

To: James L. App, City Manager
From: Mike Compton, Director of Administrative Services
Subject: Redevelopment Agency Budget
Date: July 17, 2007

Need:

For the Council to consider introduction and first reading of the fiscal year 2008 and 2009 Redevelopment Agency operating budgets.

Facts:

1. The adopted Agency plan requires that the annual operating budget be adopted by ordinance rather than by resolution.
1. The budget is identical to the current year's budget except for debt service. In past years, pass through payments made directly by the County Auditor-Controller's Office to other taxing agencies were recorded as debt expenses in our records with an equal offsetting entry to tax increment revenues. The auditors have recommended in change in this practice. There is no net change in available resources to the Agency.
2. In prior years, all unallocated tax increment revenues are dedicated to repay the City for debt service on City Hall/Library. Given the Council's decision not to pursue the construction of a new city hall, unallocated tax increment revenues will be used to fund transportation and education related projects.

Analysis and
Conclusions:

The Agency budget, as presented, represents a "bare bones" operation and is virtually identical to the current budget

The remaining budget is mainly comprised of debt service and professional services. The components of the debt service appropriation include the 1996 Tax Allocation Refunding Bonds, the 2000 Tax Allocation Bonds, the resource commitments as dictated by various fiscal agreements and the 20% low and moderate income housing set-aside.

Professional services is comprised of \$19,000 for property tax administration fee; \$5,000 for the sales tax consulting/reporting contract; \$10,000 for legal services; \$8,000 for property tax reporting and auditing; and \$1,000 for miscellaneous needs.

Fiscal
Impact:

The Redevelopment Agency budget, as presented for Council consideration, is balanced. Property tax increment revenues are projected to cover operating expenditures.

Options:

- a. That the Council introduce and hold first reading of an ordinance adopting the, Two Year Operating Budget for Fiscal Years 2008 and 2009 for the Redevelopment Agency; or
- b. Amend, modify or reject the option above.

ORDINANCE NO. _____ N.S.

**AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
AMENDING CHAPTER 3.40 REVENUE AND FINANCE
OF THE MUNICIPAL CODE TO
ADOPT A TWO YEAR OPERATING BUDGET FOR
FISCAL YEARS 2007-08 AND 2008-09 FOR THE
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES**

The City Council of the City of El Paso de Robles, State of California, does ordain as follows:

SECTION 1.

That the budget for the Redevelopment Agency of the City of El Paso de Robles for the fiscal years commencing July 1, 2007 and ending June 30, 2008 and July 1, 2008 and ending June 30, 2009 as documented in Exhibit A attached hereto and included herein by reference, is hereby approved and adopted as the budget of the Agency for said fiscal year (hereinafter "budget").

SECTION 2.

That from the effective date of said budget, to wit: July 1, 2007, the several amounts stated therein as proposed expenditures shall be and become appropriated to the Agency for the respective objects and purposes therein set forth, subject to expenditures pursuant to the provisions of all applicable statutes of this State.

SECTION 3.

That the Executive Director shall have the authority to incur obligations and enter into contracts not to exceed Ten Thousand Dollars (\$10,000.00) without prior approval of the Agency and shall follow the City's purchasing ordinance.

SECTION 4.

That the Agency hereby finds and determines:

a) That all of the expenditures and appropriations pursuant to the budget are for Redevelopment activities consistent with California Health and Safety Code 33678 in that they are for carrying out the Redevelopment Project and related development activities, as defined in California Health and Safety Sections 33020 and 33021, and primarily benefit the Redevelopment Project.

b) That none of the funds are to be used for the purposes of paying for employee or for contractual services for the City of El Paso de Robles or any other local government agency, except for such services which are directly related to Redevelopment activities as defined in California Health and Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law.

SECTION 5.

That the appropriation and expenditure of funds shall be consistent with the terms as established by cooperative agreement between the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles per Agency and City adopting implementing resolutions.

SECTION 6.

Publication. The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 7.

Effective date. This ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

Inconsistency. To the extent that the terms of provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule, or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.

SECTION 8.

Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portions of this Ordinance.

The City Council hereby declares that it would have passed this ordinance by section, subsection, sentence, clause, or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.

Introduced at a regular meeting of the City Council held on July 17, 2007, and passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

Mayor Frank Mecham

ATTEST:

Deborah Robinson, Deputy City Clerk