

**TECHNICAL ADVISORY COMMITTEE TO THE
VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA**

Southern California Logistics Airport
18374 Phantom Street, Theater Room
Victorville, CA 92394
Wednesday June 20, 2012

3:30 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT
AUTHORITY TECHNICAL ADVISORY COMMITTEE OF APRIL 9, 2012 SPECIAL
MEETING

ITEM 3 FINAL TAX INCREMENT DISTRIBUTION 2011-2012 FISCAL YEAR

ITEM 4 FISCAL YEAR 2012-2013 BUDGET

ITEM 5 BUSINESS AND COMMENTS

ITEM 6 ADJOURNMENT

**TECHNICAL ADVISORY COMMITTEE
TO THE
VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING MINUTES**

Southern California Logistics Airport
18374 Phantom Street, Theater Room
Victorville, CA 92394

Monday, April 9, 2012
3:30 P.M.

PRESENT:

Doug Robertson, City of Victorville
Jim Hart, City of Adelanto
Frank Robinson, Town of Apple Valley
Steve Lantsberger, City of Hesperia

Keith Metzler, Executive Director
Jennifer Thompson, Secretary to the Commission
Andre de Bortnowsky, Legal Counsel
Robbeyn Bird, Controller
Marc Puckett, Treasurer

ABSENT:

Dena Fuentes, County of San Bernardino

Also Present:

Sophie Escobar, City of Victorville
Laurie Hunter, County of San Bernardino

Orlando Acevedo, Town of Apple Valley

CALL TO ORDER

Keith Metzler called the Technical Advisory Committee to the Victor Valley Economic Development Authority meeting to order at 3:33 p.m.

PUBLIC COMMENT

None

DISCUSSION AGENDA

**APPROVE MINUTES OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE OF JUNE 29, 2011, SPECIAL MEETING, JULY 20, 2011
SPECIAL MEETING AND SEPTEMBER 28, 2011 SPECIAL MEETING.**

Technical Advisory Committee Action: Approve minutes of the Victor Valley Economic Development Authority Technical Advisory Committee of June 29, 2011 special meeting, July 20, 2011 special meeting and September 28, 2011 special meeting as presented.

MOTION: HART SECOND: ROBINSON
AYES: HART, ROBINSON, ROBERTSON, LANTSBERGER
NOES: NONE
ABSENT: FUENTES
ABSTAIN: NONE

OVERSIGHT BOARD APPOINTMENTS

Keith Metzler – As we are all aware, VVEDA is pursuing the dissolution process under protest. At the same time we are also filing a lawsuit contesting the applicability of AB 26 to VVEDA as a Joint Powers Authority. That lawsuit was supposed to be filed last week, we have made some minor edits to it and I'm expecting that it will be filed this week. Once it is filed I will share with you a copy of that so that you can also share with your respective boards, so what we are doing in the meantime is at least satisfying the obligations under protest. In the event that the lawsuits aren't successful all the way through the process then we at least have the process to rely on to adhere to the dissolution procedures. So among those dissolution procedures we have the responsibility just as you do in your local jurisdictions to appoint members to the Oversight Board. In this case the Oversight Board is going to be represented by seven members and we have identified one case where VVEDA gets an appointment of its own to represent the organization at that Oversight Board level. In this case it would be the position comprising a member of the staff of VVEDA. VVEDA's only staff are the appointed members, the appointed officials by the Board which include an Executive Director, Treasurer, Controller and a Secretary to the Board. Those are the four that we have got identified as being eligible for those positions, I have certainly volunteered to serve in that capacity believing that it might make the most logical sense given my history with the organization and then also given the fact that the jurisdiction that I represent makes up, by far, the largest percentage share of what's on the ROPS schedule. With that I don't think there is anything for us to do here at this TAC level, but certainly the discretion is up to the Board but certainly would open it up for any questions or comments.

Steve Lantsberger – Are you going to be the lead in the Successor Agency as well?

Keith Metzler – Yes

Steve Lantsberger – We have a conflict. How can you be a Successor Agency lead and on the Oversight Board as well?

Laurie Hunter – That was brought up too by Dena today, who can't be with us right now. She thought that was a conflict too.

Keith Metzler – We actually think the law itself and I will let Andre opine, I think we are concluding that the law in itself is conflicting as it specifically asking for a member of the staff of the Successor Agency to serve on that Oversight Board.

Andre de Borntowsky – I don't think it is clear cut because there is no clear cut definition one way or the other as to whether or not you would be conflict as the Oversight Board members do not have conflicts of interest supposedly. We are not sure what that exactly means, so it does create potential problems if we get a determination and somebody challenges it.

Frank Robinson – You said that only one member?

Keith Metzler – For VVEDA

Andre de Bortnowsky – For VVEDA in terms of VVEDA voting on an appointee, there will be seven members on the Board, but.....

