

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE
VICTORVILLE REDEVELOPMENT AGENCY
SPECIAL MEETING AGENDA**

City of Victorville
14343 Civic Drive, Conference Room "D"
Victorville, CA 92392

Thursday, January 19, 2017
1:30 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES FROM JULY 14, 2016 MEETING

ITEM 3 CONSIDERATION OF RESOLUTION NO. OB-VRDA-17-001 RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD COMMENCING ON JULY 1, 2017 AND ENDING ON JUNE 30, 2018.

ITEM 4 COMMENTS FROM OVERSIGHT BOARD, LEGAL COUNSEL AND STAFF

ITEM 5 ADJOURNMENT

MINUTES OF THE
REGULAR MEETING OF THE
OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE VICTORVILLE REDEVELOPMENT AGENCY
July 14, 2016

CALL TO ORDER

The regular meeting of the Oversight Board for the Successor Agency to the Victorville Redevelopment Agency was called to order at 1:36 p.m. by Chairman Metzler in Conference Room "D", Victorville City Hall, at 14343 Civic Drive, Victorville, California.

ROLL CALL

PRESENT: Board Members Debbie Betts, Karen Hardy, Keith Metzler, Doug Robertson and Anita Tuckerman

ABSENT: Board Members Janice Lindsay and Mary O'Toole

Also present was Economic Development Administrator, Sophie Smith; Varner & Brandt, Attorney, Nathan Heyde, and Recording Secretary, Heidi Roche.

1. PUBLIC COMMENT

There was no public comment.

DISCUSSION AGENDA

2. APPROVE MINUTES FROM FEBRUARY 25, 2015 MEETING

It was moved by Board Member Robertson, seconded by Board Member Tuckerman to approve; motion carried with Board Members Lindsay and O'Toole absent.

3. RESOLUTION NO. OB-VRDA-16-004 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY APPROVING THE AGREEMENT TO TERMINATE AND RELEASE OWNER PARTICIPATION AGREEMENT – CIVIC ROGERS LLC AND AMROYCIV

Mr. Heyde spoke to the developer's request to terminate the owner participation agreement due to the economic downturn. He further spoke to the former redevelopment agency's monetary participation in the development which reimbursed the developer for public infrastructure improvements. It was his recommendation to the Board that the decision be based by evaluating what is best for all taxing entities.

Discussion ensued regarding the comparison of the project completion to the monetary reimbursement paid to the developer. It was the Board's consensus that both effectively cancelled each other out.

Discussion further ensued regarding the option of extending the agreement. It was the consensus of the Board that it is the intent of the Successor Agency to wind down the affairs of the former redevelopment agency instead of extending the timeline and that by terminating the agreement it would end the agency's obligations with regard to the agreement and allow the developer to finalize the dissolution of its partnership.

Mr. Heyde recommended termination of the agreement, broadening the general release to include the Oversight Board, and adding the language of a Section 1542 waiver whereupon the Board would be released from all claims, known or unknown.

It was moved by Board Member Robertson, seconded by Board Member Hardy to adopt Resolution No. OB-VRDA-16-004 with attorney recommendations; motion carried with Board Members Lindsay and O'Toole absent.

4. COMMENTS FROM OVERSIGHT BOARD, LEGAL COUNSEL AND STAFF

Ms. Smith reported that it was likely there would be no business for the first meeting in August, but that the second meeting in August would provide a detailed update on the progress of properties listed on the Long Range Property Management Plan.

Mr. Heyde announced that October 1st would be the last date to make changes or additions to the ROPS and Ms. Smith indicated that there may be one addition regarding former RDA employee pensions.

5. ADJOURNMENT

It was moved by Board Member Betts, seconded by Board Member Robertson to adjourn the meeting at 2:07 p.m.; motion carried unanimously.

CHAIRMAN OF THE BOARD OF ADMINISTRATORS

ATTEST:

RECORDING SECRETARY

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JANUARY 19, 2017 OVERSIGHT BOARD MEETING AGENDA ITEM #3

DATE: JANUARY 18, 2017

The following memorandum provides the seven (7) board members (“Board Members”) of the Oversight Board (“Oversight Board”) for the Successor Agency to the Victorville Redevelopment Agency (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 3

Subject: The Successor Agency seeks the approval of the Oversight Board of the Recognized Obligation Payment Schedule (“ROPS”) and Administrative Budget of the Successor Agency for the period of July 1, 2017, through June 30, 2018 (“ROPS 17-18”).

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the former redevelopment agency in accordance with the direction of the Oversight Board.
2. *California Health and Safety Code Sections 34177(o)(1) and 34180(g):* The Successor Agency must prepare and obtain Oversight Board approval of ROPS for each fiscal year.
3. *California Health and Safety Code Section 34177(l)(2):* ROPS are only deemed valid if the Successor Agency: (i) prepares the ROPS for the enforceable obligations of the former redevelopment agency; (ii) submits the ROPS to the Oversight Board and the Oversight Board approves the ROPS; (iii) simultaneously submits ROPS to (a) the county administrative officer, (b) the county auditor-controller, and (c) the Department of Finance (“DOF”); (iv) submits a copy of the Oversight Board-approved ROPS to (a) the county auditor-controller, (b) the State Controller’s office, and (c) the DOF; and (v) posts the approved ROPS on the Successor Agency’s website.
4. *California Health and Safety Code Section 34177(o):* The Successor Agency must electronically submit the ROPS approved by the Oversight Board for the period of July 1, 2016, through June 30, 2017, to the DOF and to the county auditor-controller no later than February 1, 2016.

5. *California Health and Safety Code Section 34177(j)*: The Successor Agency must prepare a proposed administrative budget approved by the Oversight Board for the upcoming fiscal year, which budget identifies administrative costs, sources of payment, and proposed arrangements for administrative and operations services provided by the city, county or other entities.

Application: The Successor Agency must prepare a ROPS that identifies enforceable obligations and the amounts and funding sources of the enforceable obligations on a 12-month forward-looking basis. The Oversight Board must approve the ROPS, and the DOF has subsequent approval rights. No later than October 1, the Successor Agency may submit one (1) amendment to the ROPS, if the Oversight Board approves a revision necessary for the payment of approved enforceable obligations during the second half of the ROPS period, defined as January 1 through June 30. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations.

The Successor Agency requests Oversight Board approval the ROPS for the period of July 1, 2017, through June 30, 2018 and approve the Successor Agency's Administrative Budget for the same period. Both approval requests are properly before the Oversight Board. The Oversight Board has legislative authority to direct the winding down of the affairs of the former redevelopment agency and has approval authority over the ROPS and Administrative Budget for the period of July 1, 2017, through June 30, 2018. ROPS 17-18 contains 3 new enforceable obligations (#52, #53, and #54). ROPS 17-18 also notes the retirement of 2 prior enforceable obligations (#5 and #51).

The Oversight Board should review enforceable obligations not included in previous ROPS or not otherwise previously approved by the Oversight Board. The Oversight Board should examine new enforceable obligations to ensure compliance with the California Health and Safety Code. As a threshold inquiry, the DOF will want to ensure that each obligation arose on or prior to June 27, 2011, or constitutes an allowable enforceable obligation necessary for the winding down of the former redevelopment agency. Items that either do not have effective dates or have effective dates that are after June 27, 2011, may require further inquiry or discussion with Successor Agency staff, including enforceable obligations entered into by the Successor Agency.

We note the following new or revised items as the Oversight Board reviews ROPS 17-18. Successor Agency's staff memorandum to the Successor Agency governing Board, attached to this memorandum, provides additional detail for each item.

1. New ROPS Item #52 – Repayment of Low-Moderate Income Housing Fund (“LMIHF”) Advance.

On March 8, 1999 the former redevelopment agency entered into a five (5) year loan agreement (“Loan Agreement”) which essentially advanced Three Hundred Thousand Dollars (\$300,000) from the former redevelopment agency's LMIHF for the Bear Valley Road Project Area to the former redevelopment agency's general fund for the Old Town/Midtown Project Area at an interest rate of 5.69%. On May 18, 2010 the Loan Agreement was amended to extend the term an additional five (5) years.

