

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
AGENDA**

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

Wednesday, June 20, 2012
5:00 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT
AUTHORITY 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 CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED
LITIGATION – GOVERNMENT CODE SECTION 54956.9:
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: Number of
potential cases – One (1)

ITEM 7 ADJOURNMENT

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY AND
SUCCESOR AGENCY 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
5:00 P.M

PRESENT:

Ryan McEachron, Vice-Chairman, City of Victorville
Russ Blewett, Commissioner, City of Hesperia
Curt Emick, Commissioner, Town of Apple Valley
Steve Baisden, Commissioner, City of Adelanto
Laurie Hunter, Alt. Commissioner, County of San Bernardino

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

ABSENT:

None

OTHERS PRESENT:

Sophie Escobar, City of Victorville
Doug Robertson, City of Victorville
Frank Robinson, Town of Apple Valley
Art Bishop, Apple Valley Fire (5:24)

Jim Hart, City of Adelanto
Steve Lantsberger, City of Hesperia
Orlando Acevedo, Town of Apple Valley

CALL TO ORDER

Vice-Chairman McEachron called the Two Hundred and thirty-sixty meeting of the Victor Valley Economic Development Authority to order at 5:00 p.m.

PUBLIC COMMENT

None

DISCUSSION AGENDA – VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

**APPROVE MINUTES OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY OF
FEBRUARY 28, 2012 SPECIAL MEETING AND MARCH 21, 2012 REGULAR MEETING**

Motion: That the Board approve the minutes as presented.

MOTION: EMICK SECOND: BLEWETT
AYES: MC EACHRON, EMICK, BLEWETT, BAISDEN

NOES: NONE
ABSENT: NONE
ABSTAIN: HUNTER

OVERSIGHT BOARD APPOINTMENTS

Keith Metzler – Mr. Chairman and members of the Board you are all becoming very familiar with the whole dissolution process effecting redevelopment agencies. As it relates to VVEDA, we are actually adhering to the dissolution process, under protest, as we filing a lawsuit. The lawsuit has been going through some minor tweaks and should be submitted this week. Once it is done we will transmit it to you so that you have it. We are shooting for Thursday of this week. Everything that we're doing is under protest and consistent with the provisions of AB 26 that deal with Oversight Board appointments. We have identified that VVEDA has the responsibility to make one Oversight Board appointment that would be for the position representing an employee of the organization. This organization has serving it as appointments, officers, the officers are myself as the Executive Director, Jennifer Thompson as the Secretary and you have representative from Apple Valley, Marc and Robbeyn serving as the Treasurer and Controller. Those, we believe, based upon our read and understanding of the law are among those that you get to choose from to have an Oversight Board appointment. We currently are shooting to have our first Oversight Board meeting this Thursday. I am not sure of the exact time, but I believe it is 3:00.

Jennifer Thompson - 3:30

Keith Metzler – That would be at Victorville City Hall, is what we're shooting for. With that and right now we are having a hard time making quorum based upon our polling as to who has been appointed thus far. With that, to help make the quorum, certainly we want to get the appointment made from this organization. You have seen my staff write up, I've certainly volunteered to serve in that capacity since I have served as the Executive Director of this organization since 2001 and also the most knowledgeable about the lions share of the obligations, the enforceable obligations that are identified on the EOPS and ROPS and will continue to be the largest share going forward. With that, that is my presentation. Any action is at the discretion of this Board.

Russ Blewett – We only get one appointment?

Keith Metzler – That is correct.

Curt Emick – Any comments from TAC....

Russ Blewett – How is that? Let me ask a question, excuse me...

Curt Emick – No, I interrupted you.

Russ Blewett – The City Council when we did; what is the difference between the Board and the City Council in making appointments?

Keith Metzler – In our case, well you have got the seven members.

Russ Blewett – The same seven members right?

Keith Metzler – Yes, there is one interchange. The one at the local level, the city level you would get would be an appointment by the mayor. In our case, that is not applicable.

Russ Blewett – Well we have a Chairman.

Keith Metzler – The law is very specific about a mayor of the city of the redevelopment agency.

Andre de Bortnowsky – It is the city, in a Joint Powers Authority it is the City that has the largest portion of the project area, gets to designate what would otherwise be the city's designated position.

Russ Blewett – Who says so?

Andre de Bortnowsky – The law, AB 26 says that.

Russ Blewett – Read it to me.

Keith Metzler – One member appointed by the County Board of Supervisors, one member appointed by the Mayor for the city that formed the redevelopment agency. That's the one that we are contending isn't....

Russ Blewett – So basically you get all, Victorville gets all the appointments?