Keith Metzler – Who makes up the rest of it?

Frank Robinson – Yes, who makes up the rest of it? I understand two from the County, right?

Keith Metzler – Three from the County is what we're understanding.

Frank Robinson – Special district

Keith Metzler – Special district

Steve Lantsberger – Public at large

Keith Metzler – Public at large and the Supervisor appointee

Frank Robinson – One from the school district?

Keith Metzler – One from County Board of Education, they have already appointed.

Steve Lantsberger – Community College

Keith Metzler – In this case, the largest jurisdiction of the JPA, there was one that was a conflict, I think it was subsection 2 that allows for the mayor to appoint at your local jurisdiction because that doesn't apply to us, the one that does apply to us is the largest jurisdiction by territory, which Victorville got that.

Frank Robinson – So we essentially have two representatives.

Keith Metzler – As VVEDA?

Frank Robinson – As VVEDA, one of them being the largest and one is a former staff?

Keith Metzler – Correct

Andre de Bortnowsky – What we have before us right now is who that staff person should be.

Doug Robertson – Frank are you on the Oversight Board for Apple Valley?

Frank Robinson – I am.

Doug Robertson – What about Mike? Is Mike on the Oversight Board?

Steve Lantsberger – Mike is on the Oversight Board and I am the staff to it, so we don't have a conflict that way for that very reason.

Marc Puckett – In our case for VVEDA, the fact that we're a JPA creates kind of an unusual situation in that the staff to VVEDA is effectively Keith, myself, Robbeyn and Jennifer and we also each serve our own agency's RDA's in terms of supporting them as well and our local cities. In essence, in my view, it seems to serve us best to kind of keep in tack the same group that is supporting VVEDA now to effectively support the Oversight Board throughout this dissolution process.

Andre de Bortnowsky – What we can do is if you wanted to make the appointment we could try and check and get a determination. DOF obviously is not making very healthy determinations for anybody, but....

Keith Metzler – I think that what I am hearing is that everyone is doing it the same way. Even though in Hesperia's case the City Manager is the Oversight Board, but Steve is the staff you still serve the City Manager.

Steve Lantsberger – No, I don't as far as the Oversight Board I do not go to him directly. It is separate and distinct, we don't, we created a different path now so we don't go to him. That would not be appropriate so it goes to other people, Assistant City Manager, but not the City Manager so that everything is above board and avoid of any conflict.

Jim Hart – In our case I don't have any staff basically I am going to do them both. It is up to the Oversight Committee to say if they are going to have a problem with that.

Keith Metzler – I really think that is where it is going to rest and if the DOF wants to make issue of it, then at the end of the day they are going to be the final authority.

Frank Robinson – This appointment of the staff person is going to be done by our VVEDA Board?

Keith Metzler – Correct

Andre de Bortnowsky – There are provisions in the bill, dealing with the fact that there are going to be Oversight Boards that have the same person representing five different Oversight Boards. They are trying to address the issue, nobody has really addressed it but there are provisions in there basically saying that they can sit there, they don't have the same kind of responsibilities as they do to, as they normally would....

Frank Robinson – The law is pretty clear about the conflict issue.

Andre de Bortnowsky – Right

Frank Robinson – I don't think that is muddy at all if you just take it at the face value of the language.

Keith Metzler – Any other questions or comments? There is no action for TAC at this time.

Jim Hart – I wrote a letter to the County Superintendent of Schools asking for their appointment on our oversight committee and I got a letter from him dated long ago, a few months ago, February where he actually made an appointment and sent it to the Mayor so I didn't hear about it. Have they done the same thing for VVEDA?

Have they already made that appointment?

Doug Robertson – Yes they did, it's the Admin Services Director from Victor Elementary School District.

Keith Metzler – She is going to be serving us and she is also serving Victorville. I don't know if they appointed the same person....

Jim Hart – I have the Assistant Superintendent of Adelanto School District as who they appointed.

Discussion ensued between Doug Robertson and Jim Hart as it relates to said appointment.

Discussion ensued amongst all TAC members as it relates to the community college appointment.

SUCCESSOR AGENCY BUDGET

Keith Metzler – This item is prepared and presented by our Treasurer, Marc Puckett. I will turn it over to Marc.

Marc Puckett – Thank you Mr. Chair, being presented for your review is a copy of the Successor Agency budget that we are required to adopt for VVEDA, the Oversight Board is required to adopt it and we are also taking it to the VVEDA Board for adoption. Basically it includes all of the elements that are required in the code and that includes the administrative costs for the period of February 1st through June 30th for operation of the Oversight Board and lists sources of payment for the admin costs. It also includes arrangements for the administrative costs for staff that will be supporting the Oversight Board.

Laurie Hunter – And that is that?

Marc Puckett – Correct

Laurie Hunter – I was pointing to the second item down.

