



THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way, #200
Novato, CA 94945-3232
415/899-8900
FAX 415/899-8213
www.novato.org

SPECIAL MEETING

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO

To be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE
February 23, 2015
11:00 A.M.

AGENDA

Matthew Hymel, Chair
County Administrator,
Marin County

Michael Frank, Vice Chair
City Manager, City of
Novato

Tony Elshout,
Citizen Appointee

Greg Nelson,
Vice President, College
Operations, College of
Marin

Karen Maloney,
CFO, Novato Unified
School District

Stephen Marshall,
Senior Planner, City of
Novato

Tom Kaselionis,
Novato Fire
District

A. CALL TO ORDER

B. APPROVAL OF FINAL AGENDA

C. PUBLIC COMMENT (on items within the purview of the Oversight Board and not listed on the agenda)

At this time, member of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Oversight Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. Upon being acknowledged by the Chair, please step forward and begin by stating and spelling your name.

D. CONSENT CALENDAR

D-1: Approval of October 01, 2014 Minutes
D-2: Approval of February 11, 2014 Minutes
D-3: Approval of September 10, 2013 Minutes

E. REGULAR CALENDAR

E-1: APPROVAL OF A SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY THROUGH DECEMBER 2015

Consider adopting a resolution of the Oversight Board to the Successor Agency to the Dissolved City of Novato Redevelopment Agency approving the administrative budget for the Successor Agency for the period of July through December 2015.

Recommendation: Adopt resolution

E-2: APPROVAL OF A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY THROUGH DECEMBER 2015

Consider adopting a resolution of the Oversight Board to the Successor Agency to the Dissolved City of Novato Redevelopment Agency approving a Recognized Obligation Payment Schedule.

Recommendation: Adopt resolution

E-3: APPROVAL OF AMORTIZATION SCHEDULE TO THE REMINBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY AND SUCCESSOR AGENCY AGREEMENT

Consider adopting a Resolution of the Oversight Board approving an amended amortization schedule and updated loan amount to the Reimbursement and Operating Agreement.

Recommendation: Adopt resolution

E-4: VERBAL UPDATE ON LAWSUIT, PROPOSED LEGISLATION AND COUNTY CONSOLIDATION OF SUCCESSOR AGENCY OVERSIGHT BOARDS

F. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Carla Hansen, certify that on February 19, 2015, I caused to be posted the agenda of the open session of the February 23, 2015 special meeting of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at www.cityofnovato.org.

/Carla Hansen/
Carla Hansen, Management Analyst



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SPECIAL MEETING

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO

To be held at
NOVATO CITY COUNCIL CHAMBERS
 901 Sherman Ave
 October 1, 2014
 1:30 A.M.

Minutes

Matthew Hymel, Chair
 County Administrator,
 Marin County

Michael Frank, Vice Chair
 City Manager, City of
 Novato

Tony Elshout,
 Citizen Appointee

Greg Nelson,
 Interim Vice President,
 College Operations, College
 of Marin

Karen Maloney,
 CFO, Novato Unified
 School District

Stephen Marshall,
 Senior Planner, City of
 Novato

Tom Kaselionis,
 Novato Fire
 District

A. CALL TO ORDER *The meeting was called to order at 1:30 p.m. In attendance were: Board members: Matthew Hymel, Michael Frank, Tony Elshout, Karen Maloney and Dan Hom. City Staff: Brian Cochran and Carla Hansen*

B. APPROVAL OF FINAL AGENDA

*The final agenda was approved unanimously. **Ayes: 5** Mathew Hymel, Michael Frank, Tony Elshout, Karen Maloney and Dan Hom. **Noes: 0** **Absent: 2-** Stephen Marshall and Greg Nelson*

C. PUBLIC COMMENT (on items within the purview of the Oversight Board and not listed on the agenda)

There was no public comment.

D. CONSENT CALENDAR

D-1: Approval of February 11, 2014 Minutes

The meeting minutes could not be approved due to a lack of quorum.

