisor	129,732	305	19,023	9,500
Administrative Assistant	80,245	305	11,767	5,900
Director of Community Development	204,857	60	5,909	3,000
Planning & Economic Development Manager	172,960	60	4,989	2,500
Director of Public Works	197,754	60	5,704	2,900
City Engineer	183,977	50	4,423	2,200
Total Direct Personnel Costs			162,694	81,400
<i>Other Direct Costs</i>				
Attorney Services			25,000	12,000
Oversight Board meeting costs			2,400	1,200
Total Estimated Direct Cost				94,600
<i>Indirect Costs</i>				
City Overhead			60,700	30,400
Total Successor Agency Admin Budget			250,794	\$ 125,000