Marc Puckett – The administrative cost is the salaries and benefits that is for the staff and then the member agency pass throughs is for pass throughs to each of the member agencies.

Laurie Hunter – Right

Marc Puckett – If I could walk through each of the elements, we think insurance for the Board is \$16,500 that will have to be maintained by the Successor Agency, Oversight Board. Miscellaneous cost for any printing, office supplies and other items the audit costs, if any, that will be borne by the Oversight Board, contract services if there is need for contract services such as employing RSG and then legal services, if any that are needed. The member agency pass throughs, that's the biggest element of the budget and basically what that is the amount of admin revenue that will be received by the Oversight Board is, as you are aware, is calculated at 5% of the obligations that are listed on the recognized obligation payment schedule.

Steve Lantsberger – Pardon me that is incorrect. It is actually how much money is disbursed to the

Successor Agency not of the total, so that is an incorrect number. The law very clearly states that it is 5% of that disbursed to the Successor Agency not based upon the ROPS. It is on 34171(b), just to clarify that. We need to correct number, it is a little high, it is 5% that is disbursed.

Keith Metzler – How are you defining what is disbursed?

Steve Lantsberger – I am reading right out of the code here, it says of the 5% of property tax allocated to the Successor Agency for the 2011-2012 fiscal year. It is not of the total ROPS, it is of what is allocated.

Laurie Hunter – Would that be the trust fund?

Keith Metzler – I think that is what I am trying to understand.

Steve Lantsberger – Redevelopment Obligation Retirement Fund money allocated each fiscal year. It is not of; I think a lot of us looked at that when it first came out and thought it was 5% of the ROPS, but it is 5% of money disbursed to the Successor Agency.

Laurie Hunter – And that is what Dena said too.

Andre de Bortnowsky – Yes, that is the way it reads.

Keith Metzler – I am trying to understand how that would be different if there was adequate revenue there.

Andre de Bortnowsky – It wouldn't if there was adequate revenue.

Keith Metzler – So I think that's the question that, is the difference between, is there going to be an adequate amount generated from the project area to satisfy the obligations or not?

Marc Puckett – Right

Keith Metzler – So that being said, I think we are estimating based upon there being, and I think that we don't really know likely until we get through the actual disbursement process.

Steve Lantsberger – I think it depends upon how it was calculated. If the County is now disbursing the pass throughs and you are only getting the net effect of more like a Teeter RDA would have been, you would have calculated that number on what they actually netted disbursed to you versus the gross that you would have gotten if you were non Teeter. I think the question is, obviously the question were, would you get all of your money and is their enough TI, but how much of it is disbursed to you to retire those obligations that they recognize.

Marc Puckett – In terms of how that would work though, the amount disbursed would equal the amount necessary to retire the recognized obligations that are listed on the recognized obligations payment

schedule. Is that accurate?

Steve Lantsberger – Is says 5% of what is disbursed and we don't know what is disbursed and it would be hard. The ROPS is a different universe. If you had pass throughs built into it and other things they don't recognize then this number would be high. If everything was recognized and there was enough money then it may be the same number, but the law reads it is 5% of what they disburse to you into this redevelopment obligation retirement fund. If County withhold the money for example there is some items in dispute on the ROPS, the DOF is challenging several items for example and you get less then your number is going to vary based upon what they disburse to you. They may make it up to you in the subsequent period if you prevail but I think the number here, if it is based upon the ROPS it needs to be based upon what they disburse.

Sophie Escobar – How will you know that?

Marc Puckett – I think we are still ok.

Steve Lantsberger – We won't know that.

Sophie Escobar – How can you prepare an admin budget?

Steve Lantsberger – How can you do a lot of things with this?

Frank Robinson – If I could ask a question for just a second. Steve, so if the ROPS were approved in its entirety, maybe I should direct this to legal counsel, if that is the case then would this be a correct number.

Steve Lantsberger – I don't know how they are disbursing it. Again, if it was approved in its entirety, it could be correct number.

Frank Robinson – We are all working off of an assumption because we have no real idea where else to go with it.

Andre de Bortnowsky – And you will not know how much is going to be allocated until you get to that point so you are basically estimating what it would be.

Frank Robinson – That is the approach that we're taking and knowing that quite very well it may change.

Marc Puckett – I think an important distinction in terms of how the budget's developed and if we base it off of the amount that is disbursed by the County that would be equal to the recognized obligations that are ultimately upheld on the recognized obligation payment schedule. If all of the recognized obligations are upheld the numbers will equal assuming sufficient tax increment. If all the items are not upheld, then the amount that would be distributed for admin costs would be reduced by those obligation that are not upheld. Why I think that is significant in terms of how the budget's developed is that the method

that we would use to allocate the member agency pass throughs is based on their percent of obligation, recognized obligations listed on the recognized obligation payment schedule. If some of Adelanto's recognized obligations were stricken then your percentage of the total recognized obligations would be reduced. You would still receive a pass through in proportion to your portion of the total. Effectively it would all vary in the same percentage. I think the assumptions would still apply at this time.