Under California Community Redevelopment Law (“CRL”) the former redevelopment agency was required to set aside twenty percent (20%) of the tax increment collected in each project area to be used by the former redevelopment

agency to increase, improve, and preserve the community's supply of affordable housing. Such funds were to be used predominantly within the project area. This twenty percent (20%) set-aside was held in a LMIHF.

Under the redevelopment dissolution law, the former redevelopment agency's housing functions and most of its housing assets were transferred to a "successor housing agency," separate from the Successor Agency. Housing assets that transfer to the successor housing agency include property, rental payments, bond proceeds, lines of credit, certain loan repayments, and other housing-related revenue sources. The repayment of the Loan Agreement was listed as Item #4 on Exhibit G of the Successor Agency's housing asset transfer ("HAT") form and was approved by DOF on August 23, 2014 to be transferred as an asset of the successor housing agency.

The Successor Agency intends to reestablish the Loan Agreement in order to repay to the successor housing agency money due under the Loan Agreement. Loans of moneys borrowed by the former redevelopment agency for a lawful purpose, are considered enforceable obligations. Because the Loan Agreement arose prior to June 27, 2011, was approved by DOF as an asset of the successor housing agency and is necessary for the winding down of the former redevelopment agency, the Loan Agreement constitutes an allowable enforceable obligation and is appropriately listed on the ROPS 17-18

2. New ROPS Items #53 & #54 – Unfunded Pension Liabilities Related to California Public Employees' Retirement System ("CalPERS") and Other Post-Employment Benefits ("OPEB")

Pursuant to Item #51 on ROPS 16-17, the Successor Agency, Oversight Board and the DOF approved preparation of an actuarial report to determine the Successor Agency's CalPERS and OPEB unfunded pension liabilities for eleven (11) former redevelopment agency employees. Bartel Associates, LLC prepared such a report and in a letter dated January 5, 2017 estimated:

- a) the Successor Agency's CalPERS unfunded liabilities to be either Three Hundred Thirty Seven Thousand Dollars (\$337,000) or Eight Hundred Twenty Three Thousand Dollars (\$823,000), depending on calculation method applied, and
- b) the Successor Agency's OPEB unfunded liability to be Four Hundred Seventy Two Thousand Dollars (\$472,000).

Item #53 is a new entry for the CalPERS unfunded liabilities in the amount of Three Hundred Thirty Seven Thousand Dollars (\$337,000). Item #54 is a new entry for the OPEB unfunded liability in the amount of Four Hundred Seventy Two Thousand Dollars (\$472,000).

Pursuant to California Health & Safety Code Section 34171(d)(1)(C) legally enforceable payments required in connection with the Successor Agency's employees, including pension payments, pension obligation debt service, or other obligations conferred through a collective bargaining agreement, are enforceable obligations. Because Items #53 and #54 concern CalPERS and OPEB unfunded

pension liabilities recently calculated by Bartell Associates, LLC for eleven (11) former redevelopment agency employees, these items are enforceable obligations and are appropriate to list on ROPS 17-18.

3. Retired ROPS Item #5 – Termination of Desert Plazas Owner Participation Agreement (“OPA”)

The Successor Agency, Oversight Board and DOF approved a termination agreement (“Termination Agreement”) concerning the Desert Plazas OPA on June 21, 2016, July 14, 2016 and September 2, 2016, respectively. Because the OPA was terminated pursuant to the Termination Agreement and approved by the Successor Agency, Oversight Board and DOF last year, it is appropriately retired on ROPS 17-18.

4. Retired ROPS Item #51 – Report to Determine Unfunded Pension Liabilities.

Pursuant to Item #51 on ROPS 16-17, the Successor Agency, Oversight Board and the DOF approved preparation of an actuarial report to determine the Successor Agency’s unfunded pension liabilities for eleven (11) former redevelopment agency employees. Because Bartel Associates, LLC completed such a report and in a letter dated January 5, 2017 summarized the Successor Agency’s unfunded pension liabilities, Item 51 is appropriately retired on ROPS 17-18

END OF MEMO

RESOLUTION NO. OB-VRDA-17-001

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD COMMENCING ON JULY 1, 2017 AND ENDING ON JUNE 30, 2018

WHEREAS, the Victorville Redevelopment Agency (“Redevelopment Agency”) was duly formed pursuant to the provisions of California Community Redevelopment Law, California Health and Safety Code Section 33000, *et seq.* (“CRL”) by an ordinance of the City of Victorville, California (“City”); and

WHEREAS, pursuant to California Health and Safety Code Section 34172, the Redevelopment Agency is now deemed dissolved; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d)(3) and Resolution No. 12-005, the city council of the City (“City Council”) confirmed that the City shall serve as the successor agency to the Redevelopment Agency (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency must prepare and obtain approval from the Oversight Board of a Recognized Obligation Payment Schedule (“ROPS”) for the period of July 1, 2017, through June 30, 2018, pursuant to California Health and Safety Code Section 34177(o); and

WHEREAS, the Successor Agency must prepare and obtain approval from the Oversight Board for an administrative budget of the Successor Agency (“Administrative Budget”) for the period of July 1, 2017, through June 30, 2018, pursuant to California Health and Safety Code Section 34177(j); and

WHEREAS, the Successor Agency prepared a ROPS and an Administrative Budget for the period of July 1, 2017 through June 30, 2018, in the form attached hereto as Exhibit A; and

WHEREAS, the Oversight Board has determined that the ROPS for the period of July 1, 2017 through June 30, 2018 and the Administrative Budget for the period of July 1, 2017 through June 30, 2018, are consistent with the requirements of the Successor Agency to wind down the affairs of the former Redevelopment Agency in accordance with California Health and Safety Code Sections 34177(h), 34177(j) and 34177(o); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY DOES HEREBY FIND, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals

The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of ROPS and Administrative Budget

In accordance with Health and Safety Code section 34177, and based on the Recitals set forth above, the Oversight Board hereby approves the ROPS and Administrative Budget for the period of July 1, 2017 through June 30, 2018 attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 3. Authorization of Successor Agency.

Upon approval of this resolution ("Resolution") by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director of the Successor Agency to execute, deliver and/or acknowledge the authority granted by this Resolution, and further directs the staff of the Successor Agency to submit a copy of the approved ROPS to the San Bernardino County Auditor-Controller and the California State Controller's office and post the approved ROPS on the Successor Agency's website.

Section 4. Delivery to the California Department of Finance.

The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 5. Other Actions.

The Oversight Board hereby authorizes and directs the Chairman, Vice-Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 6. Effect.

This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT "A"

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 17-18),
INCLUDING ADMINISTRATIVE BUDGET

[SEE ATTACHED]

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Victorville
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 3,649,733	\$ 1,899,918	\$ 5,549,651
F RPTTF	3,524,733	1,774,918	5,299,651
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 3,649,733	\$ 1,899,918	\$ 5,549,651

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
 certify that the above is a true and accurate Recognized Obligation
 Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

