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**Oversight Board
of the
Successor Agency**

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Staff Report

ITEM NO. 9

To: Oversight Board of the Successor Agency
From: Jeff Britz, City Manager
Date: April 23, 2012
Subject: Resolution No. 2012-02 adopting the Recognized Obligation Payment Schedule for January 1 – June 30, 2012 and Resolution No. 2012-03 adopting the Recognized Obligation Payment Schedule for July 1 – December 31, 2012

Discussion

On January 31, 2012, the Lemoore Redevelopment Agency Board adopted Resolution No. 2012-02 approving its final Enforceable Obligation Payment Schedule (EOPS – attached as Exhibit A) for payments through June 30, 2012, which was presented to the Successor Agency as required by Assembly Bill X1 26 (AB 26). Next, the Successor Agency on February 21, 2012, approved a draft initial Recognized Obligation Payment Schedule (Initial ROPS – attached as Exhibit B), for the six-month period beginning January 1, 2012 through June 30, 2012. The approved Initial ROPS was required to be posted on its website, and submitted to the Kings County Auditor-Controller, the California Department of Finance and the State Controller by March 1, 2012, which it was. The ROPS is to be reviewed and certified by an auditor, which is being coordinated by Kings County and is currently underway. Finally, by April 15, 2012, the Successor Agency was required to submit a draft ROPS for the next six-month period beginning July 1, 2012 through December 31, 2012 (July ROPS – attached as Exhibit C), to the Kings County Auditor-Controller. The draft July ROPS was also timely submitted.

The draft Initial ROPS and draft July ROPS are now being presented to the Oversight Board for approval. As you will notice, the format of the EOPS is significantly different from the two ROPS and the two ROPS differ from each other due to a new format that was required by the State Department of Finance after the Initial ROPS was approved. The July ROPS was prepared using the new format. Because of uncertainties pertaining to various sections of AB 26, we have continued to list all obligations including those pertaining to housing, administration, agreements/contracts, commitments, bond projects, pass throughs and other such obligations that would have normally been paid by the former Lemoore Redevelopment Agency.

The Board is asked to adopt Resolution No. 2012-02 approving the Initial ROPS for the period January 1, 2012 through June 30, 2012 and Resolution No. 2012-03 approving the ROPS for the period July 1, 2012 to December 31, 2012. Before a ROPS becomes operative, it must be reviewed and certified as to its accuracy by the Kings County Auditor-Controller. Until a ROPS is certified, successor agencies are to continue making payments according to the previously approved EOPS.

Budget Impact

The Initial ROPS lists expenditures totaling \$10,488,067 for the six-month period of January 1, 2012 through June 30, 2012. It also includes the debt service payments, which are due in August (payment will be made in July). These payments were added so that in the event the July ROPS is not yet operative, the payments would be able to be made on time. The July ROPS lists expenditures totaling \$6,235,955 for the following six-month period and again lists the debt service payments. It also lists debt service payments due in February (payment will be made in January).

Recommendation

That the Oversight Board:

- A) Adopt Resolution No. 2012-02 approving the Initial ROPS for the period January 1, 2012 to June 30, 2012; and
- B) Adopt Resolution No. 2012-03 approving the July ROPS for the period July 1, 2012 to December 31, 2012.