



**City of Campbell Successor Agency
Oversight Board Agenda**

February 1, 2016

2:00 PM

**City of Campbell Council Chambers
70 N. First Street**

Call to Order – Roll Call

1. Approval of Minutes from the September 9, 2015 meeting.

Unfinished Business

None

New Business

2. Elect Vice Chair for Oversight Board
3. Approve the ROPS 16-17 including the Administrative Budget
4. Debt Refinancing Opportunity

Oral Requests (Members of the Public)

Adjourn



*Oversight
Board
Report*

Date: February 1, 2016

#1 Approve Minutes from the September 9, 2015 Oversight Board Meeting

Action: Voice Call (All those in favor, All those opposed)

#2 Election of Oversight Board Vice-Chair

The Oversight Board does not currently have a Vice-Chair since the previous Board member that was elected to this position was replaced. Thus, it is recommended that the Board elect a new Vice-Chair.

Action: Nomination and vote for Vice-Chair (Voice call)

#3 Approve ROPS 16-17 and Administrative Budget

With the passage of SB 107, some changes were made to the ROPS process. One change was to extend the ROPS period to 12 months, consisting of two 6 month periods. Thus, the ROPS will only be submitted once per year now with a provision to add an additional meeting after the first year if needed. The other change is that the law changed the calculation of the administrative costs, effective July 1, 2016, to be 3% of the adjusted RPTTF distributed in the previous fiscal year. The allowance shall not be less than \$250,000 subject to a maximum amount which is 50% of total RPTTF distributed to pay enforceable obligations in the preceding year. Unfortunately, Santa Clara County has taken an approach different from all the other counties in the State in that they are not allowing the minimum administrative allowance as specified by SB 107. Despite the Department of Finance approving other Successor Agencies allowances in other counties, Santa Clara County has decided to interpret the law differently from just about every other County Auditor Controller in the State. Accordingly, the Campbell Successor Agency is, with some reservation, continuing to submit its administrative allowance as it has done prior to SB 107, resulting in a possible underpayment of fund to the Campbell Successor Agency based on what is allowed by State law.

Attachment 2 to this report is the resolution and ROPS 16-17 presented on the forms provided by the State Department of Finance representing the Successor Agency's (SA) enforceable obligations for the period July 1, 2016 – June 30, 2017, including the Agency's proposed administrative budget for the same period. The ROPS also includes a "Report of Cash Balances" that contains actual and estimated amounts spanning two reporting periods. You'll note that there is no "Report of Prior Period Adjustments" in this ROPS due to the change to a 12

month period. This will show up in the next ROPS for 17-18 and reflect a true-up for the previous 12 month period.

Total Enforceable Obligations funded with RPTTF funding for ROPS 16-17 is \$2,390,303 consisting of \$2,355,803 in non-administrative costs and \$34,500 in administrative costs. The details of these amounts are contained in Attachment 2.

Item #7 on the ROPS is an enforceable obligation originally proposed on the ROPS 14-15A related to the DOF's approval of the SA's Long Range Property Management Plan. The Plan called for selling one of the SA's assets—a small parcel of land. As the sale will likely require having an appraisal performed, in addition to various other transaction costs such as title and closing costs, SA staff requested \$15,000 to cover these potential costs. There continues to be minimal interest in this property and staff cannot anticipate when a sale might occur. Thus, staff will continue requesting this item until such time a sale occurs. Any funds unspent will be returned via the Prior Period Adjustment calculation each ROPS period.

Item #8 was added during the last (15-16B) ROPS period. As noted in previous OB meetings, the SA had a negative cash balance. SA staff worked with the County Auditor-Controller's staff to resolve the issue and the CAC issued a no objections letter on the previous ROPS inclusive of this item. However, the DOF denied the item prompting a Meet and Confer with SA staff and the DOF on November 10, 2015. Staff met at DOF offices in Sacramento and provided them with a binder of information and walked DOF staff through the documentation and support. However, the SA received notice from the DOF that they again were denying the item for lack of proper documentation. See Attachment 4 for copy of the DOF determination letter which seemed to keep open the possibility of allowing this if proper documentation could be provided. SA staff is continuing to work with legal counsel to understand what specific additional documentation they require to get this approved.