Victorville Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					17-18B (January - June)					W	
											Fund Sources					Fund Sources						
											L	M	N	O	P	Q	R	S	T	U		V
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total
1	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Bonds Issued On or Before	8/22/2002	12/1/2036	The Bank of New York	RDA Non-Housing Bond Issues	Bear Valley	\$ 65,848,881	N	\$ 5,549,651	\$ -	\$ -	\$ -	\$ 3,524,733	\$ 125,000	\$ 3,649,733	\$ -	\$ -	\$ -	\$ 1,774,918	\$ 125,000	\$ 1,899,918
2	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	The Bank of New York Trust Company N.A.	Fiscal Agents Fee	Bear Valley	10,700	N	\$ 10,700				2,225,208		\$ 2,225,208				969,643		\$ 969,643
3	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	RSG, Inc.	Continuing Disclosure Report	Bear Valley	6,500	N	\$ 6,500						\$ -				6,500		\$ 6,500
4	Northgate Apartments	Business Incentive Agreements	7/15/2005	10/1/2034	National Core (formerly So Calif Housing Develop	Aff Housing Agmt/Operational Subsidy	Bear Valley	4,625,000	N	\$ 250,000				125,000		\$ 125,000				125,000		\$ 125,000
5	Desert Plazas OPA	OPA/DDA/Construction	11/18/2008	12/31/2016	World Premier Investments (WPI Development I and II)	Public Improvements Reimbursement per agreement			Y	\$ -						\$ -						\$ -
16	Successor Agency personnel	Admin Costs	7/1/2017	6/30/2018	City of Victorville	wages, benefits, PERS, W/C	Bear Valley	91,428	N	\$ 91,428					47,543	\$ 47,543					43,885	\$ 43,885
17	Successor Agency admin	Admin Costs	7/1/2017	6/30/2018	City of Victorville	Indirect cost allocation for SA	Bear Valley	38,900	N	\$ 38,900					19,450	\$ 19,450					19,450	\$ 19,450
18	SA Office supplies etc	Admin Costs	7/1/2017	6/30/2018	Staples, Xerox, etc.	paper, office supplies, postage, copier costs	Bear Valley	2,945	N	\$ 2,945					1,445	\$ 1,445					1,500	\$ 1,500
19	Training and Education	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	travel/training for SA/OB matters	Bear Valley	4,000	N	\$ 4,000					2,000	\$ 2,000					2,000	\$ 2,000
21	Successor Agency admin	Admin Costs	7/1/2017	6/30/2018	Green, de Bortnowsky & Quintanilla	Attorney - SA/Dissolution matters	Bear Valley	8,000	N	\$ 8,000					4,000	\$ 4,000					4,000	\$ 4,000
22	Loan from SCLAA to Old Town Project Area	Third-Party Loans	7/21/2009	7/21/2014	Southern California Logistics Airport Authority	Loan for Old Town Land Acquisitions	Bear Valley	500,000	N	\$ 500,000				500,000		\$ 500,000						\$ -
33	Project legal costs	Legal	7/1/2017	6/30/2018	Green, de Bortnowsky & Quintanilla	Project specific legal costs	Bear Valley	22,000	N	\$ 22,000					11,000	\$ 11,000					11,000	\$ 11,000
34	Special Assessments on SA properties	Property Maintenance	7/25/2013	7/1/2033	City of Victorville	Street Light Assessment District taxes	Bear Valley	2,000	N	\$ 2,000				2,000		\$ 2,000						\$ -
35	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	BLX	Arbitrage fees for bonds	Bear Valley	6,600	N	\$ 6,600						\$ -				6,600		\$ 6,600
47	OB legal and financial advisors	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	Oversight Board legal counsel and/or consultants	Bear Valley	73,602	N	\$ 73,602					35,000	\$ 35,000					38,602	\$ 38,602
49	SA Contract Services	Property Dispositions	7/1/2017	6/30/2018	Unknown vendor(s)	appraisals for LRPMP transactions	Bear Valley	20,000	N	\$ 20,000				10,000		\$ 10,000				10,000		\$ 10,000
50	Audit	Admin Costs	7/1/2017	6/30/2018	Davis Farr, LLP	H&S 34177(n) audit/component unit audit	Bear Valley	9,125	N	\$ 9,125					4,562	\$ 4,562					4,563	\$ 4,563
51	SA Contract Services	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	Prepare report of Unfunded pension liabilities for former RDA employees	Bear Valley		Y	\$ -						\$ -						\$ -
52	Loan from Bear Valley housing to Old Town non-housing fund	LMIHF Loans	7/1/1999	3/8/2014	City of Victorville as Housing Successor	Loan for Old Town blight removal	Bear Valley	806,118	N	\$ 500,000				250,000		\$ 250,000				250,000		\$ 250,000
53	Unfunded CalPers employee liabilities	Unfunded Liabilities	7/1/2017	6/30/2018	City of Victorville	Unfunded pension obligations as of 2/1/12 for former RDA employees	Bear Valley	337,000	N	\$ 337,000				168,500		\$ 168,500				168,500		\$ 168,500
54	Unfunded OPEB employee liabilities	Unfunded Liabilities	7/1/2017	6/30/2018	City of Victorville	Unfunded pension obligations as of 2/1/12 for former RDA employees	Bear Valley	472,000	N	\$ 472,000				236,000		\$ 236,000				236,000		\$ 236,000
55									N	\$ -						\$ -						\$ -
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Victorville Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)						39,055	adjusted cash balance 12/31/15	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016					95,049	3,801,478	G2=interest \$2,648.73, readerboard sale \$8,400, auto park \$84,000	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)					84,000	3,747,048	G3=auto park \$84,000	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16B RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 11,049	\$ 93,485		



AGENDA ITEM

WRITTEN COMMUNICATIONS

SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY

MEETING OF: JANUARY 17, 2017

SUBMITTED BY: SOPHIE L. SMITH *[Signature]* **DATE:** 1-11-17
DIRECTOR OF ECONOMIC DEVELOPMENT

ATTACHMENT: RESOLUTION R-SA-17-001

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE SITTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD COMMENCING ON JULY 1, 2017 AND ENDING ON JUNE 30, 2018 (ROPS 17-18)

RECOMMENDATION:

That your Honorable Board of Directors adopts Resolution R-SA-17-001 thereby approving the annual Recognized Obligation Payment Schedule for the period commencing July 1, 2017 and ending on June 30, 2018.

FISCAL IMPACT: \$5,549,651

PROJECT BUDGET:	\$	-
PROJECT COST:	- \$	-
PROJECT BALANCE:	\$	-

BUDGET ACCT NO:
Redevelopment Property Tax Trust Fund (RPTTF)

— Finance Use Only —
Additional Expense: _____ No _____ Yes / Amount
Additional Revenue: _____ No _____ Yes / Amount
Finance Review _____

DISCUSSION:

On January 17, 2012, the City of Victorville confirmed its designation as Successor Agency to the Victorville Redevelopment Agency. As you know, the role of the Successor Agency is to wind down the affairs of the former redevelopment agency. Among other things, the Successor Agency is responsible for performing contractual obligations of the former RDA, and continuing payments required by the former RDA.

The Successor Agency must prepare a Recognized Obligation Payment Schedule (ROPS) per Health & Safety Code 34177(l). The purpose of each ROPS is that it will be the basis by which the State Department of Finance (DOF) determines the amount of funds necessary to be passed through to the Successor Agency from the County Auditor-Controller to satisfy the former RDA's obligations. The funds passed through to the Successor Agency are from the Redevelopment Property Tax Trust Fund (RPTTF), which is held by the County Auditor Controller and represents the tax increment of the former Agency.

Attached for your approval is the ROPS 17-18 which includes the proposed Successor Agency obligations for the timeframe covering July 1, 2017 through June 30, 2018. The DOF released the ROPS 17-18 template on December 1, 2016 and the attached report has been prepared using the approved format. The draft was uploaded to the DOF's ROPS website and "passed" validation, which simply means there are no formatting or formula errors.

Pursuant to HSC Section 34177(o) (1) (E), the Successor Agency may submit one amendment to the ROPS as approved by the Oversight Board no later than October 1 of each year. Such Amendment must deal with the second half (January 1 through June 30) of each annual ROPS period and may amend dollar amounts requested for an approved enforceable obligation.

The total RPTTF funding requested for the period is \$5,549,651 which includes an Administrative Budget of \$250,000. Many of the items listed have appeared in previous ROPS submittals; however, three new items were added to ROPS 17-18 as listed below:

Item #52: Loan from Bear Valley Housing to Old Town non-housing project area – This item represents the intended re-establishment of a loan payable to the Victorville Housing Successor Agency. The loan was originally made from the former RDA's low to moderate income housing fund (LMIHF) on March 8, 1999. Because the Old Town Redevelopment Project Area was adopted in 1998, and it took several years to begin generating only minimal tax increment, a loan agreement was approved by the RDA Board to fund Old Town non-housing activities. On May 18, 2010, the RDA Board Amended and Restated the 1999 Loan Agreement after finding that funds did not exist within the Old Town non-housing fund to repay the housing fund at that time. The loan agreement was extended to March 8, 2014. Due to the RDA dissolution effective February 1, 2012, the loan was unenforceable until re-established under dissolution law. The loan was listed as Line Item #4 on Exhibit G of the Successor Agency's Housing

Asset Transfer form (HAT) and was approved by the DOF on August 23, 2014 to be transferred as an asset (loan receivable) of the Housing Successor Agency. One of the conditions required to be met by the DOF prior to the Housing Successor re-establishing such LMIHF loan is that the Successor Agency receive a Finding of Completion, which was accomplished by the former RDA on June 12, 2013. As such, the Successor Agency intends to re-establish such loan so that such payments to the new housing fund can be used for ongoing affordable housing activities, as is the responsibility of the Housing Successor Agency.