Steve Lantsberger – Is this number, on last year's total on this table we had, is that \$30 million for total TI? Table 1, part of the minutes, what was the total TI distributed last year?

Sophie Escobar – I think it was \$30

Steve Lantsberger – Ok, it was \$30, so if you have \$40 million in ROPS on that schedule and you only had \$30 million in TI last year, you are not going to get \$40. It is simple math, I mean how are you going to get \$10 million more? The values are not going up in our project area for sure, so I guess my assumption is that you would be basing that number using conservative figures off of what you collected maybe add a 2% for grins and giggles and growth in TI values. Say you are at 31 and ½, I would just think that would be, just call it my own personal reasonable expectation for TI growth.

Marc Puckett – Well it is not based on 5% of the tax increment, it is based on 5% of the recognized obligations, as you had indicated. Also it is 5% of the amount disbursed so the amount disbursed would be equivalent to the amount remaining on the recognized obligation payment schedule for those recognized obligations that are upheld. It is not based off of tax increment at all.

Steve Lantsberger – How do you pay it, unless; how are you going to pay \$40 million worth of obligations with \$30 million?

Marc Puckett – Because that is total obligations, it is not within the next 6-months.

Steve Lantsberger – I understand that, for the total year, but I'm saying that this whole distribution was \$30 million and we have \$40 million for the whole year, where is the other \$10 million going to come from? You are basing the 5% off that distributing \$40 million correct?

Marc Puckett – Of the recognized obligations

Steve Lantsberger – Right

Marc Puckett – So it's based on the amount of the recognized obligations that are upheld, so if they are all upheld then we get roughly \$2 million that would be passed through to the member agencies and effectively administered, the amount that's passed through should presumably should then flow through to each of the member agencies successor agency. That part I am unclear on.

Steve Lantsberger – I'm not sure. I am not really caring about that pass through, I am worried about the total number of how we are getting \$31 million last year and if it stayed the same, we have \$40 million

that was recognized and at some point you would have to pay, I would assume the obligations first which is the priority of the bill which says you pay all the obligations first. Actually the pass throughs first, then bond debt then other obligations and last but not least Successor Agency and if there is a shortage, you don't get paid as the Successor Agency so we would get the goose egg. My point is that you have got \$31 million we received last year and for the next 12-months we have \$40 million in debt to pay; it seems pretty obvious that we can't pay it.

Keith Metzler – Something is going to be shorted.

Steve Lantsberger – Something is going to get absolutely shorted and the Successor Agency is the first thing that shorted by the legislation. I am just pointing it out because I am not going to expect a check next year from VVEDA pass through because for all intensive purposes there will not be enough if we have \$40 million worth of debt to pay, we are going to be the last ones getting paid.

Marc Puckett – Well Steve I think we are all in the same position that we put pretty much and I know that each agency I presume is in the same position that we put everything on that recognized obligation payment schedule that we could conceivable believe would be approved. I imagine that every single one of us, every single agency will have something stricken off of there at some point. Now at this point, we have to make our best guess in determining what we want to put on that recognized obligation payment schedule so we did that. Now we have to adopt a budget based upon the adopted recognized obligation payment schedule and the budget should be based on the same methodology used to prepare that recognized obligation payment schedule. Sitting here today, if you can tell me that three of their items are going to be stricken, one of your, two of ours and one of Adelanto's great, I will adjust the numbers based on that. Today, sitting here, I think the budget is developed in the way that it should be and then as items are stricken off of the recognized obligation payment schedule then we will adjust, but I don't think sitting here today that we can do anything different, prepare it any differently then we have.

Laurie Hunter – Our staff came up with this which I don't totally understand, it is a preliminary draft of recognized obligation payment schedule and it kind of breaks it down by jurisdiction.

Keith Metzler – I think that I agree with Steve with respect to what should be the right number to apply against the 5%. If I am hearing Steve correctly, based upon the read of the bill, at best, assuming we budgeted flat and I think we budgeted a small increase. It wasn't substantive, but I think Steve's right with respect to last year was \$31.2 million collected, we might be best to be realistic and adjust the budget to be based off of the \$31.2 million. Would that fairly summarize what you are asking us to do?

Steve Lantsberger – Yes, I mean that I am just pointing this out. I am not trying to be argumentative, I am just telling you to know what we have been discussing with the DOF and the interpretations that we have been hearing all over the place is that and we have been conservative on our numbers because we're not going to have enough if we want, we could list them all they could all be recognized but we know we're not going to get enough money to pay all the obligations and we know we are taking a hair cut from the admin budget. I guess my question is the \$31 million here that shows in this table, if the County says of that \$31 million you paid \$16 million in pass throughs then you have \$16 left. Now that

is the money they are giving to you, the County is, to pay your obligations. The 5% is based off that \$16 million not off of the \$31. That is what I am trying to point out, it's not based upon the \$40 million in recognized it is what they are disbursing to you, the auditor is, after they pay the; their paying the pass throughs first so of the \$32 they are going to give you \$16 and now the 5% is based upon that \$16. That is my only point.

