OVERSIGHT BOARD RESOLUTION NO. 2015-01

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
15-16A SIX-MONTH FISCAL PERIOD OF JULY 1, 2015 TO
DECEMBER 31, 2015 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 15-16A six-month fiscal period of July 1, 2015 to December
31, 2015 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 15-16A
six-month fiscal period of July 1, 2015 to December 31, 2015 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 15-16A six-month fiscal period of July 1, 2015 to December 31, 2015 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.

Pursuant to the Dissolution Law, the Oversight Board approves the Administrative Budget for the 15-16A six-month fiscal period of July 1, 2015 to December 31, 2015 submitted herewith as Attachment 1, which is incorporated herein by this reference.

The Oversight Board authorizes transmittal of the Administrative Budget for the 15-16A six-month fiscal period of July 1, 2015 to December 31, 2015 to the County Auditor-Controller and DOF.

Section 2. 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 3. 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 4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 26th day of February 2015.

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

ATTEST:

Sherry Mermfield, 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 26th day of February 2015, and that it was so adopted by the following vote:

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

NOES:    None

ABSENT:  Board Member Fitzsimons and Board Member Hampton

[Signature]

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. 2015-01

Successor Agency Administrative Budget
for the 15-16A Six-Month Fiscal Period of July 1, 2015 to December 31, 2015

(attached)
SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF MISSION VIEJO
ADMINISTRATIVE BUDGET
July 1, 2015 through December 31, 2015

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, 2015 through December 31, 2015 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 July 1, 2015 through December 31, 2015, 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.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2015/2016</th>
<th>(\text{Total Annual} \</th>
<th>(\text{Total Six Month}</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\text{Costs} \</td>
<td>(\text{Hours} \</td>
<td>(\text{Agency Cost} \</td>
<td>(\text{Cost} \</td>
</tr>
<tr>
<td>City Manager</td>
<td>$299,000</td>
<td>50</td>
<td>$7,200</td>
</tr>
<tr>
<td>Assistant City Manager/Director of Public Services</td>
<td>257,000</td>
<td>10</td>
<td>1,200</td>
</tr>
<tr>
<td>Director of Administrative Services</td>
<td>230,000</td>
<td>330</td>
<td>36,500</td>
</tr>
<tr>
<td>Treasury Manager</td>
<td>171,000</td>
<td>450</td>
<td>37,000</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>89,000</td>
<td>75</td>
<td>3,200</td>
</tr>
<tr>
<td>Total Direct Personnel Costs</td>
<td>85,100</td>
<td>42,600</td>
<td></td>
</tr>
</tbody>
</table>

\(\text{Total Estimated Direct Cost} = $97,750\)

| \(\text{Indirect Costs} \ | \(\text{City Overhead} \ | \(\text{58,000} \ | \(\text{27,250} \ | \(\text{Total Successor Agency Administrative Budget} \ | \(\text{253,000} \ | \(\text{125,000} \ |