D-2: Approval of September 10, 2013 Minutes

The meeting minutes could not be approved due to a lack of quorum.

E. REGULAR CALENDAR

E-1: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
"14-15B" AND ADMINISTRATIVE BUDGET FOR THE PERIOD JANURARY
THROUGH JUNE 2015

Consider adopting a resolution of the Oversight Board to the Successor
Agency to the Dissolved City of Novato Redevelopment Agency approving a
Recognized Obligation Payment Schedule and the Administrative Budget for
the period of January through June 205

Recommendation: Adopt resolution

*The resolution was adopted unanimously. **Ayes: 5** Mathew Hymel, Michael
Frank, Tony Elshout, Karen Maloney and Dan Hom. **Noes: 0 Absent: 2**
Stephen Marshall and Greg Nelson*

F. ADJOURNMENT

The meeting was adjourned at 1:45 p.m.



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SPECIAL MEETING

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO

To be held at
NOVATO ADMINISTRATIVE OFFICES
922 Machin Ave
February 11, 2014
10:00 A.M.

Minutes

Matthew Hymel, Chair
County Administrator,
Marin County

Michael Frank, Vice Chair
City Manager, City of
Novato

Tony Elshout,
Citizen Appointee

Greg Nelson,
Interim Vice President,
College Operations, College
of Marin

Karen Maloney,
CFO, Novato Unified
School District

Stephen Marshall,
Senior Planner, City of
Novato

Tom Kaselionis,
Novato Fire
District

A. CALL TO ORDER *The meeting was called to order at 10:00 a.m. In attendance were Board members: Michael Frank, Tony, Elshout, Dan Hom and Steve Marshall. City Staff: Brian Cochran, Veronica Nebb and Carla Hansen*

B. APPROVAL OF FINAL AGENDA

The final agenda was approved unanimously (4-0).

C. PUBLIC COMMENT (on items within the purview of the Oversight Board and not listed on the agenda)

There was no public comment.

D. CONSENT CALENDAR

D-1: Approval of September 23, 2014 Minutes

There was not a quorum to approve the minutes. The approval will be carried forward to the next meeting.

E. REGULAR CALENDAR

E-1: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
"14-15B" AND ADMINISTRATIVE BUDGET FOR THE PERIOD JANURARY
THROUGH JUNE 2015

Consider adopting a resolution of the Oversight Board to the Successor
Agency to the Dissolved City of Novato Redevelopment Agency approving a
Recognized Obligation Payment Schedule and the Administrative Budget for
the period of January through June 205

The resolution was approved unanimously (4-0).

F. ADJOURNMENT

The meeting was adjourned at 10:20 a.m.



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SPECIAL MEETING

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO

To be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE
September 10, 2013
1:30 P.M.

Matthew Hymel, Chair
County Administrator,
Marin County

Minutes

Michael Frank, Vice Chair
City Manager, City of
Novato

Tony Elshout,
Citizen Appointee

Greg Nelson,
Interim Vice President,
College Operations, College
of Marin

Karen Maloney,
CFO, Novato Unified
School District

Stephen Marshall,
Senior Planner, City of
Novato

Tom Kaselionis,
Novato Fire
District

A. CALL TO ORDER

*The meeting was called to order at 1:30 p.m. In attendance were:
Board Members: Michael Frank, Greg Nelson, Karen Maloney,
Stephen Marshall and Dan Hom.
City Staff: Brian Cochran, Veronica Nebb and Carla Hansen*

B. APPROVAL OF FINAL AGENDA

The final agenda was approved unanimously without additions.

C. PUBLIC COMMENT (on items within the purview of the Oversight Board and not listed on the agenda)

At this time, member of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Oversight Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. Upon being acknowledged by the Chair, please step forward and begin by stating and spelling your name.

There was no public comment.

D. CONSENT CALENDAR

D-1: Approval of February 11, 2013 Minutes

The minutes were approved unanimously.

