

**CITY OF FILLMORE REDEVELOPMENT AGENCY  
TUESDAY, MARCH 9, 2010**

**REGULAR MEETING  
CITY COUNCIL CHAMBERS  
6:30 P.M.**

**FILLMORE CITY HALL  
CENTRAL PARK PLAZA  
250 CENTRAL AVENUE  
FILLMORE, CALIFORNIA 93015-1907**

**AGENDA**

**IF YOU WISH TO SPEAK:** Oral Communications is the time for citizen presentations or comments on items **not on the agenda**, but within the responsibility of the City Council. Please complete an Audience Participation Form prior to the beginning of oral communications and hand it to the clerk if you wish to speak. Please stay within the time limit indicated by the Mayor. If you wish to speak on an item **on this agenda**, please fill out an Audience Participation Form and hand it to the clerk prior to that item.

**AUDIBLE DEVICES:** Please ensure all audible devices (pagers, telephones, etc.) are off or otherwise not audible when the Council is in session. Thank you.

**AGENDA TIMES:** Please note the time listed for each agenda item is the **suggested/estimated time for that item to begin**. Items may be heard earlier or later than the listed time. The estimation includes providing an occasional 10-minute break. No new business will be considered by the City Council **after 11:30 p.m.** unless a majority of the Council determines to continue.

**MEMORANDUMS:** Memorandums relating to agenda items are on file in the City Clerk's Office. If you have questions regarding the agenda you may call City Hall at (805) 524-3701 or come to City Hall for information. Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at City Hall during normal business hours. Such documents are also available on the City of Fillmore's website at [www.fillmoreca.com](http://www.fillmoreca.com) subject to staff's ability to post the documents before the meeting.

**City Council and Redevelopment Agency Agendas are posted on the Web at: [www.fillmoreca.com/cityhall/agendas](http://www.fillmoreca.com/cityhall/agendas)**

**PLEASE NOTE THAT THE CITY COUNCIL IS A SEPARATE AGENDA DOCUMENT; PLEASE REFERENCE THE CITY COUNCIL AGENDA FOR CITY COUNCIL PUBLIC HEARINGS AND BUSINESS ITEMS**

<b><u>ITEM</u></b>	<b><u>REFERENCE</u></b>
<b>1. CALL TO ORDER &amp; PLEDGE OF ALLEGIANCE</b>	<b>Oral</b>
<b>2. ORAL COMMUNICATIONS</b>	
<b>3. REDEVELOPMENT AGENCY CONSENT CALENDAR</b>	
3A. Minutes of February 23, 2010 Regular Meeting.	<b>Copy</b>
<b>4. REDEVELOPMENT AGENCY PUBLIC HEARINGS – None.</b>	
<b>5. JOINT CITY COUNCIL/REDEVELOPMENT AGENCY PUBLIC HEARINGS – None.</b>	
<b>6. JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BUSINESS ITEMS – None.</b>	

**7. REDEVELOPMENT AGENCY BUSINESS ITEMS****Transitional Finance Director**

7A. Direct the Executive Director to follow the process to redeem the \$8,565,000 in 2006 Subordinate Lien Tax Allocation Bond Anticipation Notes (BANS); and to Adopt Agency Resolution 10-245.

**Memo****8. REDEVELOPMENT AGENCY CLOSED SESSION – None.**

**9. ADJOURNMENT** – City of Fillmore Redevelopment Agency adjourns to a regular meeting set for Tuesday, March 23, 2010 at 6:30 p.m. at Fillmore City Hall, 250 Central Avenue, Fillmore, California.

PLEASE NOTE: If you challenge the actions of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in the public notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. (Calif. Gov't Code §65009).

Any legal action by an applicant seeking to obtain a judicial review of the City Council's decision on a Hearing listed on this Agenda may be subject to the 90-day filing period of, and governed by, Code of Civil Procedure Section 1094.6

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (805) 524-3701. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

**City Council/Redevelopment Agency Replay Schedule:** City Council/Redevelopment Agency meetings will re-broadcast daily at 6 p.m.

FILLMORE REDEVELOPMENT AGENCY MEETING  
250 CENTRAL AVENUE  
FILLMORE, CA 93015

FEBRUARY 23, 2010  
6:30 P.M.  
REGULAR MEETING

**1. CALL TO ORDER**

Chairperson Walker called the Fillmore Redevelopment Agency regular meeting to order at 6:30 pm. Agency Members present: Chairperson, Patti Walker; Agency Member, Gayle Washburn; Agency Member, Jamey Brooks; and Agency Member Steve Conaway. Agency Members absent: Agency Member, Laurie J. Hernandez.

