

City of Folsom
City of Galt
City of Isleton
City of Sacramento
County of Sacramento

**SACRAMENTO COUNTYWIDE
OVERSIGHT BOARD**

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For the Agenda of: March 9, 2020
Agenda Item Number: 1

To: Sacramento Countywide Oversight Board
From: County of Sacramento Department of Finance, Auditor-Controller Division
Subject: Prior Period Adjustment Review
Report Type: Receive and File
Contact: Jeff Emslie, Senior Accounting Manager, (916) 874-8262

Background

Health and Safety Code Section 34186(c) requires successor agencies to submit to the county auditor-controller for review, the differences between actual payments and past estimated obligations on a Recognized Obligation Payment Schedule (ROPS). This process is referred to as the Prior Period Adjustment (PPA). The Sacramento County Auditor-Controller requested the 2017-2018 PPA from all Sacramento County successor agencies on December 19, 2019. The Auditor-Controller also requested documentation of actual expenses (invoices, time records, etc.) from all Sacramento County successor agencies as part of that review.

Following the Sacramento Countywide Oversight Board hearing on January 6, 2020, several members of the Oversight Board requested to see the latest available documentation for administrative costs. Auditor-Controller Division staff have prepared a breakdown of administration costs for each successor agency for Fiscal Year (FY) 2017-2018 in response to this request.

Discussion

Attachment 1 contains a detailed breakdown of administration costs and items with authorized payments and associated administrative activity for each successor agency. The City of Isleton Successor Agency did not submit any information as required by law and we therefore have no information to present. In addition, the City of Galt Successor Agency and the City of Folsom Successor Agency provided budgeted amounts instead of actual costs, so budgeted amounts are presented for these successor agencies.

Recommendation

Receive and File

Attachment(s):

ATT 1 – Successor Agency Administrative Costs Fiscal Year 2017-18

ROPS 17-18 Administrative Cost

	City of Folsom	City of Galt	City of Sacramento	County of Sacramento
Admin Cost Requested by SA on the ROPS	250,000	250,000	931,338*	250,000
Admin Cost Authorized per PPA online form (RAD App) provided by the State	250,000	250,000	931,338	250,00
Admin Cost Reported by SA in the PPA	250,000	250,000	488,658	176,139
Admin Cost Backup provided by SA	38,930**	250,000**	488,658	176,139
Admin Cost Reported to the State per review by the County Auditor Controller	38,930	250,000***	488,658	176,139
Nature of Backup	Estimated	Estimated	Actuals	Actuals
Number of Items Authorized Payments in ROPS 17-18	7	9	61	22
Admin activities	1	1	1	1
Bond/Loan activities	4	3	20	16
Other activities	2	5	40	5

* City of Sacramento originally requested \$829,338 for Item#35 Administrative Cost. State had decided to include ROPS Item#25 Loan Servicing Fees (\$2,000) and Item#36 Oversight Board Legal Services (\$100,000) as part of the Administrative Cost.

** As no actual back-up was provided, the amount shown is an estimate based on information provided to County Auditor Controller as part of the Prior Period Adjustment Submittal.

*** County Auditor Controller noted in their review that reported administrative cost by the Galt Successor Agency appear excessive considering the limited number and nature of the obligations listed on the ROPS.

City of Folsom Successor Agency

ROPS 17-18 Admin Cost Reported by SA in the PPA: \$ 250,000
 ROPS 17-18 Admin Cost Backup provided by SA: \$ **38,930**
 Nature of Backup: **Estimated**

Breakdown of Admin Costs provided by SA:

Successor Agency Employees			
	Position	Hours	Amount
	Senior Financial Analyst	20	\$ 1,452.00
	Deputy Treasurer	5	449.00
	Finance Director	2	305.00
	City Attorney	1	169.00
			<hr/>
			\$ 2,376.00
Other Costs			
	Audit		\$ 12,000.00
	Debt Administration		24,554.00
			<hr/>
			\$ 36,554.00
Grand Total			<hr/>
			\$ 38,930.00

Items with authorized payments in ROPS 17-18 (including Admin activity)

