

# AGENDA

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY

Wednesday  
January 24, 2018  
3:00 p.m.

City of Hemet – City Hall  
2nd Floor – Board Room Conference Room  
445 E. Florida Avenue

**Please silence all cell phones.**

*\*Notice: Members of the Public attending shall comply with the City's adopted Rules of Decorum in Resolution No. 4148. A copy of the Rules of Decorum is available from the City.*

### 1. Call to Order - ROLL CALL: Oversight Board Members:

**CHAIRPERSON - Vincent Christakos:** Representing Riverside County Office of Education (from HUSD)

**Alan Callahan:** Representing Riverside County Board of Supervisors 3<sup>rd</sup> District Public Representative

**Bobbie Christie:** Representing Riverside County Board of Supervisors 3<sup>rd</sup> District Supervisor's Representative

**Sarah McComas:** Representing Former Redevelopment Agency Employee

**Phillip Paule:** Representing Eastern Municipal Water District or Charles Turner –Alternate

**Greg Vasquez:** Representing Hemet City Council Appointee

### 2. Notice of Opportunity for Public Comment

Anyone who wishes to address the Oversight Board regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form, at the Secretary's Desk.

Submit your completed form to the Secretary prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Chairperson calls upon you. When you are recognized, you may proceed with your comments.

*\*Notice: Members of the Public attending shall comply with the City's adopted Rules of Decorum in Resolution No. 4148. A copy of the Rules of Decorum is available from the City.*

The Oversight Board is prohibited from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the Oversight Board itself may take action to direct staff to place a matter of business on a future agenda.

### **3. Action Items:**

- A. Consideration of approval of minutes from January 18, 2017.  
By: Chairman Christakos  
Recommendation: Approve
  
- B. Adopt OB Resolution No. 2018-01, A Resolution of the Oversight Board of The Successor Agency to The Former Hemet Redevelopment Agency Approving the Recognized Obligation Payment Schedule for The Successor Agency to The Former Hemet Redevelopment Agency for The July 1, 2018 Through June 30, 2019 Time (ROPS 18-19) Pursuant to Assembly Bill X1 26, Assembly Bill 1484, And Senate Bill 107  
By: Hitta Mosesman, RSG (Representing Successor Agency)  
Recommendation: Approve
  
- C. Adopt OB Resolution No. 2018-02, A Resolution of The Oversight Board of The Successor Agency to The Former Hemet Redevelopment Agency Approving a Contract With RSG, Inc. To Provide Consulting Services to The Successor Agency in Fiscal Year 2018-19  
By: Hitta Mosesman, RSG (Representing Successor Agency)  
Recommendation: Approve

### **4. Future Agenda Items**

### **5. Next Meeting Date – To Be Determined**

### **6. Adjournment**

**END**

*Staff reports and other disclosable public records related to the Oversight Board meetings are available at the Secretary's Office at 445 E. Florida Avenue during normal business hours.*

#3A

## MINUTES

### OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY

Wednesday  
January 18, 2017  
3:00 p.m.

City of Hemet – City Hall  
2nd Floor – Board Room Conference Room  
445 E. Florida Avenue

**Please silence all cell phones.**

**1. Call to Order - ROLL CALL:** Oversight Board Members:  
*Chairperson Christakos called the meeting to order at 3:04 pm.*

*Board Members Christie, McComas, Vasquez, Vice Chairperson Elam and Chairperson Christakos were present.*

*Board Members Callahan, and Paule were absent.*

**2. Notice of Opportunity for Public Comment**  
*There were no public comments presented at this time.*

**3. Action Items:**

A. Consideration of approval of minutes from January 27, 2016.

By: Chairman Christakos

Recommendation: Approve

***Board Member Christie moved and Board Member Vasquez seconded a motion to approve this item as amended. Motion carried 4-0. Vice Chairperson Elam abstained.***

B. Adopt OB Resolution No. 2017-01, the Recognized Obligation Payment Schedule for the Successor Agency to the Former Hemet Redevelopment Agency for the Fiscal Year covering July 1, 2017 through June 30, 2018