Keith Metzler – No, Victorville made one appointment and Victorville made one appointment based upon the provision in this bill, it is 34179(a)(8) that in the case of a JPA the largest jurisdiction gets to make that appointment. We've interchanged that with the one that gets stricken because we don't have a mayor of the former city that formed the redevelopment agency.

Andre de Bortnowsky – So the County Supervisor makes an appointment, the Superintendent of Schools makes one.

Russ Blewett – Which Superintendent?

Keith Metzler – It's County Superintendent of Schools, in our case they picked from Victor Elementary School District.

Russ Blewett – Have we in fact called that person?

Keith Metzler – Yes, she has been appointed. She cannot make the upcoming Oversight Board meeting due to a conflict.

Russ Blewett – Who is she and is she going to be cooperative? Our Board is, in Hesperia we have the votes on our Board. It is a very cooperative Board and I want to make sure, do we have that?

Keith Metzler – We don't have any reason to believe otherwise. I know, in Victorville, we have a good relationship with our School Board and certainly with the administration. I certainly don't believe that we have any reason to believe that they would be adversarial.

Russ Blewett – Mr. Attorney, read it to me.

Laurie Hunter – There is the Flood Control.

Andre de Bortnowsky – Well there is one appointed by the County Board, one member appointed by the mayor of the city that formed the RDA. In this case we then defer to Section 8 which is if the County or a Joint Powers Agency formed the redevelopment agency then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. That supersedes the city one.

Russ Blewett – That would be Victorville?

Andre de Bortnowsky – Right, then you get one member appointed by the largest district and that we believe is County Flood Control. One member of the public appointed by the County Supervisor again, that is just a member of the public at large, one member by the County Superintendent of Schools, one member by the Chancellor of California Community Colleges and then one member which is the one we are voting on tonight representing the former employees of the RDA. In this case the JPA, so you finally have four essential employees of this entity, so it would be one of the four. The County essentially is getting three votes.

Laurie Hunter – The County has three and we have appointed Mary O’Toole representing the County. The public member would be Kevin Mahany, who I believe is on the agenda for tomorrow and the other one is going to have to stay open until the next County Board meeting, the Flood Control seat.

Russ Blewett – Ok

Andre de Bortnowsky – So VVEDA as a body only gets to select the one that represents the employees.

Russ Blewett – Wow, that’s pretty thin actually.

Laurie Hunter – And on that our County staff met with me earlier today and they feel that having Keith serve, although he is eminently qualified with no question he is the best, has the best expertise for this seat that it may be a conflict of interest because he also does staff the Successor Agency.

Andre de Bortnowsky – The issue there is it could be a potential conflict as it is not clear. The legislation that set up Oversight Boards provides immunity to the Oversight Board members. I think the intent was to treat them the same way as you to LAFCO where you can’t avoid the conflicts and therefore if you serve on the Oversight Board you won’t have a conflict. It is not clear however. Steve, because Keith is quote a staff employee he is an employee here and is not a Board of Directors member, I don’t know if it is a conflict or not. I think there is an argument certainly that he is not based on the intent of the legislation, the way that the Oversight Boards are to be set up and act similar to LAFCO type boards in the fact that they provide them immunity, but it certainly not....

Russ Blewett – Instead of him being on the Board he could be the staff guy that provides all the information to the Board which is....

Andre de Bortnowsky – Right that could be the, and then you are down to the three other employees to choose from.

Russ Blewett – And who are they?

Laurie Hunter – Jennifer Thompson, Marc Puckett and Robbeyn Bird.

Keith Metzler – I do think that, if you are identifying potential conflict of interest, I think that because we are all officers with the capacity that we hold are all officers of the organization. I think, candidly that same argument could apply to the other officers as well if you wanted to buy into that question over conflict of interest. I think the reality...

Russ Blewett – There is no way to avoid it?

Keith Metzler – No, the reality I think I would rely on is the fact that I come to the Board. I get direction from the Board so I am not making the official Board decisions, you are.

Russ Blewett – What do you think? I think the State thinks.....

Curt Emick – It is more of the same stuff.

Andre de Bortnowsky – This is part of the chaos of 26, it is not clear.

Russ Blewett – They just didn't think about it.

Andre de Bortnowsky – Exactly and it does seem like they tried to set them up like a LAFCO Board because they provide immunity to that Board.

Ryan McEachron – I think this clearly is one of the problems with the law. It goes to the issue, the very argument that we are not redevelopment and so....

Russ Blewett – Actually, that is a good point.

Curt Emick – Yes that is a good point.

Ryan McEachron – We are stuck in a scenario where we can't appoint someone from staff who doesn't matter who it is ultimately has a conflict of interest.