E. REGULAR CALENDAR

E-1: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
"13-14B" AND ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY
THROUGH JUNE 2014

Consider adopting a resolution of the Oversight Board to the Successor Agency to the Dissolved City of Novato Redevelopment Agency approving a Recognized Obligation Payment Schedule and the Administrative Budget for the period of January through June 2014

The ROPS and administrative budget were unanimously.

B. Cochran reminded the Board that the next ROPS will need to be approved by March 1 and therefore a meeting in February will be required and scheduled.

Recommendation: Adopt resolution

E-2: VERBAL REPORT ON STATE CONTROLLER AUDIT AND
DEPARTMENT OF FINANCE LAWSUIT

Recommendation: Hear report

B. Cochran provided an update on the State Controller audit and lawsuit against the Department of Finance. The City of Novato filed a lawsuit against the Department of Finance. There is no hearing date scheduled yet. The City is holding \$6.1 million in reserves to pay the State in case it loses the lawsuit.

F. ADJOURNMENT

The meeting was adjourned at 1:45 p.m.

Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato



STAFF REPORT

MEETING

DATE: February 23, 2015

TO: Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency
of the City of Novato

FROM: Cathy Capriola, Assistant City Manager
Brian Cochran, Finance Manager

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE “15-16A” AND ADMINISTRATIVE BUDGET FOR THE PERIOD JULY THROUGH DECEMBER 2015.

75 Rowland Way #200
Novato, CA 94945-3232
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REQUEST

Consider approving the Recognized Obligation Payment Schedule 15-16A (“ROPS 15-16”) for the period July through December 2015.

Consider approving an administrative budget for the Successor Agency for the period July through December 2015.

RECOMMENDATION

Approve, by two resolutions, the ROPS and administrative budget for the period July through December 2015.

DISCUSSION

ROPS

Pursuant to H&S Code §34177(1), the successor agency to the former redevelopment agency is required to prepare a draft Recognized Obligation Payment Schedule (“ROPS”) for each six month fiscal period which sets forth the nature, amount, and source(s) of payment for all “enforceable obligations” of the Agency (as defined by law) to be paid by the Successor Agency after the Agency’s dissolution.

The ROPS is a permanent schedule of obligations that must be approved by the Oversight Board and the State Department of Finance. Only payments required pursuant to the ROPS may be made by the Successor Agency. The county auditor-controller will allocate property tax increment to

Novato City Council Agenda Staff Report Date: _____ File No. _____

successor agencies to pay debts listed on the ROPS. A new ROPS must be adopted for each successive six-month period.

There are no major changes to the ROPS for the July through December 2015 period, with the exception of the update to the “Reimbursement and Operating Agreement”, to reflect an updated City-Agency loan amount. There is a separate agenda item on today’s agenda outlining and approving this change in more detail. In the last ROPS period, the Successor Agency paid off the retiree health benefit obligation of the former RDA. In this period, staff is also recommending paying off 50% of the unfunded pension liability associated with former RDA employees.

Staff recommends the Oversight Board approve the ROPS. The City Council acting as the Successor Agency Board approved the ROPS for submittal to the Oversight Board on February 10, 2015. Upon approval by the Oversight Board, Successor Agency staff will forward the approved ROPS to the California Department of Finance.

Administrative Budget

The Successor Agency is required to submit a proposed administrative budget to the Oversight Board for approval for each upcoming six-month fiscal period. The proposed Budget for January through June presented for Successor Agency and Oversight Board approval includes staffing costs for City employees carrying out the dissolution functions, and estimated costs for legal services, independent audit fees, and operations supplies and business expenses. The budget presented details a full fiscal year 2015-16 budget of \$91,060, implying that the budget for the period January through June 2015 is \$45,530.