By: Hitta Mosesman, RSG (Representing Successor Agency)

Recommendation: Approve

***Hitta Mosesman, RSG, gave the Board a detailed explanation of the items listed on the Annual ROPS. The last and final ROPS will be required for FY2018 after which the Oversight Board will be dissolved.***

***Vice Chairperson Elam moved and Board Member Vasquez seconded a motion to approve this item as presented. Motion carried 5-0.***

- C. Adopt OB Resolution No. 2017-02, Approving an Agreement for Services between the Successor Agency to the Former Hemet Redevelopment Agency and RSG, Inc.

By: Hitta Mosesman, RSG (Representing Successor Agency)

Recommendation: Approve

***Hitta Mosesman, RSG, this agreement was approved by the Successor Agency at the meeting on January 10, 2017. The agreement period was extended to remain in place until the Oversight Board is dissolved. This agreement includes the preparation of the more lengthy final ROPS. There is no time requirement for DOF to approve final ROPS. Ms. Mosesman recommended that they final be approved 6 months prior to the February 2018 filling deadline. Ms. Mosesman explained the Scope of Services in detail.***

***Vice Chairperson Elam moved and Board Member Christie seconded a motion to approve this item as presented. Motion carried 5-0.***

#### **4. Future Agenda Items**

*Approval of Final ROPS*

#### **5. Next Meeting Date**

*Next meeting will be scheduled for July 2017.*

#### **6. Adjournment**

***Vice Chairperson Elam moved and Board Member Vasquez seconded a motion to adjourn the meeting at 3:16 p.m. Motion carried 5-0.***

**OVERSIGHT BOARD OF  
THE SUCCESSOR AGENCY TO  
THE FORMER HEMET REDEVELOPMENT AGENCY**

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**TO:** Chairman Christakos and Members of the Oversight Board

**FROM:** Successor Agency

**MEETING DATE:** January 24, 2018

**RE:** Approving the Recognized Obligation Payment Schedule for the Successor Agency to the Former Hemet Redevelopment Agency for the July 1, 2018 through June 30, 2019 Time Period (ROPS 18-19) Pursuant to Assembly Bill X1 26, Assembly Bill 1484, and Senate Bill 107

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**RECOMMENDATION:**

It is respectfully recommended that the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency ("Oversight Board") adopt Oversight Board OB Resolution No. 2018-01 approving the Recognized Obligation Payment Schedule ("ROPS") for the Successor Agency to the Former Hemet Redevelopment Agency ("Successor Agency") for the fiscal year covering July 1, 2018 through June 30, 2019 ("ROPS 18-19").

**BACKGROUND:**

The Dissolution Law requires that all successor agencies to former redevelopment agencies throughout California prepare a ROPS every year for oversight board approval (by resolution) and submittal to the California State Department of Finance ("DOF"), the State Controller's Office, and the appropriate county's auditor-controller.

**DISCUSSION:**

ROPS 18-19 contains a summary page, a detailed description of requested funding for the upcoming fiscal year, an account of cash balances for the 15-16 ROPS period; and an opportunity to add notes to explain parts of the ROPS.

In total, the Successor Agency is requesting \$1,851,916 for the upcoming period for the following items:

- 1) Item 4 - Estimated Fiscal Agent Fees;
- 2) Item 5 - Successor Agency Administrative Costs; and

- 3) Items 12 & 15 - Tax Allocation Refunding Bond Payment for fiscal year 2018-19 plus the bond payment due in October 2019 (as required by the bond indenture for the 2014 Refunding Bonds).

#### Estimated Fiscal Agent Fees

The Successor Agency is required to provide payments to Union Bank, the designated fiscal agent for the 2014 Tax Allocation Bond Refunding. The Fiscal Agent holds the accounts for the bonds and makes the debt service payments twice a year. The amount listed in the ROPS is an estimate based on the actual payments during the last 2 years. This payment will continue until the bonds are paid off in 2031.

