



Chairperson, Belinda V. Faustinos, Los Angeles County

Vice Chairperson, Brent A. Tercero, City of Pico Rivera

Board Members:

René Bobadilla, City of Pico Rivera

Roxane Fuentes, Los Angeles County Board of Education

Santos H. Kreimann, Los Angeles County

Armando V. Moreno, Los Angeles County

Vicky Santana, Los Angeles County, Rio Hondo Community College

Thursday, January 26, 2017

Special Meeting 4:30 p.m.

Council Chambers

6615 Passons Blvd.

Pico Rivera, California

Resolution No. OB-17-22

Agreement No. OB-003

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS: (Speakers have three (3) minutes to make their remarks on agenda items only.)

AGENDA ITEMS:

1. Minutes.

Recommendation:

- Approve special meeting of Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency minutes of September 29, 2016.

2. Consideration of Resolutions Approving the 2017-18 Recognized Obligation Payment Schedule, an Amendment to the Fiscal Year 2016-17 Administrative Budget, and the Administrative Budgets for the Recognized Obligation Payment Schedule Period 2017-18A (July 1, 2017 Through December 31, 2017) and Period 2017-18B (January 1, 2018 Through June 30, 2018). (1500)

Recommendation:

1. Adopt the resolution of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency approving the Recognized Obligation Payment (ROPS) for the July 1, 2017 to June 30, 2018 period (17-18 ROPS) and approving the expenditure to reserve funds from the January through June 2017 ROPS period on payment of an enforceable obligation in the July to December 2017 ROPS period; and
2. Adopt the resolution of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency approving an amendment of the Fiscal Year 2016-17 administrative budget and approving administrative budgets for Fiscal Year 2017-18.

Resolution No. _____ A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, ESTABLISHING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 17-18 FOR JULY 1, 2017 THROUGH JUNE 30, 2018 AND APPROVING THE EXPENDITURE OF RESERVE FUNDS FROM THE

JANUARY THROUGH JUNE 2017 ROPS PERIOD ON PAYMENT OF AN ENFORCEABLE OBLIGATION IN THE JULY TO DECEMBER 2017 ROPS PERIOD

Resolution No. _____ A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, APPROVING AN AMENDMENT TO THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016-17 AND APPROVING ADMINISTRATIVE BUDGETS FOR FISCAL YEAR 2017-18

OTHER ITEMS:

ADJOURNMENT:

AFFIDAVIT OF POSTING

I, Anna Jerome, City Clerk, for the City of Pico Rivera, DO HEREBY CERTIFY, under penalty of perjury under the laws of the State of California, that the foregoing notice was posted at the Pico Rivera City Hall bulletin board, Pico Rivera website, the Pico Rivera Post Office and Pico Rivera Parks (Pico, Smith and Rivera) on this the 25th, day of January 2017.

Dated this 25th, day of January, 2017

A handwritten signature in black ink that reads "Anna M. Jerome". The signature is written in a cursive style and is positioned above a horizontal line.

Anna M. Jerome, CMC
City Clerk

SB343 NOTICE

In compliance with and pursuant to the provisions of SB343 any public writing distributed by the City Clerk to at least a majority of the City Council Members regarding any item on this regular meeting agenda will be available on the back table at the entrance of the Council Chamber at the time of the City Council meeting and at the counter of City Hall at 6615 Passons Boulevard, Pico Rivera, California during normal business hours.



Thursday, September 29, 2016

A Special Meeting of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Chairperson Faustinos called the meeting to order at 4:30 p.m.

PRESENT: Bobadilla, Kreimann, Santana, Faustinos

ABSENT: Galindo, Moreno, Tercero

AGENDA ITEMS:

1. Minutes dated July 28, 2016.

Motion by Boardmember Kreimann, seconded by Boardmember Bobadilla to approve the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency minutes of July 28, 2016. Motion carries by the following roll call vote:

AYES: Bobadilla, Kreimann, Santana, Faustinos

NOES: None

ABSENT: Galindo, Moreno, Tercero

2. Purchase and Sale Agreement for the Burke Street Property (APN 6384-004-900) between the Successor Agency to the Pico Rivera Redevelopment Agency and Baldwin Park Homes, LLC. (1500)

Senior Manager Garcia stated that the item went before the Successor Agency to the Pico Rivera Redevelopment Agency on September 27, 2016 and that the Successor Agency expressed concerns with the egress and ingress and traffic concerns with the development of the new homes in the existing neighborhood. He further stated that Baldwin Park Homes, LLC would purchase the land and provide an agreement, explained the process of the development and that it could take up to two years once approved.

