

RESOLUTION NO. OBSARDA2012-003

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
HIGHLAND REDEVELOPMENT AGENCY APPROVING PROPOSED
ADMINISTRATIVE BUDGETS PURSUANT TO HEALTH AND SAFETY
CODE SECTION 34177; APPROVING THE EXECUTION OF A
COOPERATIVE AGREEMENT FOR ADVANCE AND
REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER
EXPENSES BY AND BETWEEN THE SUCCESSOR AGENCY AND THE
CITY OF HIGHLAND; AND TAKING CERTAIN ACTIONS IN
CONNECTION THEREWITH**

RECITALS:

A. Pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) (“Part 1.85”), the Successor Agency to the Highland Redevelopment Agency (“Successor Agency”) is required to undertake a number of actions related to winding down the affairs of the former Redevelopment Agency pursuant to Health and Safety Code Section 34177(h).

B. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City. The City Manager of the City serves as Executive Director of the Successor Agency, the Director of Administrative Services serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Redevelopment Agency’s enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

C. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency. The City and the Successor Agency desire to enter into an agreement to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

D. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations and pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the approval of the oversight board for the Successor Agency (the “Oversight Board”).

E. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget for each six month fiscal period and submit each proposed administrative budget to the Oversight Board for its approval. Each proposed administrative budget shall include all of the following: (1) Estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) Proposed sources of payment for the costs identified in (1); and (3) Proposals for arrangements for administrative and operations services provided by the City or another entity.

F. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each applicable six-month fiscal period.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

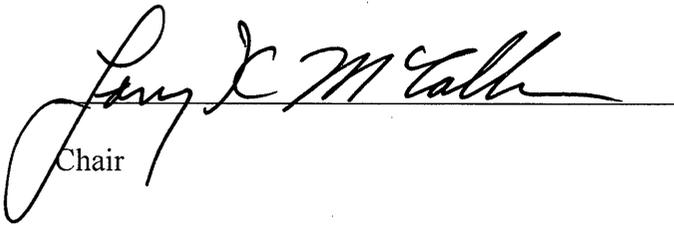
Section 2. This Resolution is adopted pursuant to the provisions of Part 1.85.

Section 3. The Board hereby approves the proposed administrative budget for the six-month fiscal period commencing January 1, 2012 and ending June 30, 2012 attached hereto as Exhibit A and incorporated herein by reference and the proposed administrative budget for the six-month fiscal period commencing July 1, 2012 and ending December 31, 2012 attached hereto as Exhibit B and incorporated herein by reference.

Section 4. The Board hereby approves the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and other Expenses by and between the Successor Agency and the City attached hereto as Exhibit C and incorporated herein by reference (the "Agreement") and the Chair and Executive Director are hereby authorized and directed, acting singly, to execute the Agreement.

Section 5. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 10th day of April, 2012.


Chair

ATTEST:


Betty Hughes, MMC
Secretary

EXHIBIT A

Proposed Administrative Budget
(January 1, 2012 to June 30, 2012)

Administrative Budget January 1, 2012 - June 30, 2012

Staff:	Total	Jan	Feb	Mar	Apr	May	Jun
City Manager	30,641	5,107	5,107	5,107	5,107	5,107	5,107
Director of Administrative Services	31,423	5,237	5,237	5,237	5,237	5,237	5,237
Senior Accountant	8,527	1,421	1,421	1,421	1,421	1,421	1,421
Public Works Director	3,637	606	606	606	606	606	606
Asst. Public Works Director	3,417	569	569	569	569	569	569
Community Development Director	31,423	5,237	5,237	5,237	5,237	5,237	5,237
Economic Development Specialist	18,749	3,125	3,125	3,125	3,125	3,125	3,125
City Clerk	5,358	893	893	893	893	893	893
Administrative Asstistant I	3,683	614	614	614	614	614	614
	136,858	22,810	22,810	22,810	22,810	22,810	22,810
Operations & Materials:							
Postage	1,500	250	250	250	250	250	250
Office Supplies (agendas)	10,000	1,667	1,667	1,667	1,667	1,667	1,667
SARDA/OB Training	1,500	250	250	250	250	250	250
	13,000	2,167	2,167	2,167	2,167	2,167	2,167
Contract Services:							
Attorney Services	50,000	8,333	8,333	8,333	8,333	8,333	8,333
Urban Futures, Inc.	15,000	2,500	2,500	2,500	2,500	2,500	2,500
Appraisal Services	7,500	1,250	1,250	1,250	1,250	1,250	1,250
Auditor	5,000	833	833	833	833	833	833
Title Companies	5,000	833	833	833	833	833	833
	82,500	13,750	13,750	13,750	13,750	13,750	13,750
Total Budget	232,358	38,726	38,726	38,726	38,726	38,726	38,726

Hourly rates for staff are from the City of Highland Service Cost Update Workpapers dated 11/3/2010. These fully burdened hourly rates include: salaries, benefits, over-head, fixed assets & building occupancy charges. This administrative budget does not include projects relating to bond proceeds or housing projects. Source of payment is from the \$250,000 amount on the ROPS, page 1 line 8.

