



EDMUND G. BROWN JR. * GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 1, 2013

Mr. John Duckett, City Manager
City of Shasta Lake
P.O. Box 777
Shasta Lake, CA 96019

Dear Mr. Duckett:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Shasta Lake Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 23, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following does not qualify as an enforceable obligation for the reasons specified:

Item No. 5 – Law Enforcement Center (Project Management Costs) in the amount of \$25,000. Project management costs are enforceable obligations to the extent they are associated with an enforceable obligation and attributable to specific project implementation activities. The Agency did not provide documentation to substantiate the enforceable obligation, including the estimated project management costs. Therefore, this item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below includes only the prior period adjustment that was self-reported by the Agency.

Except for the item denied in whole or in part as an enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$707,703 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	743,425
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 868,425
Total RPTTF requested for non-administrative obligations	743,425
<u>Denied Item</u>	
Item 5	(25,000)
Total RPTTF approved for non-administrative obligations	718,425
Total RPTTF approved for administrative obligations	125,000
Total RPTTF approved for obligations	\$ 843,425
ROPS III prior period adjustment	(135,722)
Total RPTTF approved for distribution	\$ 707,703

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was

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an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Laura Redwine, Finance Director, City of Shasta Lake
Ms. Sheri Jenkins, Managing Accountant Auditor, Shasta County
California State Controller's Office

RESOLUTION SAOB 13.06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER SHASTA LAKE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 13-14B FOR JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND AUTHORIZING ITS TRANSMITTAL

WHEREAS, the Oversight Board of the Successor Agency to the Former Shasta Lake Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Former Shasta Lake Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484, as codified in the California Health and Safety Code); and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a recognized obligation payment schedule ("ROPS") for the ensuing six-month period for consideration by a local oversight board and California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

WHEREAS, the Dissolution Act requires that the proposed ROPS be transmitted to the local oversight board, county auditor-controller, county executive officer, and DOF, after which time the oversight board may approve and transmit the adopted ROPS to DOF, the State Controller, and the county auditor-controller for their consideration, and

WHEREAS, pursuant to Health and Safety Code sections 34177(l) and 34180(g), the Oversight Board must approve all ROPS for them to become established, valid, and operative for the applicable six-month fiscal period.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER SHASTA LAKE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. The Oversight Board hereby approves and adopts the ROPS 13-14B covering the period of January 1, 2014 through June 30, 2014, in substantially the form attached hereto as Exhibit A, as required by the Dissolution Act.

SECTION 3. The Successor Agency is hereby authorized and directed to transmit a copy of the ROPS to DOF, the State Controller, and the Shasta County Auditor-Controller for their review.

SECTION 4. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency held this 23rd day of September, 2013 by the following vote, to wit:

AYES: HILLMAN, LUGO, MORGAN, RODRIGUE, FARR

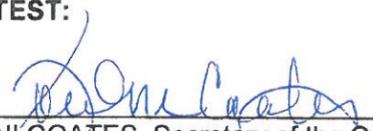
NOES: NONE

ABSENT: LAWSON, SCHAPPELL

ABSTAIN: NONE


LARRY J. FARR, Oversight Board Chair

ATTEST:


TONI COATES, Secretary of the Oversight Board

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Shasta Lake
 Name of County: Shasta

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>		<u>Six-Month Total</u>
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 200,000
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		200,000
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 868,425
F Non-Administrative Costs (ROPS Detail)		743,425
G Administrative Costs (ROPS Detail)		125,000
H Current Period Enforceable Obligations (A+E):		\$ 1,068,425

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
I Enforceable Obligations funded with RPTTF (E):		868,425
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)		<u>(135,722)</u>
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 732,703

<u>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
L Enforceable Obligations funded with RPTTF (E):		868,425
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		868,425

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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 agency.