Keith Metzler – So we would actually reduce it smaller than the \$32 is what you are saying.

Andre de Bortnowsky – I agree with your interpretation, that totally makes sense.

Keith Metzler – I know the discussion has evolved quite a bit over the last month or the last couple of months. I've just like you guys have all participated in workshops. There was a rule being floated out their saying its all of the ROPS and in fact, I remember the County making that representation early on. I know that's likely the logic that carried through in this budget preparation.

Steve Lantsberger – You can pass, I am just telling you from my opinion and I have read this bill from the day it came out thousands of times. It is so dog eared that I can't read it anymore, but looking at it here, the way that we are interpreting it and we are all entitled to our own opinions, but we are interpreting our budget off of what we're going to actually potentially receive after they net the pass throughs out to us.

Keith Metzler – That \$16 million number....

Steve Lantsberger – I just threw it out, I'm not sure what the pass throughs total. I am just saying if they were half to say then you have half left over that came to you that was disbursed to the successor agency then you calculate it based off that number. I will defer to Andre, he is legal counsel so he can agree or....

Andre de Bortnowsky – I think your interpretation logically makes sense. The problem is we don't know again what is going to go to the successor agency and I think a lot of agencies will have based it on the ROPS. You guys have taken it a step further and logically it does make sense to do it that way.

Steve Lantsberger – Well maybe we just adopt whatever, I mean what Marc presented and we can give the liberty to the Board to reduce it as appropriate.

Andre de Bortnowsky – Subject to adjust it.

Steve Lantsberger – I mean if that is the way you want to proceed, I am just saying that is the way I would.

Keith Metzler – We could read that into the record. It might not hurt. In fact we could probably; I am trying to think if it is worth modifying. We could probably come up with a couple of scenarios, what if's, if this is what is realized, maybe modify it to address also the pass throughs. This won't be hard to

do, it is basically just finding out what that number is and applying the 5% against it.

Doug Robertson – If you find out that number, apply the 5% and indicate to the Board that the recommendation would be that you approve this subject to that calculation and that calculation would then reduce the member agency pass through line item which is what would happen.

Marc Puckett – Which would be fine.

Doug Robertson – Then they approve the budget on the maximum possible interpretation.

Marc Puckett – Keeping in mind even that effectively could even be low. It could just be adjusted based on whatever that proportion was.

Jim Hart – Well in that case wouldn't you take out the pass throughs, member agency pass throughs? That is the largest bulk of the budget.

Marc Puckett – No, you would adjust them both like for example, I did the math really quick and if it were \$800,000 we received in admin allowance then the member agency pass throughs number would be \$582,008 so it would be the \$800,000 less the admin expense and then the balance would go to the member agencies. It is just a function of determining to make it even more exact. We could put a round number as an estimate.

Steve Lantsberger – My whole intention was to not get fixated on that there is just money out there when in fact, all of us expect it and then it's not going to be there and were are going to go, our budgets don't balance because we anticipated having money flowing from VVEDA and we are going oops.

Keith Metzler – I think this is all just an exercise. I think we have got so much debt on the books.

Steve Lantsberger – Absolutely, we all do.

Keith Metzler – That there is not going to be any left over at the end of the day.

Steve Lantsberger – I think a lot of agencies are going, that is one question that DOF won't answer, can we accrete the unpaid admin cost allowance in subsequent year? They will not answer that question.

Andre de Bortnowsky – I am trying to see if 1585 is addressing that.

Steve Lantsberger – I have not seen that either. I looked and I don't see that. They only answer the questions that are in their favor.

Keith Metzler – Sounds like they are doing some arbitrarily too.

Steve Lantsberger – Dena told me that they got two different opinions on the same exact issue from

different staffers at DOF.

Keith Metzler – So who do you sue?

Steve Lantsberger – All of them, name them all.

Keith Metzler – All of the above.

Andre de Bortnowsky – So the recommendation is to present to the Board with those caveats?

Keith Metzler – Yes, I would, not to steal your thunder Marc, but based upon the re-read of the bill and applying the practical with respect to what we are actually going to collect, approve it subject to the modification that it will likely go down due to the fact this is a select list and due to the fact that pass throughs of taxing entities would have to be netted out. Does that sound right?

Steve Lantsberger – Do we have a proposal for, attached to it, or is there one that's going to come to the Board for the administrative services that would be required?