Discussion ensued in regard to remediation and who pays the cost. Mr. Cook of Baldwin Park Homes, LLC explained the process and cost of remediation and stated that Baldwin Parks Homes would be responsible for the remediation cost. He stated that the only concern that would stop the development would be water table contamination.

Motion by Boardmember Kreimann, seconded by Boardmember Santana to adopt Resolution No. OB-16-21 approving a purchase and sale agreement ("PSA") with Baldwin Park Homes, LLC ("Purchaser") prepared pursuant to the Successor Agency's Long Range Property Management Plan ("LRPMP") for the Burke Street Property,

Property No. 4 ("Property") of the Successor Agency to the Pico Rivera Redevelopment Agency, ("Seller"). Motion carries by the following roll call vote:

Resolution No. OB-16-21 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY AND BALDWIN PARK HOMES, LLC FOR THE PURCHASE AND DEVELOPMENT OF THE BURKE STREET PROPERTY

PUBLIC COMMENTS: None.

OTHER ITEMS: None.

ADJOURNMENT:

Chairperson Faustinos adjourned the meeting at 4:55 p.m. There being no objection it was so ordered.

AYES: Bobadilla, Kreimann, Santana, Faustinos

NOES: None

ABSENT: Galindo, Moreno, Tercero

ABSTAIN: None

Chairperson, Belinda Faustinos

ATTEST:

Anna M. Jerome, City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency special meeting dated September 29, 2016, and approved by the Oversight Board on January 26, 2017.

Anna M. Jerome, City Clerk



To: Oversight Board of the Successor Agency to the Pico Rivera
Redevelopment Agency

From: Director of Finance

Meeting Date: January 26, 2017

Subject: CONSIDERATION OF RESOLUTIONS APPROVING THE 2017-18
RECOGNIZED OBLIGATION PAYMENT SCHEDULE, AN
AMENDMENT TO THE FISCAL YEAR 2016-17 ADMINISTRATIVE
BUDGET, AND THE ADMINISTRATIVE BUDGETS FOR THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE PERIOD
2017-18A (JULY 1, 2017 THROUGH DECEMBER 31, 2017) AND
PERIOD 2017-18B (JANUARY 1, 2018 THROUGH JUNE 30,
2018)

Recommendation:

1. Adopt the resolution of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency (Successor Agency) approving the Recognized Obligation Payment Schedule (ROPS) for the July 1, 2017 to June 30, 2018 period (17-18 ROPS) and approving the expenditure of reserve funds from the January through June 2017 ROPS period on payment of an enforceable obligation in the July to December 2017 ROPS period.
2. Adopt the resolution of the Oversight Board of the Successor approving an amendment of the Fiscal Year 2016-17 administrative budget and approving administrative budgets for Fiscal Year 2017-18.

Fiscal Impact:

To pay for the Successor Agency's enforceable obligations for the period of July 1, 2017 through June 30, 2018, the 17-18 ROPS requests Redevelopment Property Tax Trust Funds (RPTTF) and the use of designated debt service payment reserves. Since redevelopment was dissolved statewide effective January 31, 2012, the State Department of Finance (DOF) has required successor agencies to submit ROPS in order to request former tax increment funds (i.e., RPTTF) to pay for enforceable obligations such as debt service and related expenses.

In addition, redevelopment dissolution law (AB1X26/AB1484/SB107) permitted successor agencies to claim an additional \$250,000 annually to cover administrative expenses. Despite the fact that SB107 modified the ROPS approval process to be annual [see California Health and Safety Code (Code) Section 34177(o)(1)], the duration of time corresponding to each administrative budget under the dissolution law remains six months [see Code Section 34177(j)(1)]. Agencies are only allowed to spend \$250,000 on these expenses, but since SB107 became law, DOF no longer requires the

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submission of an approved administrative budget for review [See Code Section 34179(h)(1)(B)].

In addition to considering the administrative budgets corresponding to the upcoming ROPS cycle, the Pico Rivera Successor Agency now requests an amendment to the previously approved administrative budget for FY 2016-17. In Fiscal Year 2015-16, Successor Agency operations required funds that exceeded the \$250,000 limit by \$16,400. In the interest of transparency and to abide by proper accounting guidelines, the Successor Agency is reducing the FY 2016-17 administrative budget by \$16,400. Accordingly, the annualized total administrative budget for both ROPS cycles (2015-16 and 2016-17) will not exceed the annual statutory cap of \$250,000.

