

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

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

Thursday, January 24, 2013
4:30 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 TAX INCREMENT DISTRIBUTION – 2012-2013 FISCAL YEAR

ITEM 3 PUBLIC ENTITY RISK MANAGEMENT AUTHORITY (PERMA) JOINT POWERS
AGREEMENT AMENDMENT

ITEM 4 BUSINESS AND COMMENTS

ITEM 5 NEXT SCHEDULED MEETING: MARCH 20, 2013 – REGULAR MEETING

ITEM 6 ADJOURNMENT

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE AND BOARD OF COMMISSIONERS
MEETING OF: January 24, 2013

SUBMITTED BY: Marc Puckett
Treasurer

DATE: January 17, 2013

SUBJECT: Tax Increment Distribution
2012-2013 Fiscal Year

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

FISCAL IMPACT: \$12,153,476

DISCUSSION: From May 1, 2012 through December 13, 2012, VVEDA has collected \$16,785,004 in tax increment revenues. Of that amount, the San Bernardino County remitted \$4,516,836 in pass-through payments to affected taxing entities and paid County Administrative Fees of \$114,692. 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 through December 13, 2012. The RSG tax increment distribution analysis reconciled receipts from the original project area and Amendment 4 and 8 areas in the amount of \$16,670,312. The tax increment distribution is provided in Table 1 attached to this report.

A tax distribution of the reconciled receipts (the last column on Table 1) less the amount of pass-through payments and County Administrative Fees paid by the San Bernardino County would result in the distribution of \$12,153,476 to member jurisdictions. Any remaining amounts will be reconciled as a part of the final distribution of taxes and distributed at that time.

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

MP:rb

Attachments: RSG Interim Distribution of Taxes

VVEDA		TABLE 1		
DISTRIBUTION OF TAX INCREMENT REVENUE (MAY 1, 2012 THROUGH DECEMBER 13, 2012)				
TAXING ENTITY	Actual Revenue Received			
	1993 Received Revenue As of (May 1st to Dec 13th)	Amendment IV Received Revenue (May 1st to Dec 13th)	Amendment VIII Received Revenue (May 1st to Dec 13th)	Total Received Revenue Through December 13, 2012
Total FY 11-12 "True-Up" & FY 12-13 Pass Through Payments	4,445,920	74,487	(3,572)	4,516,838
Apple Valley (JPA Member)				
FY 2012-13 Budget				
Low/Mod Housing	574,965			574,965
Non-housing	753,934			753,934
	1,328,899		-	1,328,899
Hesperia (JPA Member)				
FY 2012-13 Budget				
Low/Mod Housing	84,927			84,927
Non-housing	105,334			105,334
	190,261			190,261
SB County (JPA Member)				
FY 2012-13 Budget				
Low/Mod Housing	188,401	21,144		209,545
Non-housing	250,679	31,628		282,307
	439,080	52,772	-	491,852
Victorville (JPA Member)				
FY 2012-13 Budget				
Low/Mod Housing (includes SCLA portion)	2,405,612	8,063	26,956	2,440,631
Non-housing	2,247,769	12,068	55,306	2,315,142
	4,653,381	20,131	82,262	4,755,774
Adelanto (JPA Member)				
FY 2012-13 Budget				
Low/Mod Housing		46,932		46,932
Non-housing		70,205		70,205
		117,138	-	117,138
SCLA	5,100,345	113,902	55,306	5,269,552
Subtotal - Distribution to Member Jurisdictions	11,711,966	303,943	137,567	12,153,476
TOTAL	16,157,886	378,431	133,996	16,670,312