	Category	Project Name/Debt Obligation	Payee	Description
1	Admin Costs	Project Area	City of Folsom	City Management of Agency
2	Bond/Loan	2016 TABS, Series A	Union Bank	Refunding bonds for all 2005-2011 TAB's
3	Bond/Loan	2016 TABS, Series B	Union Bank	Refunding bonds for all 2005-2011 TAB's
4	Bond/Loan	2016 TABS, Series A - Reserve Set Aside	Union Bank	Debt service reserve set aside
5	Bond/Loan	2016 TABS, Series B - Reserve Set Aside	Union Bank	Debt service reserve set aside
6	Other	Project Area - SERAF	City of Folsom Housing	Repayment of SERAF to City of Folsom Housing
7	Other	OPA - Kikkoman	Kikkoman Foods, Inc.	OPA agreement related to Kikkoman building

City of Galt Successor Agency

ROPS 17-18 Admin Cost Reported by SA in the PPA: \$ 250,000
 ROPS 17-18 Admin Cost Backup provided by SA: **\$ 250,000**
 Nature of Backup: **Estimated**

Breakdown of Admin Costs provided by SA:

Finance			
	Position	Hours	Amount
	Budget & Revenue Manager	416	\$36,841.00
	Accounting Manager	146	12,930.00
	Administrative Assistant	146	8,880.00
	Finance Director	146	17,496.00
	Accountant	208	12,307.00
	City Treasurer	250	4,987.00
	Accounting Assistant II	125	6,194.00
	Sr Accounting Assistant	208	10,195.00
			<hr/>
			\$109,830.00
Administration			
	City Attorney		\$35,988.00
	City Clerk	146	12,916.00
	City Manager	208	33,626.00
	Executive Assistant	208	13,538.00
			<hr/>
			\$96,068.00
Consultant Costs			
	RSG		\$15,156.00
	LSL (Auditors)		6,020.00
			<hr/>
			\$21,176.00
Other Costs			
	Facilities, travel, technology, supplies & general operating		\$22,926.00
			<hr/>
			\$22,926.00
Grand Total			<hr/>
			\$250,000.00

City of Galt Successor Agency

Items with authorized payments in ROPS 17-18 (including Admin activity)

	Category	Project Name/Debt Obligation	Payee	Description
1	Admin Costs	Administrative Allowance	City of Galt	Admin Allowance
2	Bond/Loan	2011 Tax Allocation Bonds Series A	Bank of New York	Bonds issued to fund projects
3	Bond/Loan	2011 Tax Allocation Bonds Series B	Bank of New York	Bonds issued to fund projects
4	Bond/Loan	City Loan to Successor Agency for DDR Payment	City of Galt	City Loan to SA for DDR payment eligible for repayment under H&SC Section 34179.9(b)
5	Other	Project Delivery Cost	NBS	Continuing Disclosure (contract renewed annually until bonds are repaid)
6	Other	Project Delivery Cost	Bank of New York	Annual Trustee Fee
7	Other	Project Delivery Cost	Various	Continuation of rehabilitation projects pursuant to bond covenants
8	Other	Lawsuit Settlement	Cosumnes Comm. Svcs	Settlement Payment per HSC 34171(d)(1)(D)
9	Other	Arbitrage Calculation Fee	BLX	Arbitrage Calculation required for the bonds

City of Sacramento Successor Agency

ROPS 17-18 Admin Cost Reported by SA in the PPA: \$ 488,658
 ROPS 17-18 Admin Cost Backup provided by SA: **\$ 488,658**
 Nature of Backup: **Actuals**

Breakdown of Admin Costs provided by SA:

Successor Agency Employees			
	Position	Hours	Amount
	Economic Development Manager	799	\$199,488.84
	Senior Deputy City Attorney	194	32,461.32
	Senior Debt Analyst	73	10,822.95
	Debt Analyst	15	1,804.43
	Treasury Analyst	12.25	1,516.56
	Senior Accountant Auditor	920	87,690.13
	Program Specialist	450	141,633.20
			\$475,417.42
Other Costs			
	Sloan Sakai Yeung & Wong LLP		\$742.50
	Amerinational Community Services, Inc.		1,343.45
	Property disposition expense for Real Estate Billings		11,154.90
			\$13,240.85
Grand Total			\$488,658.27