The actual administrative expenses for FY 2015-16 – as presented in the Successor Agency's audited financials – was \$266,307, or approximately \$16,400 more than the \$250,000 allowable cap. Accordingly, the Successor Agency is proposing a lower amended administrative budget for FY 2016-17 of \$233,600.

If approved by the Successor Agency, Oversight Board and DOF, the 17-18 ROPS would provide necessary funding to meet the enforceable obligations (see Exhibit A to Attachment 1). The proposed administrative budgets for July 1, 2017 through December 31, 2017 and January 1, 2018 through June 30, 2018 (see Exhibit A to Attachment 2) will ensure the Successor Agency's capacity to bear administrative expenses for the ROPS cycle of July 1, 2017 to June 30, 2018. The amended administrative budget for FY 2016-17 (see Exhibit B to Attachment 2) reflects \$161,800 for July 1, 2016 through December 31, 2016, and an additional \$161,800 for January 1, 2017 through June 30, 2017.

Discussion:

The City of Pico Rivera, acting as the Successor Agency to the Pico Rivera Redevelopment Agency (Successor Agency), continues to prepare ROPS to ensure the former Redevelopment Agency's financial obligations are met.

The Oversight Board is being asked to consider approval of the accompanying ROPS, attached as Exhibit A, and, once approved, transmit it to the California Department of Finance (DOF) to allow for disbursement of revenue to meet upcoming debt service payments and related enforceable obligations.

Form of the ROPS

The DOF issues an Excel-based ROPS template, consisting of four worksheets for each successor agency to complete. The form of 17-18 ROPS, largely unchanged from the 16-17 ROPS, is comprised of a cover page summary, a detailed itemization of enforceable obligations, a report of cash balances, and notes. Upon approval by the Oversight Board, the ROPS is submitted electronically to the DOF. The 17-18 ROPS is

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attached as Exhibit A to the approval resolution.

ROPS Expenditure Requests

The Successor Agency is proposing payment of three enforceable obligations including the administrative cost allowance on the 17-18 ROPS. In total, enforceable obligations are \$3,704,114 as shown on the ROPS Summary, Line H. These obligations are divided between two periods: 17-18A (July-December 2017) and 17-18B (January-June 2018). These two periods correspond to the biannual disbursement of Redevelopment Property Tax Trust Fund (RPTTF) dollars from the County Auditor Controller to the Successor Agency (i.e., January and June each year).

The Successor Agency's enforceable obligations consist of the following items:

Line 1: 2001 Tax Allocation Refunding Bond Debt Service

The ROPS A period obligations are greater than the B period since the 2001 Bond principal payments are due during the A period. The ROPS A period debt service payment also is much greater than the RPTTF typically disbursed for these obligations, meaning that the Successor Agency must each year reserve cash to carry over to the A period to have sufficient resources to make the full debt service payment due.

Therefore, a portion of this debt service would be paid from the ROPS 16-17B reserve (\$200,000) as well as the Low and Moderate Income Housing Debt Service Reserve (\$564,684).

Line 2: Loan from former Redevelopment Agency's Low and Moderate Income Housing Fund for the 2010 Supplemental ERAF Payment

Based on the authority under Health and Safety Code (H&SC) Sections 34171(d)(1)(G) and 34191.4(b), the Successor Agency is permitted to pay up to \$119,214 in FY 2017-18 on the 2010 Supplemental Education Revenue Augmentation Fund (SERAF) loan owed to the City of Pico Rivera Housing Successor Agency.

The formula that determines the maximum allowable SERAF loan repayment in any given year, as described in H&SC Section 34191.4 (b), limits such repayment to one half the difference between the amount distributed to the taxing entities after all County administrative fees, pass through payments, and enforceable obligations have been paid (the "Residual") during the previous fiscal year and the Residual amount disbursed in FY 2012-13. The Successor Agency's Residual in FY 2012-13 was \$0. Therefore, the SERAF loan repayment shall begin in ROPS 17-18.

Line 6: Administrative Cost Allowance

This amount pertains to the annual administrative budget of up to \$250,000 annually.

