



City of Port Hueneme

**CITY OF PORT HUENEME
SUCCESSOR AGENCY OVERSIGHT BOARD
SPECIAL MEETING**

**JANUARY 27, 2016
2:00 P.M.**

**PORT HUENEME CITY HALL: 250 NORTH VENTURA ROAD
PORT HUENEME, CA 93041**

Oversight Board Members

Dr. Michael Bush, Vice President of Business Services, Ventura County Community College District
Steven Kinney, Public Member
Carmen Nichols, Deputy City Manager, City of Port Hueneme
Norman Plott, Division Chief, Ventura County Fire Protection District
Scott Powers, Program Management Analyst, County of Ventura
Dr. Christine Walker, Assistant Superintendent, Hueneme Elementary School District
Jonathan Sharkey (Chair), Port Hueneme City Council Member

AGENDA

- 1. CALL TO ORDER, ROLL CALL**
- 2. AGENDA:** *(Amend / Approve)*
- 3. CONSENT:**
 - A. APPROVAL OF MINUTES**
Action: It is recommended the Board approve the Minutes of the October 26, 2015 Special Meeting.
- 4. NEW BUSINESS:**
 - A. APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 AND THE FISCAL YEAR 2016-17 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (BOTH FOR JULY 1, 2016 THROUGH JUNE 30, 2017)**
Action: It is recommended the Board approve, by resolution in accordance with California Health & Safety Code ("HSC") Section 34180, the Recognized Obligation Payment

Schedule for July 1, 2016 through June 30, 2017 ("ROPS 16-17") and the attached Fiscal Year 2016-17 Administrative Budget, both prepared pursuant to HSC Section 34177.

RESOLUTION NO. 25

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PORT HUENEME REDEVELOPMENT AGENCY TO APPROVE THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE 16-17 AND THE FISCAL YEAR 2016-17 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (BOTH FOR JULY 1, 2016 THROUGH JUNE 30, 2017)

- 5. OPEN FORUM:** *Anyone wishing to speak to the Board on any item NOT on the Agenda may do so. Please approach the podium and give your name and address clearly for the record.*

ADJOURNMENT: Adjourn to the next Regular Meeting to be held September 26, 2016 at 2:00 p.m. in the City Council Chamber, 250 N. Ventura Road, Port Hueneme, California.

Copies of staff reports or other written documentation relating to each item of business referred to in this Agenda are available for public inspection in the Office of the City Clerk and on the City's website at www.cityofporthueneme.org. Materials received after agenda packet distributions are made available to the public on the City's website and in the City Clerk's office at the same time they are provided to the Council. The public may address any item on the Agenda by submitting a speaker card to the Clerk prior to or during the time the matter is addressed by the Council. Speaker comments are limited to three minutes.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE OFFICE OF THE CITY CLERK AT 986-6503 OR THE CALIFORNIA RELAY SERVICE. NOTICE 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ALLOW PARTICIPATION IN THIS MEETING.

**CITY OF PORT HUENEME
SUCCESSOR AGENCY OVERSIGHT BOARD
SPECIAL MEETING**

OCTOBER 26, 2015

MINUTES

The Special Meeting of the City of Port Hueneme Successor Agency Oversight Board was called to order by Chair Sharkey at 2:01 p.m. in the City Council Chamber at City Hall, 250 North Ventura Road, Port Hueneme, California. The City Clerk called the roll:

PRESENT: Members Dr. Michael Bush, Steven Kinney, Norman Plott; Vice Chair Greg Brown; Chair Jonathan Sharkey.

ABSENT: Members Paul Derse, Dr. Christine Walker.

Staff members present were Cynthia Haas, City Manager; Alvin Burrell, Interim Finance Director; Michelle Ascencion, City Clerk.

AGENDA:

The Board Members had previously received copies of the Agenda.

Vice Chair Brown, seconded by Member Kinney, moved to approve the Agenda as presented. Motion carried 5-0.

CONSENT:

- A. APPROVAL OF MINUTES
Action: It is recommended the Board approve the Minutes of the September 28, 2015 Regular Meeting.

Member Kinney, seconded by Vice Chair Brown, moved to approve staff's recommendation as presented. Motion carried 5-0 (Derse, Walker absent).

NEW BUSINESS:

- A. APPROVAL OF THE SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN
Action: It is recommended the Board adopt a Resolution approving the Successor Agency's Second Amended Long-Range Property Management Plan ("LRPMP").

