



City of La Quinta

CITY / **SA** / HA / FA MEETING DATE: FEBRUARY 17, 2015

ITEM TITLE: ADOPT RESOLUTION APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1 THROUGH DECEMBER 31, 2015

AGENDA CATEGORY:

BUSINESS SESSION:

CONSENT CALENDAR: 3

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Adopt a resolution approving the Successor Agency Administrative Budget for the period of July 1 through December 31, 2015.

EXECUTIVE SUMMARY:

- The La Quinta Successor Agency (SA) administers the former Redevelopment Agency's wind-down activities and the Oversight Board (OB).
- ABx1 26 (Dissolution Act) provides for an administrative allowance to carry out these wind-down activities.
- The Dissolution Act requires the SA to prepare an administrative budget every six months, which is reviewed and approved by the OB.

FISCAL IMPACT:

For the period of July 1 through December 31, 2015, the Redevelopment Property Tax Trust Fund (RPTTF) allocation for non-administrative costs totals \$12,183,489. Three percent of this total, \$365,505, is requested from RPTTF funds for administrative costs associated with the activities of the Successor Agency.

BACKGROUND/ANALYSIS:

The Dissolution Act provides an administrative allowance for all successor agencies to carry out wind-down activities of their former redevelopment agencies and to administer the oversight boards. The amount is equal to three percent of the RPTTF allocation listed on the Recognized Obligation Payment Schedule, subject to change based on review and approval by the DOF.

The estimates below include staff time required to carry out SA and OB activities:

SA Administrative Budget

Personnel Costs	233,088
Professional Contract Services	102,400
Supplies & Publications	4,017
Printing/Mailing/Advertising	1,000
Information Technology Costs	8,000
Office & Equipment Costs	17,000
Total Administrative Costs	<u><u>\$365,505</u></u>

The two major cost components are personnel costs and professional contract services. Personnel costs are related to City staff time required to manage SA affairs. The contract services costs are legal counsel, audit, and consulting services (as may be required). The detailed administrative budget for this time period is included as Attachment 1.

Once the SA reviews and approves the administrative budget, the budget must be reviewed and approved by the OB.

While the Dissolution Act does not require the administrative budgets to be submitted to the DOF, the DOF does review the actions of oversight boards the day after the oversight board meetings take place. Therefore, the DOF may question an oversight board's approval of a successor agency's administrative budget.

ALTERNATIVES:

As this is a requirement of the DOF, staff does not recommend an alternative.

Report prepared by: Rita Conrad, Finance Director

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Administrative Budget for July 1 through December 31, 2015

RESOLUTION NO. SA 2015-

A RESOLUTION OF THE CITY OF LA QUINTA ACTING AS THE SUCCESSOR AGENCY TO LA QUINTA REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2015 THROUGH DECEMBER 31, 2015

WHEREAS, the City Council of the City of La Quinta ("City Council" or "City," as applicable) has been established to direct the Successor Agency to take certain actions to wind down the affairs of the former La Quinta Redevelopment Agency ("Agency") in accordance with the California Health and Safety Code; and

WHEREAS, the Agency was engaged in activities to execute and implement the Project Area No. 1 Redevelopment Plan and the Project Area No. 2 Redevelopment Plan (collectively, the "Redevelopment Plans") pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.) ("CRL"); and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed, ABx1 26 requiring that each redevelopment agency be dissolved; and

WHEREAS, an action challenging the constitutionality of ABx1 26 and companion bill ABx1 27 was filed in the California Supreme Court by the California Redevelopment Association, the League of California Cities, and two individual cities; and

WHEREAS, on December 29, 2011, the Court upheld ABx1 26; and

WHEREAS, Health and Safety Code Section 34177(j) requires each successor agency to prepare a proposed administrative budget every six months setting forth the successor agency's estimated administrative costs of carrying out the wind-down activities of the former redevelopment agency, proposing sources of payment for such estimated administrative costs, and proposing for arrangements for administrative and operations services provided by a city, county and/or other entity; and

WHEREAS, the Successor Agency has prepared a proposed administrative budget for the six-month period of July 1, 2015 through December 31, 2015 (the "Administrative Budget"); and

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

NOW THEREFORE, BE IT RESOLVED, by City of La Quinta acting as the Successor Agency to La Quinta Redevelopment Agency, does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Administrative Budget. The Successor Agency hereby approves the Administrative Budget, which Administrative Budget is on file with the Secretary of the Successor Agency.

Section 3. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

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

PASSED, APPROVED, AND ADOPTED at the meeting of the City of La Quinta acting as the Successor Agency to La Quinta Redevelopment Agency held this 17th day of February, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Evans, Mayor
City of La Quinta Acting as Successor
Agency to the La Quinta Redevelopment
Agency

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta Acting as Successor Agency
To the La Quinta Redevelopment Agency

(AGENCY SEAL)

APPROVED AS TO FORM:

WILLIAM H. IHRKE, Successor Agency Counsel
City of La Quinta Acting as Successor Agency
To the La Quinta Redevelopment Agency

ATTACHMENT 1

SUCCESSOR AGENCY/OVERSIGHT BOARD		JULY - DECEMBER 2015	
ADMINISTRATIVE BUDGET			
PERSONNEL			
			\$233,088
Includes base salary plus benefits.			
Successor Agency Administration		\$168,088	
Oversight Board Administration		\$65,000	
SUPPLIES & SERVICES			
CONTRACT SERVICES			
			\$102,400
This account provides for legal, consulting, and audit services plus a portion of League of California Cities and California Redevelopment Agency dues related to technical assistance and training.			
Audits as required by ABx1 26		\$10,000	
League of California Cities Dues & Seminars/Webinars related to ABx1 26		\$1,950	
Legal Services for Successor Agency		\$45,250	
Consulting Services for Successor Agency		\$45,200	
SUPPLIES AND PUBLICATIONS			
			\$4,017
This account provides for various office supplies and publications to be used by SA and OB staff and board members			
Successor Agency Supplies & Publications		\$2,517	
Oversight Board Supplies & Publications		\$1,500	
PRINTING/MAILING/ADVERTISING			
			\$1,000
This account provides for required mailings, agenda printing, and legal advertising			
INFORMATION TECHNOLOGY			
			\$8,000
This account provides for annual replacement charges for information technology items such as computers, printers, and computer related items attributable to SA/OB; and support/hosting for SA/OB web pages, which are required by ABx1 26			
		\$5,500	
Computer Document Storage related to Successor Agency		\$2,000	
On-Line Muni Code related to Successor Agency		\$500	
OFFICE & EQUIPMENT			
			\$17,000
This account provides for office space rental and equipment usage in City Hall			
Rent		\$15,000	
Equipment		\$2,000	
TOTAL ADMINISTRATIVE BUDGET			\$365,505
FUNDING SOURCES:			
Total Administrative Costs			\$365,505
3% Administrative Allowance per ROPS 15-16A			\$ 365,505
Excess Administrative costs			\$0