

RESOLUTION NO. OB-20

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF VERNON ADOPTING, APPROVING, AND RATIFYING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013, AND APPROVING CERTAIN RELATED ACTIONS PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE SECTIONS 34177(1), 34177(M) AND 34180(G)

WHEREAS, on February 28, 2013, staff of the Successor Agency of the former Vernon Redevelopment Agency prepared and transmitted the Recognized Obligation Payment Schedule for the period of July 1, 2013 through December 31, 2013 ("ROPS 4") using the recognized obligation payment schedule form provided to the Successor Agency staff by the Department of Finance ("Finance"); and

WHEREAS, on March 5, 2013, the City of Vernon acting as the Successor Agency of the Redevelopment Agency to the City of Vernon ("Successor Agency") considered the adoption, approval and ratification of ROPS 4; and

WHEREAS, ROPS 4 contains, among other things, the request for the shortage in funding created by the reduced tax increment remittance from the Los Angeles County Auditor-Controller for recognized obligation payment schedule for the period January 1, 2013 through June 30, 2013 ("ROPS 3"); ROPS 3 was short by Two Million Six Hundred Twenty-Eight Thousand Six Hundred One Dollar and Fifty-Three Cents (\$2,628,601.53); the amount Five Million Eight Hundred Nineteen Thousand Six Hundred Seventy-Eight Dollars (\$5,819,678) was approved by the Successor Agency and its oversight board for ROPS 3, however, only Three Million One Hundred Ninety-One Thousand Seventy-Six Dollars and Forty-Seven Cents (\$3,191,076.47) was remitted by the Los Angeles

County Auditor-Controller, and Sixty-Five Thousand Three Hundred Thirty-Two Dollars (\$65,332) was distributed by the Los Angeles County Auditor-Controller to other taxing entities; the actions of the Los Angeles County Auditor-Controller were completed prior to the determination by Finance of the meet and confer filed by the Successor Agency on October 18, 2012; as of this date, Finance has not yet made a determination on the Successor Agency's meet and confer request of October 18, 2012; and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") now desires to adopt, approve, and ratify the ROPS 4 attached hereto and as transmitted by staff of the Successor Agency to meet the March 1, 2013, deadline imposed by Finance.

NOW, THEREFORE, BE IT RESOLVED BY A RESOLUTION OF THE OVERSIGHT BOARD TO THE VERNON REDEVELOPMENT AGENCY SUCCESSOR AGENCY AS FOLLOWS:

SECTION 1: The Oversight Board to the Vernon Redevelopment Agency Successor Agency hereby finds and determines that the recitals contained hereinabove are true and correct.

SECTION 2: The Oversight Board to the Vernon Redevelopment Agency Successor Agency hereby adopts, approves, and ratifies ROPS 4, in the form attached to this Resolution as Exhibit A, pursuant to California Health & Safety Code sections 34177(1), 34177(m), and 34180(g).

SECTION 3: Pursuant to California Health & Safety Code section 34179(h), Finance may review an oversight board action. An action of the oversight board shall become effective five business days after notice in the manner specified by Finance is provided unless Finance requests review. The Assistant Executive Director of the

Successor Agency, Mr. Alex Kung, c/o Vernon City Hall, 4305 Santa Fe Avenue, Vernon, CA 90058 Telephone (323) 583-8811 Extension 355 (akung@ci.vernon.ca.us) is designated as the official for notice of review by Finance. Except as otherwise provided in California Health & Safety Code section 34179(h), in the event Finance requests a review of a given oversight board action, Finance shall have 40 days from the date of this request to approve the oversight board action or return it to the oversight board for reconsideration; the oversight board shall resubmit the modified action for Finance approval and the modified oversight board action shall not become effective until approved by Finance.

SECTION 4: The Interim City Clerk of the City of Vernon, as Interim Secretary to the Successor Agency shall certify to the passage, approval and adoption of this resolution, and the Interim Secretary of the Successor Agency shall cause this resolution and the Interim Secretary's certification to be entered in the File of Resolutions of the Board of the Oversight Board.