TABLE 1

VVEDA						TABLE A
2012-13 CALCULATED PASS THROUGHS OF RECEIVED REVENUE FOR 1993 PROJECT AREA						
	SCLA	Victorville	Hesperia	Apple Valley	SB County	TOTAL
Total Tax Increment Collected by County (May 1st to Dec 13th 2012)	3,279,936	8,748,124	424,635	2,874,825	942,006	16,269,526
Member Jurisdiction Pro Rata Share	20%	54%	3%	18%	6%	100%
County Administration Fees	22,507	60,029	2,914	19,727	6,464	111,640
Low/Mod Housing (20%)	655,987	1,749,625	84,927	574,965	188,401	3,253,905
FY 2011-12 "True Up" Pass Through Payments	49,103	139,784	6,998	42,914	13,703	252,501
FY 2012-13 Pass Through Payments	809,711	2,303,149	119,128	729,351	232,080	4,193,419
Total FY 11-12 "True-Up" & FY 12-13 Pass Through Payments	858,814	2,442,933	126,125	772,265	245,783	4,445,920
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Throughs, and Low/Mod)	1,742,629	4,495,537	210,689	1,507,868	501,358	8,458,060
ALLOCATION TO MEMBER JURISDICTIONS						
Member Jurisdiction (50%) (Except SCLA 100%)	1,742,629	2,247,769	105,334	753,934	250,679	5,100,345
Member Jurisdictions' Allocation to SCLA (see below)	3,357,716					3,357,716
TOTAL MEMBER JURISDICTION ALLOCATIONS	5,100,345	2,247,769	105,334	753,934	250,679	8,458,060
MEMBER JURISDICTIONS' ALLOCATION TO SCLA						
Remaining Tax Increment to SCLA (50%)		2,247,769	105,334	753,934	250,679	3,357,716
						11,711,986

VVEDA				TABLE B
2012-13 CALCULATED PASS THROUGHS OF RECEIVED REVENUE FOR AMENDMENT IV				
	Victorville	Adelanto	SB County	TOTAL
Total Tax Increment Collected by County (May 1st to Dec 13th 2012)	40,316	234,662	105,720	380,698
Member Jurisdiction Pro Rata Share	11%	62%	28%	100%
County Administration Fees	240	1,397	630	2,267
Low/Mod Housing (20%)	8,063	46,932	21,144	76,140
FY 2011-12 "True Up" Pass Through Payments	288	1,747	785	2,820
FY 2012-13 Pass Through Payments	7,589	44,175	19,904	71,668
Total FY 11-12 "True-Up" & FY 12-13 Pass Through Payments	7,876	45,921	20,690	74,487
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Throughs, and Low/Mod)	24,136	140,411	63,257	227,804
ALLOCATION TO MEMBER JURISDICTIONS				
Member Jurisdiction (50% net of Admin, Pass Throughs, and Low/Mod)	12,068	70,205	31,628	113,902
Member Jurisdictions' Allocation to SCLA (50% net of Admin, Pass Throughs, and Low/Mod)	12,068	70,205	31,628	113,902
TOTAL MEMBER JURISDICTION ALLOCATIONS	24,136	140,411	63,257	227,804
				303,943

VVEDA					TABLE C
2012-13 CALCULATED PASS THROUGHS OF RECEIVED REVENUE FOR AMENDMENT VIII					
	Victorville	Adelanto	SB County	Apple Valley	TOTAL
Total Tax Increment Collected by County (May 1st to Dec 13th 2012)	134,780	-	-	-	134,780
Member Jurisdiction Pro Rata Share	100%	0%	0%	0%	100%
County Administration Fees	785	-	-	-	785
Low/Mod Housing (20%)	26,956	-	-	-	26,956
FY 2011-12 "True Up" Pass Through Payments	(3,572)	-	-	-	(3,572)
FY 2012-13 Pass Through Payments	-	-	-	-	-
Total FY 11-12 "True-Up" & FY 12-13 Pass Through Payments	(3,572)	-	-	-	(3,572)
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Thrus, and Low/Mod)	110,611	-	-	-	110,611
ALLOCATION TO MEMBER JURISDICTIONS					
Member Jurisdiction (50% net of Admin, Pass Throughs, and Low/Mod)	55,306	-	-	-	55,306
Member Jurisdictions' Allocation to SCLA (50% net of Admin, Pass Throughs, and Low/Mod)	55,306	-	-	-	55,306
TOTAL MEMBER JURISDICTION ALLOCATIONS	110,611	-	-	-	110,611
					137,567

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
BOARD MEETING OF: January 24, 2013

SUBMITTED BY: Keith C. Metzler, Executive Director DATE: January 22, 2013

ATTACHED: None

SUBJECT: Public Entity Risk Management Authority (PERMA) Joint Powers Agreement Amendment

RECOMMENDATION: That Your Honorable Board certify the amendment to the Joint Powers Agreement for PERMA.