Items #53 and #54: Unfunded pension obligations – For ROPS 16-17, the Successor Agency, Oversight Board, and Department of Finance had previously approved funding for the preparation of an actuarial report to calculate the unfunded liabilities related to the former RDA employees. Such report was recently completed by Bartel Associates, LLC. As a result, the Successor Agency is requesting funding for the CalPERS Unfunded Liability in the amount of \$337,000 and funding for OPEB (Other Post-Employment Benefits) in the amount of \$472,000 based upon such report.

Additionally, two items have been “retired” as outstanding obligations of the RDA on ROPS 17-18, representing an item that no longer has an outstanding balance and will be eliminated from future ROPS requests. Such items include:

- #5, Desert Plazas OPA – On June 21, 2016 the Successor Agency approved the Agreement to Terminate and Release Owner Participation Agreement by and between the Successor Agency, Civic-Rogers and AMROYCIV. This Termination Agreement was then approved by the Oversight Board at the meeting of July 14, 2016 and ultimately approved by the Department of Finance on September 2, 2016. Accordingly, the obligation has been eliminated and the item has been retired from the ROPS.
- #51: This item was approved in the FY 16-17 ROPS to fund a report to evaluate the unfunded CalPERS pension liabilities of the former RDA employees. The report has been completed as was used as a basis to add such outstanding liabilities to the 17-18 ROPS.

Staff is requesting your approval of ROPS 17-18 for submission to the Oversight Board, and then to the DOF. The ROPS is due February 1, 2017, with an anticipated determination from DOF by April 14, 2017 and anticipated funding on June 1, 2017 and January 2, 2018.

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

SLS

Attachments: Resolution R-SA-17-001
Supporting documentation for Line items #52-54

RESOLUTION NO. R-SA-17-001

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE SITTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD COMMENCING ON JULY 1, 2017 AND ENDING ON JUNE 30, 2018 (ROPS 17-18)

WHEREAS, the Victorville Redevelopment Agency (the “Redevelopment Agency”) was duly created and activated pursuant to the provisions of the California Community Redevelopment Law, Health and Safety Code sections 33000, *et seq.* (the “CRL”) by a duly adopted Ordinance of the City of Victorville, California (the “City”); and

WHEREAS, the Redevelopment Agency previously caused the adoption of the Bear Valley Road Redevelopment Plan and the Old Town/Midtown Redevelopment Plan both of which were approved and adopted by the City; and

WHEREAS, pursuant to that certain Fourth Amended and Restated Joint Exercise of Powers Agreement Establishing the Victor Valley Economic Development Authority, the Victor Valley Economic Development Authority has delegated certain decision-making authority to the Agency with respect to the administration of the 1993 Victor Valley Redevelopment Plan in relation to that portion of the project area subject to the Redevelopment Plan which is located within the City (the Bear Valley Road Redevelopment Plan, the Old Town/Midtown Redevelopment Plan, and the 1993 Victor Valley Redevelopment Plan shall sometimes hereinafter be collectively referred to as the “Redevelopment Plans”); and

WHEREAS, pursuant to Health and Safety Code section 34172, the Redevelopment Agency is deemed dissolved; and

WHEREAS, pursuant to Resolution No. 12-005, the City Council of the City of Victorville confirmed that the City of Victorville shall serve as the successor agency to the Redevelopment Agency (the “Successor Agency”); and

WHEREAS, pursuant to Health and Safety Code section 34177 (“Section 34177”), a successor agency is required to adopt a Recognized Obligation Payment Schedule that lists all of the obligations that are considered enforceable within the meaning of Health and Safety Code Section 34171(d); and

WHEREAS, pursuant to Health and Safety Code section 34177(a)(3), the Successor Agency is prohibited from making a payment unless it is listed on an adopted Recognized Obligation Payment Schedule; and

WHEREAS, Successor Agency staff has prepared the Recognized Obligation Payment Schedule (ROPS), a copy of which is attached hereto as Exhibit “A” and incorporated herein by

this reference for the period commencing on July 1, 2017 through June 30, 2018, setting forth all the obligations the Successor Agency has determined are enforceable obligations within the meaning of Section 34171(d) and which represent payments to be made for said period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VICTORVILLE SITTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY DOES HEREBY FIND, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals

The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Adoption of Recognized Obligation Payment Schedule

In accordance with the Recitals set forth above, the City Council of the City of Victorville sitting as the Governing Board of the Successor Agency (the "Successor Agency Governing Board") hereby approves and adopts the Recognized Obligation Payment Schedule attached hereto as Exhibit "A".

Section 3. Implementation

The Successor Agency hereby authorizes and directs staff to (1) submit the item to the Oversight Board for approval; and upon that approval to: (2) submit the ROPS to the Department of Finance; and (3) to execute and deliver such documents and instruments and to do such things which may be necessary or proper to effectuate the purposes of this Resolution and to implement the ROPS.

Section 4. CEQA

The Successor Agency, under Title 14 of the California Code of Regulations, Section 15378(b)(4), finds that this Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a "project," but instead consists of the continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program.

Section 5. Effective Date

This Resolution shall take effect upon its adoption.

Section 6. Certification

The Secretary shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of passage and adoption thereof in the

records of the proceedings, in the minutes of the meeting at which this Resolution is passed and adopted.

EXHIBIT "A"

ROPS 17-18

[SEE ATTACHED]

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Victorville
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 3,649,733	\$ 1,899,918	\$ 5,549,651
F RPTTF	3,524,733	1,774,918	5,299,651
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 3,649,733	\$ 1,899,918	\$ 5,549,651

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
 certify that the above is a true and accurate Recognized Obligation
 Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