APPROVED AND ADOPTED this 21st day of March, 2013.

W. Michael McCormick

Name: 

Title: Chairman / ~~Vice Chairman~~

ATTEST:


Dana Reed, Interim Secretary

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Dana Reed, acting on behalf of the Successor Agency as its Interim Secretary, do hereby certify that the foregoing Resolution, being Resolution No. OB-20, was duly passed, approved and adopted by the Oversight Board to the Vernon Redevelopment Agency Successor Agency at a meeting of the Oversight Board duly held on Thursday, March 21, 2013, and thereafter was duly signed by the Chairman or Vice Chairman of the Successor Agency.

Executed this 21 day of March, 2013, at Vernon, California.



Dana Reed, Interim Secretary

(SEAL)

EXHIBIT A

SUCCESSOR AGENCY CONTACT INFORMATION

Successor Agency

District: **153**
County: **Los Angeles**
Successor Agency: **Vernon**

Primary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Address

City

State

Zip

Phone Number

Email Address

Alex
Kung
Assistant to the City Administrator
4305 Santa Fe Ave
Vernon
CA
90058
323-583-8811 ext 355
akung@ci.vernon.ca.us

Secondary Contact

Honorific (Ms, Mr, Mrs)

First Name

Last Name

Title

Phone Number

Email Address

Gustavo
Lamanna
Counsel to Successor Agency
213-452-0131
gustavo@kbblaw.com

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **VERNON (LOS ANGELES)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$63,100,000

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	(\$290,833)
B Enforceable Obligations Funded with RPTTF	\$6,587,444
C Administrative Allowance Funded with RPTTF	\$143,659
D Total RPTTF Funded (B + C = D)	\$6,731,103
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$6,440,270
F Enter Total Six-Month Anticipated RPTTF Funding	\$0
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	(\$6,731,103)

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
H Enter Estimated Obligations Funded by RPTTF (lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	\$4,147,367
I Enter Actual Obligations Paid with RPTTF	\$3,845,578
J Enter Actual Administrative Expenses Paid with RPTTF	\$250,950
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$50,839
L Adjustment to RPTTF (D - K = L)	\$6,680,264

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.

W. Michael McCormick Chair

Name

Title

1/s/ *W. Michael McCormick*
Signature

March 21, 2013
Date

McCormick

McCormick

McCormick

McCormick

VERNON (LOS ANGELES)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) – Notes (Optional)

July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Notes/Comments
1	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	(Prior Period Payments Comment) This item was not approved as an administrative expense. It is subject to an October 18, 2012 Meet and Confer request as this expense was mandated by applicable bond indenture. A \$130,002 expense was removed as referenced said in Meet and Confer request.
2	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	(Prior Period Payments Comment) Successor Agency paid both installments of property tax in December. Thus reducing the ROPS 3 expense.
3	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
4	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
5	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
6	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
7	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
8	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
10	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
11	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	(ROPS IV Comments) Prior municipal staff administrative charges were \$94,218 at time before a staff city attorney was hired. This item has increased, as specified in the 10/18/12 meet and confer request. This amount has been adjusted upwards to account for additional staff time, including that of the City Administrator, Assistant to City Administrator, Finance Director, Assistant Finance Director, City Clerk, Assistant to City Clerk, and related staff. The amount is \$131,322. (Prior Period Payments Comment) Property insurance cost for successor agency property is reconciled by the City at the end of the 6/30/13 fiscal year. end. The \$11,400 amount is expected to be the actual expense.
12	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	(Prior Period Payments Comment) Booked \$47,100 as 12/31/12 payment not yet drawn against bank account. Awaiting true up on October 18, 2012 Meet and Confer request. Furthermore an additional estimated \$50,000 was requested at the meet and confer due to the elimination of \$130,002 of legal expense.
13	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
14	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
15	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	
16	Industrial RP - Acct. #276.02 & 99 ANX - Acct. #276.03	(ROPS IV Comments) On October 14, 2012, the Department of Finance approved \$5,745,650 for ROPS 3 and the remittance advice from the Los Angeles County Auditor-Controller for the relevant period was short. The amount \$65,332 was also deducted by the Los Angeles County Auditor-Controller while the October 18, 2012 meet and confer request with the Department of Finance remains outstanding.