Keith Metzler – We will do that at the next meeting. We wanted to try to do that but just didn't have enough time. In fact have you guys done it?

Steve Lantsberger – Yes

Keith Metzler – I wouldn't mind looking a sample.

Steve Lantsberger – Discussion ensued as it relates to the sample document.

Keith Metzler – The recommendation would be that the Technical Advisory Committee recommend that the Board approve the Successor Agency Budget with the recognition that it will likely change due to the fact that the law says it is based on actual collection and the fact that we won't be collecting pass throughs.

Frank Robinson – One question, I thought you might want to consider is putting some training dollars in here because there is Oversight Board training that we anticipate that is going to be offered at various places. We stuck about a \$5,000 number in there.

Laurie Hunter – We are doing training for all ours.

Discussion ensued as it relates to training of Oversight Board members and Successor Agency. It was determined that there was not a need at this time to include the item in the budget.

Technical Advisory Committee Action: That the Technical Advisory Committee recommend that the Board approve the Successor Agency Budget with the recognition that it will likely change due to the fact that the law says it is based on actual collection and the fact that we won't be collecting pass throughs.

MOTION: ROBINSON SECOND: HART
AYES: HART, ROBINSON, ROBERTSON, LANTSBERGER
NOES: NONE
ABSENT: FUENTES
ABSTAIN: NONE

Discussion ensued as it relates to Oversight Board representatives and a potential meeting.

ADJOURNMENT

Keith Metzler adjourned the regular meeting of the Victor Valley Economic Development Authority Technical Advisory Committee at 4:17 p.m.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jennifer Thompson, Secretary to the Commission of the Victor Valley Economic Development Authority, hereby certify the foregoing to be a full, true, and correct copy of the record of the action taken by said Committee by vote of the members present, as the same appears in the Official Minutes of the Victor Valley Economic Development Authority Technical Advisory Committee at a special meeting of April 9, 2012.

(SEAL)

Jennifer Thompson
Secretary to the Commission

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE AND BOARD OF COMMISSIONERS
MEETING OF: June 20, 2012

SUBMITTED BY: Marc Puckett
Treasurer

DATE: June 13, 2012

SUBJECT: Final Tax Increment Distribution
2011-2012 Fiscal Year

RECOMMENDATIONS: That the Honorable Board of Commissioners approve a final distribution of taxes to its member jurisdictions and the affected taxing entities.

FISCAL IMPACT: \$731,672.81

DISCUSSION: The Authority's Treasurer is requesting that a final distribution of tax increment be made to the appropriate member jurisdictions and affected taxing entities. This final distribution consists of the following: Amendment Area VIII monies in the amount of \$555,861.97; Fiscal Year 2010-11 Budgetary savings in the amount of \$118,785.10; and interest earnings received and undistributed in the amount of \$57,025.74. VVEDA's fiscal consultant, the Rosenow Spevacek Group (RSG) has prepared a tax increment distribution analysis based on the tax increment revenues received by VVEDA for Amendment Area VIII. The tax increment distribution is provided in Table 1 attached to this report.

A tax distribution of the reconciled cash receipts (the last column on Table 1) would result in the distribution of \$731,672.81 to affected taxing entities and member jurisdictions. Any remaining amounts will be reconciled as part of the fiscal year end process and any remaining amounts will be distributed at that time.

Staff remains available for any questions or comments you might have.

MP:rb

Attachments: RSG Interim Distribution of Taxes

Keith Metzler, Executive Director
 Marc Puckett, Treasurer
 VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
 May 30, 2012
 Page 3

VVEDA

Table 1

DISTRIBUTION OF SUPPLEMENTAL 2008-09, 2009-10, 2010-11 and 2011-12 TAX INCREMENT REVENUE RECEIVED IN FY 2010-11 AND 2011-12 FROM AMENDMENT VIII AREA¹