Staff has continued to reduce allocations for a number of positions, including the City Manager, Assistant City Manager, Management Analyst, Clerk. As staff has worked through most of the initial dissolution processes, including the two due diligence reviews, there is less time required for Successor Agency administration. The same is true for the legal support costs, which have been reduced. Staff will continue to review the budget each 6-month period and recommend additional changes as appropriate.

All administrative costs are being initially funded by the General Fund, but are being accounted for separately from other City functions. It is anticipated the administrative costs will be reimbursed by the Administrative Cost Allowance allocated to the Successor Agency from the Real Property Tax Trust Fund

Staff recommends the Oversight Board approve the July through December 2015 administrative budget.

ATTACHMENTS

1. Administrative Budget for the Successor Agency for July through December 2015.
2. ROPS for the period July through December 2015
3. Resolution approving the Administrative Budget
4. Resolution approving the ROPS 15-16A

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Novato
Name of County: Marin

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ 569,041
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	569,041
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 2,423,081
F Non-Administrative Costs (ROPS Detail)	2,377,551
G Administrative Costs (ROPS Detail)	45,530
H Current Period Enforceable Obligations (A+E):	\$ 2,992,122
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	2,423,081
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(258,840)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 2,164,241
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	2,423,081
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	2,423,081

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
1	2005 Tax Allocation Bonds ****	Bonds Issued On or Before 12/31/10	3/24/2005	9/1/2034	US Bank	Bonds issued to fund housing proj.	Merged	\$ 85,869,160	N	\$ -	\$ 569,041	\$ -	\$ 2,377,551	\$ 45,530	\$ 2,992,122
2	2005A Tax Allocation Housing Bonds	Bonds Issued On or Before 12/31/10	3/24/2005	9/1/2034	US Bank	Bonds issued to fund housing proj.	Merged	29,287,874	N		555,000		497,389		1,052,389
3	2011 Tax Allocation Bonds ****	Bonds Issued After 12/31/10	3/23/2011	9/1/2040	US Bank	Bonds issued to repay City loans	Merged	11,881,741	N				415,781		415,781
5	CIEDB Loan	Third-Party Loans	12/17/2002	2/1/2032	Wells Fargo MN, N.A.	Downtown streetscape work	Merged	37,956,088	N				768,697		768,697
6	Contract - Novato Human Needs	Miscellaneous	8/2/2001	6/30/2022	Novato Human Needs	Homeless services	Merged	3,591,482	N				44,713		44,713
7	Successor Agency Administration	Admin Costs	2/1/2012	6/30/2041	City of Novato as Succ. Ag.	Admin costs: staff, audit, legal, office space, etc.	Merged	712,683	N				58,745		58,745
8	Debt Service Reserve	Reserves	1/1/2013	6/30/2020	Various	Reserve to Fund August Debt Service	Merged	91,060	N					45,530	45,530
9	Amended Reimb. Agreement	City/County Loans After 6/27/11	7/24/2012	6/30/2017	City of Novato	Amended Reimb. Agmt. for City Advances 34173(h)	Merged	-	N				450,000		450,000
10	Pension Obligation Bonds	Bonds Issued On or Before 12/31/10	6/29/2006	6/1/2035	Wells Fargo Bank, N.A.	POB Debt Obligation for former RDA employees	Merged	1,346,915	N				25,726		25,726
11	Unfunded Pension Liability	Unfunded Liabilities	2/1/2012	6/30/2041	CalPERS	Unfunded Pension Liability for former RDA employees	Merged	768,317	N				116,500		116,500
12	Unfunded OPEB Liability	Unfunded Liabilities	2/1/2012	6/30/2041	CalPERS	Unfunded OPEB Liability for former RDA employees	Merged	233,000	Y						-
15	Flood District MOU	Improvement/Infrastructure	6/22/1999	6/30/2015	Marin Co. Flood Cont. Dist.	Payment of Existing MOU Fund Balance	Merged		N		14,041				14,041
16									N						\$ -
17									N						\$ -
18									N						\$ -
19									N						\$ -
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52									N						\$ -