#### Tax Allocation Refunding Bond Payment

The Refunding Bonds were issued on December 23, 2014. In accordance with the terms of the bond issuance, the Successor Agency is required to prepare payment for the full calendar year of debt service payments. This includes requesting funding for three principal and interest payments totaling \$879,644 during fiscal year 2018-19, plus an additional payment due in October 2019 for \$712,272 (as required by the bond indenture)

#### Successor Agency Administrative Costs

The current law provides for a minimum of \$250,000 annually (or \$125,000 per sixth-month funding period) to fund administrative expenses. The Successor is again requesting \$250,000 for the 2018-19 fiscal year.

#### Cash Balances

The Cash Balances page shows the inflow and outflow of funds held by the Successor Agency. Funds are being spent in a timely manner and consistent with the approvals of the Oversight Board and DOF.

#### Submittal to the California Department of Finance

Dissolution Law requires that the ROPS 18-19 be approved by the Oversight Board and submitted to DOF, the State Controller's Office, and the Riverside County Auditor-Controller no later than February 1, 2018. If this deadline is not met, the City of Hemet (as the City and not as the Successor Agency) will be required to pay a \$10,000 per day fine.

### **CONCLUSION**

Oversight Board of the Successor Agency staff recommends that the Oversight Board adopt OB Resolution No. 2018-01 approving the ROPS 18-19.

**Recommended By:**

A handwritten signature in cursive script that reads "Lorena Rocha". The signature is written in black ink and is positioned above a horizontal line.

**Lorena Rocha**  
**Finance Director**  
**(for the Successor Agency)**

**Attachments:**

1. **OB Resolution No. 2018-01, Approving the Recognized Obligation Payment Schedule for the Successor Agency to the Former Hemet Redevelopment Agency for the July 1, 2018 through June 30, 2019 Time Period (ROPS 18-19) Pursuant to Assembly Bill X1 26, Assembly Bill 1484, and Senate Bill 107**

**OVERSIGHT BOARD OF  
THE SUCCESSOR AGENCY TO  
THE FORMER HEMET REDEVELOPMENT AGENCY**

**OB RESOLUTION NO. 2018-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SUCCESSOR AGENCY TO THE FORMER HEMET REDEVELOPMENT AGENCY FOR THE JULY 1, 2018 THROUGH JUNE 30, 2019 TIME PERIOD (ROPS 18-19) PURSUANT TO ASSEMBLY BILL X1 26, ASSEMBLY BILL 1484, AND SENATE BILL 107**

**WHEREAS**, the Former Redevelopment Agency of the City of Hemet ("Former Agency") was established as a redevelopment agency previously organized and existing under the California Community Redevelopment Law, Health and Safety Code ("H&SC") Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Hemet ("City"); and

**WHEREAS**, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California H&SC, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012, and Senate Bill 107 chaptered and effective on September 22, 2015 (together, the "Dissolution Act"); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act, and as a separate legal entity the City serves as the Successor Agency to the Hemet Redevelopment Agency ("Successor Agency"); and

**WHEREAS**, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, pursuant to H&SC Section 34177(m), the Successor Agency is required to prepare and submit an Oversight Board-approved Recognized Obligation Payment Schedule ("ROPS") annually, as prescribed by the Dissolution Act, to the Department of Finance, the State Controller's Office, and the Riverside County Auditor-Controller for their consideration; and



**WHEREAS**, the Successor Agency prepared a ROPS for the fiscal year covering July 1, 2018 through June 30, 2019 (“ROPS 18-19”), shown as Exhibit “A”, pursuant to the requirements of the Dissolution Act, and hereby submits the ROPS 18-19 to the Oversight Board; and

**WHEREAS**, the Dissolution Act requires that the Oversight Board approve the ROPS 18-19 prior to submittal to DOF by February 1, 2018 in order for the Successor Agency to receive requested funds in a timely manner.