_____	_____
Name	Title
/s/ _____	_____
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
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	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
								\$ 11,047,734		\$ -	\$ 200,000	\$ -	\$ 743,425	\$ 125,000	\$ 1,068,425
1	2006 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/4/2006	6/1/2027	Union Bank of California	Principal and interest payments due on bond	Shasta Dam Redevelopment Project Area	6,630,527	N				365,425		\$ 365,425
2	Fiscal Agent Fees	Fees	2/4/2006	6/2/2027	Union Bank of California	Bond Trustee fees that must be paid annually	Shasta Dam Redevelopment Project Area	21,000	N				3,000		\$ 3,000
3	Continuing Disclosure	Fees	2/4/2006	6/3/2027	RSG, Inc.	Continuing disclosure is required by the Bond Agreement	Shasta Dam Redevelopment Project Area	9,100	N						\$ -
4	Knauf Fiber Glass Agreement	Third-Party Loans	10/18/1996	6/30/2014	Knauf Fiber Glass GmbH	repaying a loan from Knauf for a City industrial park project	Shasta Dam Redevelopment Project Area	694,107	N				320,000		\$ 320,000
5	Law Enforcement Center	Project Management Costs	4/7/2009	6/1/2027	Lakmann Construction, Inc	Project Management Costs for Law Enforcement Center Project	Shasta Dam Redevelopment Project Area	25,000	N				25,000		\$ 25,000
6	Meade Street Senior Housing	OPA/DDA/Construction	10/26/2009	12/31/2013	Northern Valley Catholic Social Services	Partnership for a low-income senior housing project	Shasta Dam Redevelopment Project Area	200,000	N		200,000				\$ 200,000
7	Contract for Legal Services	Legal	2/1/2012	6/30/2014	John Kenny, City Attorney	general legal services	Shasta Dam Redevelopment Project Area	-	N						\$ -
8	Successor Agency Administrative	Admin Costs	2/1/2012	6/30/2014	Successor Agency Employees	Cost of operating the Successor Agency	Shasta Dam Redevelopment Project Area	3,375,000	N					125,000	\$ 125,000
9	Successor Agency Liability Insurance	Miscellaneous	2/1/2012	6/30/2014	Small Cities Org Risk Effort	Required liability insurance	Shasta Dam Redevelopment Project Area	-	N						\$ -
10	Successor Agency Support	Professional Services	2/1/2012	6/30/2014	RSG, Inc.	Services to perform certain admin duties	Shasta Dam Redevelopment Project Area	-	N						\$ -
11	Housing Monitoring Services	Miscellaneous	4/19/1986	4/19/2041	City of Shasta Lake Employees	Affordable Housing Monitoring as required by housing contracts	Shasta Dam Redevelopment Project Area	-	N						\$ -
12	Property Carry Costs	Property Maintenance	2/1/2012	6/30/2014	Commercial Center	Maintenance and operations of property owned by the Agency	Shasta Dam Redevelopment Project Area	13,000	N						\$ -
13	Property Disposition Costs	Property Dispositions	7/1/2013	6/30/2014	various	costs associated with disposition of former RDA-owned properties	Shasta Dam Redevelopment Project Area	80,000	N				30,000		\$ 30,000
14	Contract for Economic Development Services	Business Incentive Agreements	2/1/2012	6/30/2014	Economic Development Corporation	Contract with EDC for economic development programs	Shasta Dam Redevelopment Project Area	-	N						\$ -
15	Contract for Business Development	Business Incentive Agreements	2/1/2012	6/30/2014	Shasta Lake Chamber of Commerce	Contract with Chamber of Commerce for business and job development	Shasta Dam Redevelopment Project Area	-	N						\$ -

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund 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.

A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources								Total	Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF				
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
ROPS III Actuals (01/01/13 - 6/30/13)											
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)			200,000					\$ 200,000		
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller						727,235	181,891	\$ 909,126		
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs						667,642	105,762	\$ 773,404		
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III								\$ -		
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required						59,593	76,129	\$ 135,722	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000		
ROPS 13-14A Estimate (07/01/13 - 12/31/13)											
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 335,722		
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						137,495	125,000	\$ 262,495		
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)						137,495	125,000	\$ 262,495		
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								\$ -		
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 335,722		