For the benefit of the OB, this paragraph from the last ROPS staff report provides a summary of the reason item #8 remains an issue. After additional review and research, it was determined that the beginning balances reported on the "Report of Cash Balances" (which the DOF required to be filed beginning with the 13-14B ROPS) were incorrectly reported. This was due to some confusion on the part of SA staff as to this new form and how to report the various amounts of bond proceeds between the restricted and non-restricted categories. Consequently, an amount of \$46,821, which DOF believed to be excess cash, was reclassified by the DOF to non-RPTTF as part of its ROPS 13-14B review process, and the approved RPTTF funding for enforceable obligations was reduced by the same amount. Using the previously issued DDR (Due Diligence Report) completed by the County's auditor in December, 2012, along with additional reconciliations, it

was determined that the \$46,821 was not, in fact, excess cash but, rather, part of the amount needed to fund approved expenditures from the proceeds of the 2002 Tax Allocation Bonds that were included in the unrestricted cash and investment account. The CAC has agreed with this conclusion. Therefore, the SA is requesting the DOF approve the return of the \$46,821 previously reduced.

Item #9 is new to this ROPS period. The tax allocation bonds have debt covenants for calculating and maintaining a reserve fund based on remaining debt service of the combined issues. Consequently, a recent calculation performed by an outside financial consulting firm indicated the reserve requirement increased and will need to be maintained at a higher level. This requirement is expected to continue to increase over time as the remaining debt service will continue to increase.

With respect to the administrative budget, staff is proposing a budget of \$34,500. Attachment 3 shows the breakdown of these estimated expenditures for the period. As previously noted, it is anticipated that some additional staff or consulting time will be required for ongoing reserve requirement calculations, additional time spent during the annual audit for disclosures related to the Successor Agency, increased staff costs related to normal wage and benefit increases, anticipated additional time related to research of issues that may come up from the CAC or DOF related to transfer of properties to the City, and required time to manage the property sale process. Some of the increase is also attributable to modest allowance for payments to outside consultants, legal and audit firms.

The County Auditor-Controller has issued a letter of No-Objection on the attached ROPS which is Attachment 5 to this report.

#4 Debt Refinancing Opportunity

SA staff is working with a financial advisor to explore opportunities for refinancing the existing tax allocation bonds as well as the City's Certificates of Participation for which the SA is obligated to pay for a portion of the debt service. Due to lower interest rates, savings can be achieved by refinancing the debt which will benefit all taxing jurisdictions including the SA. The process is expected to be completed over the next four months and will require approval of the Oversight Board. Staff expects that an OB meeting will need to convene in the next month or two to provide formal approval to move forward.

Action: Adopt a resolution approving the ROPS 16-17 and the corresponding administrative budget (Resolution/Roll Call Vote).

Attachments:

1. September 9, 2015 Minutes
2. Resolution and ROPS 16-17
3. Administrative Budget Detail
4. DOF letter dated December 17, 2015
5. Letter of No Objection from County

Prepared by: Shannon Brangan for
Jesse Takahashi, Finance Director

CITY OF CAMPBELL OVERSIGHT BOARD
MINUTES

SEPTEMBER 9, 2015
CITY HALL COUNCIL CHAMBERS

The Oversight Board meeting of September 9, 2015, was called to order at 2:04 p.m. in the Council Chambers, 70 North First Street, Campbell, California by Chair Maduli and the following proceedings were had, to wit:

CALL TO ORDER - ROLL CALL

Board Members Present

Ed Maduli, Chair
Tommy Nguyen (Alternate for Susan Fuller)
Jenina Salcedo
Colleen Martin
Dan Furtado
Jesse Takahashi
Tony Filice

Guest(s) Present

None

Staff Present

Sharif Etman
Shannon Brangan,
Recording Secretary

Board Members Absent

Susan Fuller

APPROVAL OF MINUTES

Motion: Upon motion of Member Martin, seconded by Member Furtado, the minutes of the Oversight Board meeting of February 25, 2015, were approved as submitted (6-0-1; Board Member Filice abstained).