Andre de Bortnowsky – The other thing that is happening is DOF is suggesting that we can stay in existence but we can't participate in the redevelopment process. That in and of itself is crazy because if we stay in existence how can be a Successor Agency? It logically does not apply to us at all.

Steve Baisden – The key word was logic.

Andre de Bortnowsky – There is none.

Russ Blewett – What do you think?

Curt Emick – I mean, I think you need to pick the best qualified person with our interest in mind and I think whether there's a conflict or not is unclear so how can you even use that as a valid argument? You're going to just have to pick somebody.

Andre de Bortnowsky – You certainly have a rational argument that everybody has the same conflict in terms of the staff people.

Laurie Hunter – Yes, the other people are officers and they will also be officers for the Successor Agency.

Andre de Bortnowsky – Right

Curt Emick – So theoretically everybody is in the same boat.

Andre de Bortnowsky – Right

Ryan McEachron – And again I think this Board still has control; it is just an Oversight Board. We still direct what goes on.

Andre de Bortnowsky – And then DOF overrules and oversees the Oversight Board.

Curt Emick – It just gets better.

Ryan McEachron – Come on Russ lets test the State on this one. I will entertain a motion as to who we should place on the Oversight Board.

Russ Blewett – I don't care.

Curt Emick – Keith just has the most knowledge. I just think that that is the most logical decision.

Russ Blewett – I will second it.

Ryan McEachron – At the end of the day we just want to make sure we protect the interest of VVEDA and its member jurisdictions. I strongly am opposed to going through this process or any of the future issues that we are going to take up because it in essence send the message that we are acquiescing to this whole thing that this law applies to us.

Russ Blewett – It validates it.

Ryan McEachron – I don't think it does. I just want to make sure that we are on the record. I would image that you are all, that we are not subject to this law.

Motion: That, under protest, the Board appoint Keith Metzler to the Oversight Board.

MOTION: EMICK SECOND: BLEWETT
AYES: MC EACHRON, EMICK, BLEWETT, HUNTER, BAISDEN
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

DISCUSSION AGENDA – SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

APPROVE MINUTES OF THE SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY OF FEBRUARY 28, 2012 SPECIAL MEETING

Motion: That the Board approve the minutes as presented.

MOTION: EMICK SECOND: BLEWETT
AYES: MC EACHRON, EMICK, BLEWETT, BAISDEN
NOES: NONE
ABSENT: NONE
ABSTAIN: HUNTER

SUCCESSOR AGENCY BUDGET

Keith Metzler – Mr. Chairman and members of the Board, I will try to give a quick, thumbnail sketch as this item was prepared by the Treasurer's office and Mr. Puckett is available to give much more detail. What you have here is a budget that actually included pretty significant discussion at the TAC level. The conclusion from TAC was that, the recommendation of TAC was that it recommend to this Board that it approve this budget recognizing that it will change based upon interpretations of AB 26 with respect to how the actual revenues to satisfy this budget are to be collected. When this budget was prepared, it was prepared believing that the ROPS or the value contained in the ROPS which is about \$40 million was the bases to help establish what was going to be available on the 5% administrative cost allocation. Discussion at the TAC level came to conclusion that it's not going to be the \$40 million; it is going to be number substantially less. It is going to be a number that includes what we actually collect. What we do know we collected last year was about \$31.2 million. We also know that included in that \$31.2 million were amounts for the pass through entities and now that the County Auditor/Controller's office is going to administer those pass throughs the amount we actually collect is going to be net the pass through amounts as well. I think the final conclusion with respect to the budget that we are asking you to approve is to approve the budget, however, approve it based upon it being applied proportionately to what we actually collect, so it would be downwardly changed. With that, that is the general discussion that occurred at the TAC level and Marc is there anything you would like to add?

Marc Puckett – Just real quickly, in your packet you also have a copy of the resolution that will be adopted by the Successor Agency in addition to the budget marked as Exhibit A. As Keith had mentioned, the TAC meeting there was a discussion in terms of the methodology used to arrive at the administrative cost allowance that will be received by the Successor Agency. As it was calculated in the budget, it was based on 5% of the recognized obligation payment schedule which is about \$40 million and that works out to roughly \$2 million. As it was pointed out at the TAC meeting, the actual language within the statute reads that the 5% will be based on the amount disbursed by the County to the Successor Agency which assuming that there is sufficient tax increment would equal 5% of the recognized obligation payment schedule. However, the amount disbursed in total last year was \$31 million, there is some expectation that a number of the obligations listed on the recognized obligations payment schedule may be stricken once the audit is completed by the County and the amount received from the County will be less than. It will most likely be based upon the \$31 million from last year, net of pass throughs which may be somewhere around \$16 to \$18 million so that administrative cost allowance would be reduced to somewhere in the neighborhood of \$800,000 to \$1 million. The total expenditures listed in the various

classifications of the proposed budget amount to \$217,200 and the member agency pass throughs would be the total amount of administrative costs once received net of the listed expenditures which assuming that they are \$800,000 would be roughly around \$600,000 so there was some feeling that there was, it was important to not create an expectation among the member agencies that there would be a larger amount passed through based upon the higher administrative cost allowance. That concludes my comments. I will be happy to answer questions.

