

RESOLUTION NO. 14-01

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AMENDING THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY FOR JANUARY 1, 2014, THROUGH JUNE 30, 2014, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177(j) AND AUTHORIZING ITS TRANSMITTAL TO THE DEPARTMENT OF FINANCE

**WHEREAS**, the City of Montclair Redevelopment Agency ("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 Montclair ("City"); and

**WHEREAS**, Assembly Bill X1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and 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; and

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

**WHEREAS**, by 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 is performing 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 of the Dissolution Act provides that the Successor Agency shall have an Oversight Board composed of seven members; 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**, the State Legislature passed and the Governor signed AB 1484 into State law on June 29, 2012; and

**WHEREAS**, AB 1484 establishes a schedule for adoption of the Recognized Obligation Payment Schedules; and

**WHEREAS**, The Successor Agency originally approved its Administrative Budget for the period January 1, 2014, through June 30, 2014 by Resolution 13-09 dated September 11, 2013, and pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" included all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming 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**, included within that Administrative Budget was the process associated with preparation of the Long Range Property Management Plan (LRPMP) and it was thought that it would be done by an outside consultant (Kosmont Companies); however, subsequently it was determined that it would be more beneficial to prepare the LRPMP utilizing experienced City of Montclair staff; and

**WHEREAS**, subsequent to the approval of that Administrative Budget, the State Department of Finance ("DOF") issued guidance indicating that costs associated with the preparation of the LRPMP is a valid uses of property tax monies and would not be part of the administrative allowance. Additionally, recent reviews by DOF have indicated that separation of administrative costs into those that relate to the administrative allowance and those that are to be claimed as separate enforceable obligations is required; and

**WHEREAS**, the Successor Agency's proposed Amended Administrative Budget for the period January 1, 2014, through June 30, 2014, indicating that LRPMP costs are to be performed by City of Montclair staff and containing the breakdown of these between administrative allowance and enforceable obligations, has been submitted to the Oversight Board for its review and approval; and

**WHEREAS**, the Amended Administrative Budget, as approved by the Oversight Board, will be provided to the County of San Bernardino 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 six-month period from January 1, 2014 through June 30, 2014; and

**WHEREAS**, the Oversight Board desires to approve the Successor Agency's proposed Amended Administrative Budget; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days pending any request for review by DOF, and if DOF requests review hereof, DOF will have 45 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** that the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**Section 1.** The foregoing recitals are incorporated into this Resolution by reference, and constitute a material part of this Resolution.

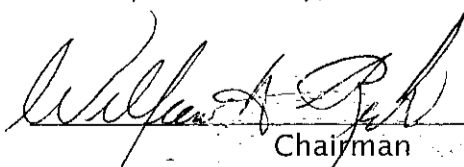
**Section 2.** Pursuant to the Dissolution Act, the Oversight Board approves the Successor Agency's proposed Amended Administrative Budget, attached hereto as Attachment No. 1 and incorporated by this reference.

**Section 3.** The Oversight Board authorizes the Successor Agency to transmit the Amended Administrative Budget and Cost Reimbursement Agreement when/if approved and entered into between the City and the Successor Agency to the County Auditor-Controller, the State Department of Finance (DOF), and the State Controller's Office.

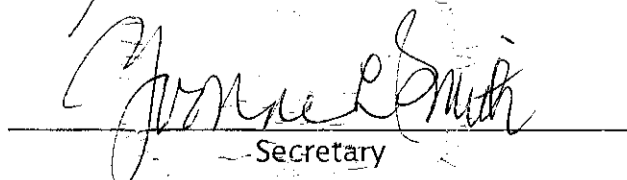
**Section 4.** This Resolution shall be become effective after transmittal of this Resolution with the ROPS attached to DOF and the expiration of five (5) business days pending a request for the review of DOF within the time periods set forth in the Dissolution Act; in this regard, if DOF requests review hereof, it will have 45 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, would not be effective until approved by DOF.

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

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

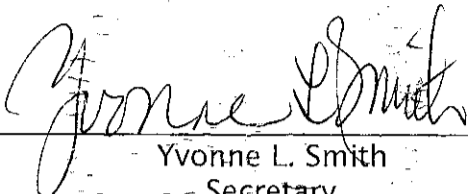
  
\_\_\_\_\_  
Chairman

ATTEST:

  
\_\_\_\_\_  
Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 14-01 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the 26th day of February, 2014, and that it was adopted by the following vote, to-wit:

AYES: Richardson, Piotrowski, Hillman, Catlin, Johnson, Ruh  
NOES: None  
ABSTAIN: None  
ABSENT: Erickson



---

Yvonne L. Smith  
Secretary

Attachment No. 1

**Successor Agency for the Redevelopment Agency of the City of Montclair**  
**Amended Administrative Budget**  
 January 1 to June 30, 2014

Approved by Oversight Board on: \_\_\_\_\_

<b>Staff Costs</b>	<b>% of Staff Time</b>	<b>Six Month Amount</b>
City Manager	30.0%	47,745
Deputy City Manager	7.0%	7,924
Finance Director	23.5%	21,384
Finance Supervisor	25.0%	11,537
Accountant	50.0%	19,445
Office Specialist	15.0%	5,087
Deputy City Clerk	25.0%	10,117
Indirect Staff Charges		21,000
<b>Sub-Total</b>		<b>144,239</b>
<b>Administrative Costs</b>		
Utilities (Electric, Water, Gas, Telephone)		15,700
Retiree Pension Costs		17,241
Office Supplies/Postage		200
First Tennessee Bank Safekeeping		700
<b>Sub-Total</b>		<b>33,841</b>
<b>Insurance Costs</b>		
Public Employee Bond		1,000
General Liability		3,630
Fire Insurance		880
Earthquake		4,626
<b>Sub-Total</b>		<b>10,136</b>
<b>Legal Costs</b>		
Robbins & Holdaway		500
Stradling, Yocca, Carlson, & Rauth		1,000
<b>Sub-Total</b>		<b>1,500</b>
<b>TOTAL SIX MONTH ROPS AMINISTRATIVE ALLOWANCE COSTS</b>		<b>189,716</b>

**Enforceable Obligations**

<b>Staff Costs</b>	<b>Six Month Amount</b>
<b><u>Long Range Property Management Costs (Per DOF Q &amp; A Guidance)</u></b>	
Deputy City Manager	71,319
<b>Sub-Total</b>	<b>71,319</b>
<b><u>Bond Indenture Financial Statement Preparation</u></b>	
Finance Director	15,000
<b>Sub-Total</b>	<b>15,000</b>
<b>TOTAL SIX MONTH ROPS ENFORCABLE OBLIGATION COSTS</b>	<b>86,319</b>