AYES: Salcedo, Nguyen, Martin, Maduli, Furtado, and Takahashi

NOES: None

ABSENT: None

ABSTAIN: Filice

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS**Elect Vice-Chair for Oversight Board**

Chair Maduli asked if there were any volunteers or nominations for the position of Vice-Chair of the Board. Member Takahashi made a motion to select Member Salcedo as Vice-Chair. The vote was unanimous. (7-0)

Approve the ROPS 15-16B including the Administrative Budget

Chair Maduli asked if there were any questions or issues from the Board regarding the ROPS. There were none.

Member Takahashi explained that as noted in previous OB meetings, the Successor Agency had a negative cash balance issue that developed beginning with the 13-14B ROPS. Successor Agency staff worked with CAC staff since the last meeting and this issue has been resolved.

The County issued a Letter of No Objection and Chair Maduli asked if there were any questions.

Member Martin asked if there were any interested parties in the remnant parcel that remains. Member Takahashi said they have talked to the agent of the adjacent property and there continues to be no interest in the purchase of this property, thus, staff will continue to request this item remains on the ROPS until such time a sale occurs.

Chair Maduli asked if there were any further questions. There were none.

Chair Maduli asked for a motion to approve the ROPS.

Motion: Upon motion of Member Martin, seconded by Member Furtado, the Oversight Board adopted Resolution #2015-02 approving the Recognized Obligation Payment Schedule (ROPS 15-16B) and Administrative Budget for the period covering January 1, 2016, through June 30, 2016, as submitted (7-0):

AYES: Salcedo, Nguyen, Martin, Maduli, Furtado, Takahashi and Filice
NOES: None
ABSENT: None
ABSTAIN: None

ORAL REQUESTS

None

ADJOURNMENT

Chair Maduli adjourned the Oversight Board meeting at 2:12 p.m. to the next meeting on a date uncertain.

Respectfully submitted,
Shannon Brangan, Recording Secretary

OVERSIGHT BOARD RESOLUTION NO. 2016-1

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF CAMPBELL
SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE (ROPS 16-17) AND ADMINISTRATIVE BUDGET FOR THE PERIOD
COVERING JULY 1, 2016 THROUGH JUNE 30, 2017**

WHEREAS, Pursuant to Assembly Bill 1x26 known as the Redevelopment Dissolution Act, the Oversight Board is charged with reviewing and approving the periodic Recognized Obligation Payment Schedules (ROPS) and Administrative Budgets for their respective Successor Agencies; and

WHEREAS, the City of Campbell Successor Agency has prepared the ROPS for Fiscal Year 2016-2017 ("ROPS 16-17") on the ROPS Form as provided by the Department of Finance illustrating the obligations for the period of July 1, 2016 through June 30, 2017; and

WHEREAS, the Successor Agency is required to file the approved ROPS 16-17 with the State Department of Finance, County Auditor-Controller's by no later than February 1, 2016; and

WHEREAS, the Oversight Board is required to approve the ROPS 16-17 prior to the Successor Agency filing the document with the DOF.

NOW, THEREFORE, BE IT RESOLVED, that the Oversight Board hereby approves the ROPS 16-17 and Administrative Budget for the City of Campbell Successor Agency as attached to this resolution, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Statutes.