**NOW THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED** by the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency, in regular session assembled January 24, 2018 as follows:

1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.
2. Approval of ROPS 18-19. Pursuant to the Dissolution Act, the Oversight Board approves the ROPS 18-19.
3. Transmittal of ROPS 18-19. The Oversight Board directs City staff to transmit the ROPS 18-19 to the California Department of Finance, the State Controller’s Office, and the Riverside County Auditor-Controller no later than February 1, 2018 for review and approval.
4. Posting. An authorized designee of the Successor Agency is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.
5. Certification. The Oversight Board Secretary shall certify to the adoption of this Resolution.

**PASSED, APPROVED, and ADOPTED** by the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency at a regular meeting held on this 24<sup>th</sup> day of January, 2018 by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Vincent Christakos  
Oversight Board Chairperson

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ATTEST:  
Carmen Garcia, Oversight Board Secretary

**EXHIBIT "A"**  
**ROPS 18-19**



**OVERSIGHT BOARD OF  
THE SUCCESSOR AGENCY TO  
THE FORMER HEMET REDEVELOPMENT AGENCY**

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**TO:** Chairman Christakos and Members of the Oversight Board

**FROM:** Successor Agency

**MEETING DATE:** January 24, 2018

**RE:** Approving an Agreement for 2018-19 Services Between the Successor Agency to the Former Hemet Redevelopment Agency and RSG, Inc.

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**RECOMMENDATION:**

It is respectfully recommended that the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency ("Oversight Board") adopt Oversight Board OB Resolution No. 2018-02 approving an Agreement for 2018-19 Services between the Successor Agency to the Former Hemet Redevelopment Agency and RSG, Inc.

**BACKGROUND:**

The dissolution of the Former Hemet Redevelopment Agency has been complex and nuanced. The Successor Agency requires technical, management, and administrative services to enable staff to wind down the affairs of the former Hemet Redevelopment Agency, meet ongoing reporting requirements, provide staffing and support at required Oversight Board Meetings, and provide other services as directed by staff. RSG, Inc. has provided redevelopment dissolution consulting services to the Successor Agency since 2012. As such, RSG has significant knowledge of the Successor Agency's actions and obligations. RSG is a leading California consulting firm to public agencies and are considered experts in redevelopment dissolution reporting requirements and wind down procedures for successor agencies. The Successor Agency approved the RSG contract at its January 23, 2018 meeting.

**DISCUSSION:**

For the time period of July 1, 2018 through June 30, 2019, the proposed Successor Agency consulting services may include, but are not limited to, the following tasks and assignments:

1. Preparation of Annual Recognized Obligation Payment Schedule ("ROPS") and response to Department of Finance ("DOF") inquiries/disputes of ROPS enforceable obligations;

2. Coordination of communications and response to overall inquiries from DOF, State Controller's Office ("SCO"), Riverside County Auditor-Controller, affected taxing entities, and/or other involved parties;
3. Preparation for and attendance at "Meet and Confer" meetings with DOF;
4. Analyze legislation and quickly identify the fiscal and procedural implications for the Successor Agency. RSG would review the ramifications of legislative changes and work with Successor Agency legal counsel to explain the immediate and future impacts to the Successor Agency and affected taxing agencies;
5. Provide staff support services for, and attend, all Oversight Board meetings;
6. Assist in the transition to the Riverside County Oversight Board;
7. Attendance at meetings, as requested by staff, including, but not limited to, City Council, Successor Agency, and staff-level meetings; and
8. Preparation of an optional long-term Successor Agency cash flow model, which incorporates not only costs associated with ROPS and administrative budgets, but also the timing of available revenues from both a collections and allocation standpoint.

**FISCAL IMPACT:**

RSG is proposing to complete the above tasks on a time-and-materials basis for a fee not-to-exceed \$42,500 for the 12-month period between July 1, 2018 and June 30, 2019. These costs can be paid out of the FY 2018-19 Administrative Allowance of \$250,000.

