# REPORT/RECOMMENDATION TO THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD AND RECORD OF ACTION

January 11, 2024

# <u>FROM</u>

JANET KULBECK, Director of Finance, Successor Agency to the Redevelopment Agency of the City of Montclair

# SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Montclair's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2024-25.

## RECOMMENDATION(S)

Adopt **Resolution No. 2024-11** approving the Successor Agency to the Redevelopment Agency of the City of Montclair's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2024-25.

(Presenter: Janet Kulbeck, Director of Finance, Successor Agency to the Redevelopment Agency of the City of Montclair, (909) 625-9411)

## **BACKGROUND INFORMATION**

California Health & Safety Code (HSC) section 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2024-25 Recognized Obligation Payment Schedule (ROPS) and administrative budget. The ROPS is an annual form and must be submitted to the Department of Finance (DOF) and the County Auditor-Controller by February 1 of each year. Pursuant to HSC section 34179(h)(1)(B), the administrative budget is not required to be sent to DOF.

DOF will have until April 15 to review the 2024-25 ROPS and provide the successor agency a compliance determination. If the successor agency disagrees with the DOF determination, a "meet and confer" is allowed to facilitate a discussion between the successor agency and DOF. In the event of a meet and confer process, DOF must make a final compliance determination on or before May 15 or 15 days prior to the June 1 Redevelopment Property Tax Trust Fund (RPTTF) distribution.

The recommended action will further the Successor Agency to the Redevelopment Agency of the City of Montclair's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is a \$659,030 decrease requested in the amount required from the RPTTF from the last annual ROPS approved.

It is recommended the CWOB approve the Successor Agency's 2024-25 ROPS and administrative budget. The draft 2024-25 ROPS will be provided to DOF, the County Auditor-Controller and the County Administrative Office as required by HSC section 34177(I)(2)(B). The adopted 2024-25 ROPS will be provided to DOF and the County Auditor-Controller pursuant to HSC section 34177(o). This will commence the DOF review period.

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Montclair's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2024-25. January 11, 2024

# **ATTACHMENTS**

Attachment A – Resolution Attachment B – ROPS for Fiscal Year 2024-25 Attachment C – Administrative Budget for Fiscal Year 2024-25

#### **REVIEW BY OTHERS**

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on January 4, 2024 and San Bernardino Countywide Oversight Board Legal Counsel on January 3, 2024.

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Montclair's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2024-25. January 11, 2024

Record of Action of the San Bernardino Countywide Oversight Board

#### APPROVED

Moved: Acquanetta Warren Seconded: Kenneth Miller Ayes: Richard DeNava, T. Milford Harrison, Kenneth Miller, Acquanetta Warren, David Wert Absent: Lawrence Strong, Mario Vasquez

Lynna Monell, SECRETARY

ΒY

DATED: January 11, 2024



- cc: File San Bernardino Countywide Oversight Board w/ reso and attachments
- JLL 01/17/2024

#### **RESOLUTION NO. 2024-11**

#### RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MONTCLAIR'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2024-25

On Thursday, January 11, 2024 on motion of San Bernardino Countywide Oversight Board Member Warren, duly seconded by San Bernardino Countywide Oversight Board Member Miller and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS, California Health and Safety Code (HSC) section 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution; and

WHEREAS, HSC section 34177 requires the San Bernardino Countywide Oversight Board to approve the Recognized Obligation Payment Schedule (ROPS) and administrative budget; and

WHEREAS, pursuant to HSC section 34177(o), the deadline for submitting the ROPS for Fiscal Year 2024-25 to the Department of Finance is February 1, 2024.

NOW, THEREFORE, the San Bernardino Countywide Oversight Board hereby resolves, determines and orders as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Successor Agency to the Redevelopment Agency of the City of Montclair's ROPS and administrative budget for Fiscal Year 2024-25 in the form presented in Attachment "B", attached hereto and incorporated herein by this reference, together with such changes thereto as may be approved by the San Bernardino Countywide Oversight Board, are hereby approved.

