

**AGENDA
SPECIAL MEETING
OVERSIGHT BOARD-
CRA SUCCESSOR AGENCY**

(Formally Community Redevelopment Agency of Sierra Madre)

Monday, January 25, 2016

6:00 PM

**City Council Chambers
232 W. Sierra Madre Blvd.**

Committee Members

Marilyn Diaz, Chair

Tom Love, Vice Chair

John Buchanan

Bart Doyle

Dale Shaffer

Robert B. Miller

Leticia Cardoso

AGENDA ITEM

DESCRIPTION

CALL TO ORDER/ROLL CALL

Committee Members

PUBLIC COMMENT

The Oversight Board will listen to the public on any item on the agenda. The Oversight Board cannot legally take action on any item not scheduled on the agenda. Such items may be referred for administrative action or scheduled on a future agenda. Comments will generally be limited to three minutes per speaker.

ACTION ITEMS*

1. AGENDA APPROVAL

The Oversight Board reserves the right to hear items in a different order in order to accomplish business in the most efficient manner

2. ORAL COMMUNICATIONS

3. DISCUSSION: Consideration of Adoption of Resolution OB-16-001 adopting the Successor Agency Required Obligation Payment Schedule (ROPS 16-17) and Approved the Administrative Budget

RECOMMENDATION: It is recommended that the Oversight Board adopt Resolution OB-16-001 approving the City's Successor Agency ROPS 16-17 for July 1, 2016 through June 30, 2017 and administrative budget, and authorizing staff to notify the appropriate agencies of the Oversight Board actions.

4. ITEMS FOR FUTURE AGENDAS

RECOMMENDATION – That the Board provide input regarding items for future agendas.

As a courtesy to others, we ask that cellular phones be turned off during the meeting.

MEETING ASSISTANCE

The City Hall Council Chamber is physically accessible and assistive listening devices are available at the meeting. If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.



Oversight Board Agenda Report

Committee Members

Marilyn Diaz, Chair
Tom Love, Vice Chair
John Buchanan
Bart Doyle
David Jaynes
Robert B. Miller
Leticia Cardoso

TO: Committee Members
FROM: Elaine I. Aguilar, City Manager
DATE: January 25, 2016

SUBJECT: Consideration of Resolution OB-16-001: Adopting Required Obligation Payment Schedule (ROPS) 16-17 for the period from July 1, 2016 through June 30, 2017

SUMMARY

In late December 2011, the California Supreme Court issued a ruling regarding *CRA v. Matosantos*. The Court upheld AB1X26 (the bill that eliminated redevelopment agencies) and struck down AB1X27, the bill that would have allowed agencies to remain in operation as long as they made a payment to the state. Redevelopment Agencies cease to exist on February 1, 2012. At the January 10, 2012 City of Sierra Madre Council/Agency Board meeting, the City Council decided to assume the responsibilities of the Successor Agency to the Community Redevelopment Agency of Sierra Madre (CRA).

The primary responsibility of the Oversight Board is to review and adopt the ROPS for the Successor Agency. There are three basic issues to consider in reviewing the ROPS. The first is securing required funds for debt service payments to ensure compliance with Bond Covenants. Second, is meeting other debt obligations and third is funding the administration costs of the Successor Agency. The ROPS includes both contractual obligations and the administrative budget for the Successor Agency.

The Oversight has met and approved several prior ROPS for the Successor Agency. Staff is requesting consideration of the approval of the next ROPS, ROPS 16-17 for the period of July 1, 2016 through June 30, 2017.

ANALYSIS

Pursuant to Health and Safety Code Section 34173(d), the City of Sierra Madre ("Successor Agency") elected to become the Successor Agency to the Community Redevelopment Agency of the City of Sierra Madre on January 10, 2012 and memorialized the action in Resolution No.12-14 on January 24, 2012. One of the responsibilities of the City, as successor agency, is to prepare a Recognized Obligation Payment Schedule ("ROPS"), which sets forth the nature, amount, and source(s) of payment of all "enforceable obligations" of former Community Redevelopment Agency of Sierra Madre (CRA) (as defined by law) to be paid by the successor agency after CRA's dissolution, covering the

forward-looking 12 month fiscal period. The ROPS has been changed to cover a 12 month period, and is only required to be filed on an annual basis. The Department of Finance has supplied the form and instructions to submit the ROPS 16-17 for the period of July 1, 2016 through June 30, 2017. Only payments required pursuant to the ROPS may be made by the Successor Agency.

FINANCIAL REVIEW

Included in the budget for the period of July 1, 2016 through June 30, 2017 is the debt payments for the former Redevelopment Agency tax increment bonds; potential legal or other audit needs of either the Oversight Board or Successor Agency to conduct business during the fiscal year; and the administration costs of the Successor Agency to meet the contractual contracts, debt payments and wind-down process of the former Redevelopment Agency.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at www.cityofsierramadre.com, at the City Hall public counter, and the Sierra Madre Public Library.

