



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 12, 2013

John Duckett, City Manager
City of Shasta Lake Successor Agency
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 13-14A) to the California Department of Finance (Finance) on February 27, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, 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 do not qualify as enforceable obligations:

- Item No. 14 – Contract for Economic Development Services in the amount of \$27,500. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Also, this contract is between the City of Shasta and the Economic Development Corporation of Shasta County. The former RDA is neither a party to the contract nor responsible for payment of the contract. Because the contract with the Economic Development Corporation of Shasta County was signed on July 17, 2012, after June 27, 2011, and the Agency is not a party to the contract, this line item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 15 – Donation for Business Development to the City of Shasta Lake Chamber of Commerce in the amount of \$11,000 is not an enforceable obligation. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that a contract for this line item has not been awarded, but in the past, funds have been donated to the Chamber of Commerce. Therefore, without a valid contract, this donation does not meet the definition of an enforceable obligation and is not eligible for RPTTF funding.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (d). However, Finance notes the oversight board has approved an amount that appears excessive, given the number and nature of the other obligations listed in the ROPS. HSC section 34179 (i) requires the oversight board to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the oversight board

to apply adequate "oversight" when evaluating the administrative resources required to successfully wind-down the Agency.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, 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 on next page:

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

The Agency's maximum approved RPTTF distribution for the reporting period is: \$262,495 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 180,975
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 14	13,750
Item 15	5,500
Total approved RPTTF for enforceable obligations	\$ 161,725
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	(24,230)
Total RPTTF approved for distribution:	\$ 262,495

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. 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. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

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

http://www.dof.ca.gov/redevelopment/ROPS/ROPS_13-14A_Forms_by_Successor_Agency/.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. 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 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 Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

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

RESOLUTION SAOB 13-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2013-14A FOR JULY 1, 2013 THROUGH DECEMBER 31, 2013 AND AUTHORIZING ITS TRANSMITTAL

WHEREAS, the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the 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, as required by the Dissolution Act, a copy of the proposed ROPS 2013-14A was transmitted via electronic mail to the offices of the Shasta County Auditor-Controller, the Shasta County Executive Officer, and the Department of Finance at the same time it was submitted to the Oversight Board for approval; 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 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 2013-14A covering the period of July 1, 2013 through December 31, 2013, 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.

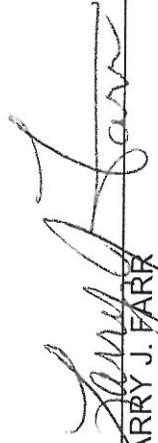
PASSED, APPROVED and ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency held this 25th day of February, 2013 by the following vote, to wit:

AYES: HILLMAN, LUGO, MORGAN, RODRIGUE, FARR

NOES: NONE

ABSENT: LAWSON, SCHAPPELL

ABSTAIN: NONE


LARRY J. FARR
Oversight Board Chairperson

ATTEST:



TONI M. COATES, CMC

Secretary of the Oversight Board

SUCCESSOR AGENCY CONTACT INFORMATION

Successor Agency

ID: 345
County: Shasta
Successor Agency: Shasta Lake

Primary Contact

Honorific (Ms, Mr, Mrs)

First Name	John
Last Name	Duckett
Title	City Manager
Address	P.O. Box 777
City	Shasta Lake
State	CA
Zip	96019
Phone Number	530-275-7427
Email Address	jduckett@cityofshastalake.org

Secondary Contact

Honorific (Ms, Mr, Mrs)

First Name	Laura
Last Name	Redwine
Title	Finance Director
Phone Number	530-275-7429
Email Address	lredwine@cityofshastalake.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **SHASTA LAKE (SHASTA)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$11,279,701

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$180,975
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$305,975
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$305,975
F Enter Total Six-Month Anticipated RPTTF Funding	NA
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	#VALUE!

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF (<i>lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed</i>)	649,595
I Enter Actual Obligations Paid with RPTTF	\$557,256
J Enter Actual Administrative Expenses Paid with RPTTF	\$68,109
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$24,230
L Adjustment to RPTTF (D - K = L)	\$281,745

