RESOLUTION NO. OB-15-40

A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING A FIVE-YEAR AGREEMENT BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND LANCE SOLL & LUNGHARD FOR AUDIT SERVICES FOR THE SUCCESSOR AGENCY AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency on February 1, 2012 under AB 26 ("Successor Agency"); and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency was established pursuant to AB 26; and

WHEREAS, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills signed by the Governor. AB 26 as amended is hereinafter referred to as the "Dissolution Act"; and

WHEREAS, H&S Code Section 34179 of the Dissolution Act establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of the Dissolution Act; and

WHEREAS, pursuant to H&S Code Section 34177.3(b) of the Dissolution Act, the

Successor Agency may create enforceable obligations to conduct the work of winding down the Redevelopment Agency, including, without limitation, hiring staff and acquiring necessary professional administrative services; and

WHEREAS, H&S Code Section 34177(n) of the Dissolution Act requires the Successor Agency to cause a post audit of its financial transactions and records at least annually by a certified public accountant; and

WHEREAS, as required and authorized by state law, the Successor Agency proposes to enter into an Agreement for Professional Services ("Agreement") with Lance Soll & Lunghard ("Consultant") for specified audit services to be conducted for the benefit of the Successor Agency. The proposed term of the Agreement is for a five (5) year period unless the Agreement is earlier terminated; and

WHEREAS, as provided in the Agreement, the Successor Agency proposes to compensate Consultant for work completed, not to exceed a total amount of $6,200 for the fiscal year 2014/15, $6,200 for fiscal year 2015/16, $6,200 for fiscal year 2016/17, $6,350 for fiscal year 2017/18 and $6,350 for fiscal year 2018/19 audits of the Successor Agency's financial statements for basic services rendered under the Agreement, as more particularly described in the Agreement and Exhibits "A" and "B" attached thereto; and

WHEREAS, the Board of the Directors of the Successor Agency approved the proposed Agreement at its meeting conducted on March 18, 2015, by Resolution No. SA-15-48; and

WHEREAS, since the Successor Agency is obligated by state law to retain the services of a certified public accountant to perform an annual post audit of its financial transactions and records, the costs incurred by the Successor Agency as a result of entering into the Agreement and causing Consultant to prepare such audits constitute an enforceable obligation of the Successor Agency pursuant to H&S Code Section 34171(d)(1)(C) of the Dissolution Act as a payment required by state law. As such, these audit costs may be paid from funds held in the Redevelopment Property Tax Trust Fund ("RPTTF") maintained by the San Diego County Auditor-Controller for the Successor Agency, and do not constitute administrative costs of the Successor Agency; and

WHEREAS, as required by the Dissolution Act, the Successor Agency will include its audit costs on applicable Recognized Obligation Payment Schedules ("ROPS") to be submitted by the Successor Agency for approval by the Oversight Board and the California Department of Finance ("Department of Finance") for expenditure and payment using funds held in the RPTTF; and

WHEREAS, in connection with the recently submitted and approved ROPS for the 6-month period from July 1, 2015 through December 31, 2015 ("ROPS 15-16A"), audit costs in the amount of $6,007 were included as Item No. 25 on the ROPS 15-16A for funding from RPTTF. Similarly, audit costs that are incurred by the Successor Agency under the proposed Agreement and payable to Consultant during the 5-year term of the Agreement will be included on each successive ROPS to be submitted by the Successor Agency for approval by the Oversight Board and the Department of Finance for expenditure and payment using funds held in the RPTTF; and

WHEREAS, as required by H&S Code Section 34179(f) of the Dissolution Act, all notices required by law for proposed actions of the Oversight Board will be posted on the Successor Agency's internet website or the Oversight Board's internet website; and

WHEREAS, pursuant to H&S Code Section 34179(h) of the Dissolution Act, the Successor Agency is required to provide written notice and information about all actions taken by the Oversight Board to the Department of Finance by electronic means and in the manner of the Department of Finance's choosing; and

WHEREAS, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

Section 1. The Oversight Board determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board approves the Agreement for Professional Services ("Agreement") by and between the Successor Agency and Lance Soll & Lunghard ("Consultant") for specified audit services to be conducted for the benefit of the Successor Agency, at the proposed compensation payable to Consultant as set forth therein and with the proposed term of five (5) years unless the Agreement is earlier terminated, and authorizes the Executive Director or the Successor Agency to execute the Agreement in the form approved by the Successor Agency and its legal counsel.

Section 3. The Oversight Board determines that, for purposes of the Dissolution Act, the costs incurred by the Successor Agency as a result of entering into the Agreement and causing Consultant to prepare audits constitute an enforceable obligation and recognized obligation of the Successor Agency pursuant to H&S Code Section 34171(d)(1)(C) of the Dissolution Act as a payment required by state law. The Oversight Board further determines that these audit costs may be paid from funds held in the Redevelopment Property Tax Trust Fund ("RPTTF") maintained by the San Diego County Auditor-Controller for the Successor Agency, and do not constitute administrative costs of the Successor Agency.

Section 4. The Oversight Board authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) include the audit costs during the term of the Agreement on a ROPS as necessary for the Successor Agency to be authorized to pay such costs from funds from the RPTTF; (ii) submit this Resolution and the Agreement, as approved by the Oversight Board, and written notice of the Oversight Board's approval of the Agreement, to the Department of Finance electronically pursuant to H&S Code Section 34179(h) of the Dissolution Act; (iii) post a copy of this Resolution on the

Successor Agency's internet website; and (iv) take such other actions and execute such other documents as are necessary and appropriate to effectuate the intent of this Resolution on behalf of the Oversight Board.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

Section 7. This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

PASSED, APPROVED, AND ADOPTED by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 8th day of April 2015, by the following vote:

AYES:	**BOARD MEMBERS:**	**YANDA, SAADAT, KING, HENTSCHKE, WINTER, KAMINSKY, FOLTZ**
NOES:	**BOARD MEMBERS:**	**NONE**
ABSENT:	**BOARD MEMBERS:**	**NONE**

Mayda C. Winter

MAYDA C. WINTER
CHAIRPERSON

ATTEST:

Jacqueline M. Hald

JACQUELINE M. HALD, MMC
SUCCESSOR AGENCY SECRETARY