Items with authorized payments in ROPS 17-18 (including Admin activity)

	Category	Project Name/Debt Obligation	Payee	Description
1	Admin Costs	Administrative Costs	City of Sacramento	AB 26 Administrative Allowance (est)
2	Bond/Loan	Banc of America Public Capital Corp.	SHRA	2008 Bank of America Public Capital Corp - 801 12th St (Note 2) (Fall DS "Smoothing")
3	Bond/Loan	Banc of America Public Capital Corp.	SHRA	2008 Bank of America Public Capital Corp - 801 12th St (Note 2) (Spring DS Payment)
4	Bond/Loan	2006 CIRB Series B	City of Sacramento	Master Lease Taxable (Fall DS)
5	Bond/Loan	2006 CIRB Series B	City of Sacramento	Master Lease Taxable (Spring DS)
6	Bond/Loan	City of Sac CIEDB - utilities / Detention Basin	City of Sacramento	Loan Agreement - CIEDB (Fall DS)

City of Sacramento Successor Agency

Items with authorized payments in ROPS 17-18 (including Admin activity)

Category	Project Name/Debt Obligation	Payee	Description	
7	Bond/Loan	City of Sac CIEDB - utilities / Detention Basin	City of Sacramento	Loan Agreement - CIEDB (Spring DS)
8	Bond/Loan	Globe Mills	SHRA	Section 108 (Fall DS)
9	Bond/Loan	Globe Mills	SHRA	Section 108 (Spring DS)
10	Bond/Loan	Boating & Waterways Loan	City of Sacramento	Loan Agreement (Fall DS)
11	Bond/Loan	1993 Merged Downtown TABS	US Bank	Tax allocation bond (Fall DS)
12	Bond/Loan	N. Sac CIEDB Loan	CA Infrastructure Bank	Loan (Fall DS)
13	Bond/Loan	N. Sac CIEDB Loan	CA Infrastructure Bank	Loan (Spring DS Payment)
14	Bond/Loan	Stockton Blvd CIEDB Loan	CA Infrastructure Bank	Loan (Fall DS)
15	Bond/Loan	Stockton Blvd CIEDB Loan	CA Infrastructure Bank	Loan (Spring DS)
16	Bond/Loan	2006 Stockton Blvd Master Lease	City of Sacramento	Master Lease (Fall DS)
17	Bond/Loan	2006 Stockton Blvd Master Lease	City of Sacramento	Master Lease (Spring DS)
18	Bond/Loan	2015 Tax Allocation Ref Bonds, Series A (Tax-Exempt)	U.S. Bank National Association	Tax Exempt Refunding Series A bond (Fall DS)
19	Bond/Loan	2015 Tax Allocation Ref Bonds, Series A (Tax-Exempt)	U.S. Bank National Association	Tax Exempt Refunding Series A bond (Spring DS)
20	Bond/Loan	2015 Tax Allocation Ref Bonds, Series B (Federally Taxable)	U.S. Bank National Association	Taxable Refunding Series B bond (Fall DS)
21	Bond/Loan	2015 Tax Allocation Ref Bonds, Series B (Federally Taxable)	U.S. Bank National Association	Taxable Refunding Series B bond (Spring DS)
22	Other	Investment Fees	City of Sacramento	Fees from City Treasurer on investments (est)
23	Other	Property tax assessments	County of Sacramento	Property tax assessments (estimate)
24	Other	Property Holding Costs	Various	utilities, landscape, fencing
25	Other	Deposit Liability	Johnson/Warren Partner	Deposit
26	Other	Deposit Liability	O'Connell Hughes	Deposit
27	Other	Deposit Liability	CFY Dev	Deposit
28	Other	Deposit Liability	DASCO	Deposit
29	Other	Deposit Liability	City of Sacramento	Other Liability
30	Other	Deposit Liability	Hahn/DT Shuttle	Other Liability
31	Other	Deposit Liability	700/800 K	Security Deposit
32	Other	Deposit Liability	730 K St	Security Deposit

City of Sacramento Successor Agency

Items with authorized payments in ROPS 17-18 (including Admin activity)

