

OVERSIGHT BOARD RESOLUTION NO. 2013-03

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 PROPOSED ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2013 TO DECEMBER 31, 2013 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 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 Community Development Agency of the City of Mission Viejo ("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 March 29, 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 July 1, 2013 to December 31, 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 July 1, 2013 to December 31, 2013 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 proposed Administrative Budget for the period July 1, 2013 to December 31, 2013 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 Department of Finance ("DOF"); and

WHEREAS, pursuant to Section 34179(h) as amended by Assembly Bill 1484, 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:

- The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.
- Pursuant to the Dissolution Act, the Oversight Board approves the Administrative Budget for the period July 1, 2013 to December 31, 2013 submitted herewith as Attachment 1, which is incorporated herein by this reference.
- The Oversight Board authorizes transmittal of the Administrative Budget for the period July 1, 2013 to December 31, 2013 to the County Auditor-Controller and DOF.
- The Director of Administrative Services of the Successor Agency or an authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.
- Pursuant to Section 34179(h) as amended by Assembly Bill 1484, 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.

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

APPROVED AND ADOPTED this 27th day of February 2013.



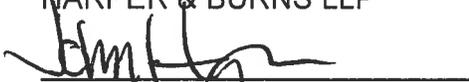
Robert D. Breton, Chair
Oversight Board of the Successor Agency to the
Community Development Agency of the City of
Mission Viejo

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

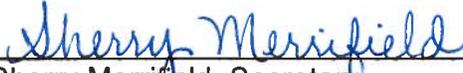
STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF MISSION VIEJO)

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 27th day of February 2013, and that it was so adopted by the following vote:

AYES: Chairperson Breton, Board Member Dyas and Board Member Imburgia, Board Member Hampton, Board Member Probolsky and Board Member Reardon

NOES: None

ABSENT: Board Member Fitzsimmons



Sherry Merrifield, Secretary
Oversight Board of the Successor Agency to 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, 2013 through December 31, 2013***

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 July 1, 2013 through December 31, 2013 have been individually listed within this section of the budget. *Fiscal Year 2013/2014 Costs* for each position includes total salary and benefits estimated to be budgeted for these positions for FY 2013/2014 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 2013/2014 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 has decreased approximately \$42,000 from the previous six-month period. It is expected that as redevelopment activities winds down, direct staff time will decline.

Other Direct Costs

Other direct costs will change from period to period. For the six months from July 1, 2013 through December 31, 2013, 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 and Oversight Board meeting costs. The Budget for Other Direct Cost has increased \$41,400 from the previous six-month period. The Department of Finance has reclassified auditing costs to the administrative category. Auditing costs are expected to be \$4,000. Also, based on actual attorney costs incurred since the dissolution of the redevelopment agency, it is apparent that the attorney costs estimated in the previous six-month period was understated. Attorney costs have increased \$38,600 from the previous six-month period.

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.

**SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT
 AGENCY OF THE CITY OF MISSION VIEJO
 ADMINISTRATIVE BUDGET
 July 1, 2013 through December 31, 2013**

	<u>Fiscal Year</u>			
	<u>2013/2014</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	\$ 268,801	90	\$ 11,631	\$ 5,800
Assistant City Manager/Director of Public Services	234,926	20	2,259	1,100
Director of Administrative Services	201,805	285	27,651	13,800
Treasury Manager	165,236	285	22,641	11,300
Accounting Supervisor	134,732	60	3,887	1,900
Administrative Assistant	85,245	96	3,934	2,000
Director of Community Development	209,857	25	2,522	1,300
Planning & Economic Development Manager	177,960	24	2,053	1,000
Director of Public Works	202,754	15	1,462	700
City Engineer	188,977	10	909	500
Total Direct Personnel Costs			78,949	39,400
<i>Other Direct Costs</i>				
Attorney Services			75,000	50,000
Auditing Services			5,000	4,000
Oversight Board meeting costs			1,200	600
Total Estimated Direct Cost				94,000
<i>Indirect Costs</i>				
City Overhead			62,000	31,000
Total Successor Agency Administrative Budget			222,149	\$ 125,000