



TOWN OF PARADISE

5555 SKYWAY • PARADISE, CALIFORNIA 95969-4931

TELEPHONE (530) 872-6291 FAX (530) 877-5059

www.townofparadise.com

Successor Agency Management Staff:

Charles L. Rough, Jr., Manager
Dwight L. Moore, Attorney
Joanna Gutierrez, Clerk
Lauren Gill, Assistant Town Manager
Craig Baker, Agency Community Development Director
Gabriela Tazzari, Acting Police Chief
Rob Cone, Successor, Interim Fire Chief
Gina Will, Finance Director/Town Treasurer

Successor Agency Directors:

Steve "Woody" Culleton, Chair
Tim Titus, Vice Chair
Joe DiDuca, Director
Scott Lotter, Director
Alan White, Director

Successor Agency to the Paradise Redevelopment Agency Meeting Agenda

Immediately following the June 05, 2012 Regular Town Council Meeting

In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate, please contact the Town Clerk's Dept., at 872-6291 at least 48 hours in advance of the meeting. Hearing assistance devices for the hearing impaired are available from the Successor Agency Clerk.

Members of the public may address the Successor Agency on any agenda item, including closed session. If you wish to address the Successor Agency on any matter on the Agenda, it is requested that you complete a "Request to Address Council" card and give it to the Successor Agency Clerk prior to the beginning of the Council Meeting.

All writings or documents which are related to any item on an open session agenda and which are distributed to a majority of the Successor Agency will be available for public inspection at the Town Hall in the Town Clerk Department at 5555 Skyway, Room 3, at the same time the subject writing or document is distributed to a majority of the subject body. Regular business hours are Monday through Thursday from 8:00 a.m. to 5:00 p.m.

1. OPENING

- a. Call to order
- b. Pledge of Allegiance to the Flag of the United States of America
- c. Roll Call

2. PUBLIC COMMUNICATION

This is the time for members of the public who have completed a request card and given it to the clerk to present items not on the agenda. Comments should be limited to a maximum of three minutes. The Agency is prohibited by State Law from taking action on any item that is not listed on the agenda.

3. ITEMS FOR CONSENT CALENDAR - NONE

4. CLOSED SESSION

- a. The Successor Agency will hold a closed session pursuant to Government Code Section 54956.9(c) to consider initiating litigation against Ana Matosantos in her official capacity as Director of the State of California Department of Finance.

5. ITEMS FOR CONSIDERATION - ACTION CALENDAR

- a. Ratify the Recognized Obligation Payment Schedules for the periods of January 1 through June 30, 2012 and July 1 through December 31, 2012, approved by the Oversight Board on April 26, 2012 and May 29, 2012.

6. ADJOURNMENT

STATE OF CALIFORNIA) COUNTY OF BUTTE)	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date:	

TOWN/ASSISTANT TOWN CLERK SIGNATURE	



**Town of Paradise
Successor Agency to the Paradise
Redevelopment Agency**

Agenda Item: 5a

**Agenda Summary
Date: June 5, 2012**

Originated by: Gina S. Will, Finance Director/Town Treasurer

Reviewed by: Charles L. Rough, Jr., Town Manager
Dwight L. Moore, Town Attorney

Subject: Recognized Obligation Payment Schedule (ROPS) for July through December 2012

Action Requested: Ratify the Recognized Obligation Payment Schedules for the periods of January 1 through June 30, 2012 and July 1 through December 31, 2012, approved by the Oversight Board on April 26, 2012 and May 29, 2012.

Alternatives: Decline to ratify the ROPS as presented.

Background:

Following is a brief chronological listing of the events related to the dissolution of the Paradise Redevelopment Agency:

February 1, 2012	Dissolution of all redevelopment agencies in the State of California, and the Town of Paradise becomes the Successor Agency to the Paradise Redevelopment Agency.
April 26, 2012	The Oversight Board to the Successor Agency to the Paradise Redevelopment Agency convenes its first meeting and approves the first ROPS for January through June 2012
April 27, 2012	The Oversight Board approved ROPS is submitted to the Department of Finance and the Butte County Auditor Controller for approval.
May 22, 2012	Successor Agency Staff receive the notification from the Department of Finance that Town Loans #4, #5, and #6 are denied as enforceable obligations.
May 24, 2012	A Notice of Special Meeting is issued to convene a meeting of the Oversight Board to the Successor Agency to the Paradise Redevelopment Agency in order to consider approving a ROPS for July through December 2012.
May 29, 2012	The Oversight Board to the Successor Agency to the Paradise Redevelopment Agency approves the ROPS for July through December 2012

May 29, 2012	The Oversight Board approved ROPS is submitted to the Department of Finance and the Butte County Auditor Controller for approval.
May 30, 2012	Successor Agency Staff receive the notification from the Department of Finance that Town Loans #4, #5, and #6 are denied as enforceable obligations.