Category	Project Name/Debt Obligation	Payee	Description	
33	Other	Deposit Liability	809 L St	Security Deposit
34	Other	Deposit Liability	Albert Blunt	Security Deposit
35	Other	Deposit Liability	Joseph Schiff	Security Deposit
36	Other	Deposit Liability	Leroy Cowan	Security Deposit
37	Other	Deposit Liability	Paula Lomanzi	Security Deposit
38	Other	Deposit Liability	Robert Hoffman	Security Deposit
39	Other	Deposit Liability	Robert Montgomery	Security Deposit
40	Other	Deposit Liability	Sabs Silitshenai	Security Deposit
41	Other	Deposit Liability	Sheri Batiste	Security Deposit
42	Other	Citizen Hotel	Sacramento Hotel, LLC.	Annual Property Tax Rebate (estimate)
43	Other	Deposit Liability	Rotary Club	Deposit
44	Other	Deposit Liability	Concentric Health	Other Liability
45	Other	Deposit Liability	4611 10th Ave	Security Deposit
46	Other	Deposit Liability	Clarmu Di Pina	Security Deposit
47	Other	Deposit Liability	DO Auto Body	Security Deposit
48	Other	Deposit Liability	Jacklyn Johnson	Security Deposit
49	Other	Deposit Liability	Leah Bonnett	Security Deposit
50	Other	Deposit Liability	5700 Stockton Blvd	Other Short Term Liability
51	Other	Rental Subsidy Agreement	SHRA - Mercy Housing California	Rental Subsidy Agreement (Blvd. Court)
52	Other	1993 Merged Downtown TABS	US Bank	Trustee Fees
53	Other	2003 Del Paso LM TE TABS Ser A	US Bank	Trustee Fees
54	Other	2005 Tax Allocation Revenue Bonds Series A	US Bank	Trustee Fees
55	Other	2005 Tax Allocation Revenue Bonds Series A	BLX	Arbitrage Calculation Fees
56	Other	Property Disposition	Various	Property Disposition Costs
57	Other	Housing Entity Administrative Allowance (AB471)	SHRA	Housing Entity Administrative Allowance (AB471)
58	Other	2006 CIRB Series B	B of New York	Trustee Fees
59	Other	2006 CIRB Series E - Stockton Blvd	B of New York	Trustee Fees
60	Other	1993 TAB Series B (Merged Downtown)	BLX	Arbitrage Calculation Fees
61	Other	2006 CIRB Series E - Stockton Blvd	BLX	Arbitrage Calculation Fees

City of Sacramento Successor Agency

Items with authorized payments in ROPS 17-18 (including Admin activity)

Category	Project Name/Debt Obligation	Payee	Description	
62	Other	Canez vs RASA	Mario Canez/Litigation	Canez vs RASA litigation
63	Other	Deposit Liability	Domus Development, LLC	Domus Development, LLC Deposit
64	Other	Deposit Liability	Domus Development, LLC	Domus Development, LLC Deposit
65	Other	2003 Series A	County of Sacramento	Fiscal Agent Fees
66	Other	2015 Tax Allocation Refunding Bonds, Series A & B	U.S. Bank National Association	Trustee Fees
67	Other	Construction	City of Sacramento	OB R2015-00585 - Excess Bond Plan Agreement and Bond Proceed (Estimate)

County of Sacramento Successor Agency

ROPS 17-18 Admin Cost Reported by SA in the PPA: \$ 176,139
 ROPS 17-18 Admin Cost Backup provided by SA: **\$ 176,139**
 Nature of Backup: **Actuals**

Breakdown of Admin Costs provided by SA:

Successor Agency Employees			
	Position	Hours	Amount
	Attorney Lv 4 Civil Rng B	55	\$10,686.50
	Asst County Counsel	4	844.48
	Sr Accounting Mgr	24	3,540.72
	Accounting Mgr	4.6	639.69
	Senior Accountant	22.8	1,584.38
	Accountant	529.3	50,458.67
	Principal Civil Engineer	5	790.6
	Principal Planner	394.2	81,599.40
	Senior Planner	27.9	5,217.30
	Assoc Planner	120.1	20,777.30
Grand Total			\$176,139.04