Victorville Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					17-18B (January - June)					W		
											Fund Sources					Fund Sources							
											L	M	N	O	P	Q	R	S	T	U		V	
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total	
1	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Bonds Issued On or Before	8/22/2002	12/1/2036	The Bank of New York	RDA Non-Housing Bond Issues	Bear Valley	\$ 65,848,881	N	\$ 5,549,651	\$ -	\$ -	\$ -	\$ 3,524,733	\$ 125,000	\$ 3,649,733	\$ -	\$ -	\$ -	\$ -	\$ 1,774,918	\$ 125,000	\$ 1,899,918
2	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	The Bank of New York Trust Company N.A.	Fiscal Agents Fee	Bear Valley	10,700	N	\$ 10,700				8,025		\$ 8,025				2,675		\$ 2,675	
3	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	RSG, Inc.	Continuing Disclosure Report	Bear Valley	6,500	N	\$ 6,500						\$ -				6,500		\$ 6,500	
4	Northgate Apartments	Business Incentive Agreements	7/15/2005	10/1/2034	National Core (formerly So Calif Housing Develop	Aff Housing Agmt/Operational Subsidy	Bear Valley	4,625,000	N	\$ 250,000				125,000		\$ 125,000				125,000		\$ 125,000	
5	Desert Plazas OPA	OPA/DDA/Construction	11/18/2008	12/31/2016	World Premier Investments (WPI Development I and II)	Public Improvements Reimbursement per agreement			Y	\$ -						\$ -						\$ -	
16	Successor Agency personnel	Admin Costs	7/1/2017	6/30/2018	City of Victorville	wages, benefits, PERS, W/C	Bear Valley	91,428	N	\$ 91,428					47,543	\$ 47,543					43,885	\$ 43,885	
17	Successor Agency admin	Admin Costs	7/1/2017	6/30/2018	City of Victorville	Indirect cost allocation for SA	Bear Valley	38,900	N	\$ 38,900					19,450	\$ 19,450					19,450	\$ 19,450	
18	SA Office supplies etc	Admin Costs	7/1/2017	6/30/2018	Staples, Xerox, etc.	paper, office supplies, postage, copier costs	Bear Valley	2,945	N	\$ 2,945					1,445	\$ 1,445					1,500	\$ 1,500	
19	Training and Education	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	travel/training for SA/OB matters	Bear Valley	4,000	N	\$ 4,000					2,000	\$ 2,000					2,000	\$ 2,000	
21	Successor Agency admin	Admin Costs	7/1/2017	6/30/2018	Green, de Bortnowsky & Quintanilla	Attorney - SA/Dissolution matters	Bear Valley	8,000	N	\$ 8,000					4,000	\$ 4,000					4,000	\$ 4,000	
22	Loan from SCLAA to Old Town Project Area	Third-Party Loans	7/21/2009	7/21/2014	Southern California Logistics Airport Authority	Loan for Old Town Land Acquisitions	Bear Valley	500,000	N	\$ 500,000				500,000		\$ 500,000						\$ -	
33	Project legal costs	Legal	7/1/2017	6/30/2018	Green, de Bortnowsky & Quintanilla	Project specific legal costs	Bear Valley	22,000	N	\$ 22,000					11,000	\$ 11,000					11,000	\$ 11,000	
34	Special Assessments on SA properties	Property Maintenance	7/25/2013	7/1/2033	City of Victorville	Street Light Assessment District taxes	Bear Valley	2,000	N	\$ 2,000				2,000		\$ 2,000						\$ -	
35	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	BLX	Arbitrage fees for bonds	Bear Valley	6,600	N	\$ 6,600						\$ -				6,600		\$ 6,600	
47	OB legal and financial advisors	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	Oversight Board legal counsel and/or consultants	Bear Valley	73,602	N	\$ 73,602					35,000	\$ 35,000					38,602	\$ 38,602	
49	SA Contract Services	Property Dispositions	7/1/2017	6/30/2018	Unknown vendor(s)	appraisals for LRPMP transactions	Bear Valley	20,000	N	\$ 20,000				10,000		\$ 10,000				10,000		\$ 10,000	
50	Audit	Admin Costs	7/1/2017	6/30/2018	Davis Farr, LLP	H&S 34177(n) audit/component unit audit	Bear Valley	9,125	N	\$ 9,125					4,562	\$ 4,562					4,563	\$ 4,563	
51	SA Contract Services	Admin Costs	7/1/2017	6/30/2018	Unknown vendor(s)	Prepare report of Unfunded pension liabilities for former RDA employees	Bear Valley		Y	\$ -						\$ -						\$ -	
52	Loan from Bear Valley housing to Old Town non-housing fund	LMIHF Loans	7/1/1999	3/8/2014	City of Victorville as Housing Successor	Loan for Old Town blight removal	Bear Valley	806,118	N	\$ 500,000				250,000		\$ 250,000				250,000		\$ 250,000	
53	Unfunded CalPers employee liabilities	Unfunded Liabilities	7/1/2017	6/30/2018	City of Victorville	Unfunded pension obligations as of 2/1/12 for former RDA employees	Bear Valley	337,000	N	\$ 337,000				168,500		\$ 168,500				168,500		\$ 168,500	
54	Unfunded OPEB employee liabilities	Unfunded Liabilities	7/1/2017	6/30/2018	City of Victorville	Unfunded pension obligations as of 2/1/12 for former RDA employees	Bear Valley	472,000	N	\$ 472,000				236,000		\$ 236,000				236,000		\$ 236,000	
55									N	\$ -					\$ -							\$ -	
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Victorville Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)						39,055	adjusted cash balance 12/31/15	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016					95,049	3,801,478	G2=interest \$2,648.73, readerboard sale \$8,400, auto park \$84,000	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)					84,000	3,747,048	G3=auto park \$84,000	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16B RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 11,049	\$ 93,485		

Supporting Documents for Line Item #52

Exhibit G - Deferrals

City of Victorville
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	FY 09-10 SERAF	FY 09-10	\$ 5,000,000	LAIF	\$ 5,030,202	5/4/2015
2	Loan to non-housing fund	FY 05-06	\$ 3,750,000	LAIF	\$ 4,200,518	10/3/2012
3	Loan to SCLA	FY 08-09	\$ 1,700,000	LAIF	\$ 1,715,210	10/20/2014
4	Loan to non-housing fund	FY 98-99	\$ 300,000	5.69%	\$ 532,811	3/8/2014
5						
6						
7						
8						
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14						
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17						
18						
19						
20						
TOTAL			\$ 10,750,000		\$ 11,528,741	



August 23, 2014

Mr. Keith Metzler, Assistant City Manager
City of Victorville
14343 Civic Drive
Victorville, CA 92392

Dear Mr. Metzler:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Victorville submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 25, 2012 for the period February 1, 2012 through July 25, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

Please direct inquiries to Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Sophie Escobar, Assistant Director of Economic Development, City of Victorville
Mr. Larry Walker, Auditor-Controller, San Bernardino County
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County
Ms. Linda Santillano, Supervising Accountant, San Bernardino County
Ms. Franz Zyss, Accountant III, San Bernardino County
California State Controller's Office

CITY OF VICTORVILLE

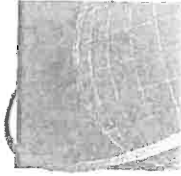
ADVANCE FROM HOUSING FUND 76937 TO OLD TOWN/MIDTOWN REDEVELOPMENT FUND 76936

FUND: 76937 ACCOUNT: 102201-76937-90023-00000 (320-18500) moved to SA (323)
 FUND: 76936 ACCOUNT: 206001-76936-90024-00000 (301-26300) moved to SA (304)

Term: 5 years, restated additional 5 yrs. In 2010
 Principal: \$300,000 (98011)
 Interest Rate: 5.69%

Date	Interest	Rate	Amount Due
			300,000.00
July 1, 1999 to June 30, 2000	17,070.00	5.69%	317,070.00
July 1, 2000 to June 30, 2001	18,041.28	5.69%	335,111.28
July 1, 2001 to June 30, 2002	19,067.83	5.69%	354,179.12
July 1, 2002 to June 30, 2003	20,152.79	5.69%	374,331.91
July 1, 2003 to June 30, 2004	21,299.49	5.69%	395,631.39
July 1, 2004 to June 30, 2005	22,511.43	5.69%	418,142.82
July 1, 2005 to June 30, 2006	23,792.33	5.69%	441,935.14
July 1, 2006 to June 30, 2007	25,146.11	5.69%	467,081.25
July 1, 2007 to June 30, 2008	26,576.92	5.69%	493,658.18
July 1, 2008 to June 30, 2009	28,089.15	5.69%	521,747.33
July 1, 2009 to June 30, 2010	29,687.42	5.69%	551,434.75
July 1, 2010 to June 30, 2011	31,376.64	5.69%	582,811.39
July 1, 2011 to January 31, 2012	19,344.48	5.69%	602,155.87
Feb 1 to June 30, 2012	14,276.11	5.69%	616,431.98
July 1, 2012 to June 30, 2013	35,074.98	5.69%	651,506.96
	351,506.96		
July 1, 2016 reinstate loan			651,506.96
Interest from 7/01/13 to 6/30/16	111,212.24	5.69%	762,719.20
Interest from 7/01/16 to 6/30/17	43,398.72	5.69%	806,117.92

DO NOT JE until 06/30/XX



VICTORVILLE
California

AGENDA ITEM

WRITTEN COMMUNICATION

**VICTORVILLE REDEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING OF: MAY 18, 2010**

SUBMITTED BY: Keith C. Metzler 
Director of Economic Development

DATE: May 10, 2010

ATTACHED: Resolution R-10-002

SUBJECT: Amending and Restating a Loan Agreement by and between the Victorville Redevelopment Agency and the Victorville Public Development Corporation

RECOMMENDATION: That Your Honorable Board of Directors approves the Amended and Restated Loan Agreement

FISCAL IMPACT:

Budget Amount:
Budget Acct. No.:

--Finance Department Use Only--
Additional Appropriation:

No
 Yes/\$ Amt.:

Finance Director Review and Approval _____

DISCUSSION: On March 8, 1999, the Victorville Redevelopment Agency entered into a Loan Agreement that involved the Victorville Public Development Corporation (VPDC) in the amount of \$300,000 for a term of five years. At that time, VPDC was the beneficiary of a pledge of Bear Valley Project Area Housing funds to benefit the Northgate Village Apartments. Therefore, VPDC was required to grant permission for a loan of Bear Valley Housing funds to the Old Town Redevelopment Project Area. Such loan arrangement was approved by both the RDA and the VPDC Boards. The loan proceeds were used to fund the demolition of an unsafe building in Old Town because tax increment funds were not yet generated by the newly formed project area.