Last and Final ROPS

With a desire to conclude pursuant to H&SC Section 34191.6(a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

- 1) The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
- 2) All remaining obligations have been previously listed on the ROPS and approved for payment by the DOF pursuant to H&SC section 34177 (m) or (o).
- 3) The agency is not a party to outstanding/unresolved litigation, except as specified in H&SC section 34191.6 (a) (3).

A Last and Final ROPS is intended to be just that – with only two opportunities to ever amend the ROPS under the Dissolution Act (AB1X26/AB1484). A Last and Final ROPS would reduce the administrative burden on the Successor Agency and eliminate the need for Oversight Board approval of subsequent ROPS.

To alleviate the ongoing administrative burden, staff explored the option of preparing and submitting a Last and Final ROPS, but is not recommending that the Successor Agency proceed until such time as the following matters are resolved:

- 1) Under the Dissolution Act, the repayment of two SERAF Loans (Items 2 and 3 on the ROPS) must be repaid pursuant to a formula based on available RPTTF each year. Until these loans are paid off, the Successor Agency is not eligible for a Last and Final ROPS. As noted herein, the Successor Agency is requesting to make the first payment on the 2010 SERAF loan in FY 2017-18.
- 2) The Successor Agency has yet to legitimize and define a payment schedule on two City loans (Items 4 and 5). The Successor Agency must take such action before submitting a Last and Final ROPS.
- 3) The Successor Agency has outstanding litigation with the County of Los Angeles with respect to deferral repayments. The Successor Agency has not yet reached an agreement with the County of Los Angeles with respect to any amounts payable from RPTTF for any previous deferral of pass through. Should this be

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resolved, any payments due could be documented on a debt service schedule for future consideration by the Oversight Board and ultimately placed on the ROPS.

Over the past several months, staff has engaged in ongoing discussions with County officials and the Department of Finance as part of the Successor Agency's efforts to resolve the disputed deferral claim. To date, an agreement acceptable to all parties has not yet been reached but discussions are ongoing.

Conclusion:

Staff recommends that the Successor Agency adopt the resolutions *(i)* establishing the Recognized Obligation Payment Schedule for the July 1, 2017 to June 30, 2018 period, and *(ii)* approving an amendment to the FY 2016-17 administrative budget, and the FY 2017-18 administrative budgets.



Michael Solorza

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|--------------|--|
| Attachment 1 | Resolution approving the Recognized Obligation Payment Schedule 17-18. Exhibit A: ROPS 17-18 |
| Attachment 2 | Resolution approving <i>(i)</i> an Amendment to the Fiscal Year 2016-17 Administrative Budget and <i>(ii)</i> an Administrative Budget for Fiscal Year 2017-18. Exhibit A: Administrative Budget for 2016-17 as Amended, Exhibit B: Administrative Budget for 2017-18. |

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, ESTABLISHING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 17-18 FOR JULY 1, 2017 THROUGH JUNE 30, 2018 AND APPROVING THE EXPENDITURE OF RESERVE FUNDS FROM THE JANUARY THROUGH JUNE 2017 ROPS PERIOD ON PAYMENT OF AN ENFORCEABLE OBLIGATION IN THE JULY TO DECEMBER 2017 ROPS PERIOD

WHEREAS, pursuant to and consistent with the dissolution of redevelopment agencies per Assembly Bill (“AB”) ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) and Senate Bill 107 (Chapter 325, Statutes of 2015) (altogether, the “Dissolution Act”), the City of Pico Rivera (City) adopted Resolution No. 6652 on January 10, 2012, electing to serve as Successor Agency to the Pico Rivera Redevelopment Agency (Successor Agency); and

WHEREAS, pursuant to Health and Safety Code (H&SC) Section 34177(o), beginning in 2016 each successor agency is required to adopt a Recognized Obligation Payment Schedule (ROPS) before each annual fiscal period establishing its enforceable obligations for that period, identifying sources to satisfy those obligations, and tracking its fund balances; and

WHEREAS, in accordance with H&SC Section 34180, the Oversight Board of the Successor Agency (Oversight Board) is authorized and required to review and approve actions taken by the Successor Agency, including the establishment of the ROPS; and

WHEREAS, the Successor Agency is required to prepare the ROPS for the period from July 1, 2017 through June 30, 2018, attached hereto as Exhibit A, and transmit it to the Oversight Board, the California Department of Finance (DOF), the California State Controller’s Office, and the Los Angeles County Auditor-Controller (County) no later than February 1, 2017 for their approval pursuant to H&SC Section 34177(o); and

