

RESOLUTION NO. 17-02

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGETS FOR JULY 1, 2017, THROUGH DECEMBER 31, 2017, AND JANUARY 1, 2018, THROUGH JUNE 30, 2018, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177(j)

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.*, 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 ("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, Code Section 34179(a) provides that the Successor Agency shall have an Oversight Board composed of seven members; and

WHEREAS, pursuant to Code Section 34179(i), 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 Code Section 34188; and

WHEREAS, the State Legislature passed and the Governor signed AB 1484 into State law on June 29, 2012; and

WHEREAS, AB 1484 established a schedule for approval and adoption of an administrative budget related to each recognized obligation payment schedule ("ROPS") by successor agencies and oversight boards ("Administrative Budget") through June 30, 2016; and

WHEREAS, the State Legislature passed and the Governor signed SB 107 into law on September 22, 2015, and this legislation extended the existence and operation of local successor agencies and oversight boards under the Dissolution Act, and necessitated the preparation and approval of Administrative Budgets through each period of local successor agency function through June 30, 2018; and

WHEREAS, SB 107 included a major change in the approval process for Administrative Budgets in relation to each ROPS, *i.e.*, under Code Section 34179(h)(1), successor agencies are not required to submit an approved Administrative Budget to the California Department of Finance ("DOF") 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 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, despite the new annual ROPS approval process, SB 107 did not alter the provisions of Code Section 34177(j) requiring the submittal of administrative costs based on a six-month fiscal year increments; and

WHEREAS, the Successor Agency's proposed Administrative Budgets for the two six month periods corresponding to its annual ROPS for July 1, 2017 through and including June 30, 2018 have been prepared, approved by the Successor Agency, and submitted to the Oversight Board for its review and approval; and

WHEREAS, administrative cost estimates from the Administrative Budgets, 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 Budgets will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund; and

WHEREAS, the Oversight Board desires to approve the Successor Agency's proposed Administrative Budgets, and authorize the Successor Agency to amend same as may prove necessary to capture all costs the Successor Agency may incur in the performance of its duties.

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 Administrative Budgets, attached hereto as Attachment No. 1 and Attachment No. 2 and incorporated herein by this reference.

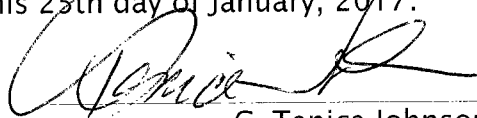
Section 3. The Oversight Board authorizes the Successor Agency to transmit administrative cost estimates from Administrative Budgets when/if approved to the County Auditor-Controller.

Section 4. The Successor Agency's designee is hereby authorized and directed to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board, such actions to include but not be limited to amending, posting and distributing the approved Administrative Budgets as may be required by law.

Section 5. Pursuant to Code Section 34179(h)(1)(B) as modified by SB 107, the DOF generally reviews Oversight Board actions, but has exempted Administrative Budgets from such review; therefore, this Resolution shall be effective immediately after its adoption and certification.

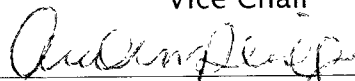
Section 6. The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution and the Administrative Budgets approved hereunder on file as public records.

APPROVED AND ADOPTED this 25th day of January, 2017.



C. Tenice Johnson
Vice Chair

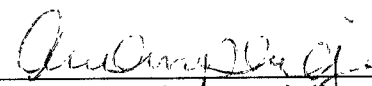
ATTEST:



Andrea M. Phillips
Secretary

I, Andrea M. Phillips, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 17-02 was duly adopted by the Oversight Board of Directors at a special meeting thereof held on the 25th day of January, 2017, and that it was adopted by the following vote, to-wit:

AYES: Erickson, Kulbeck, Parker, Richardson, Johnson
NOES: None
ABSTAIN: None
ABSENT: Hillman, Ruh



Andrea M. Phillips
Secretary

**Successor Agency for the Redevelopment Agency of the City of Montclair
Administrative Budget
July 1 to December 31, 2017**

Approved by Oversight Board on January 25, 2017

Administrative Allowance

Staff Costs	% of Staff Time	Six Month Amount
City Manager	5.0%	7,957
Deputy City Manager	25.0%	28,301
Finance Director	25.0%	22,740
Finance Supervisor	5.0%	2,307
Accountant	10.0%	3,889
Office Specialist	5.0%	1,696
Deputy City Clerk	30.0%	12,140
Sub-Total		79,031
Administrative Costs		
Retiree Pension Costs		20,000
Sub-Total		20,000
Insurance Costs		
Share of City liability insurance, public employee bonds, etc.		5,000
Sub-Total		5,000
Legal Costs		
Stradling, Yocca, Carlson, & Rauth		500
Edward Z. Kotkin		3,000
Sub-Total		3,500
Unallocated		
Unallocated administration to fund overages in other categories		7,469
Sub-Total		7,469
TOTAL SIX MONTH ROPS AMINISTRATIVE ALLOWANCE COSTS		115,000

Enforceable Obligations

Staff Costs	Six Month Amount
<u>Bond Indenture Reporting Requirements</u>	
Bank of New York Mellon - Trustee	10,000
Bondlogistix LLC - Arbitrage Computations	7,500
Sub-Total	17,500
TOTAL SIX MONTH SEPARATE ENFORCABLE OBLIGATION COSTS	17,500
TOTAL SIX MONTH ROPS ENFORCABLE OBLIGATION COSTS	132,500

**Successor Agency for the Redevelopment Agency of the City of Montclair
Administrative Budget
January 1 to June 30, 2018**

Approved by Oversight Board on January 25, 2017

Administrative Allowance

Staff Costs	% of Staff Time	Six Month Amount
City Manager	5.0%	7,957
Deputy City Manager	20.0%	22,641
Finance Director	15.0%	13,644
Finance Supervisor	5.0%	2,307
Accountant	10.0%	3,889
Office Specialist	5.0%	1,696
Deputy City Clerk	30.0%	12,140
Sub-Total		64,275
Administrative Costs		
Retiree Pension Costs		20,000
Sub-Total		20,000
Insurance Costs		
Share of City liability insurance, public employee bonds, etc.		5,000
Sub-Total		5,000
Legal Costs		
Stradling, Yocca, Carlson, & Rauth		1,000
Edward Z. Kotkin		4,000
Sub-Total		5,000
Unallocated		
Unallocated administration to fund overages in other categories		5,725
Sub-Total		5,725
TOTAL SIX MONTH ROPS AMINISTRATIVE ALLOWANCE COSTS		100,000

Enforceable Obligations

Staff Costs	Six Month Amount
<u>Bond Indenture Reporting Requirements</u>	
Bank of New York Mellon - Trustee	10,000
Bondlogistix LLC - Continuing Disclosure Report	12,000
Bondlogistix LLC - Arbitrage Computations	5,000
Van Lant & Fankhanel, LLP - Certified Public Accountants	8,000
Sub-Total	35,000
TOTAL SIX MONTH SEPARATE ENFORCABLE OBLIGATION COSTS	35,000
TOTAL SIX MONTH ROPS ENFORCABLE OBLIGATION COSTS	135,000