AMENDMENT VIII AREA REVENUE

TAXING ENTITY	2008-09 Supplemental Revenue	2009-10 Supplemental Revenue	2010-11 Supplemental Revenue	2011-12 Received Revenue (As of Jan 24, 2012)	FY 2010-11 Budgetary Savings Reimbursement	Interest Earnings Received and Undistributed	Total Revenue Distribution
Apple Valley Fire Protection District (WF01)	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
Mojave Water Agency (WY20)	\$942.72	\$280.64	\$43.90	\$89.90			\$705.86
Heasparis Park District (VPO2)	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
County Supt of Schools	\$659.89	\$478.69	\$94.22	\$192.29			\$1,349.82
Via Val Comm College	\$4,318.83	\$3,186.17	\$566.07	\$875.39			\$8,912.27
Adelanto Elementary	\$4,582.74	\$2,004.02	\$897.05	\$717.30			\$7,981.10
Oro Grande Elem	\$17.14	\$43.18	\$0.33	\$0.85			\$61.50
Victor Elem	\$5,102.81	\$5,440.11	\$1,281.22	\$1,189.06			\$12,892.89
Victor Valley HS	\$5,584.17	\$5,484.81	\$1,791.86	\$1,537.25			\$18,478.23
Apple Valley Unified	\$23.00	\$175.79	\$0.00	\$0.00			\$198.79
Heasparis Unified	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
City of Victorville	\$8,898.90	\$5,389.14	\$1,840.84	\$2,448.78			\$21,178.07
City of Heasparis	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
Town of Apple Valley (no AV Park District)	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
SB County	\$13,023.01	\$9,282.02	\$1,681.85	\$2,418.78			\$26,276.46
City of Adelanto	\$223.63	\$0.00	\$0.00	\$0.00			\$223.63
Mojave Desert Res Consl Dist (WR03)	\$18.81	\$18.71	\$3.88	\$4.73			\$46.13
Victorville Water Dist (CS35)	\$718.37	\$467.80	-\$49.36	-\$184.84			\$1,302.78
Snowline Joint Unified	\$4,575.73	\$2,944.98	-\$314.08	\$1,048.07			\$8,254.67
Apple Valley RDA FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$6,179.35	\$29,936.37
Low/Med Housing	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
Non-housing	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
Heasparis RDA (No Territory in Amendment VIII Area) FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$881.27	\$24,638.29
Low/Med Housing							
Non-housing							
SB County RDA FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$2,382.62	\$26,009.54
Low/Med Housing	\$4,453.27	\$2,789.08	\$0.00	\$0.00			\$7,242.35
Non-housing	\$8,844.82	\$3,620.46	\$0.00	\$0.00			\$9,206.08
Victorville RDA FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$22,488.85	\$46,245.87
Low/Med Housing (includes SCLA portion)	\$44,929.74	\$42,458.73	\$7,222.83	\$10,728.87			\$106,340.17
Non-housing	\$58,369.00	\$55,115.06	\$10,841.23	\$18,089.35			\$136,384.86
Adelanto RDA FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$456.80	\$24,207.82
Low/Med Housing	\$11,438.40	\$0.00	\$0.00	\$0.00			\$11,438.40
Non-housing	\$14,360.85	\$0.00	\$0.00	\$0.00			\$14,360.85
Interest (SCLA)	\$25,799.05	\$0.00	\$0.00	\$0.00			\$48,898.67
SCLA (non-housing)	\$78,304.29	\$58,736.84	\$10,841.23	\$18,089.35			\$161,940.40
TOTAL	\$284,289.48	\$201,876.90	\$96,192.78	\$83,599.80	\$118,766.10	\$67,026.74	\$731,672.81

¹Table 1 represents the distribution of Amendment VIII Area revenues with the understanding that changes may occur from resolution of any pending calculation disputes between VVEDA and the County of San Bernardino Auditor-Controller.

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE AND BOARD OF COMMISSIONERS
MEETING OF: June 20, 2012**

SUBMITTED BY: Marc Puckett, Treasurer

DATE: June 13, 2012

SUBJECT: FISCAL YEAR 2012-13 BUDGET

RECOMMENDATION:

That the Technical Advisory Committee recommends approval of the Fiscal Year 2012-13 proposed budget totaling \$162,305.

That the WEDA Board of Commissioners approves Resolution 12-005 adopting the proposed Fiscal Year 2012-13 budget totaling \$162,305.

FISCAL IMPACT: \$162,305

DISCUSSION:

Attached hereto is the Fiscal Year 2012-2013 proposed budget in the amount of \$162,305 for the upcoming budget year. Included in this budget are operating costs that may be necessary to carry out administrative responsibilities of the Joint Powers Authority (JPA) for the FY2011-12 fiscal year. The FY 2012-2013 proposed budget will be funded from budgetary savings occurring in the current 2011-2012 fiscal year. The FY 2012-13 administrative budget proposes a decrease in expenditures of \$118,636 (42.2%) from the FY 2011-12 adopted budget.

Also, attached for your information and review is the Successor Agency budget for FY 2012-13 adopted by the Successor Agency Oversight Board on May 10, 2012. Funding for this budget is paid from the administrative cost allowance paid with redevelopment property tax trust funds.

Staff remains available for any questions or comments you might have.

Attachments:

1. Resolution 12-005
2. Proposed FY 12-13 budget
3. SA Budget as approved May 10, 2012

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

June 20, 2012

Item: RESOLUTION OF THE COMMISSION OF THE VICTOR VALLEY
ECONOMIC DEVELOPMENT AUTHORITY ADOPTING THE 2012-
2013 BUDGET

Exhibit "A" - 2012-2013 Budget

Action to
be Taken: Adopt Resolution 12-005 and append Exhibit "A".

Certified copy of Resolution to be returned to Green, de Bortnowsky
& Quintanilla, LLP.