CITY CLERK'S OFFICE

INTEROFFICE MEMORANDUM

DATE: March 21, 2013

TO: Alex Kung, Successor Agency Staff

FROM: Deborah Juarez, Records Management Assistant 

RE: Resolution No. OB-20 – A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vernon Adopting, Approving, and Ratifying the Recognized Obligation Payment Schedule for the Period July 1, 2013 Through December 31, 2013, and Approving Certain Related Actions Pursuant to California Health & Safety Code Section 34177 (I), 34177 (M) and 34180 (G)

Transmitted herewith is a copy of Resolution No. OB-20 referenced above, which was approved by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vernon on March 21, 2013.

Thank you.

Attachment

c: William Fox
Gustavo Lamanna
Resolution No. OB-20

CITY OF VERNON

RECEIVED

MAR 18 2013

SUCCESSOR AGENCY

CITY CLERK'S OFFICE

STAFF REPORT

DATE: March 18, 2013

TO: Honorable Chair and Members of the Oversight Board of the Successor Agency

FROM: Alex Kung, Assistant to the Successor Agency Executive Director *AK*

RE: Approval and Ratification of Recognized Obligation Payment Schedule (July 2013 – December 2013) – ROPS 4

Background:

The Successor Agency is required to submit the recognized obligation payment schedule for the period July 1, 2013 through December 31, 2013 ("ROPS 4") by March 1, 2013. Following submittal of ROPS 4, both the Oversight Board to the Successor Agency ("Oversight Board") and the Department of Finance ("Finance") are to review and consider the requests for funding obligations outstanding of the former Vernon Redevelopment Agency and costs incident to the implementation of the winding down of the former Vernon Redevelopment Agency.

To comply with this March 1, 2013 deadline imposed by the dissolution legislation under AB X1 26, as amended by AB 1484, staff has submitted the attached ROPS 4 to meet the deadline and requests the Oversight Board to now formally adopt, approve, and ratify the ROPS 4 submitted to Finance.

ROPS 4

Unlike the three prior recognized obligation payment schedules, the attached ROPS 4 contains the following new requests which are justified and appropriate in the opinion of special counsel to the Successor Agency and staff of the Successor Agency:

First, ROPS 4 contains, among other things, the request for the shortage in funding created by the reduced tax increment remittance from the Los Angeles County Auditor-Controller for recognized obligation payment schedule for the period January 1, 2013 through June 30, 2013 ("ROPS 3"); ROPS 3 was short by Two Million Six Hundred Twenty-Eight Thousand Six Hundred One Dollar and Fifty-Three Cents (\$2,628,601.53); the amount Five Million Eight Hundred Nineteen Thousand Six Hundred Seventy-Eight Dollars (\$5,819,678) was approved by the Successor Agency and its oversight board for ROPS 3, however, only Three Million One

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Second, there are two additional consultants added to ROPS 4 which have not previously appeared amounting to \$10,500 in consultant fees necessary and appropriate to implement the winding down of the former Vernon Redevelopment Agency. HDL Coren Cone was approved by the Oversight Board for a budget of not to exceed \$2,500 for assistance with calculation of pass-through payments. The other consultant is Keyser Marston Associates, a financial and economic consultant with experience in redevelopment matters (KMA). Kane, Ballmer & Berkman, as special counsel to the Successor Agency, contacted James Rabe of KMA, and explained the complexities anticipated in the project of completing the statutory long range property management plan under Health & Safety Code section 34191.5. KMA believes the project can be completed with a budget of \$8,000. The office of special counsel has worked with KMA previously on redevelopment matters and KMA is providing this exact expert financial and economic consulting service to other successor agencies.

Recommendation:

Staff asks the Oversight Board to adopt, approve, and ratify the attached ROPS 4.

Attachments

1. ROPS 4