

**OVERSIGHT BOARD  
FOR THE SUCCESSOR AGENCY TO THE  
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY**

**BOARD REPORT**

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**MEETING DATE:** April 3, 2012

**NEW BUSINESS**

**TITLE:** APPROVAL OF THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2011-12.

**INITIATED:** Department of Community & Economic Development

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**RECOMMENDATION:**

1. Adopt Resolution No. 004, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD ENDING JUNE 30, 2012."
2. Direct the Clerk/Secretary of the Oversight Board to cause the transmission of the Administrative Budget the Palm Springs County Auditor-Controller, the State Controller's Office, and the State Department of Finance, or alternatively to provide notice to those entities together with the address of the City's website and the posting of the ROPS to the City's website.

**BACKGROUND AND ANALYSIS:**

Health & Safety Code Section 34177(j) requires that each successor agency prepare an administrative budget for each six-month period and submit it to its Oversight Board for approval. Due to the delay in effectiveness of the Code as a result of the Supreme Court's ruling on AB 1X 26, the period for the initial budget is February 1 to June 30, 2012.

In carrying out the duties of the successor agency, AB 1X 26 allows the Successor Agency to the former Community Redevelopment Agency of the City of Palm Springs an administrative budget of up to five percent of the property tax allocated to the Successor Agency from the Redevelopment Property Tax Trust Fund (RPTTF) for fiscal year 2011/2012 and up to three percent of property tax funding allocated to the Successor Agency thereafter. The RPTTF is the fund to be established by the County Auditor Controller's Office (Controller) and where they will deposit future tax increment. The Controller is to distribute funds from the RPTTF to the Successor Agency twice annually on January 16 and June 1 to pay enforceable obligations due during the six-month periods (January to June) and (July to December) as identified on the approved Recognized Obligation Payment Schedules.

**ITEM NO 3.A.**

For the first half of fiscal year 2011-12, no property taxes were deposited into the RPTTF.

Therefore, administrative expenses will be funded with pre-existing budgeted funds and not the RPTTF. Based on guidance from the Controller, there is no 5% administrative cap on the initial distribution of tax increment for the first half of the year.

Pursuant to Health & Safety Code Section 34177(j), the administrative budget is to 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; and 3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

The proposed administrative budget is estimated at 4.97% of estimated expenditures for the period from February through June 2012. It is anticipated that some of the actual expenses will be less than the estimates.

RESOLUTION NO. 004

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD ENDING JUNE 30, 2012.

WHEREAS, in accordance with the provisions of the California Health and Safety Code Section 34173, the City Council of the City of Palm Springs, a public body, corporate and politic, has been designated and has accepted such designation of Successor Agency ("Successor") to the Community Redevelopment Agency of the City of Palm Springs to carry out the purposes of and exercise the powers granted to Successor Agencies in accordance with Assembly Bill X1 26 (ABX1 26), Section 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to Section 34177(1)(2)(A), the initial DRAFT "Recognized Obligation Payment Schedule" ("ROPS") was prepared by the Successor Agency for the enforceable obligations of the former redevelopment agency by March 1, 2012; and

WHEREAS, the initial draft ROPS projected the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved; and

WHEREAS, the initial draft ROPS shall be reviewed and certified, as to its accuracy, by an external auditor designated by the Riverside County Auditor-Controller pursuant to Section 34182; and

WHEREAS, the certified ROPS must be submitted to and duly approved by the Oversight Board and submitted to the County Auditor Controller on or before April 15, 2012; and

WHEREAS, the Oversight Board, in accordance with the provisions of the California Health and Safety Code Section 37179 (a), has been formed to carry out the purposes and exercise the powers granted to Oversight Boards in accordance with Assembly Bill X1 26 (ABX1 26), Section 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the Oversight Board is now in receipt of the ROPS, including the Administrative Budget which is contained in the ROPS; and

WHEREAS, the ROPS has not yet been certified by the County Auditor-Controller.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS AS FOLLOWS:

SECTION 1. The City Council of the City of Palm Springs, as the Successor Agency's governing board established and approved the initial DRAFT Recognized Obligation Payment Schedule in the form attached to this Resolution as Exhibit A. The City Council, as Successor Agency, directed the City Manager to cause the transmission of the ROPS to the Riverside County Auditor-Controller, the State Controller's Office, and the State Department of Finance, or alternatively to provide notice to those entities together with the address of the City's website and the posting of the ROPS to the City's website.