**CONCLUSION**

Successor Agency staff recommends that the Oversight Board adopt OB Resolution No. 2018-02 approving an Agreement for 2018-19 Services between the Successor Agency to the Former Hemet Redevelopment Agency and RSG, Inc.

Recommended By:



Lorena Rocha  
Finance Director  
(for the Successor Agency)

Attachments:

1. OB Resolution No. 2018-02, A Resolution of The Oversight Board of The Successor Agency to The Former Hemet Redevelopment Agency Approving a Contract With RSG, Inc. To Provide Consulting Services to The Successor Agency in Fiscal Year 2018-19

OVERSIGHT BOARD OF  
THE SUCCESSOR AGENCY TO  
THE FORMER HEMET REDEVELOPMENT AGENCY

**OB RESOLUTION NO. 2018-02**

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

**WHEREAS**, the Former Redevelopment Agency of the City of Hemet ("Former Agency") was established as a redevelopment agency previously organized and existing under the California Community Redevelopment Law, Health and Safety Code ("H&SC") Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Hemet ("City"); and

**WHEREAS**, the Successor Agency approved a contract with RSG, Inc. to provide consulting services related to the dissolution of the Former Agency through Fiscal Year 2018-19 as detailed in the proposal attached as Exhibit "A" at its January 23, 2018 meeting ("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 34177.3(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 Oversight Board desires to approve the scope of work and the Successor Agency entering into contract with RSG, Inc.

**NOW THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED** by the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency, in regular session assembled January 24, 2018 as follows:

1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.
2. Approval of Scope of Work and RSG Contract. The Scope of Work is hereby approved and the Oversight Board approves the Successor Agency contract with RSG for successor agency consulting services.

3. Certification. The Oversight Board Secretary shall certify to the adoption of this Resolution.

**PASSED, APPROVED, and ADOPTED** by the Oversight Board of the Successor Agency to the Former Hemet Redevelopment Agency at a regular meeting held on this 24<sup>th</sup> day of January, 2018 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Vincent Christakos  
Oversight Board Chairperson

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ATTEST:  
Carmen Garcia  
Oversight Board Secretary

**EXHIBIT "A"**  
**RSG Contract**





BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.  
309 WEST 4TH STREET  
SANTA ANA, CALIFORNIA  
92701-4502

T 714 541 4585  
F 714 541 1175  
E INFO@WEBRSG.COM  
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January 3, 2017

**Via Electronic Mail**

Lorena Rocha, Finance Director  
CITY OF HEMET  
445 East Florida Avenue  
Hemet, CA 92543

**PROPOSAL FOR FISCAL YEAR 2018-19 SUCCESSOR AGENCY CONSULTING SERVICES**

Dear Ms. Rocha:

RSG is pleased to present this proposal to the City of Hemet ("City") and the Successor Agency to the Hemet Redevelopment Agency ("Successor Agency") to provide fiscal year 2017-18 Successor Agency consulting services necessary to adhere to Assembly Bill ("AB") x1 26, AB 1484 and Senate Bill ("SB") 107 ("Dissolution Act").

***Background***

RSG has acted as the Successor Agency's consultant since February 2012, or since the advent of the Dissolution Act. RSG has assisted the City with reporting requirements, interpreting legal requirements and property disposition over the last 6 years. Our current contract is due to expire on June 30, 2018. Also, by law, all local Oversight Boards will be transitioned to one County Oversight Board serving all successor agencies in Riverside County as of July 1, 2018. Given that the initial transition will occur on the first day of the 2018-19 fiscal year and it may be somewhat chaotic, we recommend that the local Oversight Board consider the RSG contract at its January 17 meeting where the 2018-19 ROPS will be considered. We recommend that RSG contract be placed on the Successor Agency/City Council meeting on January 23, 2017, for consideration.

Our role would be to continue providing technical, management, and administrative services to enable staff to wind down the affairs of the former redevelopment agency, meet ongoing reporting requirements, and provide other services as directed by staff. Pursuant to law, a Riverside County Oversight Board will be established in July 2018. RSG staff will assist with the transition from the Hemet Oversight Board.