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 14-15A Actuals (07/01/14 - 12/31/14)									
1	Beginning Available Cash Balance (Actual 07/01/14)	2,199,721	1,700,000	14,041	482,645	-	(1,254,400)		
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						2,405,845		
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q				482,645		2,147,005		
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			14,041			-		
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required						258,840	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 2,199,721	\$ 1,700,000	\$ -	\$ -	\$ -	\$ (1,254,400)		
ROPS 14-15B Estimate (01/01/15 - 06/30/15)									
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 2,199,721	\$ 1,700,000	\$ 14,041	\$ -	\$ -	\$ (995,560)		
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015					1,346,915	2,298,285	\$1,346,915 loan from City Reserves to Successor Agency Reserves to eliminate negative cash balance. See separate Oversight Board resolution.	
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)						1,835,800		
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						555,000		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 2,199,721	\$ 1,700,000	\$ 14,041	\$ -	\$ 1,346,915	\$ (1,088,075)		

DRAFT - Novato RDA Successor Agency Budget - Fiscal Year 2015/16

Personnel Costs					
<u>Position</u>	<u>FTE</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total \$\$</u>	<u>Duties / Comments</u>
City Manager	0.03	5,833	2,710	8,543	Overall policy direction and executive leadership Interaction with and education of oversight board members
Assistant City Manager	0.03	4,741	1,927	6,668	Primary staff liaison to oversight board Executive level leadership and analysis on specific oversight board agenda items Negotiation of any outside agreements on behalf of successor agency / oversight board
Finance Manager	0.1	12,773	3,635	16,408	Preparation of each six-month ROPS Oversight of all bond covenants and requirements Preparation and submittal of annual continuing disclosure documents for all bond issues Interaction with rating agencies and bond insurers as needed Analysis of re-funding opportunities
Accounting Supervisor	0.1	10,294	3,097	13,390	All professional accounting work associated with successor agency activities, assets, liabilities, and debts Preparation for and oversight of the annual audit process Annual budget process for successor agency-related expenditures
Management Analyst	0.03	2,155	701	2,855	Coordination with oversight board members on meeting times / schedules Posting of meeting agendas and minutes Taking of minutes at all oversight board meetings Maintenance of the successor agency website
City Clerk	<u>0.03</u>	<u>3,251</u>	<u>1,469</u>	<u>4,721</u>	Official record-keeping for all successor agency and oversight board actions
TOTAL	0.3	39,047	13,539	52,586	

Contracts / Supplies / Materials			
Legal Counsel		10,000	General counsel services - Brown Act, litigation, negotiations, etc Specialized RDA law services - Legal counsel on RDA law, analysis of new legislation, etc
Audit Contract		8,444	Provision of annual audit services to issue required financial statements
Continuing Disclosure Consultant		2,100	Specialized contract services to gather required information for annual continuing disclosures
Printing / Publications		1,500	Noticing of agendas / agenda packets; printing of agendas, notices, agenda packets, etc.
Office Supplies		1,500	General office supplies and equipment
Meetings / Training / Memberships		1,500	CRA membership, successor agency training
General admin overhead		13,430	City of Novato HR, IT, office space, insurance services, etc.
TOTAL		38,474	

Grand Total Successor Agency Admin Budget - FY 2015/16 **91,060**

Budget for July - December 2015 **45,530**

ROPS 16-16A

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY THROUGH DECEMBER 2015

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Redevelopment Agency of the City of Novato has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, pursuant to Health and Safety Code Section 34180(g), the Oversight Board is required to review and approve the Recognized Obligation Payment Schedule prepared by the Successor Agency covering the six month period July 2015 through December 2015, and for each six month period thereafter; and

WHEREAS, the Successor Agency has presented the foregoing described Recognized Obligation Payment Schedule to the Oversight Board for its review and approval; and

WHEREAS, at its meeting of February 23, 2015, the Oversight Board reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

SECTION 1. The Oversight Board hereby approves the Recognized Obligation Payment Schedule for the period July 2015 through December 2015, in the form presented concurrently with this resolution, and on file with the Acting Secretary.