City Staff present: City Manager/Executive Director, Yvonne Quiring; City Attorney, Ted Schneider; Public Works Director, Bert Rapp; Community Development Director, Kevin McSweeney; Transitional Finance Director, Anita Lawrence; Sheriff's Captain, Tim Hagel; Fire Chief, Rigo Landeros; City Clerk Clay Westling; and Provisional Administrative Specialist, Ky Spangler.

**2. ORAL COMMUNICATIONS – NONE.**

**3. REDEVELOPMENT AGENCY CONSENT CALENDAR**

**3A.**

Motion to approve consent calendar:

Motion: Washburn Second: Conaway; MOTION PASSES by the following voice vote to adopt the City Council consent calendar, consisting of the following items:

3A. Minutes of December 14, 2009 Joint Parks & Recreation Meeting.

3B. Minutes of January 12, 2010 Regular Meeting.

3C. Minutes of January 26, 2010 Regular Meeting.

AYE: Brooks, Conaway Hernandez (Abstain 3B & 3C), Walker (Abstain 3B) Washburn, (Abstain 3A). NO: None; ABSENT: None. ABSTAIN: Hernandez 3B & 3C; Washburn 3A; Walker 3B.

**4. REDEVELOPMENT AGENCY PUBLIC HEARINGS – NONE.**

**5. JOINT CITY COUNCIL/REDEVELOPMENT AGENCY PUBLIC HEARINGS – NONE.**

**6. JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BUSINESS ITEMS – NONE.**

**7. REDEVELOPMENT AGENCY BUSINESS ITEMS**

**7A. PRESENTATION  
OF THE FY 09-10 MID-  
YEAR  
REDEVELOPMENT  
AGENCY BUDGET  
AND APPROVAL OF  
REDEVELOPMENT  
AGENCY  
RESOLUTION 10-244.**

Anita Lawrence presents the staff report.

The mid-year revisions are complete and many participated in the preparation of the report including the previous Finance Director and John Wooner. On August 25 you approved your budget and this is an opportunity to make formal changes.

For the Fillmore RDA, there are two major adjustments have to do with the impacts of AB 26 and the second is a transfer from fund 905 to 902 to cover certain projects. Fund 905 is Debt Service fund and 902 Center City Project fund.

AB 26 was adopted by state and takes away \$1.7 billion in property tax from redevelopment agencies to give to K-12 schools to cover Prop 98 obligations. Calculated on a prorata basis. We have a March 1 is the deadline to report to Ventura County Auditor Controller on how we will make this payment. One identified source is RDA housing set aside funds. There has been a lawsuit filed against the State which has resulted in a class action that includes all Redevelopment Agencies in California.

Ventura County's share of the \$1.7 billion is \$30 million and Fillmore's share is \$2.3 million because is it a large agency and has been around for a long time.

Housing funds is only one way to make this payment. The payment is due May 10<sup>th</sup> and we will look at other options if appropriate. There will be more information be coming forth on the status of the lawsuit.

The CRA recommended that the letter to the County includes certain language which is included in your packet. That is the recommended letter to be sent by March 1.

The second item that is an impact to the RDA budget is a transfer of \$1.71 million from Fund 905 to Fund 902 to cover certain projects and costs. Fund 902 already shows a budgeted negative fund balance and needs to be corrected by making this transfer. The previous Finance Director was consulted on how to handle this transfer.

Fund 902 supports many different projects throughout the city.

Once these adjustments are approved by the board, we have a budget that has a beginning available balance of \$20.5 million, recommended revenue coming in of \$8.1 million, recommended expenditures of \$16.4 million and estimated ending balance of \$12.4 million.

Sometimes it seems like why are we taking out more that we are bringing in, but that is the nature of redevelopment agencies – their designed to spend money on projects and that is what most of this is about.

The recommended action is that the Board adopt resolution 10-244 and authorize the Executive Director to make the recommended budget adjustments, and send a letter to the Ventura County Auditor Controller reporting the source of the SERAF payment.

Chairperson Walker calls for questions.

**ACTION:**

Motion to adopt Resolution 10-244 amending the 2009-10 budget and authorize the Executive Director or designee to make the recommended budget adjustments and authorize the Executive Director or designee to send a letter to the County of Ventura Auditor/Controller reporting the source of the SERAF payment.

Motion: Hernandez; Second: Conway.

AYE: Brooks, Conaway Hernandez, Walker, Washburn. NO: None. ABSENT: None. ABSTAIN: None.

**8. REDEVELOPMENT AGENCY CLOSED SESSION – NONE.**

**9. ADJOURNMENT**

**ADJOURN**

Chairperson Walker adjourned the Fillmore Redevelopment Agency to the next a regular City Council meeting set for Tuesday, March 9, 2010, 6:30 p.m. at City Hall, 250 Central Avenue, Fillmore, California.

