AGENDA ITEM

TO: SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY

SUBJECT: REDEVELOPMENT DISSOLUTION CONSULTING SERVICES

DATE: JANUARY 17, 2018

BACKGROUND

The dissolution of the Firebaugh Redevelopment Agency is complex and arduous. Staff requires financial, real estate, and management consulting services to help deal with the numerous deadlines and requirements of ABx1 26, AB 1484, SB 107 and any new legislation that may come into effect.

Redevelopment Dissolution Consulting Services

The City of Firebaugh and the Successor Agency to the Firebaugh Redevelopment Agency have been working with RSG, Inc. ("RSG") to provide consulting services related to the dissolution of the former Firebaugh Redevelopment Agency since 2011. To date, RSG has assisted with:

- Operational startup activities to create the Successor Agency, Housing Successor Entity, and Oversight Board
- Recognized Obligation Payment Schedules (ROPS) covering six month periods from January 2012 to the present
- The Successor Agency's Administrative Budget for Fiscal Years 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19
- Cash Flow Analyses to aid preparation of the ROPS and inform other planning activities
- City Loan Agreements to cover shortfalls in prior ROPS periods
- Due Diligence Review advisory services
- Property and asset disposition services including the Long-Range Property Management Plan and the sale of all former redevelopment agency properties
- Review and analysis of contracts, agreements, and other documents
- Documents and presentations for City Council, Successor Agency, and Oversight Board Meetings
- Documents and presentations for meetings with State and County agencies
- Correspondence with State, County, and other agencies as needed
- General project advisory and management Services
- Legislative tracking, analysis, and advice
- Other services as needed

A new contract for administrative services is proposed in a not-to-exceed amount of $25,000 to continue providing consulting services in FY 2018-19.

RSG will consult on all activities required by the Dissolution Act, which may include but are not limited to:

- Financial Planning and Transition Services, including preparation of Recognized Obligation Payment Schedules (ROPS), Administrative Budgets, Prior Period Adjustments (PPA), and Cash Flows
- General Financial Advisory Services
- Meeting, Agenda, Staff Report Assistance for the City Council, Successor Agency, and Oversight Board
- Meeting Preparation and Attendance with State, County and other agencies as required
- Taxing Entity Consultations
- Monitoring of Legal Requirements and Agreements
- Legislative Analysis
- Others Services as Designated

The fee stated in the proposal matches the amount approved by the Successor Agency and Oversight Board in the FY 2018-19 Administrative Budget. Costs for services will be paid on a monthly basis as they accrue on a time and material basis by the Successor Agency.

RECOMMENDATIONS

Approve the attached Proposal for Consulting Services from RSG relating to Successor Agency matters and enter into the contract subject to Oversight Board approval.

FISCAL IMPACT

The cost associated with the FY 2018-19 RSG Contract for Consulting Services will be paid out of the Administrative Allowance of $250,000. The Successor Agency has reduced its internal costs in recent ROPS cycles so it is anticipated that there will be sufficient Administrative Allowance to cover the costs of the RSG Contract.

Enclosures

1. Consulting Services Proposal from RSG dated January 17, 2018.

RESOLUTION NO. 18-03

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH RSG, INC. TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2018-19

WHEREAS, the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Firebaugh Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, the Successor Agency desires to enter into a contract with RSG, Inc ("RSG") to provide consulting services related to the dissolution of the Former Firebaugh Redevelopment Agency through Fiscal Year 2018-19 as detailed in the proposal attached as Exhibit "A" ("RSG Contract"); and

WHEREAS, the RSG Contract is to be funded by the administrative cost allowance pursuant to Health & Safety Code Section 34171(b); and

WHEREAS, Health & Safety Code Section 34177(j)(3) requires proposals for arrangements for administrative and operations services provided by a city, county, or other entity to be submitted to the oversight board for its approval; and

WHEREAS, Health & Safety Code Section 34177.3(b) states that successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including acquiring necessary professional administrative services; and

WHEREAS, the Successor Agency desires to approve the RSG Contract.

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The RSG Contract is hereby approved.

SECTION 2. The Successor Agency hereby authorizes the City Manager to take such other and further action consistent with this resolution and sign and transmit any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency, on the 17th day of January, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

APPROVED: **ATTEST:**

_____ _____

FELIPE PEREZ, MAYOR **RITA LOZANO, DEPUTY CITY CLERK**

APPROVED AS TO FORM:

_____

JENELL VAN BINDSBERGEN, SUCCESSOR AGENCY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FIREBAUGH)

I, RITA LOZANO, hereby certify that I am the duly appointed City Clerk of the City of Firebaugh and that the foregoing resolution was duly adopted at a regular meeting of the Successor Agency held on the 17th day of January, 2018.