Items with authorized payments in ROPS 17-18 (including Admin activity)

	Category	Project Name/Debt Obligation	Payee	Description
1	Admin Costs	County Administrative Allowance	County of Sacramento	AB 26 Administrative Allowance
2	Bond/Loan	03 Tax Exempt Series A bond (2&133)	US Bank	03 Tax Exempt Series A bond
3	Bond/Loan	03 Taxable Series B bond (6&135)	US Bank	03 Taxable Series B bond
4	Bond/Loan	08 Tax Exempt Series A bond (12&138)	US Bank	08 Tax Exempt Series A bond
5	Bond/Loan	08 Taxable Series B bond (14&139)	US Bank	08 Taxable Series B bond
6	Bond/Loan	2004 Florin Advance (CDBG RLF)	Housing Authority of County	Advance (Fall Reserve)
7	Bond/Loan	2006 Auburn Blvd Advance (Ins)	SHRA (Housing Authorities City & County, Redevelopment Agencies City & County)	Advance (Fall Reserve)
8	Bond/Loan	2007 Florin Advance (MRB)	Housing Authority of County	Advance (Fall Reserve)

County of Sacramento Successor Agency

Items with authorized payments in ROPS 17-18 (including Admin activity)

Category	Project Name/Debt Obligation	Payee	Description	
9	Bond/Loan	2009 Auburn Blvd Advance (MRB)	Housing Authority of County	Advance (Fall Reserve)
10	Bond/Loan	2010 Mather Advance (MRB)	Housing Authority of County	Advance (Fall Reserve)
11	Bond/Loan	2008 Banc of America Public Capital Corp	Banc of America Public Capital Corp (SHRA)	2008 Banc of America Public Capital Corp (SHRA) - Tax Exempt Financing
12	Bond/Loan	03 Tax Exempt Series A bond (Fall DS Reserve)	US Bank	03 Tax Exempt Series A bond (Fall DS Reserve)
13	Bond/Loan	03 Taxable Series B bond (Fall DS Reserve)	US Bank	03 Taxable Series B bond (Fall DS Reserve)
14	Bond/Loan	08 Tax Exempt Series A bond (Fall DS Reserve)	US Bank	08 Tax Exempt Series A bond (Fall DS Reserve)
15	Bond/Loan	08 Taxable Series B (Fall DS Reserve)	US Bank	08 Taxable Series B (Fall DS Reserve)
16	Bond/Loan	CIEDB Loan Agreement (24&144)	CA Infrastructure Bank	CIEDB Loan Agreement
17	Bond/Loan	CIEDB Loan Agreement (Fall Reserve)	CA Infrastructure Bank	CIEDB Loan Agreement (Fall Reserve)
18	Other	Property Holding Costs	various	Utilities, assessment
19	Other	Property Maintenance	Sacramento County	Landscape, fencing, maint, weed abatement
20	Other	Rental Subsidy	Mutual Housing CA	Mutual Housing the Highlands
21	Other	Housing Entity Administrative Cost Allowance (AB471)	Housing Authority of the County of Sacramento	AB 471 Housing Entity Administrative Cost Allowance
22	Other	Fiscal Agent Fees	County of Sacramento - Treasury	PFA financials, bond-related fees

COUNTYWIDE OVERSIGHT BOARD

MEETING DATE:

MONDAY, MARCH 9, 2020

Subject: Statutory Reporting Rrquirements And Remedies For Non-compliance

NO MATERIAL AVAILABLE

COUNTYWIDE OVERSIGHT BOARD

MEETING DATE:

MONDAY, MARCH 9, 2020

Subject: Comments From The Agency Staff

NO MATERIAL AVAILABLE

COUNTYWIDE OVERSIGHT BOARD

MEETING DATE:

MONDAY, MARCH 9, 2020

Subject: Comments From The Board Members

NO MATERIAL AVAILABLE

COUNTYWIDE OVERSIGHT BOARD

MEETING DATE:

MONDAY, MARCH 9, 2020

Subject: Comments From The Public

NO MATERIAL AVAILABLE