---

Prepared By: KY SPANGLER, Provisional Administrative Specialist

---

Approved By: CLAY WESTLING, Secretary

THIS PAGE LEFT INTENTIONALLY BLANK




**CITY OF FILLMORE**  
CENTRAL PARK PLAZA  
250 Central Avenue  
Fillmore, California 93015-1907  
(805) 524-3701 • FAX (805) 524-5707

AGENDA ITEM # 7A

March 9, 2010

TO: Chairperson and Board Members- Fillmore Redevelopment Agency

THROUGH: Executive Director 

FROM: Anita Lawrence – Transitional Finance Director

SUBJECT: Direct the Executive Director to follow the process to redeem the \$8,565,000 in 2006 Subordinate Lien Tax Allocation Bond Anticipation Notes (BANS); and to Adopt Agency Resolution 10-245.

**RECOMMENDATION:**

It is recommended that the Board take the following action;

1. Direct the Executive Director to notify the Trustee by March 15, 2010 of the Agency's intention to redeem \$8,565,000 of the BANS on May 1, 2010.
2. Direct the Executive Director to take the necessary steps to redeem \$8,565,000 of the BANS on May 1, 2010.
3. Authorize the following budget amendments through adoption of Agency Resolution #10-245:
  - a. Transfer of \$8,590,079 from Fund 903 (2006A BANS) to Fund 905 (Debt Service)
  - b. Appropriate \$8,585,000 in Fund 905 to redeem the BANS
  - c. Appropriate \$222,075 in Fund 905 to pay interest through May 1, 2010.

**SUMMARY:**

On December 28, 2006 the Fillmore Redevelopment Agency sold \$9,450,000 in subordinate lien tax allocation bond anticipation notes ("BANS"). BANS are short term notes sold in expectation that long term bonds will be sold to refinance the notes. There are insufficient tax increment funds generated from the Central City Redevelopment Project Area to pay current year debt service and, absent a substantial increase in assessed valuation in the Central City Redevelopment Project Area, it will not be possible to refinance the BANS in 2013 as planned and the Agency will have limited means to repay debt service until that date. The Agency has currently has \$8,590,079 in unspent proceeds and this, together with \$222,102 in bond reserve funds held by the Trustee, is sufficient to pay the interest due and to redeem \$8,565,000 of the BANS on May 1, 2010. The BANS can be redeemed without paying a premium on this date provided the Bond Trustee is given notice by March 15<sup>th</sup>, 2010. Agency staff recommends the Agency Board authorize the redemption of the BANS.

**BACKGROUND:**

On December 28, 2006 the Fillmore Redevelopment Agency sold \$9,450,000 in subordinate lien tax allocation bond anticipation notes ("BANS"). BANS are short term notes sold in expectation that long-term bonds will be sold to refinance the notes. Generally BANS are sold since existing revenues available for debt service are not sufficient to support a long term bond sale. The BANS have a maturity date of May 1, 2013, when the entire \$9,450,000 was planned to be refinanced. The interest rate is 4.7 percent. The BANS are subordinate to the Fillmore Public Financing Authority's \$13,225,000 in 2005 Series A Revenue Bonds and subordinate to the Redevelopment Agency's \$38,970,000 in 2006 Series A Subordinate Lien Tax Allocation Bonds which are themselves subordinate to the 2005 Series A Revenue Bonds.

The prospect of refinancing or rolling over the BANS on May 1, 2013 is unlikely absent a substantial increase in assessed valuation (AV). The anticipated AV growth rate indicated when the bonds were issued was six percent per year which has not occurred. Based on the most recent tax-increment analysis, an AV increase of over \$200 Million or 30 percent would be required in the Central City Project Area to accomplish the refinancing in 2013. Even with such an increase in AV, any refinancing is complicated by the double subordinate nature of the BANS and the escalating 2006 Series A debt service. The Series 2006 A Bond debt service increases every year. Current year debt service is \$2,266,046. The debt service escalates annually an average amount of about \$85,000 to a maximum amount of \$4,056,937 in 2031. Refinancing of the BANS would have to take this into account and it is unlikely a bond rating could be obtained. In the past, the Agency has not undergone the process to rate its bonds.

The BANS need to be redeemed since the Central City Project Area is overleveraged and the 2010/11 assessed valuation may experience another decline. Additionally, at the time the BANS were sold, a reasonable expectation was required that the proceeds of the BANS would be spent within three years. This is required under Federal Tax Law. It is staff's understanding that the bonds were issued to add to the funding for the construction of the wastewater treatment plant, however, the project was completed without the need to use the funds.