SECTION 2. The Board Secretary, or the City Finance Manager (as the person appointed by action of the Oversight Board at its meeting of April 9, 2012, to be the designated contract person to the Department of Finance), shall transmit the approved Recognized Obligation Payment Schedule to the County Administrative Officer, Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of Part 1.85 of Division 24 of the California Health and Safety Code. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency.

SECTION 3. The adoption of this Resolution by the Oversight Board shall not impair the right of the Successor Agency to assert any claim or pursue any legal action challenging the constitutionality of Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature ("AB 1x26") or challenging any determination by the State of California or any office, department or agency thereof with respect to the Recognized Obligation Payment Schedule approved hereby.

SECTION 4. The approval of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, it does not constitute a project subject to the requirements of the California Environmental Quality Act ("CEQA") in that pursuant to CEQA Guidelines Section 15061(b)(3), it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment; and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Oversight Board of the City of Novato, Marin County, California, at a meeting thereof, held on the 23rd of February, 2015, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Michael Frank, Vice-Chair, Oversight Board

ATTEST:

ACTING SECRETARY

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING AND ADOPTING AN ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 2015 THROUGH DECEMBER 2015 PURSUANT TO THE PROVISIONS SET FORTH IN HEALTH AND SAFETY CODE SECTION 34177 (AB 1X 26)

WHEREAS, the Novato City Council (“City Council” or “City” as appropriate) approved and adopted the Redevelopment Plan for the Novato (Vintage Oaks) Redevelopment Project, the Redevelopment Plan for the Downtown Redevelopment Project, and the Redevelopment Plan for the Hamilton Field Redevelopment Project, which have been amended from time to time including on or about May 13 2003, by adoption of Ordinance No. 1472, to effect a merger of the three redevelopment project areas pursuant to the CRL to allow the use of property tax increment derived from any one of the three redevelopment project areas to be used in any of the three redevelopment project areas, subject to the applicable provisions of the CRL (collectively, the “Redevelopment Plans”); and

WHEREAS, the Redevelopment Agency of the City of Novato (the “Agency”) was responsible for implementing the Redevelopment Plans pursuant to the California Community Redevelopment Law; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed, from the 2011-12 First Extraordinary Session, Assembly Bills 1X 26 and 1X 27 (“AB 1X 26” and “AB 1X 27”), requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, on December 29, 2011, the Supreme Court invalidated AB 1X 27 but upheld the constitutionality of AB 1X 26 and revised the various dates and timelines required for performance of certain tasks pursuant to the dissolution of redevelopment agencies; and

WHEREAS, on January 10, 2012 the Novato City Council adopted a resolution opting to act as the Successor Agency for the former Novato Redevelopment Agency; and

WHEREAS, Health and Safety Code section 34177 requires the Successor Agency to prepare an administrative budget for each successive six-month period; and

WHEREAS, the City has prepared the proposed administrative budget outlining the various staff costs, supplies, materials, consultant fees, legal fees, etc that are necessary to carry out the duties of the Successor Agency for the period July 2015 through December 2015; and

WHEREAS, the Oversight Board is required to approve each administrative budget;

NOW, THEREFORE, the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato resolves as follows:

1. The foregoing Recitals are incorporated herein and made a part hereof.
2. The Oversight Board, at its special meeting of February 23, 2015, reviewed and considered the administrative budget for the Successor Agency for the period July 2015 through December 2015.
2. The administrative budget for the period July 2015 through December 2015, in the form presented concurrently with this Resolution, and on file with the Acting Secretary, is hereby approved.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, Marin County, California, at a meeting thereof held on the 23rd day of February 2015, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Michael Frank, Vice-Chair, Oversight Board

ATTEST:

Acting Secretary

Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato



STAFF REPORT

MEETING

DATE: February 23, 2015

TO: Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency
of the City of Novato

FROM: Brian Cochran, Finance Manager

SUBJECT: APPROVAL OF AN AMENDED AMORTIZATION SCHEDULE TO THE
REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY
AND THE SUCCESSOR AGENCY

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Novato, CA 94945-3232
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REQUEST

Consider adopting a Resolution of the Oversight Board approving an amended amortization schedule and updated loan amount to the Reimbursement and Operating Agreement.