Curt Emick – In summary we have over estimated everything so the worst scenario is that if they cut something back, it drops? We have covered ourselves in every category right?

Marc Puckett – Right, the issue that was the underlying comment at TAC is that the administrative cost allowance as it's reduced the pass throughs would be reduced proportionately.

Curt Emick – Ok

Marc Puckett – The pass throughs are based on a percentage of the recognized obligations on the recognized obligations payment schedule for each agency so as those percentages change the amount of pass throughs will change.

Curt Emick – All proportionately.

Ryan McEachron – Did I hear you correctly though that the pass throughs are going to be handled by the Auditor/Controller now?

Curt Emick – Yes

Keith Metzler – A different pass through for this definition.

Ryan McEachron – Oh

Marc Puckett – The provision contains, I think as it is determined, is a waterfall provision so that the pass throughs would be paid first from tax increment then all the obligations from the recognized obligation payment schedule then the admin percentage beyond that. From that admin received by the Successor Agency then pass through the admin received net of the expenditures of the Successor Agency in proportion to each member agencies recognized obligations that are upheld on the recognized obligation payment schedule.

Keith Metzler – On overarching comment as well at TAC was recognizing that this is procedural. We have to do a budget; we have to have the Oversight Board approve the budget at its meeting. The target date is the before April 15th, however, it is also recognized in the bill that this is all subordinate to the obligations and is the last to get paid for lack of a better description. In our case, we do have obligations that are going to substantially exceed what revenue is likely to be generated. There will be a shorting effect and I think to expect realistically to get anything out of this, this is probably an exercise more than anything until revenues increase. I am not expecting that to happen anytime soon but that is the theory that applies to actually draw down on this budget.

Ryan McEachron – To that point, I guess I have a question because I am in the insurance business and if you don't pay your bill your insurance gets cancelled. How on earth are we going to get paid last...

Curt Emick – And expect anything at all.

Ryan McEachron – And expect to pay bills to our insurance carrier let alone our attorney, let alone our auditor or any other contractor that we have listed.

Russ Blewett – Don't you think the Successor Agency Board should just chip in?

Ryan McEachron – Is this an unfunded mandate by the State of California? That is what it looks like to me, I just wonder how we are going to pay our bills if we don't have....

Keith Metzler – The \$16,000 was additive to what the JPA is already required to pay or was it assumed to be the same amount?

Sophie Escobar – Are you asking if the PERMA policy currently covers VVEDA as the JPA and will then also cover the Successor Agency and Oversight Boards?

Keith Metzler – Right

Sophie Escobar – The \$16,000 is just VVEDA as a JPA, we don't know if there will be an additional cost to name the Successor Agency to VVEDA to that same policy.

Keith Metzler – This amount looks like the same amount that we typically pay as VVEDA?

Sophie Escobar – Correct

Keith Metzler – If there isn't the funds available under the Successor Agency then likely that's a cost that VVEDA as a JPA, just as it normally does through its course of business which is going to raise the question, where are the funds for that.

Ryan McEachron – Andre, are you going to bill us double one for Successor and one for....

Andre de Bortnowsky – If I knew that the State was going to pay us, but no I am not.

Ryan McEachron – I figured I would ask that question before Russ. I mean it does make the question that we have a VVEDA budget, a Successor Agency budget where is this money coming from?

Andre de Bortnowsky – That's another problem that applying AB 26 to this entity creates because theoretically if we have a Successor entity and it is supposed to be a legal separate entity you have got two entities and the same body's it is just crazy.

Ryan McEachron – But procedurally we have to adopt a budget?

Andre de Bortnowsky – Under protest

Ryan McEachron – Any questions?

Curt Emick – You know, it doesn't really matter what the numbers are as long as we have exceeded what we think we might need in case something comes our way. That is the only think I'm worried about. It doesn't look

like anything is going to come our way, but beside the point.

Laurie Hunter – It is with the caveat that this will be reduces as the real numbers become.