Section 3. The ROPS for Fiscal Year 2024-25 in the form presented in Attachment "B" shall be transmitted to the Department of Finance, with a copy submitted concurrently to the San Bernardino Countywide Oversight Board.

This resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the San Bernardino Countywide Oversight Board, State of California, by the following vote:

AYES: OVERSIGHT BOARD MEMBER: Richard DeNava, T. Milford Harrison, Kenneth Miller, Acquanetta Warren, David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: Lawrence Strong, Mario Vasquez

\* \* \* \* \*

STATE OF CALIFORNIA

SS.

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#### SAN BERNARDINO COUNTY

I, LYNNA MONELL, Secretary to the San Bernardino Countywide Oversight Board, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Countywide Oversight Board, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of January 11, 2024. #11 JLL



# Recognized Obligation Payment Schedule (ROPS 24-25) - Summary Filed for the July 1, 2024 through June 30, 2025 Period

Success	or Agency:	City of Montclair				
County:		San Bernardino				
Current	Period Requested	Funding for Enforceable Obligations (ROPS Detail)	25 A Total - December)	-25 B Total nuary - June)	ROP	S 24-25 Total
А	Enforceable C	Obligations Funded as Follows (B+C+D):	\$ -	\$ 590,348	\$	590,348
В	Bond Procee	eds	-	-		-
С	Reserve Bala	ance	-	-		-
D	Other Funds		-	590,348		590,348
Е	Redevelopm	nent Property Tax Trust Fund (RPTTF) (F+G):	\$ 480,511	\$ 1,759,663	\$	2,240,174
F	RPTTF		440,727	1,719,879		2,160,606
G	Administrativ	re RPTTF	39,784	39,784		79,568
Н	<b>Current Perio</b>	d Enforceable Obligations (A+E):	\$ 480,511	\$ 2,350,011	\$	2,830,522

	David Wert	Chairman	
Certification of Oversight Board Chairman:	Name	Title	
Pursuant to Section 34177 (o) of the Health and Safety Code, I			
hereby certify that the above is a true and accurate Recognized	A		
Obligation Payment Schedule for the above named successor		January 11, 2024	
agency.	Signature	Date	

						Mont		July 1, 202	Payment Schedu 4 through June 3 nounts in Whole I	0, 2025	- ROPS Detail										
A B	С	D	E	F	G	Н		J	K	L	M	N	0	P	Q	R	S	Т	U	V	W
							Total			24-25 A (July - December)			ber)			24-25 B (January - June)					
Item # Project Name/Debt Obligation	Obligation Type	ation Type Contract/Agreement Contract/Agree Execution Date Termination	t/Agreement Contract/Agreement Paves Description/Project Scope Project Area Outstanding Retired ROPS 24-25			Fund Sources				24-25 A Total	A Fund Sources					24-25 B Total					
		Execution Date	Termination Date				Obligation		Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total
							\$ 30,081,560		\$ 2,830,522	\$ -	\$ -	\$ -	\$ 440,727	\$ 39,784	\$ 480,511	\$ -	\$-	\$ 590,348	\$ 1,719,879	\$ 39,784	\$ 2,350,011
43 Administrative Cost Reimbursement Agreement	Admin Costs	7/1/2024	6/30/2025	City of Montclair	Administrative Reimbursement Agreement No. 12-49	All Areas	79,568	N	\$ 79,568					39,784	\$ 39,784					39,784	\$ 39,784
46 Bond Indenstures Reporting Requirements	Fees	7/1/2024	6/30/2025	Van Lant & Fankhanel CPAs	Bond Continuing Disclosure Bond Fund Financial Audit	All But Areas 2 and Mission Blvd	7,000	N	\$ 7,000						s -				7,000		\$ 7,000
55 Contract for Bond Trustee Service	Fees	12/4/2019	6/30/2036	U.S. Bank	Annual Bond Trustee Fees/Costs	All But Areas 2 and Mission Blvd	33,000	N	\$ 2,000						s -				2,000		\$ 2,000
56 Contract for Bond Services	Fees	12/4/2019	6/30/2036	Bondlogistix LLC	Bond Arbitrage Rebate Calculation Servcies	All But Areas 2 and Mission Blvd	47,000	N	\$ 3,000						s -				3,000		\$ 3,000
57 Continuing Disclosure Services	Fees	12/4/2019	6/30/2036	Bondlogistix LLC	Bond Continuing Disclosure Services	All But Areas 2 and Mission Blvd	94,000	N	\$ 6,000						s -				6,000		\$ 6,000
58 2019 Tax Allocation Refunding Bonds Series A	, Refunding Bonds	12/4/2019	6/30/2036	U.S. Bank	Refunding of Prior Tax Allocation Bonds	All But Areas 2 and Mission Blvd	17,213,600	N	\$ 1,802,200				281,100		\$ 281,100			125,361	1,395,739		\$ 1,521,100
59 2019 Tax Allocation Refunding Bonds Series B	, Refunding Bonds	12/4/2019	6/30/2036	U.S. Bank	Refunding of Prior Tax Allocation Bonds	All But Areas 2 and Mission Blvd	12,605,892	N	\$ 929,254				159,627		\$ 159,627			464,987	304,640		\$ 769,627
Contract for Annual Debt 60 Transparency Services	Fees	12/4/2019	6/30/2036	Bondlogistix LLC	Annual Debt Transparency Services	All But Areas 2 and Mission Blvd	1,500	N	\$ 1,500						s -				1,500		\$ 1,500