The Agency has \$8,590,079 in unspent proceeds on hand and this is sufficient to redeem \$8,565,000 of the BANS on May 1, 2010. The proceeds of the BANS included \$966,026 in borrowed interest which was used to pay the BANS interest payments through May 1, 2009. The BANS can be redeemed without paying a premium on this date provided the Bond Trustee is given notice by March 15<sup>th</sup>, 2010. For each day they are not redeemed it costs the Agency almost \$1,000. Agency staff recommends the Agency Board authorize the redemption of the BANS. The remaining \$885,000 in BANS must be repaid from tax increment received prior to the May 1, 2013 due date or refinanced at that time.

Attached to this staff report is a Bond Redemption Analysis.

**ISSUE**

Shall the Agency Board authorize the Executive Director to make a request of the Trustee to redeem \$8,565,000 in BANS on May 1, 2010?

Redemption of 2006 BANS

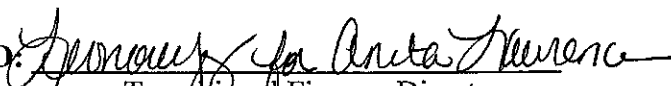
March 9, 2010

Page 3

**FISCAL IMPACT**

Redeeming \$8,565,000 in BANS will significantly reduce the May 1, 2013 refinancing risk and reduce annual debt service from \$444,150 to \$41,595 until that date. The remaining BANS subject to refunding and repayment on May 1, 2013 will be \$885,000. The Agency will reduce its bond proceeds available for projects by \$8,590,079.

REVIEWED:

  
Transitional Finance Director

Attachment 1: BANS call analysis

Attachment 2: Resolution 10-245

**Fillmore Redevelopment Agency  
2006 Subordinate Lien Tax Allocation Bonds  
Bond Redemption Analysis**

**Redemption Date** 5/1/2010

Interest Rate 4.70%

<u>Date</u>	<u>Funds on Hand</u>	<u>Bond Reserve</u>	<u>Interest Due 5/1</u>	<u>Remaining</u>	<u>BANS Outstanding</u>	<u>Call Premium</u>	<u>Principal Redemption</u>	<u>Six Month Interest Reserve Requirement</u>	<u>Remaining Balance</u>
5/1/2010	\$ 8,590,079.00	\$ 222,102.00	\$ 222,075.00	\$ 8,590,106.00	\$ 9,450,000.00	\$ -	\$ 8,565,000.00	\$ 20,797.50	\$ 4,308.50
5/2/2010					\$ 885,000.00			\$ 20,797.50	\$ 4,308.50

**Required Actions**

1. Letter to Union Bank as Trustee noting intention to redeem bonds May 1, 2010 by March 15, 2010
2. Bond redemption notice to be mailed by trustee not later than April 1, 2010.

**Remaining Debt Service**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11/1/2010	\$	20,797.50	\$ 20,797.50
5/1/2011	\$	20,797.50	\$ 20,797.50
11/1/2011	\$	20,797.50	\$ 20,797.50
5/1/2012	\$	20,797.50	\$ 20,797.50
11/1/2012	\$	20,797.50	\$ 20,797.50
5/1/2013	\$ 885,000.00	\$ 20,797.50	\$ 905,797.50

1  
2  
3  
4  
5  
6  
7  
8

**FILLMORE REDEVELOPMENT AGENCY  
RESOLUTION NO. 10-245**

9  
10  
11  
12  
13  
14  
15  
16  
17

**RESOLUTION ADOPTING BUDGET AMENDMENTS FOR THE  
REDEMPTION OF 2006 SUBORDINATE LIEN  
TAX ALLOCATION ANTICIPATION NOTES**

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

WHEREAS, on December 28, 2006 the Fillmore Redevelopment Agency sold \$9,450,000 in subordinate lien tax allocation bond anticipation notes (BANS); and,

WHEREAS, on May 1, 2010 the BANS can be redeemed without paying a premium; and,

WHEREAS, Fillmore Redevelopment Agency has authorized the Executive Director to make a request to the Trustee to redeem \$8,565,000 in BANS on May 1, 2010,

**NOW THEREFORE, BE IT RESOLVED** by the **FILLMORE REDEVELOPMENT AGENCY**, that the Agency authorizes the following budget amendments to the Agency budget:

1. Transfer of \$8,590,079 from Fund 903 (2006A BANS) to Fund 905 (Debt Service)
2. Appropriate \$8,585,000 in Fund 905 to redeem the BANS
3. Appropriate \$222,075 in Fund 905 to pay interest through May 1, 2010.

**PASSED and ADOPTED** this 9th day of March, 2010.

\_\_\_\_\_  
PATTI WALKER, Chairman

ATTEST:

\_\_\_\_\_  
CLAY WESTLING, Secretary

THIS PAGE LEFT INTENTIONALLY BLANK