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements consistent with the Dissolution Statutes and necessary to memorialize and implement the agreements and obligations in ROPS 16-17 and the Administrative Budget as herein approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs City Manager, acting on behalf of the Successor Agency, to take all actions necessary under the Dissolution Statutes, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the ROPS 16-17 and the Administrative Budget, and to take any other actions necessary to ensure the validity of the ROPS 16-17 and the validity of any enforceable obligation listed thereon and the validity of the Administrative Budget and corresponding Administrative Cost Allowance. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to ROPS 16-17 as may be necessary to submit ROPS 16-17 in any modified form required by the DOF, and ROPS 16-17 as so modified shall thereupon constitute ROPS 16-17 as approved by the Oversight Board pursuant to this Resolution.

BE IT FURTHER RESOLVED that, the Oversight Board hereby authorizes and directs the City Manager, acting on behalf of the Successor Agency, to execute the documents and instruments as are appropriate, in consultation with the City Attorney, acting in the capacity of counsel to the Successor Agency, to effectuate and implement the terms of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

ADOPTED this February 1, 2016, by the Oversight Board for the City of Campbell Successor Agency by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ed Maduli, Chair

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

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

Successor Agency: Campbell
 County: Santa Clara

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):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,716,219	\$ 674,084	\$ 2,390,303
F Non-Administrative Costs	1,698,219	657,584	2,355,803
G Administrative Costs	18,000	16,500	34,500
H Current Period Enforceable Obligations (A+E):	\$ 1,716,219	\$ 674,084	\$ 2,390,303

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

Campbell Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 16-17 Total	16-17A					Q 16-17A Total	16-17B					W 16-17B Total										
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)						RPTTF						Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF				
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin					
1	2002 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/10/2002	10/1/2033	US Bank	Community Center Project	Central Campbell	\$ 14,768,076	N	\$ 700,206				\$ 455,268	\$ 18,000	\$ 1,716,219				\$ 657,584	\$ 16,500	\$ 674,084										
2	2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	5/25/2005	10/1/2033	US Bank	Bond Financing for Downtown Parking Structure	Central Campbell	17,031,436	N	\$ 675,282				414,094		\$ 414,094				261,188		\$ 261,188										
3	Third Amended Indebtedness Agreement	Bonds Issued On or Before 12/31/10	10/31/1997	10/1/2033	City of Campbell	1997&2002 COPS (Agency Share)	Central Campbell	8,537,655	N	\$ 660,714				509,256		\$ 509,256				151,458		\$ 151,458										
4	Debt Service Trustee Fees	Fees	10/30/1997	10/1/2033	US Bank	Administrative Fees for servicing debt	Central Campbell	170,240	N	\$ 10,000				10,000		\$ 10,000						\$ -										
5	Administrative Cost Allowance	Admin Costs	7/1/2016	6/30/2017	Successor Agency	Administrative Costs/legal counsel for Successor Agency	Central Campbell	34,500	N	\$ 34,500					18,000	\$ 18,000					16,500	\$ 16,500										
6	East Campbell Avenue Public Improvement Project (see Note 1)	Improvement/Infrastructure	7/10/2002	9/4/2014	City of Campbell	Payment for East Campbell Avenue public improvements consistent with 2002 TABS covenants	Central Campbell		N	\$ -						\$ -						\$ -										
7	Remnant Parcel Sale per LRPMP	Property Dispositions	7/1/2016	6/30/2017	TBD	Appraisal fee and closing costs on sale of property.	Central Campbell	15,000	N	\$ 15,000				15,000		\$ 15,000						\$ -										
8	Cash balance error correction	Miscellaneous	7/1/2016	6/30/2017	Successor Agency	ROPS 13-14B cash balance correction	Central Campbell	46,821	N	46,821				46,821		46,821																
9	Increase bond reserve requirement	Reserves	7/1/2016	6/30/2017	US Bank	Bond reserve requirement increase for 2002 & 2005 TABS	Central Campbell	247,780	N	\$ 247,780				247,780		\$ 247,780							\$ -									