WHEREAS, on March 29, 2013, the DOF approved the retention of \$2,226,463 of former Redevelopment Agency affordable housing funds held in reserve for bond debt service payments in the Successor Agency’s Redevelopment Obligation Retirement Fund to assist with the payment of future Successor Agency bond debt service payments; and

WHEREAS, pursuant to H&SC Section 34187(a)(2), a successor agency may retain and reserve property tax revenue from one ROPS period that otherwise would be distributed to affected taxing entities to the extent that DOF determines the successor agency requires those funds for the payment of enforceable obligations in a following ROPS period; and

WHEREAS, in conjunction with the approval of ROPS 16-17, the Successor Agency was authorized by the DOF to retain \$200,000 of Redevelopment Property Tax Trust Fund (RPTTF) revenues to meet debt service payments due during the ROPS 17-18A period; and

WHEREAS, the Successor Agency will allocate the retained \$200,000 in Redevelopment Property Tax Trust Fund revenue from the January through June 2017 (16-17B) period along with \$546,684 of Low and Moderate Income Housing Fund reserve, for a total of \$746,684, in the July through December 2017 (17-18A) ROPS period to pay the enforceable obligation of the 2001 tax allocation bond debt service payment; and

WHEREAS, pursuant to H&SC Section 34179(h)(2), actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days after submission, pending any request for review by DOF.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency does hereby resolve as follows:

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

SECTION 2. The Oversight Board hereby approves the Recognized Obligation Payment Schedule (ROPS) for the period from July 1, 2017 through June 30, 2018, attached hereto and incorporated herein as Exhibit A, subject to the approval of the California Department of Finance.

SECTION 3. The Oversight Board authorizes the Secretary of the Successor Agency or her authorized designee to post the ROPS on the City/Successor Agency website pursuant to the Dissolution Act.

SECTION 4. The Oversight Board approves the expenditure of \$200,000 of RPTTF reserved from the 16-17B ROPS period along with up to \$546,684 of Low and Moderate Income Housing Fund reserve for a total of \$746,684 to pay the housing portion of the debt service payment of the 2001 Tax Allocation Bond, as shown in Exhibit A.

SECTION 5. The Oversight Board authorizes and directs the Successor Agency's staff to submit and transmit the ROPS 17-18 to the DOF, the California State Controller's Office, and the Los Angeles County Auditor-Controller prior to February 1, 2017 as required by law.

SECTION 6. The Oversight Board authorizes and directs the Successor Agency or its designee(s) to evaluate and execute necessary changes to the ROPS approved herein, and to meet and confer with DOF regarding any DOF determination, as may be appropriate and/or as required by the Dissolution Act whether pursuant to its terms, by court order, or as otherwise required by law for the continued payment on and performance of enforceable obligations.

SECTION 7. Pursuant to H&SC Section 34179(h)(2), all actions taken by the Oversight Board may be reviewed by the DOF; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any DOF request for review.

SECTION 8. The Oversight Board Secretary shall certify to the adoption of this Resolution and the approval of the ROPS 17-18 hereunder, and both shall be maintained public records.

APPROVED AND ADOPTED this 26th day of January, 2017 by members of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency, voting as follows:

Belinda Faustinos, Chairperson

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, Board Secretary

Edward Z. Kotkin
Board Counsel

AYES:
NOES:
ABSENT:
ABSTAIN:

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, APPROVING AN AMENDMENT TO THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016-17 AND APPROVING ADMINISTRATIVE BUDGETS FOR FISCAL YEAR 2017-18

WHEREAS, pursuant to and consistent with the dissolution of redevelopment agencies per Assembly Bill X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) and Senate Bill 107 (Chapter 325, Statutes of 2015) (altogether, "Dissolution Act"), the City of Pico Rivera (City) adopted Resolution No. 6652 on January 10, 2012, electing to serve as Successor Agency to the Pico Rivera Redevelopment Agency (Successor Agency); and

WHEREAS, pursuant to H&SC Section 34177(o), beginning in 2016 each successor agency is required to adopt a Recognized Obligation Payment Schedule (ROPS) before each annual fiscal period establishing its enforceable obligations for that period, which includes an Administrative Budget; and