Discussion:

In order for the Successor Agency to the Paradise Redevelopment Agency to receive a distribution from the Butte County Auditor Controller from the Redevelopment Property Tax Trust Fund for debt service requirements of July through December 2012, the Successor Agency needed to submit a ROPS for July through December 2012 approved by the Oversight Board to the Department of Finance and the Butte County Auditor Controller as soon as possible. The Butte County Auditor Controller intends on making a distribution on or around June 1st for the July through December 2012 obligations, but cannot do so without the approval of the Oversight Board and the Department of Finance.

Further, the Successor Agency recommended approving the ROPS as submitted with the inclusion of the Town Loans #4, #5, and #6 despite the first rejection by the Department of Finance of these items. The Successor Agency's position is that these are valid contractual obligations between the Paradise Redevelopment Agency and the Town of Paradise. The Town would not have agreed to these loans without the promise of repayment. Without repayment, a serious strain is placed on cash flow and balance sheet of the Town of Paradise. As there is still legislation pending that may correct the definition of an enforceable obligation to allow for the repayment of loans between cities and redevelopment agencies, the Successor Agency wants to protect the interests of the Town of Paradise by continuing to document these obligations on each ROPS.

Conclusion:

According to the letter from the Department of Finance (attached for review) the loans between the Town and former RDA were rejected but everything else was approved. The Town of Paradise is considering the best course of action of appealing the decision by the Department of Finance of disallowing these loans.

Fiscal Impact Analysis:

Approval of the ROPS by the Oversight Board for July through December 2012 will allow for the eventual distribution of monies for debt service obligations of the former Paradise Redevelopment Agency.



May 30, 2012

Gina S. Will, Finance Director
Town of Paradise
5555 Skyway
Paradise, CA 95969-4931

Dear Ms. Will:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Town of Paradise Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 27, 2012 for period of the January to June 2012 and May 30, 2012 for the period of July to December 2012 period. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January through June 2012 ROPS

Except for items disallowed in whole or in part as enforceable obligations (EO) noted in Finance's letter dated May 11, 2012, Finance is approving the remaining items listed in your ROPS.

July through December 2012 ROPS

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS. HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Items 4, 5, and 6 – Town of Paradise loans totaling \$413,564. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust (RPTTF) Fund for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

Ms. Will
May 30, 2012
Page 2

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Trevor Stewart, Director of Business Services, Butte College District
Ms. Maria Solis, Auditor-Accountant, Butte County