**Campbell 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		
	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 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)				2,057,045		(28,741)	From prior ROPs	
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				22		1,353,630		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)						1,382,298		
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)								
5	ROPS 15-16A 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)	\$ -	\$ -	\$ -	\$ 2,057,067	\$ -	\$ (57,409)		
ROPS 15-16B Estimate (07/01/16 - 06/30/17)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 2,057,067	\$ -	\$ (57,409)		
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						715,265	Includes \$32,968 transferred back to SA from City for previously received admin reimbursement denied by CAC related to ROPS 14-15B PPA .	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						701,369		
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)				2,057,067				
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,513)	Approval of ROPs item #8 would bring ending balance back to \$0	

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

Item #	Notes/Comments
8	This item is the same item as last ROPS. DOF denied after meet and confer, however, they indicated this item could be resubmitted with additional documentation which SA staff is working to provide.
9	This new item is needed in order to comply with debt reserve requirements of the 2002 and 2005 tax allocation bond indentures. The reserve requirement will be increasing over future years due to the structuring of debt payments over the remaining years.

**Campbell Successor Agency
Proposed Administrative Budget
2016-17A (July to Dec 2016)**

	Est Staff Hours	Salary	Benefits	Est Cost	FTE
<u>Staff Costs:</u>					
City Manager	4	\$ 440	1.35	\$ 594	0.00
Exec Asst to CM	4	\$ 188	1.35	\$ 254	0.00
Finance Director	30	\$ 2,850	1.35	\$ 3,848	0.03
Finance Manager	20	\$ 1,440	1.35	\$ 1,944	0.02
Accountant	15	\$ 780	1.35	\$ 1,053	0.01
Accounting Clerk II	12	\$ 456	1.35	\$ 616	0.01
Exec Asst	12	\$ 504	1.35	\$ 680	0.01
I.T. Overhead				\$ 2,012	
Sub-total staff costs				\$ 11,000	
<u>Other costs:</u>					
Consultant				\$ 1,500	
Legal counsel				\$ 3,000	
Financial reporting/audit				\$ 2,500	
Sub-total other costs				\$ 7,000	
Total Budgeted Costs				\$ 18,000	
Requested administrative cost allowance				\$ 18,000	

**Campbell Successor Agency
Proposed Administrative Budget
2016-17B (Jan to June 2017)**

	Est Staff Hours	Salary	Benefits	Est Cost	FTE
<u>Staff Costs:</u>					
City Manager	4	\$ 440	1.35	\$ 594	0.00
Exec Asst to CM	4	\$ 188	1.35	\$ 254	0.00
Finance Director	30	\$ 2,850	1.35	\$ 3,848	0.03
Finance Manager	20	\$ 1,440	1.35	\$ 1,944	0.02
Accountant	15	\$ 780	1.35	\$ 1,053	0.01
Accounting Clerk II	12	\$ 456	1.35	\$ 616	0.01
Exec Asst	12	\$ 504	1.35	\$ 680	0.01
I.T. Overhead				\$ 2,012	
Sub-total staff costs				\$ 11,000	
<u>Other costs:</u>					
Consultant				\$ 1,500	
Legal counsel				\$ 3,000	
Financial reporting/audit				\$ 1,000	
Sub-total other costs				\$ 5,500	
Total Budgeted Costs				\$ 16,500	
Requested administrative cost allowance				\$ 16,500	



December 17, 2015

Mr. Jesse Takahashi, Finance Director
City of Campbell
70 North First Street
Campbell, CA 95008

Dear Mr. Takahashi:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated October 22, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Campbell Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on September 10, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on October 22, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 10, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed.

- Item No. 8 – Cash Balance Error Correction in the amount of \$46,821 is not an enforceable obligation as defined by HSC section 34171 (d). Finance continues to deny this item. The Agency claimed Finance previously reclassified funds incorrectly, as these funds were actually Bond Proceeds needed to fund approved expenditures. Finance initially denied this item as insufficient documentation was provided to support the amounts claimed.