Unfortunately, tax increment generated within the Old Town Redevelopment Project Area remains relatively minimal today, and funds required to repay the loan are deficient. Therefore, staff is requesting your favorable consideration to approve the attached Resolution R-10-002 and Amended and Restated Loan Agreement.



The Resolution shall make the finding that funds do not exist within the Old Town Project Area to repay the note at this time and allows for an extension of the terms. The Amended and Restated Loan Agreement shall extend the original due date of March 8, 2004 to March 8, 2014 with all other loan terms remaining. Furthermore, the Amended and Restated Agreement shall remove VPDC as a party to future approvals of the agreement, since VPDC no longer has an interest in the Bear Valley Housing Fund. The VPDC Board will also be required to approve the Amended and Restated Loan Agreement, which meeting is scheduled for May 12, 2010.

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

Attachments: Resolution R-10-002
Amended and Restated Loan Agreement
Original Loan Agreement dated March 8, 1999

VICTORVILLE REDEVELOPMENT AGENCY

RESOLUTION NO. R-10-002

RESOLUTION OF THE VICTORVILLE REDEVELOPMENT AGENCY APPROVING AN AMENDED AND RESTATED LOAN AGREEMENT BY AND BETWEEN THE VICTORVILLE REDEVELOPMENT AGENCY AND THE VICTORVILLE PUBLIC DEVELOPMENT CORPORATION

Recitals

WHEREAS, the Agency has been duly created and activated pursuant to the provisions of Section 33000, *et seq.* of the Health and Safety Code of the State of California (the "Community Redevelopment Law") by a duly adopted Ordinance of the City of Victorville, California (the "City"); and

WHEREAS, the Agency previously caused the adoption of the Redevelopment Plan for the Bear Valley Road Redevelopment Project Area (the "Bear Valley Road Redevelopment Plan") in order to address certain blighting conditions in the project area subject to the Bear Valley Road Redevelopment Plan (the "Bear Valley Road Project Area"); and

WHEREAS, the Agency previously caused the adoption of the Redevelopment Plan for the Old Town/Midtown Project Area (the "Old Town/Midtown Redevelopment Plan") in order to address certain blighting conditions in the project area subject to the Old Town/Midtown Redevelopment Plan (the "Old Town/Midtown Project Area"); and

WHEREAS, in accordance with the Bear Valley Road Redevelopment Plan and Sections 33334.2 and 33334.3 of the Community Redevelopment Law, the Agency has caused certain funds received through tax increment to be set aside to be used for purposes of increasing, improving and maintaining the supply of low- and moderate-income housing within the Bear Valley Road Project Area (the "Bear Valley Road Low- and Moderate-Income Housing Fund"); and

WHEREAS, the Agency previously entered into that certain Loan Agreement with the Victorville Public Development Corporation ("VPDC") which provided for a loan of certain funds from the Bear Valley Road Low- and Moderate-Income Housing Fund to the general fund of the Old Town/Midtown Project Area (the "Loan Agreement"); and

WHEREAS, the Agency and VPDC entered into the Loan Agreement in response to a determination by the Agency that there was an immediate need to undertake redevelopment activities in the Old Town/Midtown Project Area because the Old Town/Midtown Project Area suffered from blighting conditions which posed a serious risk to the health, safety and welfare of the residents of the Old Town/Midtown Project Area and of the City, generally, and in light of the fact

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that the Old Town/Midtown Redevelopment Plan was newly adopted and the Old Town/Midtown Project Area was not generating tax increment at the time accordingly; and

WHEREAS, the Old Town/Midtown Project Area, due to economic downturn is not currently generating enough tax increment to repay the loan, which was due in 2004; and

WHEREAS, the Agency deems it desirable to extend the term of the loan in order to allow the Old Town/Midtown Project Area additional time to generate revenue; and

WHEREAS, VPDC, if it has not already done so, shall declare that it no longer has any interest in the Bear Valley Road Low- and Moderate-Income Housing Fund and deems it desirable to allow the Agency to make further revisions to this Agreement without the prior written consent of the VPDC; and

WHEREAS, the Agency and VPDC desire to enter into an Amended and Restated Loan Agreement in the form attached hereto as Exhibit "A" and incorporated herein by this reference (the "Amended and Restated Loan Agreement") in order to provide for an extension of the Term of the Loan, as those terms are defined in the Amended and Restated Agreement, and to provide for the further amendment of the Amended and Restated Agreement without the prior written consent of the VPDC.

NOW, THEREFORE, THE VICTORVILLE REDEVELOPMENT AGENCY DOES HEREBY FIND, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The foregoing Recitals are true and correct and incorporated herein by this reference.

Section 2. The Agency hereby finds and determines that the Agreement is within the redevelopment goals and objectives of the Agency.

Section 3. The Agency hereby approves the Amended and Restated Loan Agreement as attached hereto as Exhibit "A" and authorizes the Agency Chairman and Secretary to execute the Agreement with such changes as may be deemed appropriate by the Agency Chairman and Agency Counsel.

Section 4. This Resolution shall take effect upon its adoption.

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Resolution No. RDA 10-002

PASSED, APPROVED AND ADOPTED this 18th DAY OF MAY 2010.



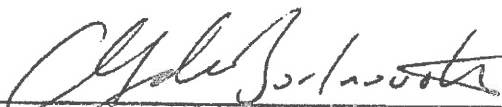
CHAIRMAN OF THE BOARD OF DIRECTORS

ATTEST:



AGENCY SECRETARY

APPROVED AS TO FORM:



REDEVELOPMENT AGENCY COUNSEL

I, CAROLEE BATES, City Clerk of the City of Victorville and ex-officio Secretary to the Victorville Redevelopment Agency, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. R-10-002, which was adopted at a meeting, held on the 18th day of May 2010, by the following roll call vote, to wit:

AYES: Board Members Almond, Cabriales, Caldwell, McEachron and Rothschild

NOES: None

ABSENT: None

ABSTAIN: None



CITY CLERK OF THE CITY OF VICTORVILLE

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF VICTORVILLE)

I, CAROLEE BATES, Secretary of the Board of Directors of the Victorville Redevelopment Agency, DO HEREBY CERTIFY that the attached is a true and correct copy of Resolution No. R-10-002, which was duly adopted by the Board of Directors of the Agency at a meeting of the Agency, held on the 18th day of May 2010.



SECRETARY
VICTORVILLE REDEVELOPMENT AGENCY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF VICTORVILLE)

I, CAROLEE BATES, Secretary of the Board of Directors of the Victorville Redevelopment Agency, DO HEREBY CERTIFY that the attached is a true and correct copy of Resolution No. R-10-002, which was duly adopted at a meeting of the Victorville Redevelopment Agency held on the 18th day of May 2010, the original of which is on file in my office, and that I have carefully compared the same with the original.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Victorville to be affixed hereto this 20th day of May 2010.