SECTION 2. The Successor Agency found and determined that the establishment of the ROPS is not a "project" requiring environmental review under the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) because it pertains to governmental fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

SECTION 3. The Successor Agency recognized the ROPS, including the Administrative Budget, serves as the budget document for the Successor Agency during the designated operative period and appropriated funds as identified.

SECTION 4. The Successor Agency is required to submit the Administrative Budget to the Oversight Board for approval.

SECTION 5. The Oversight Board hereby approves the Administrative Budget for the Successor Agency for the period February 1, 2012 to June 30, 2012, a copy of which is attached as Exhibit A to this Resolution.

SECTION 6. The Oversight Board directs the Clerk/Secretary to cause the transmission of the Administrative Budget to the Riverside County Auditor-Controller, the State Controller's Office, and the State Department of Finance, or alternatively to provide notice to those entities together with the address of the Board's website and the posting of the Administrative Budget to the Board's website.

SECTION 7. The Resolution will become effective three (3) business days after its adoption.

PASSED, APPROVED AND ADOPTED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY THIS 3<sup>RD</sup> DAY OF APRIL, 2012.

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CHAIRPERSON

ATTEST:

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CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, Clerk/Secretary, to the Oversight Board of the Successor Agency to the Palm Springs Community Redevelopment Agency, hereby certify that Resolution No. 004 is a full, true and correct copy, and was duly adopted at a special meeting of the Oversight Board on April 3, 2012, by the following vote:

AYES:  
NOES  
ABSTAIN  
ABSENT

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James Thompson, Clerk/Secretary  
City of Palm Springs, California

**SUCCESSOR AGENCY ADMIN BUDGET**

February-June 2012

	<u>Annual Budget</u>	<u>Source</u>	<u>Monthly</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
<b>STAFF COSTS</b>									
40000 Regular Employees	206,482	ACA	17,207	17,207	17,207	17,207	17,207	17,207	86,034
Furlough	-20,648	ACA	(1,721)	(1,721)	(1,721)	(1,721)	(1,721)	(1,721)	(8,603)
41600 P.E.R.S. Contribution	70,992	ACA	5,916	5,916	5,916	5,916	5,916	5,916	29,580
41900 Fringe Benefits	37,976	ACA	3,165	3,165	3,165	3,165	3,165	3,165	15,823
41920 RHS	300	ACA	25	25	25	25	25	25	125
<b>Total Personnel Services</b>	<b>295,102</b>	<b>ACA</b>	<b>24,592</b>	<b>24,592</b>	<b>24,592</b>	<b>24,592</b>	<b>24,592</b>	<b>24,592</b>	<b>122,959</b>

	<u>Annual Budget</u>	<u>Source</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
<b>OTHER NON-ACA ADMIN COSTS</b>								
49000 Insurance	19,736	ACA	4,934			4,934		9,868
49010 Administrative Charges	292,241	ACA	73,060			73,060		146,121
Materials and Supplies	35,069	ACA	4,054	4,054	4,054	4,054	4,054	20,270
Building Rental	16,000	ACA	-	-	-	-	-	-
43250 Audit Services	11,000	ACA	3,000	3,124				6,124
43220 General Legal Counsel	57,700	ACA	6,656	6,656	6,656	6,656	6,656	33,280
43220 Redevelopment Special Counsel	14,402	ACA	-	-	-	-	-	-
43200 Contractual Services		ACA						
Harrell & Company Advisors	20,000	ACA	5,000	5,000	5,000		5,000	20,000
Harrell & Company Advisors	6,657	ACA	6,657					6,657
49600 Paying Agent/Trustee Fee		ACA						
Bank of New York Mellon Trust	13,000	ACA	143					143
43960 Property Tax	8,400.00	ACA		4,200				4,200
	494,205		103,504	23,034	15,710	88,704	15,710	246,663

Total Administrative Budget Feb-Jun 2012 **369,622**

Total Recognized Obligations (P. 2 + P.3) **7,434,716**

Percentage of Total **4.97%**