During the Meet and Confer process, the Agency contended that due to a reporting error on the January through June 2014 (ROPS 13-14B) cash balance form, Finance reclassified \$46,821 of Item No. 5 to Reserve funds that were actually Bond Proceeds. Based on the accounting records provided, it appears that \$94,186 in Bond Proceeds were not accounted for on the ROPS 13-14B cash balance form. Also on ROPS 13-14B, Finance approved \$94,186 to be expended from Bond Proceeds. Based on the prior period adjustment form submitted and the accounting records provided during January through June 2015 ROPS (ROPS 14-15B), the Agency reported and recorded a capital transfer out of \$94,186 related to the Bond Proceeds. As a result, a shortfall would have occurred on Item No. 5 since \$46,821 of Reserve funds was not available.

To the extent the Agency can provide accounting records to support that \$46,821 for Item No. 5 was expended and that such costs were paid by the City of Campbell (City) and not the Agency, the Agency may be able to obtain funding from the Redevelopment Property Tax Trust Fund (RPTTF) on a future ROPS to reimburse the City for funding the cash shortfall. The Agency must take the required actions pursuant to HSC section 34173 (h) for Finance to consider the request for funding on the ROPS.

In addition, per Finance's letter dated October 22, 2015, we continue to make the following determination not contested by the Agency during the Meet and Confer:

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the CAC. The amount of RPTTF approved in the table on the next page includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for the item denied in whole, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$682,297 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	735,609
Total RPTTF requested for administrative obligations	12,581
Total RPTTF requested for obligations on ROPS 15-16B	\$ 748,190
Total RPTTF requested for non-administrative obligations	735,609
<u>Denied Item</u>	
Item No. 8	(46,821)
Total RPTTF authorized for non-administrative obligations	\$ 688,788
Total RPTTF requested for administrative obligations	12,581
Total RPTTF authorized for administrative obligations	\$ 12,581
Total RPTTF authorized for obligations	\$ 701,369
ROPS 14-15B prior period adjustment	(19,072)
Total RPTTF approved for distribution	\$ 682,297

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (j). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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 Agency in the RPTTF.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Shannon Brangan, Executive Assistant, City of Campbell
Ms. Emily Harrison, Finance Agency Director, Santa Clara County

County of Santa Clara

Finance Agency
Controller-Treasurer

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5206 FAX 287-7629



NOTICE OF NO OBJECTION TO ROPS

January 28, 2016

City of Campbell Successor Agency
70 North 1st Street
Campbell, CA 95008

City of Campbell Successor Agency
70 North 1st Street
Campbell, CA 95008

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: **ROPS 16-17 (July 1, 2016 – June 30, 2017)**

Successor Agency: **City of Campbell**

To the Successor Agency, Oversight Board, and Department of Finance:

Pursuant to Health and Safety Code section 34182.5, our office has reviewed the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. After reviewing all items and funding sources, the Santa Clara County Auditor-Controller does not object to any items or funding sources on the submitted ROPS.

Please note that items and/or funding sources not questioned during this review are subject to subsequent review if they are included on a future ROPS. We also reserve the right to object to an item and/or funding source (including, but not limited to, the use of fund balance) on a future ROPS, even if no objection was made on a preceding ROPS.

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Successor Agency: City of Campbell
Notice of No Objection to ROPS
January 28, 2016

Additionally, pursuant to Health and Safety Code section 34186(a), the County Auditor-Controller may review the prior period payments and the prior period estimated versus actual payments reported on the ROPS. Per Health and Safety Code section 34186(c) these reviews will commence on October 1, 2018, and occur each October 1 thereafter and are not included in this letter. In addition, my office is continuing its review of the cash balances reported by the successor agency on the ROPS. The results of this review will be transmitted to the Department of Finance as soon as possible.