#### Montclair Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances July 1, 2021 through June 30, 2022 (Report Amounts in Whole Dollars)

					/		
Α	В	С	D	E	F	G	н
				Fund Sources			
		Bond P	roceeds	Reserve Balance	Other Funds	RPTTF	
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
	Beginning Available Cash Balance (Actual 07/01/21) RPTTF amount should exclude "A" period distribution amount						
	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller			1,305,064	2,286	3,268,194	Column E - Reserve Balance was to pay for a portion of the debt service payment for Item 58 2019 Tax Allocation Refunding Bonds, Series A. Column F - Refund from sale of Bonds Series 2001, 2004, 2006A, 2006B, 2007A, and Project Area I received in FY 19-20.
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)			1,305,064	2,286		<ul> <li>Column E - Reserve Balance was to pay for a portion of the debt service payment for Item 58 2019 Tax Allocation Refunding Bonds, Series A.</li> <li>Column F - Refund from sale of Bonds Series 2001, 2004, 2006A, 2006B, 2007A, and Project Area I received in FY 19-20. Funds were used to offset the Admin RPTTF for the FY 21-22 ROPS.</li> <li>Column G - Actual expenditures as requested on FY 21-22 ROPS.</li> </ul>
	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			.,,		0,2.0,100	
	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry	required		3,500	
	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$0	\$0	\$0	\$0	\$ (11,075)	

	Montclair Recognized Obligation Payment Schedule (ROPS 24-25) - Notes July 1, 2024 through June 30, 2025
Item #	Notes/Comments
58	After review of the ROPS 21-22 Prior Period Adjustment form it was discovered that \$125,361 was included in the RPTTF on the FY 21-22 ROPS for a future debt service payment on the 2019 Tax Allocation Refunding Bonds, Series A. These additional funds were not included on the FY 22-23 ROPS as cash on hand. This amount is included on the FY 24-25 ROPS to correct that oversight.
59	After review of the ROPS 21-22 Prior Period Adjustment form it was discovered that \$463,914.11 was included in the RPTTF on the FY 21-22 ROPS for a future debt service payment on the 2019 Tax Allocation Refunding Bonds, Series B. These additional funds were not included on the FY 22-23 ROPS as cash on hand. This amount is included on the FY 24-25 ROPS to correct that oversight. The cash on hand amount shown on the FY 24-25 ROPS also includes \$1,072.84 which was cash the bank had on hand.