Keith Metzler – I believe the actual technical language in the law requires us to prepare it. For the sake of having the Board take a role in this is why we have put it on the agency for approval by the Board.

Motion: That the Board adopt the budget subject to the changes that were discussed for the member entity pass throughs. This is being adopted under protest.

MOTION: EMICK SECOND: BAISDEN
AYES: MC EACHRON, EMICK, BLEWETT, BAISDEN, HUNTER
NOES: NONE
ABSENT: NONOE
ABSTAIN: NONE

ADJOURNMENT

Vice Chairman McEachron adjourned the special meeting of the Victor Valley Economic Development Authority and the Successor Agency to the Victor Valley Economic Development Authority at 5:25 p.m.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jennifer Thompson, Secretary to the Commission of the Victor Valley Economic Development Authority, and the Successor Agency to 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 Committees by vote of the members present, as the same appears in the Official Minutes of the Victor Valley Economic Development Authority and the Successor Agency to the Victor Valley Economic Development Authority at its 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 Recalculated 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)	\$342.72	\$250.64	\$43.90	\$86.90			\$705.86
Heapsville Park District (VP02)	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
County Supt of Schools	\$553.86	\$479.69	\$94.22	\$192.29			\$1,349.92
Via Val Comm College	\$4,316.63	\$3,166.17	\$666.07	\$875.39			\$8,912.27
Adelanto Elementary	\$4,592.74	\$2,004.02	\$697.05	\$717.30			\$7,991.10
Our Grande Elem	\$17.14	\$43.18	\$0.33	\$0.65			\$61.60
Victor Elem	\$5,102.51	\$5,440.11	\$1,281.22	\$1,189.05			\$12,992.89
Victor Valley HS	\$6,594.17	\$5,484.81	\$1,731.86	\$1,657.26			\$18,478.23
Apple Valley Unified	\$23.00	\$175.79	\$0.00	\$0.00			\$198.79
Heapsville Unified	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
City of Victorville	\$8,896.30	\$5,589.14	\$1,640.84	\$2,449.78			\$21,178.07
City of Heapsville	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
Town of Apple Valley (Inc AV Park District)	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00
SB County	\$13,023.01	\$9,262.02	\$1,661.66	\$2,419.78			\$26,276.45
City of Adelanto	\$223.63	\$0.00	\$0.00	\$0.00			\$223.63
Mojave Desert Res Cons Dist (WR03)	\$18.81	\$18.71	\$3.86	\$4.73			\$46.13
Victorville Water Dist (CB33)	\$718.37	\$467.80	-\$49.36	\$164.84			\$1,302.76
Snowline Joint Unified	\$4,575.73	\$2,944.96	-\$514.08	\$1,046.07			\$8,258.67
Apple Valley RDA							
FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$6,179.36	\$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
	\$0.00	\$0.00	\$0.00	\$0.00			\$29,936.37
Heapsville RDA (No Territory in Amendment VIII Area)							
FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$681.27	\$24,438.29
Low/Med Housing							
Non-housing							
							\$24,438.29
SB County RDA							
FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$2,262.82	\$26,019.84
Low/Med Housing	\$4,459.27	\$2,789.08	\$0.00	\$0.00			\$7,248.35
Non-housing	\$5,544.62	\$3,620.46	\$0.00	\$0.00			\$9,165.08
	\$10,003.89	\$6,409.54	\$0.00	\$0.00			\$16,413.43
Victorville RDA							
FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$22,488.85	\$46,245.87
Low/Med Housing (includes BCLA portion)	\$44,929.74	\$42,458.73	\$7,222.83	\$10,726.87			\$105,348.17
Non-housing	\$66,369.00	\$65,115.06	\$10,841.29	\$16,099.36			\$158,384.66
	\$101,298.75	\$107,573.80	\$18,064.12	\$26,826.22			\$263,732.83
Adelanto RDA							
FY 2010-11 Budget Savings Reimb. & Interest					\$23,757.02	\$450.60	\$24,207.62
Low/Med Housing	\$11,438.40	\$0.00	\$0.00	\$0.00			\$11,438.40
Non-housing	\$14,360.66	\$0.00	\$0.00	\$0.00			\$14,360.66
	\$25,799.06	\$0.00	\$0.00	\$0.00			\$25,799.06
Interest (BCLA)						\$24,783.15	\$24,783.15
BCLA (non-housing)	\$76,304.28	\$68,735.84	\$10,841.23	\$16,059.36			\$161,940.40
TOTAL	\$264,269.48	\$201,876.90	\$36,132.78	\$63,563.80	\$116,785.10	\$57,025.74	\$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>
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

