

# **Lompoc Successor Agency**

*TO THE DISSOLVED LOMPOC REDEVELOPMENT AGENCY*

**Meeting Date:** January 15, 2019

**TO:** Jim Throop, Executive Director

**FROM:** Melinda Wall, Financial Services Manager  
m\_wall@ci.lompoc.ca.us

**SUBJECT:** Adoption of Resolution No. SA01(19) Approving the Administrative Budget and Resolution No. SA02(19) Approving the Recognized Obligation Payment Schedule for July 1, 2019 to June 30, 2020

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## **Recommendation:**

Staff recommends the Successor Agency:

- 1) Adopt Resolution No. SA01(19) approving the Successor Agency's Administrative Budget for Fiscal Year (FY) 2019-20 (Attachment 1); and
- 2) Adopt Resolution No. SA02(19) approving the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2019, to June 30, 2020, pursuant to Health and Safety Code subdivisions 34177(l) and (o) (Attachment 2).

## **Background/Discussion:**

California's redevelopment agencies were dissolved by the State of California as of February 1, 2012. With the enactment of Senate Bill 107 in 2015, the ROPS reporting period changed from once every six months to once every twelve months. Pursuant to Health and Safety Code subdivisions 34177(j) and (k), the Successor Agency is required to prepare a proposed budget (Budget) listing the estimated administrative costs for every six months and submit it for approval to the Santa Barbara Countywide Oversight Board, and also submit the estimated administrative costs to the Santa Barbara County Auditor-Controller. Further, the Budget must also include the proposed sources of payment for the identified costs, and a proposal for handling the administrative and operational services.

Pursuant to Health and Safety Code subdivisions 34177(l) and (o), the Successor Agency is required to prepare the ROPS, forward looking to the next fiscal period. Upon approval by the Successor Agency and the Oversight Board, the ROPS is to be forwarded to the

Santa Barbara County Auditor-Controller, and the State of California Department of Finance, and posted on the Successor Agency’s website.

**Fiscal Impact:**

Administrative expenses are limited to 5% of the Successor Agency’s property tax allocation, or \$250,000, whichever is greater. Using those parameters, staff has developed the proposed Successor Agency Budget (Exhibit A to Attachment 1). The proposed Budget covers the period from July 1, 2019, through June 30, 2020.

Line 69 had been added in the prior ROPS for future net pension liabilities. This was included due to the new Governmental Accounting Standards Board (GASB) pronouncements implemented for FY 2014-15. Implementation of GASB Pronouncement No. 68 "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27," and GASB Pronouncement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68," requires the recognition of pension liabilities in the Basic Financial Statements rather than reporting pension liabilities only in the notes of the Basic Financial Statements. The Successor Agency did not reflect those pension standards in the 2014 results because the necessary actuarial information from the California Public Employees' Retirement System (CalPERS) was not provided for prior years to be presented in various ROPS reports. The funding of the pension liability has been calculated at \$1,289,518 as of June 30, 2018. The amount requested on this ROPS was limited to \$136,143 due to the cap of \$250,000.

The total amount of the Successor Agency’s Budget for the period July 1, 2019 through June 30, 2020, is \$250,000. Please see the following table.

**Administrative Budget for the Successor Agency  
Of the Former Lompoc RDA  
For the Fiscal Year 2019-20**

<b>July 1, 2019 - December 31, 2019</b>	<b>Budget</b>
Personnel Costs	\$ 34,475
Legal Services for Successor Agency	2,500
Audit Services	3,000
Admin services – cost allocation	15,750
Office supplies, repair and maintenance	2,000
Pension costs	67,275
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	\$125,000

**January 1, 2020 - June 30, 2020**

Personnel Costs	\$ 35,882
Legal Services for Successor Agency	2,500
Audit Services	-
Admin services - cost allocation	9,146
Office supplies, repair and maintenance	15,750
Pension costs	61,722
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	\$125,000
Total for Fiscal Year 2019-20	<hr/> <hr/>
	\$250,000

The non-administrative costs are the amounts paid by the Redevelopment Property Tax Trust Fund (RPTTF) to cover costs associated with bonds, loans, and other obligations listed in Items 1-6 and are consistent with the items shown and approved on the ROPS FY 2018-19 schedule.

The amount of RPTTF funds requested on ROPS FY 2019-20 is \$1,318,280. Of the amount requested from RPTTF, \$1,068,280 is for bond payments and \$250,000 is for Administrative RPTTF. The RPTTF is composed of the 2004 bond principal and interest payments, and the 2010 tax allocation note principal and interest payments, both of which have semi-annual payments due during FY 2019-20. The bond specific amounts requested from RPTTF resources are as follows:

- \$458,498 for principal and interest payments on the 2004 bonds,
- \$601,282 for principal and interest payments on the 2010 bonds.

As in the past, any amount of RPTTF distributions that are not utilized by the Successor Agency in the period covered by the subject ROPS will be carried over to pay for future ROPS eligible costs.

The attached ROPS FY 2019-20 report reflects the required form and format of the Department of Finance. The total amount of RPTTF requested for ROPS FY 2019-20 is \$1,318,280. This consists of \$1,068,280 for non-administrative costs.

**Conclusion:**

Pursuant to Health and Safety Code Section 34177, the Successor Agency's Budget and ROPS requires approval by the Successor Agency prior to February 1, 2019.

Respectfully submitted,

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Melinda Wall, Financial Services Manager

**APPROVED FOR SUBMITTAL TO THE EXECUTIVE DIRECTOR:**

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Brad Wilkie, Management Services Director

**APPROVED FOR SUBMITTAL TO THE SUCCESSOR AGENCY:**

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Jim Throop, Executive Director

Attachments: 1) Resolution SA01(19)  
2) Resolution SA02(19)