Sincerely yours,



Alan Minato
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 16-17 as submitted to the County Auditor-Controller by Successor Agency

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

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

Successor Agency: Campbell
County: Santa Clara

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):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,716,219	\$ 674,084	\$ 2,390,303
F Non-Administrative Costs	1,698,219	657,584	2,355,803
G Administrative Costs	18,000	16,500	34,500
H Current Period Enforceable Obligations (A+E):	\$ 1,716,219	\$ 674,084	\$ 2,390,303

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

Campbell Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
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 16-17 Total	16-17A					16-17A Total	16-17B					16-17B Total
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
								\$ 40,851,508		\$ 2,390,303	\$ -	\$ -	\$ -	\$ 1,698,219	\$ 18,000	\$ 1,716,219	\$ -	\$ -	\$ -	\$ 657,584	\$ 16,500	\$ 674,084
1	2002 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/10/2002	10/1/2033	US Bank	Community Center Project	Central Campbell	14,768,076	N	\$ 700,206				455,268		\$ 455,268				244,938		\$ 244,938
2	2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	5/25/2005	10/1/2033	US Bank	Bond Financing for Downtown Parking Structure	Central Campbell	17,031,436	N	\$ 675,282				414,094		\$ 414,094				261,188		\$ 261,188
3	Third Amended Indebtedness Agreement	Bonds Issued On or Before 12/31/10	10/31/1997	10/1/2033	City of Campbell	1997&2002 COPS (Agency Share)	Central Campbell	8,537,655	N	\$ 660,714				509,256		\$ 509,256				151,458		\$ 151,458
4	Debt Service Trustee Fees	Fees	10/30/1997	10/1/2033	US Bank	Administrative Fees for servicing debt	Central Campbell	170,240	N	\$ 10,000				10,000		\$ 10,000						\$ -
5	Administrative Cost Allowance	Admin Costs	7/1/2016	6/30/2017	Successor Agency	Administrative Costs/legal counsel for Successor Agency	Central Campbell	34,500	N	\$ 34,500					18,000	\$ 18,000					16,500	\$ 16,500
6	East Campbell Avenue Public Improvement Project (see Note 1)	Improvement/Infrastructure	7/10/2002	9/4/2014	City of Campbell	Payment for East Campbell Avenue public improvements consistent with 2002 TABS covenants	Central Campbell		N	\$ -						\$ -						\$ -
7	Remnant Parcel Sale per LRPMP	Property Dispositions	7/1/2016	6/30/2017	TBD	Appraisal fee and closing costs on sale of property.	Central Campbell	15,000	N	\$ 15,000				15,000		\$ 15,000						\$ -
8	Cash balance error correction	Miscellaneous	7/1/2016	6/30/2017	Successor Agency	ROPS 13-14B cash balance correction	Central Campbell	46,821	N	46,821				46,821		46,821						
9	Increase bond reserve requirement	Reserves	7/1/2016	6/30/2017	US Bank	Bond reserve requirement increase for 2002 & 2005 TABS	Central Campbell	247,780	N	\$ 247,780				247,780		\$ 247,780						\$ -

**Campbell 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		
	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 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)				2,057,045		(28,741)	From prior ROPs	
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				22		1,353,630		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)						1,382,298		
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)								
5	ROPS 15-16A 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)	\$ -	\$ -	\$ -	\$ 2,057,067	\$ -	\$ (57,409)		
ROPS 15-16B Estimate (07/01/16 - 06/30/17)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 2,057,067	\$ -	\$ (57,409)		
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						715,265	Includes \$32,968 transferred back to SA from City for previously received admin reimbursement denied by CAC related to ROPS 14-15B PPA .	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						701,369		
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)				2,057,067				
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,513)	Approval of ROPs item #8 would bring ending balance back to \$0	

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

Item #	Notes/Comments
8	This item is the same item as last ROPS. DOF denied after meet and confer, however, they indicated this item could be resubmitted with additional documentation which SA staff is working to provide.
9	This new item is needed in order to comply with debt reserve requirements of the 2002 and 2005 tax allocation bond indentures. The reserve requirement will be increasing over future years due to the structuring of debt payments over the remaining years.