RESOLUTION NO. 12-005

RESOLUTION OF THE COMMISSION OF THE VICTOR
VALLEY ECONOMIC DEVELOPMENT AUTHORITY ADOPTING
THE 2012-2013 BUDGET

WHEREAS, the Victor Valley Economic Development Authority (the "Authority") has been created pursuant to a certain joint exercise of powers agreement, as amended, (the "Agreement") in accordance with California Government Code Section 6500, et seq.; and

WHEREAS, the Authority was created primarily for purposes of causing the reuse of George Air Force Base, now known as Southern California Logistics Airport ("SCLA"), and pursuant to the Agreement, has the ability to exercise the necessary powers to acquire, operate, maintain and administer the aviation related portions of SCLA as a public airport; and

WHEREAS, the Authority continues to operate in connection with the redevelopment of areas adjacent and in proximity to SCLA and has adopted a Redevelopment Plan in connection therewith; and

WHEREAS, the Authority recognizes the need for insuring the continued sound financial condition of the Authority; and

WHEREAS, the Authority Staff has prepared a budget for the Authority for the 2012-2013 fiscal year, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE COMMISSION OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. The Budget as attached hereto as Exhibit "A" is hereby adopted as the Fiscal Year 2012-13 Budget for the Victor Valley Economic Development Authority.

Section 2. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED this 20th day of June, 2012, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

Chairman of the Governing Board
of the Victor Valley
Economic Development Authority

(SEAL)

ATTEST:

Secretary to the Victor Valley
Economic Development Authority

EXHIBIT "A"

2012-2013 BUDGET

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
PROPOSED BUDGET FY 2012-13**

A/C#	Description	FY 2010-11	FY 2011-12	FY 2012-13	
		Actual	Budget	Proposed Budget	% of Change
7205	Marketing/Promotion/ Advertising	\$ 39,466	\$ 175,000	\$ -	-100.00%
7235	Insurance	16,910	16,631	16,126	-3.04%
7241	Meetings & Conferences	-	-	5,000	100.00%
7247	Memberships	21,010	17,810	-	-100.00%
7259	Miscellaneous/contingency	1,206	500	51,179	10135.80%
7277	Printing	-	200	-	-100.00%
8916	Audit Fees	8,000	10,000	10,000	0.00%
8940	Contract/Professional Services	111,193	40,000	30,000	-25.00%
8972	Legal	16,097	20,800	50,000	140.38%
	Total	\$ 213,882	\$ 280,941	\$ 162,305	-44.01%

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
PROPOSED BUDGET FY 2012-13**

<u>A/C#</u>	<u>Description</u>	<u>FY 2010-11 Actual</u>	<u>FY 2011-12 Budget</u>	<u>FY 2012-13 Proposed Budget</u>	<u>Notes</u>
7020	Salaries and Benefits	\$ -	\$ -	\$ 139,700	Staff support to Oversight Board for Four Staff Members
7205	Marketing/Promotion/ Advertising	-	-	-	
7235	Insurance	-	-	16,500	PERMA Insurance
7241	Meetings & Travel	-	-	-	
7247	Memberships	-	-	-	
7259	Miscellaneous/contingency	-	-	-	
7277	Printing	-	-	-	Audit costs for external auditors preparation of general purpose financial statements
8916	Audit Fees	-	-	5,000	Includes \$20,000 for consulting services from RSG, and \$10,000 for website maintenance/development
8940	Contract/Professional Services	-	-	5,000	Includes \$5,000 for consulting services from RSG, and/or other consultant services as may be necessary.
8972	Legal	-	-	28,000	Regular Meetings, Special Meetings, and Other General Legal Services As May Be Required

**VEDA SUCCESSOR AGENCY
PROPOSED BUDGET FY 2012-13**

<u>A/C#</u>	<u>Description</u>	<u>FY 2010-11 Actual</u>	<u>FY 2011-12 Budget</u>	<u>FY 2012-13 Proposed Budget</u>	<u>Notes</u>
7202	Salaries and Benefits	\$ -	\$ -	\$ 139,700	Staff support to Oversight Board for Four Staff Members
7205	Marketing/Promotion/ Advertising	-	-	-	
7235	Insurance	-	-	16,500	PERMA Insurance
7241	Meetings & Travel	-	-	-	
7247	Memberships	-	-	-	
7259	Miscellaneous/contingency	-	-	-	
7277	Printing	-	-	-	Audit costs for external auditors preparation of general purpose financial statements
8916	Audit Fees	-	-	5,000	Includes \$20,000 for consulting services from RSG, and \$10,000 for website maintenance/development
8940	Contract/Professional Services	-	-	5,000	Includes \$5,000 for consulting services from RSG, and/or other consultant services as may be necessary.
8972	Legal	-	-	28,000	Regular Meetings, Special Meetings, and Other General Legal Services As May Be Required