WHEREAS, pursuant to H&SC Section 34177(j), the Successor Agency is required to prepare Administrative Budgets for the periods for July 1, 2017 through December 31, 2017 and January 1, 2018 through June 30, 2018, attached hereto as Exhibit A, and transmit it to the Oversight Board of the Successor Agency (Oversight Board) for approval; and

WHEREAS, in accordance with H&SC Section 34179(h)(1)(B), the Oversight Board is authorized to review and approve the Successor Agency's Administrative Budgets without submission to the California Department of Finance (DOF) for review and approval; and

WHEREAS, on February 26, 2015, the Oversight Board approved an administrative budget for ROPS 15-16 of \$250,000, which was included in the RPTTF distribution to the Successor Agency during ROPS 15-16B for payment of administrative expenses in accordance with H&SC Section 34177(j); and

WHEREAS, actual administrative costs charged to the Successor Agency in Fiscal Year 2015-16 equaled \$266,307, or nearly \$16,400 over the \$250,000 budget and statutory limit; and

WHEREAS, on February 1, 2016, the Oversight Board approved an administrative budget for ROPS 16-17 of \$250,000, which was included in the RPTTF distribution to the Successor Agency during ROPS 16-17B for payment of administrative expenses; and

WHEREAS, the Successor Agency believes that some of the administrative costs charged in Fiscal Year 2015-16 are more accurately attributable to administrative expenses incurred in Fiscal Year 2016-17 and therefore intends to limit additional administrative costs in Fiscal Year 2016-17 to \$233,600, \$16,400 less than the \$250,000 budget and statutory limit, and report the administrative costs charged in Fiscal Year 2015-16 and attributable to Fiscal Year 2016-17 expenses as associated with Fiscal Year 2016-17.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency does hereby resolve as follows:

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

SECTION 2. The Oversight Board hereby approves the proposed amendment of the Fiscal Year 2016-17 Administrative Budget to limit costs charged in Fiscal Year 2016-17 as follows: \$161,800 for July 1, 2016 through December 31, 2016, and an additional 161,800 for January 1, 2017 through June 30, 2017, said amendment being reflected in Exhibit A, attached hereto and incorporated by this reference herein.

SECTION 3. The Oversight Board hereby approves the proposed administrative budgets for July 1, 2017 through December 31, 2017 and January 1, 2018 through June 30, 2018, said budgets being reflected in Exhibit B, attached hereto and incorporated by this reference herein.

SECTION 4. 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 5. The Successor Agency's designee(s) is/are 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 posting, distributing, and as necessary, further amendment of the now approved amended and new Administrative Budgets, as may be required by law.

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

APPROVED AND ADOPTED this 26th day of January, 2017 by members of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency, voting as follows:

Belinda Faustinos, Chairperson

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, Board Secretary

Edward Z. Kotkin
Board Counsel

AYES:

NOES:

ABSENT:

ABSTAIN:

EXHIBIT A

**ADMINISTRATIVE EXPENDITURES SUMMARY
FISCAL YEARS 2015-16 THROUGH 2017-18**

Expenditure	FY 15-16 <i>Actual</i>	FY 16-17 <i>Revised Estimate</i>	FY 17-18 <i>Estimated</i>
P/R Labor Distribution for PPE	\$ 172,465.41	\$ 153,900.00	\$ 160,200.00
PERS Retirement, Prepayment for Employer Cost Retirement	29,616.68	\$ 27,300.00	\$ 29,800.00
Rutan & Tucker, legal counsel	2,885.76	\$ 4,700.00	\$ 7,500.00
RSG, successor agency consultants	52,042.50	\$ 37,700.00	\$ 41,000.00
CA JPIA General Liability & Worker's Compensation	5,468.00	\$ 5,900.00	\$ 6,300.00
Alliant Insurance Services, Oversight Board Insurance	1,441.56	\$ 1,500.00	\$ 2,500.00
Law Offices of Edward Z Kotkin, Oversight Board legal counsel	1,442.16	\$ 1,500.00	\$ 1,700.00
Unemployment Insurance	526.50	\$ 900.00	\$ 1,000.00
TKE, Engineering	400.00	\$ 200.00	\$ -
Miscellaneous	18.00	\$ -	\$ -
TOTAL	\$ 266,306.57	\$ 233,600.00	\$ 250,000.00
<i>Budget vs. \$250,000 Statutory Cap</i>	<i>\$ (16,306.57)</i>	<i>\$ 16,400.00</i>	<i>\$ -</i>