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/	Date
Signature	Date

Oversight Board Approval Date: _____

SHASTA LAKE (SHASTA)
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)
 July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2013-14	Funding Source					
									Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
							\$11,279,701	\$1,158,650	\$0	\$0	\$125,000	\$180,975	\$0	\$305,975
1	2006 Tax Allocation Bonds	2/4/2006	6/1/2027	Union Bank of California	Principal and interest payments due on bond	Shasta Dam Redevelopment Project Area	6,750,952	485,850	0	0	0	120,425	0	120,425
2	Fiscal Agent Fees	2/4/2006	6/2/2027	Union Bank of California	Bond Trustee fees that must be paid annually	Shasta Dam Redevelopment Project Area	24,000	3,000	0	0	0	0	0	0
3	Continuing Disclosure	2/4/2006	6/3/2027	RSG, Inc.	Continuing disclosure is required by the Bond Agreement	Shasta Dam Redevelopment Project Area	10,400	1,300	0	0	0	1,300	0	1,300
4	Knauf Fiber Glass Agreement	10/18/1996		Knauf Fiber Glass GmbH	repaying a loan from Knauf for a City industrial park project	Shasta Dam Redevelopment Project Area	694,107	320,000	0	0	0	0	0	0
5	Law Enforcement Center	4/7/2009		Lakmann Construction, Inc	Balance due on construction of the New Sheriff's Station	Shasta Dam Redevelopment Project Area	24,030	0	0	0	0	0	0	0
6	Meade Street Senior Housing	10/26/2009	12/31/2013	Northern Valley Catholic Social Services	Partnership for a low-income senior housing project	Shasta Dam Redevelopment Project Area	144,712	0	0	0	0	0	0	0
7	Contract for Legal Services	2/1/2012		John Kenny, City Attorney	general legal services	Shasta Dam Redevelopment Project Area	0	0	0	0	0	0	0	0
8	Successor Agency Administrative	2/1/2012		Successor Agency Employees	Cost of operating the Successor Agency	Shasta Dam Redevelopment Project Area	3,500,000	250,000	0	0	125,000	0	0	125,000
9	Successor Agency Liability Insurance	2/1/2012		Small Cities Org Risk Effort	Required liability insurance	Shasta Dam Redevelopment Project Area	0	0	0	0	0	0	0	0
10	Successor Agency Support	2/1/2012		RSG, Inc.	Services to perform certain admin duties	Shasta Dam Redevelopment Project Area	0	0	0	0	0	0	0	0
11	Housing Monitoring Services	4/19/1986	4/19/2041	City of Shasta Lake Employees	Affordable Housing Monitoring as required by housing contracts	Shasta Dam Redevelopment Project Area	0	0	0	0	0	0	0	0
12	Property Carry Costs			Commercial Center	Maintenance and operations of property owned by the Agency	Shasta Dam Redevelopment Project Area	13,000	0	0	0	0	10,000	0	10,000
13	Property Disposition Costs	As properties are sold	when all properties are disposed of	various	costs associated with disposition of former RDA-owned properties	Shasta Dam Redevelopment Project Area	80,000	60,000			0	30,000		30,000
14	Contract for Economic Development Services	annual renewal	annual renewal	Economic Development Corporation	Contract with EDC for economic development programs	Shasta Dam Redevelopment Project Area	27,500	27,500				13,750		13,750
15	Contract for Business Development	annual renewal	annual renewal	Shasta Lake Chamber of Commerce	Contract with Chamber of Commerce for business and job development	Shasta Dam Redevelopment Project Area	11,000	11,000				5,500		5,500

SHASTA LAKE (SHASTA)
Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
July 1, 2012 through December 31, 2012

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPITF		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1	2006 Tax Allocation Bonds	Union Bank of California	Principal and interest payments due on bond	Shasta Dam Redevelopment Project Area	\$2,700	\$2,700	\$0	\$0	\$0	\$0	\$24,873	\$68,109	\$624,723	\$557,256	\$0	\$0
2	Fiscal Agent Fees	Union Bank of California	Bond Trustee fees that must be paid annually	Shasta Dam Redevelopment Project Area									0	0		
3	Continuing Disclosure	FIG, Inc.	Continuing disclosure is required by the Bond Agreement	Shasta Dam Redevelopment Project Area									1,300	1,300		
4	Knauf Fiber Glass Agreement	Knauf Fiber Glass GmbH	repaying a loan from Knauf for a City industrial park project	Shasta Dam Redevelopment Project Area									0	0		
5	Law Enforcement Center	Lakmann Construction, Inc	Balance due on construction of the New Sheriff's Station	Shasta Dam Redevelopment Project Area									365,125	365,125		
6	Meade Street Senior Housing	Northern Valley Catholic Social Services	Partnership for a low-income senior housing project	Shasta Dam Redevelopment Project Area	2,700	2,700										
7	Contract for Legal Services	John Kenny, City Attorney	general legal services	Shasta Dam Redevelopment Project Area						0	5,000		5,000	0		
8	Contract for Economic Development Services	Economic Development Corporation	Contract with EDC for economic development programs	Shasta Dam Redevelopment Project Area									37,500	13,770		
9	Contract for Business Development	Shasta Lake Chamber of Commerce	Contract with Chamber of Commerce for business and job development	Shasta Dam Redevelopment Project Area									5,500	5,300		
10	Successor Agency Administrative	Successor Agency Employees	Cost of operating the Successor Agency	Shasta Dam Redevelopment Project Area						24,873	40,713					
11	Successor Agency Liability Insurance	Small Cities Org Risk Effort	Required liability insurance	Shasta Dam Redevelopment Project Area						0	3,734		6,402	0		
12	Successor Agency Support	FIG, Inc.	Services to perform certain admin duties	Shasta Dam Redevelopment Project Area						0	11,823		25,000	0		
13	Housing Monitoring Services	City of Shasta Lake Employees	Affordable Housing Monitoring as required by housing contracts	Shasta Dam Redevelopment Project Area									46,290	46,290		
14	Property Carry Costs	Commercial Center	Maintenance and operations of property owned by the Agency	Shasta Dam Redevelopment Project Area									0	0		
15	MOU for City Staff	City of Shasta Lake	Collective bargaining agreement for staff	Shasta Dam Redevelopment Project Area						0	6,834		6,834	0		
16	HOME Program Repayment	State of California HCD HOME Program	Repayment to the State from City Downpayment Assistance Program	Shasta Dam Redevelopment Project Area									0	0		