ALTERNATIVES

1. Consider modifying the ROPS 16-17 as presented.

STAFF RECOMMENDATION

It is recommended that the Oversight Board approve the City's Successor Agency ROPS 16-17 for July 1, 2016 through June 30, 2017 (Resolution OB-16-001) and authorize staff to notify the appropriate agencies of the Oversight Board actions.

Attachments:

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF SIERRA MADRE, APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2016, THROUGH JUNE 30, 2017, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(l)(1) AND THE ADMINISTRATIVE BUDGET, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

RESOLUTION NO. OB-16-001

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF SIERRA MADRE, APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2016, THROUGH JUNE 30, 2017, PURSUANT TO HEALTH AND SAFETY CODE ECTION 34177(I)(1) AND THE ADMINISTRATIVE BUDGET, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Sierra Madre ("Successor Agency") elected to become the successor agency to the Redevelopment Agency of the City of Sierra Madre on January 10, 2012 and memorialized the action in Resolution No.12-14 on January 24, 2012; and

WHEREAS, in accordance with Health and Safety Code Section 34177(l)(1), the Successor Agency must adopt a semiannual Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, on May 31, 2012 the Oversight Board did approve Resolution 12-001 and Resolution 12-002, the first and second ROPS respectively; and

WHEREAS, on August 13, 2012 the Oversight Board did approve Resolution 12-004, the third ROPS III; and

WHEREAS, on February 11, 2013 the Oversight Board did approve Resolution 13-001, the fourth ROPS 13-14A; and

WHEREAS, on September 23, 2013 the Oversight Board did approve Resolution 13-003, the fifth ROPS 13-14B; and

WHEREAS, on February 12, 2014 the Oversight Board did approve Resolution 14-001, the sixth ROPS 14-15A; and

WHEREAS, on September 11, 2014 the Oversight Board did approve Resolution 14-002, the seventh ROPS 14-15B; and

WHEREAS, on February 17, 2015 the Oversight Board did approve Resolution 15-001, the eighth ROPS 15-16A; and

WHEREAS, on September 21, 2015 the Oversight Board did approve Resolution 15-002, the ninth ROPS 15-16B; and

WHEREAS, the Oversight must approve a ROPS covering the period from July 1, 2016 through June 30, 2017 in order to receive tax increment collected by the County of Los Angeles to pay obligations approved on the ROPS 16-17 form specified by the Department of Finance; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor Agency to submit an administrative budget with each ROPS; and

WHEREAS, pursuant to AB 1484, the ROPS 16-17 is due to said reporting agencies by February 1, 2016; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SIERRA MADRE, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by tills reference.

Section 2. CEOA Compliance. The approval of the ROPS through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of ROPS. The Oversight Board hereby approves the ROPS for the period from July 1, 2016 through June 30, 2017, in substantially the form attached to this Resolution as Exhibit A as required by Health and Safety Code Section 34177(l)(1).

Section 4. Approval of Administrative Budget. The Oversight Board hereby approves the administrative budget for the period from July 1, 2016 through June 30, 2017, in the form attached to this Resolution as Exhibit B, as required by Health and Safety Code section 34177(j).

Section 5. Transmittal of the ROPS. The City Manager is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Approved ROPS, including submitting the approved ROPS to the Los Angeles County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

Section 6. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marilyn Diaz, Chairperson

ATTEST:

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
ROPS 16-17

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Sierra Madre
 County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 436,075	\$ 98,725	\$ 534,800
F Non-Administrative Costs	365,375	27,125	392,500
G Administrative Costs	70,700	71,600	142,300
H Current Period Enforceable Obligations (A+E):	\$ 436,075	\$ 98,725	\$ 534,800

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

Sierra Madre Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET.

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)						(925)		
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						455,331		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)						414,000		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,406		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,406		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						92,082		
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						113,000		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,488		

EXHIBIT B

ADMINISTRATIVE BUDGET FOR
ROPS 16-17 PERIOD

SUCCESSOR AGENCY TO
 THE FORMER SIERRA MADRE REDEVELOPMENT AGENCY
 ADMINISTRATIVE BUDGET
 JULY 1, 2016 THROUGH JUNE 30, 2017

Personnel (Salary and Benefits)			
	CITY MANAGER	26,000	
	ADMINISTRATIVE ASSIST	12,000	
	FINANCE DIRECTOR	20,000	
			\$58,000
Operations and Maintenance			
	LEGAL SERVICES	10,000	
	FISCAL AGENT FEES	2,700	
	AUDIT	3,600	
		<u>3,600</u>	
			\$16,300
Indirect Overhead			
Overhead Costs *			
	COST ALLOCATION / ADMINISTRATIVE	30,000	
	COST ALLOCATION / FACILITIES	33,000	
	COST ALLOCATION / TECHNOLOGY	5,000	
		<u>5,000</u>	
			<u>\$68,000</u>
TOTAL ESTIMATED ADMINISTRATIVE BUDGET FOR ROPS			<u><u>\$142,300</u></u>

* Per OMB Cost Allocation Plan adopted May 2013