



# COUNTYWIDE OVERSIGHT BOARD REPORT

**DATE:** JANUARY 28, 2019

**TO:** COUNTYWIDE OVERSIGHT BOARD MEMBERS

**FROM:** MICHELLE FITZER, PINOLE CITY MANAGER  
ANDREA MILLER, PINOLE FINANCE DIRECTOR

**SUBJECT:** ADOPT RESOLUTION 2019-25 APPROVING THE  
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-2020  
PERIOD FOR THE PINOLE SUCCESSOR AGENCY

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## **RECOMMENDATION**

Adopt Resolution 2019-25 approving the Administrative Budget for the Fiscal Year 2019-2020 period for the Pinole Successor Agency in the amount of \$250,000.

## **BACKGROUND**

On June 28, 2012, the Governor signed into law AB-1484 which requires that the disbursement schedule for Enforceable Obligations for the next accounting period required to close-out the business affairs of the previous redevelopment agency be reviewed by the local Oversight Board and submitted to County and State Administrative authorities. Pursuant to Health and Safety Code Section 34179 (j), effective July 1, 2018, 17 Oversight Boards expired and only one Oversight Board in Contra Costa County was established. The purpose of this County Oversight Board is to oversee all redevelopment successor agencies in the County.

AB 26 provides for payment of an administrative cost allowance to successor agencies to wind down the financial management and business affairs (primarily the orderly discharge of debt repayments and the disposal of residual assets) on behalf of the former redevelopment agencies, provided the local Oversight Board approves an Administrative Budget identifying these expenditures. Specifically, AB 26 added Section 34171(b) to the Health & Safety Code, which includes the fiscal parameters limiting payment of "administrative cost allowance," as follows:

*"Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency for the 2011-12 fiscal year and up to 3 percent ... thereafter.; provided, however, that the amount shall not be less than two hundred fifty thousand (\$250,000) for any fiscal year..."*

## **REVIEW & ANALYSIS**

Section 34177(j) requires that staff of the successor agencies prepare Administrative Budgets for review and approval by the local Oversight Boards. The proposed Administrative Budget shall, at a minimum, include:

1. An estimate of administrative costs for the ensuing fiscal year; and
2. The proposed sources of payment of the identified administrative costs; and
3. Identification of administrative services provided by the Successor Agency.

The aggregate amount approved for the administrative budget is limited by a “cost allowance” which is based upon the percentage of the ROPS obligations to be funded by the Redevelopment Property Tax Trust Fund (“RPTTF”), with a minimum annual funding guarantee of \$250,000. The fiscal year 2019-20 Administrative Costs budget is \$250,000 which is equivalent to the annual funding guarantee of \$250,000. The primary reimbursable expense is cost allocation of a portion of the salary and benefit costs of personnel assigned to successor agency activities, but may also include other incidental items such as:

- Office supplies, postage and document delivery charges
- Publication fees for Public Notices
- Photocopying related to Oversight Meeting Agendas and Minutes
- Video Broadcast Charges Oversight Meetings
- Internet/Web Access Charges for posting of Public Records
- Attorney Support Services (non-project specific)
- Financial Reports & Audits

## **FISCAL IMPACT**

The Administrative Budget for the Pinole Successor Agency is computed to be the sum of \$250,000, determined as follows:

Auditing Services	7/1/19 – 6/30/20	\$1,680
Administrative Charges	7/1/19 – 6/30/20	238,320
Attorney Support Services	7/1/19 – 6/30/20	\$10,000
	<b>Total</b>	<b>\$250,000</b>

## **ATTACHMENTS**

Attachment A – Resolution

Attachment B – Successor Agency Proposed FY 2019-20 Administrative Budget  
(7/1/19 – 6/30/20)