RECOMMENDATION

Adopt the proposed resolution and accompanying modified amortization schedule.

DISCUSSION

On May 22, 2012, the City of Novato and the City of Novato Acting as Successor Agency to the Dissolved Redevelopment Agency (“Successor Agency”) entered into a Reimbursement and Operating Agreement (“Agreement”). The agreement memorialized certain financial arrangements, namely (1) the provision of administrative and professional services and supplies to carry out the work of the Successor Agency; and (2) documenting the advances of funds that the City had made to the Successor Agency to date and providing for future repayment of said advances, as well as providing for the possibility of future advances, if necessary. Future advances were permitted to be implemented by adopting a revised amortization schedule reflecting the new loan amount – the subject of this agenda item.

While a preliminary loan amount was provided to the Successor Agency at June 30, 2012 of \$1,378,707, it was anticipated that additional loans would be necessary once all of the initial wind-down processes and procedures were completed. These procedures included multiple outside audits, a July 2012 “true-up payment” of nearly \$500,000, and a “meet and confer” session with the Department of Finance in Sacramento. After these initial procedures were completed, it became clear that the actual total loan amount required to eliminate any negative balance in the Successor

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Agency fund would be closer to \$2.6 million. This is evidenced by subsequent “ROPS” schedules, which showed the following balances (after factoring in the initial \$1.3 million start-up loan):

- ROPS January – June 2014 - \$(1,374,068)
- ROPS July – December 2014 - \$(1,077,285)
- ROPS January – June 2015 - \$(1,187,903)
- ROPS July – December 2015 - \$(1,088,075)

While these balances will inevitably fluctuate each period depending on what payments the Successor Agency makes, staff recommends an additional loan amount of \$1,346,915 that will keep the Redevelopment Obligation Retirement Fund near a zero balance for each ROPS period on a go-forward basis.

The attached resolution of the Oversight Board will revise the amortization schedule for the loan to reflect the newly proposed loan amount as well as the repayment schedule. No other modifications to the terms of the agreement are proposed. Repayment of the loan to the City occurs fairly quickly under the proposed amortization, and is anticipated to be completed on August 1, 2016. The City Council and Successor Agency previously approved the modified schedule and loan amount at their meeting on February 10, 2015.

Also, it should be noted that the original loan has already been in active repayment status for a number of periods. As of June 30, 2014, the outstanding balance was \$784,315, and the final amount of that initial loan is slated to be repaid on February 1, 2015.

ATTACHMENTS

1. Oversight Board resolution adopting the amended amortization schedule to the Reimbursement and Operating Agreement
2. Amended Amortization Schedule

Amended Amortization Schedule - Amended Reimbursement and Operating Agreement									
February 10, 2015									
Emergency Reserve Loans to Successor Agency									
Per "Amended Reimbursement and Operating Agreement"									
Interest at portfolio rate, unpaid interest is compounded									
First loan 6/30/2012 to correct negative cash balance									
Second loan 06/30/2015 to correct negative cash balance									
<u>Date</u>	<u>Beginning Principal</u>	<u>Payment/ Adjustment</u>	<u>Balance</u>	<u>Interest</u>	<u>Outstanding Balance</u>	<u>Estimated Rate</u>			
Fiscal Year 11/12	1,378,707.00		1,378,707.00	0.00	1,378,707.00	0.44%			
Fiscal Year 12/13 (to 1/7/13)	1,378,707.00	(200,000.00)	1,178,707.00	1,434.07	1,180,141.07	0.23%			
Fiscal Year 12/13 (fm 1/8/13)	1,180,141.07		1,180,141.07	1,378.34	1,181,519.41	0.25%			
Fiscal Year 13/14 (to 5/27/14)	1,181,519.41	(400,000.00)	781,519.41	2,607.22	784,126.63	0.26%			
Fiscal Year 13/14 (fm 5/28/14)	784,126.63		784,126.63	188.08	784,314.71	0.26%			
Payment 08/01/2014	784,314.71	(400,000.00)	384,314.71	173.19	384,487.90	0.26%			
Payment 02/01/2015	384,487.90	(384,987.74)	(499.83)	499.83	(0.00)	0.26%			