RESOLUTION NO. 24

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PORT HUENEME REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

Hitta Mosesman, Principal/Vice President of Rosenow Spevacek Group, gave a report. Discussion ensued among the Board and Ms. Mosesman.

Member Kinney, seconded by Vice Chair Brown, moved to approve staff's recommendation as presented. Motion carried 5-0 (Derse, Walker absent).

OPEN FORUM:

Chair Sharkey asked if there was anyone present who wished to speak on any matter not on the Agenda. No one requested to speak.

ADJOURNMENT:

Chair Sharkey, without objection, adjourned the Successor Agency Oversight Board Special Meeting at 2:08 p.m. to the next Regular Meeting to be held February 22, 2016 at 2:00 p.m. in the City Council Chamber.

Respectfully submitted,

Michelle Ascencion, CMC
City Clerk

APPROVED:

CHAIR SHARKEY



City of Port Hueneme

BOARD AGENDA STAFF REPORT

TO: Oversight Board for the Successor Agency to the Port Hueneme Redevelopment Agency

FROM: Successor Agency Staff

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 AND THE FISCAL YEAR 2016-17 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (BOTH FOR JULY 1, 2016 THROUGH JUNE 30, 2017)

DATE: January 27, 2016

RECOMMENDATION:

It is recommended the Board approve, by resolution in accordance with California Health & Safety Code ("HSC") Section 34180, the Recognized Obligation Payment Schedule for July 1, 2016 through June 30, 2017 ("ROPS 16-17") and the attached Fiscal Year 2016-17 Administrative Budget, both prepared pursuant to HSC Section 34177.

BACKGROUND/ANALYSIS:

In 2011, the California Legislature adopted, and the Governor signed, Assembly Bill ("AB") x1 26 which effectively dissolved all redevelopment agencies in the State of California.

Governor Brown signed AB 1484 on June 27, 2012 and Senate Bill ("SB") 107 on September 22, 2015, significantly changing and clarified certain provisions of ABx1 26 (collectively the "Dissolution Act"), adding significant new provisions, and modified actions and deadlines that need to be implemented, with major consequences for noncompliance.

The Successor Agency must submit a copy of the ROPS 16-17, after approval from the Oversight Board, to the Ventura County Auditor-Controller, State Controller's Office, and State Department of Finance ("DOF") by February 1, 2016. If the Successor Agency fails to meet this deadline, the City of Port Hueneme may be liable for substantial penalties,

including a \$10,000 per day penalty for each day past the deadline that the ROPS 16-17 is not submitted to DOF.

DISCUSSION OF LEGISLATIVE CHANGES TO ROPS PROCESS:

Since SB 107 is a recent addition to the Dissolution Act, including the ROPS process, the following are some noteworthy provisions of the bill:

Annual Submission Beginning for Fiscal Year 2016-17

Beginning in 2016, ROPS will be due to DOF annually by February 1, instead of biannually as in previous years. ROPS periods will cover July 1 to June 30. Once per ROPS period, but not later than October 1, successor agencies may submit to their oversight board and DOF one amendment to the DOF-approved ROPS if the oversight board makes a finding that the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period.

Bifurcation of ROPS and Prior Period Adjustment Processes

Previously on ROPS, successor agencies provided DOF both an itemized list of payments of enforceable obligations for the upcoming ROPS period and an itemized list of differences between actual payments and past estimated obligations for the preceding ROPS period (Prior Period Adjustment). SB 107 specifies that, beginning in 2018, the Prior Period Adjustment process will be handled separately from the ROPS by county auditor-controllers and on an annual basis, instead of biannually as in previous years. Successor agencies will provide information regarding their Prior Period Adjustment to county auditor-controllers on October 1, 2018, and each October 1 thereafter. The law does not specify a change to when or how the successor agencies will provide this information before October 1, 2018. DOF has indicated that they are working on a new annual Prior Period Adjustment form to be introduced during the ROPS 18-19 period. ROPS 16-17 does not include the Prior Period Adjustment Report.