*It is important to note that 100% of RSG contracts costs can be paid through the Successor Agency's annual administrative allowance and that no general fund revenues would be required.*

FISCAL HEALTH  
ECONOMIC DEVELOPMENT  
REAL ESTATE, HOUSING  
AND HEALTHY COMMUNITIES

### ***Statement of Work***

For the time period of July 1, 2018 through June 30, 2019, the proposed Successor Agency consulting services may include, but are not limited to, tasks and assignments shown on the following page.

1. **Preparation of Annual Recognized Obligation Payment Schedule (“ROPS”) and response to Department of Finance (“DOF”) inquiries/disputes of ROPS enforceable obligations;**
2. **Coordination of communications and response to overall inquiries from DOF, State Controller’s Office (“SCO”), Riverside County Auditor-Controller, affected taxing entities, and/or other involved parties;**
3. **Preparation for and attendance at “Meet and Confer” meetings with DOF;**
4. **Analyze legislation and quickly identify the fiscal and procedural implications for the Successor Agency. RSG would review the ramifications of legislative changes and work with Successor Agency legal counsel to explain the immediate and future impacts to the Successor Agency and affected taxing agencies;**
5. **Provide staff support services for, and attend, all Oversight Board meetings;**
6. **Assist in the transition to the Riverside County Oversight Board;**
7. **Attendance at meetings, as requested by staff, including, but not limited to, City Council, Successor Agency, and staff-level meetings; and**
8. **Preparation of an optional long-term Successor Agency cash flow model, which incorporates not only costs associated with ROPS and administrative budgets, but also the timing of available revenues from both a collections and allocation standpoint.**

In addition to tasks defined above, RSG would be available for **other professional advisory, financial, or management services**, as requested and directed by staff.

### ***Deliverables***

Proposed deliverables to be provided during fiscal year 2018-19 would include, but are not limited to, the following:

- ROPS 2019-20;
- Agenda packets, including all agendas, staff reports, resolutions and support documents for all Oversight Board meetings;
- Successor Agency cash flow;
- Correspondence to DOF, SCO, Riverside County Auditor Controller’s Office and affected taxing entities, as needed and directed by staff; and
- Other deliverables as needed and directed by staff.

### ***Budget and Billing Rates***

Our services would be charged on a time-and-materials basis for a fee not-to-exceed \$42,500 for the 12-month period between July 1, 2018 and June 30, 2019. ***It is important to note that all contract costs can be paid by the Successor Agency out of the administrative cost***

**allowance and would not be paid by the City's General Fund.** RSG will only bill the City for hours worked and the total annual cost may be less than the not-to-exceed fee.

RSG charges for services on a time-and-materials basis and the City will only be billed for actual time spent on these services in accordance with our current hourly fee schedule below:

Principal / Director	\$ 235
Senior Associate	\$ 180
Associate	\$ 160
Senior Analyst	\$ 135
Analyst	\$ 125
Research Assistant	\$ 110
Technician	\$ 80
Clerical	\$ 60

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, general postage or incidental copies. However, we do charge for messenger services and overnight shipping/express mail costs. Any third-party data required may also be charged to the client, typical examples include copies of the equalized assessment roll and CoStar Market data. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies.

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.

***Project Team***

The principal-in-charge and project manager of this engagement would be Hitta Mosesman with staff support provided by Dmitry Galkin, Associate, Bret Poirier, Senior Analyst and Irlanda Martinez, Research Assistant. Ms. Mosesman has provided Successor Agency consulting services since 2012 and Mr. Galkin has provided services since 2013. Additional RSG staff may be assigned as needed.

We appreciate the opportunity to continue our work with the City of Hemet. If you have any questions, please do not hesitate to contact me at [hmosesman@webrsg.com](mailto:hmosesman@webrsg.com) or (714)316-2137.

Sincerely,  
RSG, INC.



Hitta Mosesman  
Principal