

OVERSIGHT BOARD AGENDA: FEBRUARY 26, 2014

SCHEDULED MATTER

SUBJECT: REVIEW AND APPROVAL OF PROPOSED ADMINISTRATIVE BUDGET

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: Health & Safety Code Section 34177(j), as modified by AB 1484, requires the Successor Agency of the Porterville Redevelopment Agency (referred to herein as "Successor Agency") to prepare a proposed "Administrative Budget" covering the upcoming six-month fiscal period, which will be July 1, 2014 through December 31, 2014, concurrent with the Recognized Obligation Payment Schedule (ROPS) 14-15 A and submit it to the Oversight Board for approval. To date the Successor Agency previously prepared and approved, and the Oversight Board reviewed and approved, Administrative Budgets through June 30, 2014.

Pursuant to the Dissolution Act (Parts 1.8 and 1.85 of Division 24 of the Health & Safety Code), each ROPS includes a line item for the Successor Agency's Administrative Budget for the applicable period, and AB 1484, which amended the Dissolution Act on June 27, 2012, requires that the ROPS 14-15 A for the period July 1, 2014 through December 31, 2014, shall be approved by the Successor Agency and Oversight Board and submitted to the State Department of Finance ("DOF") by March 1, 2014.

The Administrative Budget is required to set forth all of the following: (1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period; (2) Proposed sources of payment for said administrative costs (1); and (3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

Under Section 34177(k) of the Dissolution Act, upon approval of the Administrative Budget by the Oversight Board, the Successor Agency will provide to the County of Tulare Auditor-Controller 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.

Pursuant to Section 34179(h) of the Dissolution Act, as amended by AB 1484, written notice and information about all actions taken by the Oversight Board must be provided to the California Department of Finance ("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, pursuant to Section 34177(m) as to each ROPS submitted to the DOF of which an Administrative Budget is a part, the DOF shall make its determination of the enforceable obligations and the amounts and funding sources

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of the enforceable obligations on each ROPS submitted no later than 45 days after submittal.

RECOMMENDATION: That the Oversight Board adopt the draft Resolution approving the Successor Agency's proposed Administrative Budget for the period of July 1, 2014 through December 31, 2014, prepared pursuant to Health & Safety Code Section 34177(j) and directing Successor Agency staff to submit the Administrative Budget to the California Department of Finance.

ATTACHMENTS:

1. Proposed Administrative Budget
2. Oversight Board draft Resolution Approving the Administrative Budget Pursuant to Health & Safety Code Section 34177(j) and Directing Transmittal of the Administrative Budget to the California Department of Finance

**SUCCESSOR AGENCY AND HOUSING AUTHORITY SUCCESSOR AGENCY BUDGET  
 JULY 1, 2014 THROUGH DECEMBER 31, 2014**

OBJECT #	ACCOUNT DESCRIPTION	2014-15 BUDGET
<b>PERSONAL SERVICES</b>		
-01	SALARIES, REGULAR	\$10,795
-02	SALARIES, PART TIME	\$0
-03	SALARIES, OVERTIME	\$0
-09	BENEFITS	\$3,942
	<b>SUB-TOTAL</b>	\$14,737
<b>MATERIALS, SUPPLIES &amp; SERVICES</b>		
-12	BUILDINGS/GROUNDS MAINTENANCE	\$2,000
-21	ADVERTISING	\$188
-22	PRINTING	\$800
-23	PROFESSIONAL SERVICES	\$25,000
-24	COLLECTION COSTS	\$0
-28	ADMINISTRATIVE SERVICES	\$0
-32	OFFICE AND COMPUTER SUPPLIES	\$500
-34	MAINTENANCE & REPAIR MATERIALS	\$0
-41	MEETING EXPENSE	\$750
-42	UTILITIES	\$3,000
-43	UNIFORM ALLOWANCE	\$0
-44	TRAINING EXPENSE	\$750
-45	PUBLICATION AND DUES	\$0
-46	POSTAGE	\$500
-52	INSURANCE, LIABILITY	\$0
-62	DEBT REDEMPTION	\$0
-64	AMORTIZATION	\$0
-65	DEPRECIATION EXPENSE	\$0
-66	OTHER EXPENSES	\$2,775
	<b>SUB -TOTAL</b>	\$36,263
	<b>TOTAL</b>	\$51,000

OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET PURSUANT TO HEALTH & SAFETY CODE SECTION 34177(j) AND DIRECTING TRANSMITTAL OF THE ADMINISTRATIVE BUDGET TO THE CALIFORNIA DEPARTMENT OF FINANCE

WHEREAS, the Porterville Redevelopment Agency (“Agency”) was established as a redevelopment agency, organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq., and was authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Porterville (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code (“Dissolution Act”), pursuant to which (1) all redevelopment agencies in California were dissolved on February 1, 2012, and (2) successor agencies were formed for the purpose of winding down the affairs of the former redevelopment agencies; 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 of the City at an open public meeting, the City Council chose to serve as the governing body of the Successor Agency to the dissolved Agency, a separate legal entity, 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 the City will perform the functions of the Successor Agency under the Dissolution Act to administer the enforceable obligations of the former 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 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the upcoming six-month fiscal period, and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency’s “Administrative Budget” is required to include all of the following: (a) estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period; (b) proposed sources of payment for the costs identified in clause (a); and (c) proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity, such as the City; and

WHEREAS, by resolution on February 18, 2014, the Successor Agency adopted the “Administrative Budget” and has submitted such budget to the Oversight Board, the County of Tulare Administrative Officer, the County of Tulare Auditor-Controller, and the State Department of Finance pursuant to Health & Safety Code Section 34180(j); and

**ATTACHMENT  
ITEM NO. 2**

WHEREAS, the Oversight Board has received, reviewed, and desires to approve the Administrative Budget, for the period of July 1, 2014 through December 31, 2014; and

WHEREAS, the Administrative Budget, as approved by the Oversight Board, will be provided to the County of Tulare 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.

NOW, THEREFORE, BE IT RESOLVED:

1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Oversight Board.

2. Pursuant to the Dissolution Act, the Oversight Board hereby approves the proposed Administrative Budget in the form attached hereto as Exhibit A and incorporated herein by this reference. The City Manager and Successor Agency legal counsel are authorized to make such revisions to the Administrative Budget, as they deem appropriate, in order to ensure the proper and effective operation of the Successor Agency pursuant to the Dissolution Act.

3. Upon approval of the Administrative Budget by the Oversight Board, the City Manager or his authorized designees shall provide written notice and information about the Oversight Board's approval of the Administrative Budget to the State of California Department of Finance by electronic means, as directed by the Department of Finance, pursuant to Section 34179(h) and shall post the Administrative Budget on the Successor Agency's website.

4. This Resolution shall be effective immediately upon adoption.

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

PASSED, APPROVED, AND ADOPTED this 26th day of February, 2014.

By: \_\_\_\_\_  
Dr. John Snavelly, Chair  
Oversight Board to the Successor Agency of  
the Porterville Redevelopment Agency

ATTEST:

\_\_\_\_\_  
Patrice Hildreth, Board Secretary

**SUCCESSOR AGENCY AND HOUSING AUTHORITY SUCCESSOR AGENCY BUDGET**  
**JULY 1, 2014 THROUGH DECEMBER 31, 2014**

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Exhibit   A