FISCAL IMPACT: None

DISCUSSION: The Public Entity Risk Management Authority (PERMA) is a member-directed pool dedicated to providing financially secure, stable and cost effective coverage programs and risk management services to its members. PERMA is currently comprised of 31 public entity members, including VVEDA and currently provides liability coverage for VVEDA and the Successor Agency to VVEDA.

The PERMA Board of Directors has voted to approve the following amendment to PERMA's Joint Powers Agreement, allowing PERMA to appoint a staff member or board member as treasurer and/or auditor as an alternative to those functions being performed by a member's treasurer and auditor, as required by the current Joint Powers Agreement. This change is permitted by Government Code section 6505.6 and will allow PERMA the flexibility to appoint an officer or employee when necessary, such as the lack of availability of a members' treasurer and auditor to fulfill those roles for PERMA.

This change must be approved by at least two-thirds of the members' governing bodies. Therefore, VVEDA is being requested by PERMA's Board to certify approval of this Amendment. The amendment to PERMA's current Joint Powers Agreement will be substantially as follows:

**AMENDMENT TO
PUBLIC ENTITY RISK MANAGEMENT AUTHORITY (PERMA)
AMENDED AND RESTATED JOINT POWERS AGREEMENT
(REVISED JULY 1, 2004)**

***Articles 10 and 12 of the Joint Powers Agreement
currently state:***

**ARTICLE 10
OFFICERS**

The Board of Directors, either directly or through the Executive Committee, shall annually elect from its membership a President and Vice President of the Board at its regular annual meeting to service for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and chair the Executive Committee.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

**ARTICLE 12
STAFF**

Principal Staff

- (a) The following staff members shall be established:
- (1) General Manager/Secretary. The General Manager/ Secretary shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority; and shall perform such other duties as are assigned by the Board and Executive Committee.
 - (2) Other Staff. The General Manager/Secretary may provide for such other staff as may be necessary for the administration of the Authority, subject to Board approval.
- (b) Pursuant to Government Code section 6505.5, the Treasurer and Auditor shall be the treasurer and auditor of a member organization of the Authority.
- (1) Treasurer. The duties of the Treasurer are set forth in Articles 14 and 15 of this Agreement.

(2) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer, and shall perform the annual audit functions required under Article 14.

(c) Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.

.....
Articles 10 and 12 are hereby amended to state as follows:

**ARTICLE 10
OFFICERS**

The Board of Directors, either directly or through the Executive Committee, shall annually elect from its membership a President and Vice President of the Board at its regular annual meeting to service for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and chair the Executive Committee. Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law. The Board of Directors, either directly or through the Executive Committee, shall also annually elect or appoint a Treasurer and Auditor. Pursuant to Government Code sections 6505.5 and 6505.6, the Treasurer and Auditor shall be either the treasurer and auditor of a member organization of the Authority or an officer or employee of the Authority. Such offices may be held by separate officers or employees or combined and held by one officer or employee. If the Authority designates its officers or employees as Treasurer or Auditor, or both, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505.

(1) Treasurer. The duties of the Treasurer are set forth in Articles 15 and 16 of this Agreement.

(2) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer, and shall perform the annual audit functions required under Article 15.

Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.

ARTICLE 12 STAFF

Principal Staff

The following staff members shall be established:

(1) General Manager/Secretary. The General Manager/ Secretary shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority; and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) Other Staff. The General Manager/Secretary may provide for such other staff as may be necessary for the administration of the Authority, subject to Board approval

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

KCM/jrt

Attachment: PERMA staff report of December 6, 2012

**PUBLIC ENTITY
RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS' MEETING
December 6, 2012**

ACTION / DISCUSSION ITEM

AGENDA ITEM 7G: Joint Powers Agreement - Amendment

PREPARED BY: Scott Ellerbrock
General Manager

RECOMMENDATION:

The Executive Committee recommends the Board of Directors amend the Joint Powers Agreement to incorporate Government Code section 6505.6 to allow the agency to appoint one of its officers or employees to either or both the Treasurer and Auditor positions.

FISCAL IMPLICATIONS:

Not applicable for this report.

BACKGROUND & OVERVIEW:

Scott Morgan, Director of Administrative Services for the City of Rancho Mirage, has been the PERMA Treasurer and Auditor for 16+ years. Mr. Morgan announced his retirement from the City effective the end of this calendar year.