SECRETARY
VICTORVILLE REDEVELOPMENT AGENCY



AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT (this "Agreement") is entered into this 18th day of May, 2010, by and between the Victorville Redevelopment Agency (the "Agency") and the Victorville Public Development Corporation ("VPDC"). The Agency and VPDC agree as follows:

RECITALS

WHEREAS, the Agency has been duly created and activated pursuant to the provisions of Section 33000, *et seq.* of the Health and Safety Code of the State of California (the "Community Redevelopment Law") by a duly adopted Ordinance of the City of Victorville, California (the "City"); and

WHEREAS, the Agency previously caused the adoption of the Redevelopment Plan for the Bear Valley Road Redevelopment Project Area (the "Bear Valley Road Redevelopment Plan") in order to address certain blighting conditions in the project area subject to the Bear Valley Road Redevelopment Plan (the "Bear Valley Road Project Area"); and

WHEREAS, the Agency previously caused the adoption of the Redevelopment Plan for the Old Town/Midtown Project Area (the "Old Town/Midtown Redevelopment Plan") in order to address certain blighting conditions in the project area subject to the Old Town/Midtown Redevelopment Plan (the "Old Town/Midtown Project Area"); and

WHEREAS, in accordance with the Bear Valley Road Redevelopment Plan and Sections 33334.2 and 33334.3 of the Community Redevelopment Law, the Agency has caused certain funds received through tax increment to be set aside to be used for purposes of increasing, improving and maintaining the supply of low- and moderate-income housing within the Bear Valley Road Project Area (the "Bear Valley Road Low- and Moderate-Income Housing Fund"); and

WHEREAS, a portion of the Bear Valley Road Low- and Moderate-Income Housing Fund was previously allocated and pledged to VPDC for use by VPDC in connection with undertaking projects to increase, improve and maintain the supply of low- and moderate-income housing within the City; and

WHEREAS, the Agency and VPDC previously entered into that certain Loan Agreement dated as of July 1999 whereby VPDC agreed to a loan from the Bear Valley Low- and Moderate-Income Housing Fund to the general fund of the Old Town/Midtown Project Area (the "Loan Agreement"); and

WHEREAS, the Agency and VPDC entered into the Loan Agreement in response to a determination by the Agency that there was an immediate need to undertake redevelopment activities in the Old Town/Midtown Project Area because the Old Town/Midtown Project Area suffered from

blighting conditions which posed a serious risk to the health, safety and welfare of the residents of the Old Town/Midtown Project Area and of the City, generally, and in light of the fact that the Old Town/Midtown Redevelopment Plan was newly adopted and the Old Town/Midtown Project Area was not generating tax increment at the time accordingly; and

WHEREAS, the Old Town/Midtown Project Area, due to economic downturn is not currently generating enough tax increment to repay the loan, which was due in 2004; and

WHEREAS, the Agency deems it desirable to extend the term of the loan in order to allow the Old Town/Midtown Project Area additional time to generate revenue; and

WHEREAS, VPDC, if it has not already done so, deems it desirable to declare that it no longer has any interest in the Bear Valley Road Low- and Moderate-Income Housing Fund and deems it desirable to allow the Agency to make further revisions to this Agreement without the prior written consent of VPDC; and

WHEREAS, the Agency and VPDC desire to enter into this Agreement to allow for an extension of the Term of the Loan, as those terms are hereinafter defined, and to provide for the further amendment of this Agreement without the prior written consent of the VPDC.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

Section 1. VPDC hereby agrees to a loan to by the Agency from the Bear Valley Road Low- and Moderate-Income Housing Fund to the Old Town/Midtown Project Area general fund (the "Loan") in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) which funds are to be used by the Agency in connection with undertaking initial redevelopment activities to remove blighting conditions within the Old Town/Midtown Project Area.

Section 2. The source of funds representing Loan proceeds shall be tax increment revenues from the Bear Valley Road Low- and Moderate-Income Housing Fund which were previously pledged for use by VPDC.

Section 3. The parties hereby acknowledge and agree that the initial term for repayment of the Loan proceeds by the Agency was five (5) years from the date of disbursement of said proceeds (the "Term"). The Agency and VPDC acknowledge and agree that in light of the economic downturn and the fact that the Old Town/Midtown Project Area is not currently generating tax increment, the Term of the Loan is hereby deemed extended by two (2) additional five-year terms (the "Subsequent Terms"). The Agency shall pay interest on such Loan proceeds at the rate of five and 69/100s percent (5.69%), which is equal to the Local Agency Investment Fund ("LAIF") interest rate at the time the Loan Agreement was entered into plus one half of one percent (0.5%).

Section 4. The parties agree that the total principal amount of the Loan shall not exceed Three Hundred Thousand Dollars (\$300,000), which total principal has been disbursed in full.

Section 5. The Agency agrees to repay the Loan, and any interest due hereunder, prior to the end of the Subsequent Terms, from tax increment revenues generated from and attributable to the Old Town/Midtown Project Area as such revenues become available and are not otherwise encumbered.

Section 6. The Loan of funds to the Agency from VPDC shall be deemed an indebtedness of the Agency in accordance with the California Community Redevelopment Law.


Section 7. The parties will take such actions and execute such documents as may be necessary to implement the terms and conditions of this Agreement.

Section 8. The parties acknowledge and agree that VPDC, if it has not already done so, shall declare that it no longer has any interest in the Bear Valley Road Low- and Moderate-Income Housing Fund, and the Agency does not require the consent of VPDC to make any additional amendments or revisions to this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

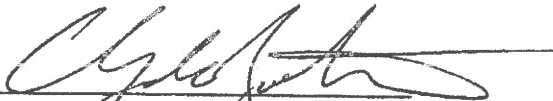
VICTORVILLE REDEVELOPMENT AGENCY

By 
Agency Chairman

ATTEST:

By 
Agency Secretary

Approved as to Form:

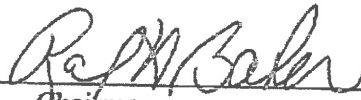
By 
Andre de Bortnowsky,
Agency Counsel

Approved as to Form:


By 
Chuck Buquet
Agency Risk Manager

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VICTORVILLE PUBLIC DEVELOPMENT
CORPORATION

By: 
Chairman

Attest:

By: 
Secretary

Approved as to Form:

By: 
VPDC Counsel

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05/10/10

LOAN AGREEMENT BY AND BETWEEN
THE VICTORVILLE REDEVELOPMENT AGENCY AND
THE VICTORVILLE PUBLIC DEVELOPMENT CORPORATION

THIS AGREEMENT is entered into this 8th day of March, 1999, by and between the Victorville Redevelopment Agency (the "Agency") and the Victorville Public Development Corporation ("VPDC"). The Agency and VPDC agree as follows:

RECITALS

WHEREAS, pursuant to a duly adopted Ordinance, the City of Victorville (the "City") previously adopted a Redevelopment Plan for the Downtown/Midtown Redevelopment Project Area (the "Downtown Project Area") which is located within the City; and

WHEREAS, pursuant to a duly adopted Ordinance, the City has previously adopted the Redevelopment Plan for the Bear Valley Redevelopment Project Area (the "Bear Valley Project Area"); and

WHEREAS, the Downtown Project Area does not currently generate any tax increment revenues because the Redevelopment Plan has only been in effect for several months; and

WHEREAS, the Agency has determined that there is an immediate need to undertake redevelopment activities in the Downtown Project Area because the Downtown Project Area currently suffers from blighting conditions which pose a serious risk to the health, safety and welfare of the residents of the Downtown Project Area and of the City generally; and

WHEREAS, such blighting conditions include, but are not limited to, the existence of burnt out buildings and structures which are in a dangerous condition and which are in need of immediate demolition; and

WHEREAS, the Agency currently needs funds to undertake initial redevelopment activities within the Downtown Project Area in order to eliminate unsafe blighting conditions and the Agency has no funding source attributable to the Downtown Project Area; and

WHEREAS, a portion of the tax increment revenues attributable to the Bear Valley Project Area which are otherwise allocated for low and moderate income housing purposes, have previously been allocated and pledged to VPDC for use by VPDC in connection with undertaking projects to increase, improve and preserve the supply of low and moderate income housing within the City; and

WHEREAS, the parties deem it desirable to enter into this Agreement whereby VPDC would agree to loan funds representing low and moderate income housing funds attributable to the Bear Valley Project Area to the Agency for use by the Agency in connection with the initiation of redevelopment activities in the Downtown Project Area; and

WHEREAS, VPDC has previously borrowed funds from the Agency to carry out its activities and therefore the Agency deems it appropriate that the repayment obligation of VPDC may, at the option of the Agency, be reduced by an amount equivalent to the amount of the Loan described herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

Section 1. VPDC hereby agrees to loan to the Agency (the "Loan") funds in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) which funds are to be used by the Agency in connection with undertaking initial redevelopment activities to remove blighting conditions within the Downtown Project Area.