Loan 06/30/2015	-	1,346,915.00	1,346,915.00	0.00	1,346,915.00	0.26%			
Payment 08/01/2015	1,346,915.00	(450,000.00)	896,915.00	297.43	897,212.43	0.26%			
Payment 02/01/2016	897,212.43	(450,000.00)	447,212.43	1,166.38	448,378.80	0.26%			
Payment 08/01/2016	448,378.80	(448,961.70)	(582.89)	582.89	0.00	0.26%			

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING AND ADOPTING AN AMENDED AMORTIZATION SCHEDULE TO THE REIMBURSEMENT AND OPERATING AGREEMENT BY AND BETWEEN THE CITY OF NOVATO AND THE CITY OF NOVATO ACTING AS SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY

WHEREAS, on January 10, 2012 the Novato City Council adopted a resolution opting to act as the Successor Agency for the former Novato Redevelopment Agency pursuant to AB 1x 26 (the “dissolution bill”); and

WHEREAS, on May 22, 2012, the City and the City Acting as Successor Agency to the Dissolved Redevelopment Agency (“Successor Agency”) entered in a Reimbursement and Operating Agreement (“Agreement”); and

WHEREAS, the Agreement documented the financial arrangements between the City and the Successor Agency, including, but not limited to, the interfund advances that the City was projected to make to the Successor Agency to make payments on enforceable obligations through June 30, 2012; and

WHEREAS, on June 27, 2012, the Legislature enacted and the Governor approved, AB 1484, which makes significant additions and changes to the law that dissolved redevelopment agencies; and

WHEREAS, a new provision of AB 1484, Health and Safety Code Section 34173(h), specifically authorizes these types of City-Successor Agency loans and associated repayment of said loans as enforceable obligations to be funded through future ROPS; and

WHEREAS, the original agreement anticipated the need to loan additional amounts via approval of a new amortization schedule, as needed, to the Successor Agency to fund the payment of enforceable obligations; and

WHEREAS, the Successor Agency’s ROPS documents have consistently shown a negative fund balance over the past 4 ROPS cycles; a situation which is not sustainable for the Successor Agency in the long term; and

WHEREAS, the parties wish to increase the loan amount by \$1,346,915 to correct the negative cash balance for the Successor Agency by adopting a new amortization schedule;

NOW, THEREFORE, the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato resolves as follows:

1. The foregoing Recitals are incorporated herein and made a part hereof.
2. The Amended Amortization Schedule to the Reimbursement and Operating Agreement in the form presented concurrently with this Resolution, on file with the City Clerk, is hereby approved, including a new loan amount to the Successor Agency of \$1,346,915.
3. The City Manager and his authorized designees are authorized and directed to take such other and further actions, and to sign such other and further documents and instruments, as may be necessary to implement and effect this Resolution and the Agreement on behalf of the City and the Successor Agency.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, Marin County, California, at a meeting thereof held on the 23rd day of February, 2015, by the following vote, to wit:

AYES: Board members:

NOES: Board members:

ABSTAIN: Board members:

ABSENT: Board members:

Michael Frank, Vice-Chair, Oversight Board

ACTING SECRETARY