EXHIBIT B

Proposed Administrative Budget
(July 1, 2012 to December 31, 2012)

Administrative Budget July 1, 2012 - December 31, 2012

Staff:	Total	Jul	Aug	Sep	Oct	Nov	Dec
City Manager	30,641	5,107	5,107	5,107	5,107	5,107	5,107
Director of Administrative Services	31,423	5,237	5,237	5,237	5,237	5,237	5,237
Senior Accountant	8,527	1,421	1,421	1,421	1,421	1,421	1,421
Public Works Director	3,637	606	606	606	606	606	606
Asst. Public Works Director	3,417	569	569	569	569	569	569
Community Development Director	31,423	5,237	5,237	5,237	5,237	5,237	5,237
Economic Development Specialist	18,749	3,125	3,125	3,125	3,125	3,125	3,125
City Clerk	5,358	893	893	893	893	893	893
Administrative Asstistant I	3,683	614	614	614	614	614	614
	<u>136,858</u>	<u>22,810</u>	<u>22,810</u>	<u>22,810</u>	<u>22,810</u>	<u>22,810</u>	<u>22,810</u>
Operations & Materials:							
Postage	1,500	250	250	250	250	250	250
Office Supplies (agendas)	10,000	1,667	1,667	1,667	1,667	1,667	1,667
SARDA/OB Training	1,500	250	250	250	250	250	250
	<u>13,000</u>	<u>2,167</u>	<u>2,167</u>	<u>2,167</u>	<u>2,167</u>	<u>2,167</u>	<u>2,167</u>
Contract Services:							
Attorney Services	50,000	8,333	8,333	8,333	8,333	8,333	8,333
Urban Futures, Inc.	15,000	2,500	2,500	2,500	2,500	2,500	2,500
Appraisal Services	7,500	1,250	1,250	1,250	1,250	1,250	1,250
Auditor	5,000	833	833	833	833	833	833
Title Companies	5,000	833	833	833	833	833	833
	<u>82,500</u>	<u>13,750</u>	<u>13,750</u>	<u>13,750</u>	<u>13,750</u>	<u>13,750</u>	<u>13,750</u>
Total Budget	<u>232,358</u>	<u>38,726</u>	<u>38,726</u>	<u>38,726</u>	<u>38,726</u>	<u>38,726</u>	<u>38,726</u>

Hourly rates for staff are from the City of Highland Service Cost Update Workpapers dated 11/3/2010. These fully burdened hourly rates include: salaries, benefits, over-head, fixed assets & building occupancy charges. This administrative budget does not include projects relating to bond proceeds or housing projects. Source of payment is from the \$250,000 amount on the ROPS, page 1 line 8.

EXHIBIT C

Cooperative Agreement for Advance and Reimbursement of
Administrative, Overhead and other Expenses

**COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF
ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES**

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (this "Agreement") is entered into as of February 1, 2012, by and between the City of Highland (the "City") and the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency").

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), including winding down the affairs of the former Highland Redevelopment Agency ("Agency") pursuant to Health and Safety Code Section 34177(h).
- B. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Director of Administrative Services serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.
- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency.
- G. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, determined in accordance with Section 3 hereof, shall constitute an advance to the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. Following the end of each six-month fiscal period, beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, the City Manager shall prepare and present to the Successor Agency an invoice for (i) the value of City staff, including all employee retirement and other benefits, based on time records prepared by City staff, which shall describe the time devoted exclusively to matters directly related to the administration and operations of the Successor Agency; (ii) the value of consultants and legal counsel based on invoices for services devoted exclusively to matters directly related to the administration and operations of the Successor Agency; (iii) the fair rental value of office space and equipment made available to the Successor Agency; and (iv) the value of supplies, insurance and other services and facilities provided by the City to the Successor Agency.

Section 4. Within a reasonable time after the City submits an invoice to the Successor Agency pursuant to Section 3, the Successor Agency shall pay to the City the amount of the invoice from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period.

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

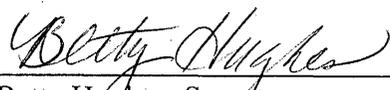
Section 8. This Agreement will become effective upon approval of the Oversight Board to the Successor Agency.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

SUCCESSOR AGENCY TO THE HIGHLAND
REDEVELOPMENT AGENCY

By 
Larry McCallon, Chair

ATTEST:


Betty Hughes, Secretary

CITY OF HIGHLAND

By 
Larry McCallon, Mayor

ATTEST:


Betty Hughes, City Clerk

APPROVED:


Chair

April 10, 2012
Date

Oversight Board to the Successor
Agency to the Highland
Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, Secretary of the Oversight Board of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Oversight Board of the Successor Agency to the Redevelopment Agency Resolution No. OBSARDA2012-003 was duly and regularly adopted by the Oversight Board of the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a special meeting thereof held on the 10th day of April, 2012, by the following vote:

AYES: Haller, Huff, Jaquess, McCallon, Saks, Sutorus

NOES: None

ABSTAIN: None

ABSENT: Peukert



BETTY HUGHES, MMC
SECRETARY