On October 1, 2012, the general manager distributed an email to the membership seeking volunteers for the Executive Committee, Treasurer, and Auditor positions. No one responded to the positions of Treasurer and Auditor - concluding that either there are no interested members for the Treasurer and Auditor positions, or no interested members are qualified.

Regarding the eligibility of the PERMA Treasurer and Auditor, the PERMA Joint Powers Agreement incorporates the requirement of using a member's Treasurer and Auditor as the PERMA Treasurer and Auditor pursuant to Government Code section 6505.5.

In lieu of the designation of a Treasurer and Auditor as set forth in section 6505.5, an agency may appoint one of its officers or employees to either or both such positions under Government Code section 6505.6.

Government Code 6505.6. In lieu of the designation of a treasurer and

auditor as set forth in Section 6505.5, the agency or entity may appoint one of its officers or employees to either or both of such positions. Such offices may be held by separate officers or employees or combined and held by one officer or employee. Such person or persons shall comply with the duties and responsibilities of the office or offices as set forth in subdivisions (a) to (d), inclusive, of Section 6505.5.

In the event the agency or entity designates its officers or employees to fill the functions of treasurer or auditor, or both, pursuant to this section, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505.

A revision of the Joint Powers Agreement would be required to use Government Code section 6505.6, which would take an affirmative vote of two-thirds of the member organizations, acting through their councils or governing boards.

The pools the general manager is most familiar with all authorize the appointment of the Treasurer and Auditor per 6505.6, and in practice, most appoint a Board member with a finance background to these positions. Alternatively, an employee could be appointed under 6505.6, for example, the California Association for Parks & Recreation Indemnity (CAPRI) appoints the Pool Administrator as Treasurer.

If no Board member accepts appointment after the Joint Powers Agreement revision, the general manager could be appointed, so the organization can move forward.

Below are the recommended changes to Articles 10 and 12 of the Joint Powers Agreement to incorporate the addition of Government Code 6505.6.

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Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

The Board of Directors, either directly or through the Executive Committee, shall also annually elect or appoint a Treasurer and Auditor. Pursuant to Government Code sections 6505.5 and 6505.6, the Treasurer and Auditor shall be either the treasurer and auditor of a member organization of the Authority or an officer or employee of the Authority. Such offices

may be held by separate officers or employees or combined and held by one officer or employee. If the Authority designates its officers or employees as Treasurer or Auditor, or both, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505.

- (1) Treasurer. The duties of the Treasurer are set forth in Articles 15 and 16 of this Agreement.
- (2) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer, and shall perform the annual audit functions required under Article 15.

Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.

ARTICLE 12. STAFF

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 - (2) Other Staff. The General Manager/Secretary may provide for such other staff as may be necessary for the administration of the Authority, subject to Board approval.
- b. — Pursuant to Government Code section 6505.5, the Treasurer and Auditor shall be the treasurer and auditor of a member organization of the Authority:
- a. — Treasurer. The duties of the Treasurer are set forth in Articles 14 and 15 of this Agreement.
 - b. — Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer, and shall perform the annual audit functions required under Article 14.
3. — Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.

Since incorporating this option in the Joint Powers Agreement requires at least a two-thirds affirmative vote of the members' governing bodies (21 of the 31 members), a sample staff report is also attached for membership use. If approved, the general manager will email the Board the sample staff report after the meeting.

REFERENCE MATERIALS ATTACHED:

- Staff Report - Sample

Dear Council or Governing Board Members:

The PERMA Board of Directors has voted to approve the following amendment to PERMA's Joint Powers Agreement, allowing PERMA to appoint a staff member or board member as treasurer and/or auditor as an alternative to those functions being performed by a member's treasurer and auditor, as required by the current Joint Powers Agreement. This change is permitted by Government Code section 6505.6 and will allow PERMA the flexibility to appoint an officer or employee when necessary, such as the lack of availability of a members' treasurer and auditor to fulfill those roles for PERMA.

This change must be approved by at least two-thirds of the members' governing bodies. You are requested by PERMA's Board to certify approval of this Amendment by your governing board. The amendment to PERMA's current Joint Powers Agreement will be substantially as follows.

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- (2) Other Staff. The General Manager/Secretary may provide for such other staff as may be necessary for the administration of the Authority, subject to Board approval.

PERMA Member

Date Approved by Governing Board

City Clerk or Authorized Signator

Date