_____

Rita Lozano
Deputy City Clerk

EXHIBIT "A"

RSG PROPOSAL FOR FY 2018-19 SUCCESSOR AGENCY CONSULTING SERVICES

[Attached as a separate document]

RSG
BETTER COMMUNITIES. BOLDER FUTURES

RSG, INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

Via Electronic Mail

January 1, 2018

Mr. Ben Gallegos
Interim City Manager
CITY OF FIREBAUGH
1133 "P" St.
Firebaugh, CA 93622

PROPOSAL FOR SUCCESSOR AGENCY ADMINISTRATIVE CONSULTING SERVICES

Dear Mr. Gallegos:

RSG is pleased to present this proposed scope of work and budget to provide the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Successor Agency") administrative consulting services for the 2018-19 fiscal year. RSG has been working with the Successor Agency since the beginning of the dissolution of the Firebaugh Redevelopment Agency in 2011. With RSG's assistance, the Successor Agency has overcome many hurdles, fulfilled numerous state reporting requirements, and sold all of the former redevelopment Agency properties. RSG would like to continue to serve the Successor Agency in its capacity as Administrative Consultants and see the Successor Agency through to the end of this arduous process.

SCOPE OF SERVICES

The proposed Scope of Services is based upon our experience with the Successor Agency and upcoming tasks that we have identified. RSG is happy to discuss modifications to the scope as needed to satisfy the City's needs. RSG has identified the following tasks:

Task 1: Budget and Cash Flow Work

The Successor Agency has faced many challenges throughout the dissolution process, not the least of which has been budget shortfalls during Recognized Obligation Payment Schedule periods. RSG will continue to maintain a working cash flow model for the Successor Agency to anticipate any future budget shortfalls. In addition, RSG will assist the Successor Agency in working to close any budget gaps by employing the variety of methods.

Task 2: Complete Annual ROPS and accompanying Administrative Budgets

The Successor Agency must submit a Recognized Obligation Payment Schedule ("ROPS") to the Oversight Board and Department of Finance annually. RSG will assist the Successor Agency in completing the 2019-20 ROPS that will be addressed during the 2018-19 fiscal year. Should an

issue arise during the Department of Finance's review of the ROPS, RSG would assist the Successor Agency in drafting a Meet and Confer request and is available to attend the meeting. The Successor Agency must submit an annual administrative budget supporting the use of the $250,000 annual administrative allowance allowed by law. RSG will assist the Successor Agency in preparing the annual administrative budget for fiscal year 2019-20, which will be submitted along with ROPS. The Successor Agency is allowed to amend the ROPS once during the period. RSG can assist the Successor Agency if this needed arises.

Task 3: Assist with County PPA
Commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated and approved obligations on the ROPS shall be submitted by the Successor Agency to the Fresno County Auditor-Controller for review and adjustment to future distributions. RSG will assist the Successor Agency with this process and coordinate with the County.

Task 4: Help the Successor Agency Navigate New Legislation and Transition to Single County-wide Oversight Board
RSG will keep abreast of these changes and help the Successor Agency adapt and adjust their processes as needed. On July 1, 2018, there will be only oversight board for the entire county and your local oversight board will be terminated. RSG will assist the Successor Agency in this transition.

Task 5: Attend Meetings as Necessary
RSG will make a staff member available to the Successor Agency should they need assistance at any Successor Agency or Oversight Board meetings.

Task 6: Additional Administrative Services as Needed
RSG will assist the Successor Agency with any additional administrative tasks as they arise.

TIMELINE
RSG will begin this portion of its contract with the Successor Agency July 1, 2018 and will conclude June 30, 2019.

PROJECT TEAM
Ms. Tara Matthews, Partner will be the principal in charge of this engagement. Nate Gunderman, Associate will be the Project Manager, and will be assisted by additional staff as needed.

FEE PROPOSAL
We will provide FY 2018-19 services on a time-and-materials basis, with a not to exceed amount of $25,000. RSG does not charge clients for mileage (except direct costs related to field surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in

excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

HOURLY BILLING RATES:

Principal/Director	$ 235
Senior Associate	180
Associate	160
Senior Analyst	135
Analyst	125
Research Assistant	110
Technician	80
Clerical	60
Reimbursable Expenses	Cost plus 10%

We appreciate the opportunity to submit our proposal to the City and Successor Agency, and look forward to working with you again. If you have any questions, please do not hesitate to contact me at 714.316.2111.

Sincerely,
RSG, INC.

Tara E. Matthews

Tara Matthews
Principal