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**Oversight Board
for the
Successor Agency**

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Staff Report

ITEM NO. 9

To: Oversight Board for the Successor Agency
From: Jeff Britz, City Manager
Date: May 18, 2012
Subject: Successor Agency Administrative Budget July 1, 2012 – June 30, 2013

Discussion

Pursuant to Health & Safety Code Section 34177(j), the Successor Agency is to prepare a proposed administrative budget and submit it to the Oversight Board for approval. The proposed budget shall include all of the following:

- 1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.
- 2) Proposed sources of payment for the costs identified.
- 3) Proposals for arrangements for administrative and operations services provided by the City.

Section 34171 provides that the Successor Agency is entitled to an administrative cost allowance payable from property tax revenues of up to five percent (5%) of the eligible property tax allocated to the Successor Agency for fiscal year 2011-12 and three percent (3%) each year thereafter, subject to approval of the Oversight Board. The amount shall not be less than \$250,000 for any fiscal year unless agreed to by the Successor Agency. This amount was listed in our July ROPS and was not contested. Therefore, it remains in the Modified July ROPS for allocation in the June 1, 2012 property tax disbursement. If insufficient funding is available, this amount will be paid from reserves.

The City of Lemoore will provide the administrative support necessary to carry out the activities of the Successor Agency associated with winding down the former Lemoore Redevelopment Agency as identified in the Administrative Budget listed below. The Budget is forward looking and includes the cost of administration for the upcoming six-month period from July 1, 2012 through December 31, 2012, as well as the period from January 1, 2013 through June 30, 2013. Upon receipt of said administrative cost allowance by the Successor Agency, the Successor Agency shall immediately transfer the full amount received to the City for said administrative services.

**ADMINISTRATIVE BUDGET FOR JULY 1, 2012 – JUNE 30, 2013
REDEVELOPMENT PROPERTY TAX TRUST FUNDS – (RPTTF)**

ITEM	DESCRIPTION	ESTIMATED BUDGET
Operations and Overhead	Salaries and Benefits – City Manager and Support Staff, City Clerk, Finance Director and Support Staff; Supplies; Printing and Publications; IT Support; Building Maintenance; Risk Management.	
Ongoing Administrative Activities	Preparation of Semi-Annual ROPS; Preparation of Administrative Budget; Oversight Board Staff Support – Research, Preparation of Agendas, Preparation of Reports, Attendance at Meetings, Brown Act Requirements/Postings; Management of Dissolution Activities – Disposition/Transfer of Assets and Properties, Determination of Non-Enforceable Agreements, Negotiation of Public Agreements, Negotiate Private Party Agreements; Management of Consultants; Creation/Management of New Contracts as approved; County Correspondence/Coordination; Department of Finance Correspondence/Coordination; Annual Reporting/Auditing; Legal Services; Bill Payment; Debt Management; Investment Activities.	
	July – December 2012	\$125,000
	January – June 2013	<u>\$125,000</u>
	Total	<u>\$250,000</u>

Budget Impact

The Successor Agency will pay the City of Lemoore \$250,000 for administrative services, which is identified in the Modified July ROPS, and will be paid with Property Tax Trust Funds (RPTTF).

Recommendation

That the Oversight Board approve the Administrative Budget in the amount of \$250,000 for fiscal year 2012-2013.