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 1X 26

	Project Name / Debt Obligation	Payee	Description	Payment Source	Total Outstanding Debt or Obligation as of 1/1/12	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	Apr	May	June	Total
1)	2006 Tax Allocation Note	Wells Fargo Bank	Note issued to fund CIPs	Reserve Balances	1,300,000.00	63,675.00						31,837.50	\$ 31,837.50
2)	2009 Tax Allocation Bond	Wells Fargo Bank	Notes	Redevelopment Property Tax Trust	4,480,000.00	262,855.00						131,427.50	\$ 131,427.50
3)	Land Purchase	Jeffords	Purchase of 5456 Black Olive	Redevelopment Property Tax Trust	96,779.85	17,201.76	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	\$ 8,600.88
4)	Land Purchase	Sweeney	Purchase of 174 Pearson	Redevelopment Property Tax Trust	0.00	5,197.30							\$ -
5)	Town Loan #4 dated 03/21/07	Town of Paradise	Note Payable 03/21/07	Reserve Balances	43,315.72	45,264.93			45,264.93				\$ 45,264.93
6)	Town Loan #5 dated 07/01/10	Town of Paradise	Note Payable 07/01/10	Redevelopment Property Tax Trust	537,392.13	149,794.64						149,794.64	\$ 149,794.64
7)	Town Loan #6 dated 03/01/11	Town of Paradise	Note Payable 03/01/11	Redevelopment Property Tax Trust	479,613.00	109,251.83			109,251.83				\$ 109,251.83
8)	Contract for audit services	Moss, Levy, Hartzheim	2010/11 Audit	Administrative Cost Allowance	1,328.00	6,128.00		1,328.00					\$ 1,328.00
9)	Bond & Note Admin Fees	Wells Fargo Bank	Administration Fees	Administrative Cost Allowance	0.00	4,000.00							\$ -
10)	Internal Service Costs	Town of Paradise	Insurance, utilities, etc	Administrative Cost Allowance	1,988.52	5,527.00	331.42	331.42	331.42	331.42	331.42	331.42	\$ 1,988.52
11)	Administration Fees	Town of Paradise	5/12 Administration Fees	Administrative Cost Allowance	100,850.15	100,850.15		100,850.15					\$ 100,850.15
12)													\$ -
13)													\$ -
14)													\$ -
15)													\$ -
16)													\$ -
17)													\$ -
18)													\$ -
19)													\$ -
20)													\$ -
21)													\$ -
22)													\$ -
23)													\$ -
24)													\$ -
25)													\$ -
26)													\$ -
27)													\$ -
28)													\$ -
29)													\$ -
30)													\$ -
Totals - This Page					\$ 7,041,267.37	\$ 769,745.61	\$ 1,764.90	\$ 103,943.05	\$ 156,281.66	\$ 1,764.90	\$ 1,764.90	\$ 314,824.54	\$ 580,343.95
Amount to be funded from Redevelopment Property Tax Trust Fund							1,433.48	1,433.48	110,685.31	1,433.48	1,433.48	282,655.62	399,074.85
Amount to be funded from Administrative Cost Allowance							331.42	102,509.57	331.42	331.42	331.42	331.42	104,166.67
													503,241.52

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 1X 26

Project Name / Debt Obligation	Payee	Description	Payment Source	Total Outstanding Debt or Obligation as of 7/1/12	Total Due During Fiscal Year	Payments by month						Total
						July	Aug	Sept	Oct	Nov	Dec	
1) 2006 Tax Allocation Note	Wells Fargo Bank	Note issued to fund CIPs	Redevelopment Property Tax Trust	1,300,000.00	63,675.00						31,837.50	\$ 31,837.50
2) 2009 Tax Allocation Bond	Wells Fargo Bank	Notes	Redevelopment Property Tax Trust	4,480,000.00	262,855.00						131,427.50	\$ 131,427.50
3) Land Purchase	Jeffords	Purchase of 5456 Black Olive	Redevelopment Property Tax Trust	91,970.63	17,201.76	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	\$ 8,600.88
4) Town Loan #4 dated 03/21/07	Town of Paradise	Note Payable 03/21/07	Redevelopment Property Tax Trust	45,264.93	45,264.93	45,264.93						\$ 45,264.93
5) Town Loan #5 dated 07/01/10	Town of Paradise	Note Payable 07/01/10	Redevelopment Property Tax Trust	537,392.13	149,794.64	149,794.64						\$ 149,794.64
6) Town Loan #6 dated 03/01/11	Town of Paradise	Note Payable 03/01/11	Redevelopment Property Tax Trust	479,613.00	218,503.66	109,251.83						\$ 109,251.83
7) Bond & Note Admin Fees	Wells Fargo Bank	Administration Fees	Administrative Cost Allowance	4,000.00	4,000.00				2,000.00		2,000.00	\$ 4,000.00
8) Administration Fees	Town of Paradise	1/2 Administration Fees	Administrative Cost Allowance	246,000.00	246,000.00	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00	\$ 123,000.00
9)												\$ -
10)												\$ -
11)												\$ -
12)												\$ -
13)												\$ -
14)												\$ -
15)												\$ -
16)												\$ -
17)												\$ -
18)												\$ -
19)												\$ -
20)												\$ -
21)												\$ -
22)												\$ -
23)												\$ -
24)												\$ -
25)												\$ -
26)												\$ -
27)												\$ -
28)												\$ -
29)												\$ -
30)												\$ -
Totals - This Page				\$ 7,184,240.69	\$ 1,007,294.99	\$ 326,244.88	\$ 21,933.48	\$ 21,933.48	\$ 23,933.48	\$ 21,933.48	\$ 187,198.48	\$ 603,177.28
Amount to be funded from Redevelopment Property Tax Trust Fund						305,744.88	1,433.48	1,433.48	1,433.48	1,433.48	164,698.48	476,177.28
Amount to be funded from Administrative Cost Allowance						20,500.00	20,500.00	20,500.00	22,500.00	20,500.00	22,500.00	127,000.00
												603,177.28