Section 2. The source of funds representing Loan proceeds shall be tax increment revenues which represent low and moderate income housing funds attributable to the Bear Valley Project Area which were previously pledged for use by VPDC.

Section 3. The Agency agrees to repay any Loan proceeds within five (5) years from the date of disbursement of said proceeds (the "Term") and to pay interest on any such proceeds at the fixed rate of interest equal to the Local Agency Investment Fund ("LAIF") interest rate plus one half of one percent (1/2%) which rate is equal to 5.69%. In lieu of repayment of the Agency Loan, the Agency may, at its sole discretion, forgive a portion of the repayment obligation of VPDC to the Agency in connection with previously borrowed funds by VPDC, in an amount equal to the amount of the Agency Loan.

Section 4. The parties agree that the total principal amount of the Loan shall not exceed Three Hundred Thousand Dollars (\$300,000) and that disbursements shall be made by VPDC upon written request submitted by the Executive Director of the Agency.

Section 5. Except as otherwise provided in Section 3, the Agency agrees to repay the Loan prior to the Term of the Loan, from tax increment revenues generated from and attributable to the Downtown Project Area as such revenues become available and are not otherwise encumbered.

Section 6. The Loan of funds to the Agency from VPDC shall be deemed an indebtedness of the Agency in accordance with the California Community Redevelopment Law.

Section 7. The parties will take such actions and execute such documents as may be necessary to implement the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

REDEVELOPMENT AGENCY OF THE CITY OF VICTORVILLE

By: Tony E. Caldwell
Executive Director

(SEAL)

Attest:

By: Carolee Stotko
Carolee Stotko
Secretary

Approved as to Form:

[Signature]
Agency Counsel

VICTORVILLE PUBLIC DEVELOPMENT CORPORATION

By: Brady J. Beunell
Chairman

Attest:

By: Kathy Hoffman
Secretary

Approved as to Form:

[Signature]
VPDC Counsel

Supporting Documents for Line Items #53 & 54

January 5, 2017

Patricia Rosenberg
Finance Manager
City of Victorville
14343 Civic Drive
Victorville, CA 92393-5001

Re: Redevelopment Agency – CalPERS and OPEB Unfunded Liability Estimate

Dear Ms. Rosenberg:

This letter summarizes the CalPERS and OPEB unfunded liability estimates for the City's former redevelopment agency employees.

Background

Prior to the City's redevelopment agency being eliminated, there were 11 active City employees in the redevelopment agency. After the redevelopment agency is eliminated, there will be remaining unfunded liabilities associated with these members' City provided CalPERS pension benefits and OPEB. The City has asked Bartel Associates to estimate the CalPERS and OPEB unfunded liability associated with these benefits for the 11 members. The following table summarizes the data used in these calculations.

	Actives
• Count	
> Eligible to Retire Immediately	3
> Not Eligible to Retire Immediately	8
> Total	11
• Average Age on February 1, 2012	43.8
• Average PERSable Wages	\$67,400

CalPERS Miscellaneous Plan Unfunded Liability

The CalPERS actuarial accrued liability for each employee was calculated as of February 1, 2012, based on the plan provisions and the actuarial assumptions outlined in the CalPERS June 30, 2011 actuarial valuation report. The calculations assume a 7.5% discount rate.

The CalPERS unfunded liability was calculated using two asset allocation methods:

- Method #1: Market value of assets allocated to actives and inactive in proportion to their respective actuarial liabilities.
- Method #2: Market value of assets allocated to inactive first and then to active.

For purposes of these allocations, funded ratios from the June 30, 2011 CalPERS valuation were assumed to remain constant to February 1, 2012. The following table summarizes the CalPERS unfunded liability estimates:

	Method #1	Method #2
■ CalPERS Unfunded Liability	\$337,000	\$823,000



OPEB Unfunded Liability

The OPEB actuarial liability for each employee was calculated as of February 1, 2012 based on the plan provisions and the actuarial assumptions listed in the June 30, 2014 GASB 45 valuation. The calculations use all other assumptions from that valuation, including the discount rate, medical trend rates, etc. The following table summarizes the OPEB unfunded liability estimate:

	Unfunded Liability
■ OPEB Unfunded Liability	\$472,000

Actuarial Certification

This letter presents Bartel Associates' CalPERS and OPEB unfunded liability estimates for the City's redevelopment agency employees calculated in accordance with actuarial standards of practice. Actuarial liabilities may differ significantly if the Plans' experience differs from our assumptions. The project scope did not include an analysis of this potential variation.

We have relied on demographic information supplied by the City, which has been reviewed for general reasonableness, but not audited, and market values of assets in the June 30, 2011 CalPERS valuation report. Attached is a summary of the data and results by individual.

The undersigned is a member of the American Academy of Actuaries and meets Academy Qualification Standards to render the actuarial results and opinions in this report.

Sincerely,

A handwritten signature in blue ink that reads "Doug Pryor".

Doug Pryor
Vice President

Enclosure

c: Katherine Moore, Bartel Associates

O:\Clients\City of Victorville\Projects\CalPERS\RD\12-02-01\Report\BA Victorville\CI 16-12-16 RDA 12-02-01 Unfunded Liability.docx

**City of Victorville
RDA Affected Employees
CalPERS and OPEB Unfunded Liability Estimates**

Eligible to Retire	Name	DOB	Age	Hire Date (City)	Years City Service	Annual PERSable Pay	Percent RDA	CalPERS			OPEB Unfunded Liability
								Liability	Unfunded Liability # 1	Unfunded Liability # 2	
Y	ARROYO, JOANN	6/23/1951	60.6	8/22/1990	21.4	\$ 39,096	100%	\$ 225,000	\$ 47,000	\$ 115,000	\$ 110,000
Y	BEHRSE, ELAINE	11/29/1955	56.2	11/18/2002	9.2	\$ 55,260	100%	135,000	28,000	69,000	15,000
N	COLLINS, LILIANA	1/14/1970	42.0	3/19/2001	10.9	\$ 51,427	100%	123,000	26,000	63,000	44,000
N	FOSTER, TRACY	3/16/1978	33.9	4/3/2006	5.8	\$ 48,607	100%	43,000	9,000	22,000	25,000
N	HANNA, COLLETTE	8/18/1966	45.5	3/31/2004	7.8	\$ 75,665	100%	134,000	28,000	69,000	-
N	KORBY, JAMIE	1/22/1978	34.0	3/3/2008	3.9	\$ 50,843	100%	29,000	6,000	15,000	29,000
N	MARIN, LESYENIA	10/18/1977	34.3	5/5/2003	8.7	\$ 56,754	100%	82,000	17,000	42,000	49,000
N	METZLER, KEITH	6/27/1975	36.6	12/1/1997	14.2	\$ 172,692	100%	480,000	101,000	246,000	125,000
Y	MONTELEONE, TERRI	10/10/1960	51.3	7/20/1998	13.5	\$ 55,260	100%	209,000	44,000	107,000	45,000
N	THOMPSON, JENNIFER	11/12/1971	40.2	4/17/2006	5.8	\$ 55,260	100%	63,000	13,000	32,000	30,000
N	TORRES, TAMARA	2/26/1965	46.9	10/23/2007	4.3	\$ 80,930	100%	84,000	18,000	43,000	-
Total								\$ 1,607,000	\$ 337,000	\$ 823,000	\$ 472,000

Valuation Date: February 1, 2012

Assumptions:

CalPERS assumptions are the same as used in the June 30, 2011 valuation.
CalPERS unfunded liability was estimated based on two asset allocation methods:

- #1: Market value of assets allocated to actives and retirees in proportion to liability.
- #2: Market value of assets allocated to inactive liability first and then to actives.

OPEB assumptions are the same as used in the June 30, 2014 valuation.