Administrative Cost Allowance

Previously, the administrative cost allowance for each fiscal year was the greater of \$250,000 or three percent of the RPTTF funding that the successor agency received during the fiscal year. Beginning in Fiscal Year 2016-17, the administrative cost allowance for each fiscal year cannot exceed 50 percent of the total RPTTF funding the successor agency received, less the administrative cost allowance and any loan repayments to the city or county, during the prior fiscal year. This will not affect the Successor Agency since its non-administrative enforceable obligations are greater than \$500,000 each year. Therefore, if needed the Successor Agency may claim \$250,000 for administrative costs. As soon as SB 107 went into effect, DOF began reclassifying legal costs as an administrative item, subject to the administrative cost allowance. The Successor Agency

will no longer be able to request legal expenses paid from non-administrative RPTTF funding.

SB 107 also specifies that oversight boards are no longer required to submit administrative budgets to DOF for approval. Administrative budgets still require oversight board approval.

LAIF Rate

SB 107 replaced the Local Agency Investment Fund (LAIF) interest rate on loans with a simple interest rate of 3%. Also, repayments must be applied first to principal and then to interest.

Last and Final ROPS

Beginning January 1, 2016, successor agencies may submit a Last and Final ROPS for approval by the oversight board and the DOF if all of the following conditions are met:

1. Remaining debt includes only administrative costs and enforceable obligations with set payment schedules, such as debt service, loan agreements, and contracts;
2. All remaining obligations have been previously listed on a ROPS and approved by the DOF; and
3. The successor agency has no outstanding or unresolved litigation.

Once the DOF approves a successor agency's Last and Final ROPS, the successor agency may submit up to two requests to amend it.

DISCUSSION OF ROPS 16-17

The following sections address some of the line items included in the attached ROPS 16-17 that have special circumstances.

Items 2 and 3

Items 2 and 3 are subject to a debt service schedule and the amounts requested are pursuant to that schedule.

Items 4, 5, 7, and 8

Items 4, 5, 7, and 8 are subject to the formula described in HSC Section 34191.4 (b)(3)(A), which specifies that the repayment of City loans cannot exceed one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the previous

ROPS 16-17, JULY 2016 – JUNE 2017

January 27, 2016

Page 4

fiscal year and the ROPS residual pass-through distributed to the taxing entities in fiscal year 2012-13. The total amount requested for these items, focused on item 5, is based on that formula.

Items 6, 9 through 12, and 14

Items 6, 9 through 12, and 14 are enforceable obligations due to contracts. The amounts requested for these items are based on those contracts.

Item 13

Item 13 was previously used to pay for legal costs as non-administrative expenses. As explained above, this is no longer allowed under SB 107. Item 13 is therefore being retired. All legal costs must be covered within the administrative allowance.

Item 15

Since ROPS 15-16A, the administrative distribution was consolidated in item 15. The Successor Agency requests the maximum allowed \$250,000 for its administrative expenses.

Item 29

The Successor Agency requests \$700,000 to be spent from bond proceeds for Beach Rehabilitation, an approved cost under the terms of the bond issuance.

Cash Balance

The Cash Balances page shows the inflow and outflow of funds held by the Successor Agency. Funds are being spent in a timely manner and consistent with the approvals of the Oversight Board and DOF.

CONCLUSION

Because ROPS 16-17 is due to DOF by February 1, it is recommended the Oversight Board adopt the proposed resolution, approving ROPS 16-17 and the Fiscal Year 2016-17 Administrative Budget.

OVERSIGHT BOARD RESOLUTION NO. 25

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PORT HUENEME REDEVELOPMENT AGENCY TO APPROVE THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE 16-17 AND THE FISCAL YEAR 2016-17 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (BOTH FOR JULY 1, 2016 THROUGH JUNE 30, 2017)

The Oversight Board for the Successor Agency to the Port Hueneme Redevelopment Agency ("Oversight Board") does resolve as follows:

Section 1. The Board finds and declares that:

- A. Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABx1 26 (Chapter 5, Statutes of 2011) and ABx1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) and Senate Bill 107 (Chapter 325, Statutes of 2015) (altogether, "Dissolution Act"), the City of Port Hueneme ("City") adopted Resolution No. 4002 on January 11, 2012, electing to serve as the Successor Agency to the Port Hueneme Redevelopment Agency ("Successor Agency");
- B. Pursuant to Health & Safety Code ("HSC") Section 34177, beginning in 2016 each successor agency is required to adopt a Recognized Obligation Payment Schedule ("ROPS") before each annual fiscal period establishing its enforceable obligations for that period, identifying sources to satisfy those obligations, and tracking its fund balances;
- C. In accordance with HSC Section 34180, the Oversight Board of the Successor Agency ("Oversight Board") is authorized and required to review and approve actions taken by the Successor Agency, including the establishment of the ROPS;
- D. The Successor Agency is required to prepare the ROPS for the period from July 1, 2016 through June 30, 2017 ("ROPS 16-17"), attached hereto as Exhibit A, and transmit it to the Oversight Board, the California Department of Finance ("DOF"), the California State Controller's Office, and the Ventura County Auditor-Controller ("County") no later than February 1, 2016 for their approval pursuant to HSC Section 34177;

- E. Pursuant to HSC Section 34177(j), successor agencies are required to submit an administrative budget to the Oversight Board for each fiscal year;
- F. The Oversight Board desires to adopt this Resolution approving ROPS 16-17 and the Fiscal Year 2016-17 Successor Agency Administrative Budget, both for the period from July 1, 2016 through June 30, 2017.

Section 2. *Approval.* The Oversight Board approves ROPS 16-17 attached as Exhibit "A" to this Resolution, and the Fiscal Year 2016-17 Administrative Budget attached as Exhibit "B", both of which are incorporated by reference.

Section 3. *Authorization.* The officers and staff of the Oversight Board and Successor Agency are authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the ROPS 16-17 to the Ventura County Auditor-Controller, State Controller, and Department of Finance.

Section 4. *Environmental Determination.* The adoption of this Resolution is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100, *et seq.*, "CEQA") and CEQA regulations (14 CCR §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, the adoption of this Resolution does not constitute a "project" that requires environmental review (see 14 CCR § 15378(b)(4-5)).

Section 5. *Reliance on Record.* Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the Oversight Board and applicable law. The findings and determinations constitute the independent findings and determinations of the Board in all respects and are fully and completely supported by substantial evidence in the record as a whole.

Section 6. *Summaries of Information.* All summaries of information in the findings, which precede this Section, are based on the substantial evidence in the record including, without limitation, verbal and documentary evidence submitted to

the Board. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

Section 7. *Certification.* The Secretary is directed to certify the adoption of this Resolution; record this Resolution in the book of the Oversight Board's original resolutions; and make a minute of the adoption of the Resolution in the Oversight Board's records and the minutes of this meeting.

Section 8. *Effectiveness.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2016.

OVERSIGHT BOARD

JONATHAN SHARKEY, CHAIR

ATTEST:

**JOHN BAKER, INTERIM CITY CLERK
ON BEHALF OF THE SUCCESSOR AGENCY**

APPROVED AS TO CONTENT:

**JOHN BAKER, INTERIM CITY MANAGER
ON BEHALF OF THE SUCCESSOR AGENCY**

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:

Port Hueneme

County:

Ventura

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding			
A Sources (B+C+D):	\$ 300,000	\$ 400,000	\$ 700,000
B Bond Proceeds Funding	300,000	400,000	700,000
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 920,480	\$ 1,700,999	\$ 2,621,479
F Non-Administrative Costs	795,480	1,575,999	2,371,479
G Administrative Costs	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 1,220,480	\$ 2,100,999	\$ 3,321,479

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

Port Hueneme Recognized Obligation Payment Schedule (ROPS 16-17) - 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	
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 period balances distributed as RPTTF reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin										
Cash Balance Information by ROPS Period															
ROPS 15-16A Actuals (07/01/15 - 12/31/15)															
1	Beginning Available Cash Balance (Actual 07/01/15)	1,017,477				(50,870)	44,001								
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						1,055,624								
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)														
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,017,477					1,064,345								
5	ROPS 15-16A RPTTF Balances Remaining														
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ (50,870)	\$ 16,747								
ROPS 15-16B Estimate (01/01/16 - 06/30/16)															
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 1,017,477	\$ -	\$ -	\$ -	\$ (50,870)	\$ 35,250								
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						1,656,289								
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						1,673,036								
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,017,477													
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ (50,870)	\$ 18,533								

Port Hueneme Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item #

Notes/Comments

Exhibit B

**PORT HUENEME SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET FY 2016-17
FOR JULY 1, 2016 to JUNE 30, 2017**

Expense Category	FY 2016-17 Proposed Budget
Salaries and Wages	
Salaries, benefits, and payroll taxes	\$200,000
TOTAL	\$200,000
Maintenance and Operation	
Contracted Services	\$30,000
Insurance and Legal Services	\$20,000
TOTAL	\$50,000
TOTAL EXPENDITURES	\$250,000