



## Town Council Agenda Report

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Date: December 10, 2019 Item No. 16

To: Honorable Mayor and Town Council

Subject: INTERFUND LOAN – GENERAL FUND TO REDEVELOPMENT  
OBLIGATION RETIREMENT FUND

From: Douglas Robertson, Town Manager

Submitted by: Sydnie Harris, Director of Finance  
Finance Department

Budgeted Item:  Yes  No  N/A

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### RECOMMENDED ACTION

Adopt an interfund loan agreement between the General Fund and the Redevelopment Obligation Retirement Fund in a total amount of \$21,815.36 to support the reclassification of a 17-18 over expenditure to future Recognized Obligation Payment Schedule (ROPS) for reimbursement.

### BACKGROUND

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. For the 17-18 ROPS, adopted with resolution no. 2017-02, the Successor Agency approved an administrative allocation of \$250,000, the minimum annual administrative allocation described in HSC Section 34171(b). During the course of this ROPS period, an over expenditure occurred that was fully supported by the General Fund.

### ANALYSIS

The annual administrative budget for the ROPS is expended through labor costs in support of maintaining the debt service for the former Redevelopment Agency now known as the Redevelopment Obligation Retirement Fund (RORF). At the close of the 17-18 annual ROPS period, it was identified through the audit of ROPS expenditures that the total expenditures were \$271,815.36 resulting in an overage of \$21,815.36 for the annual administrative budget.

## **FISCAL IMPACT**

The over expenditure was supported by the General Fund during the normal course of the expense process.

## **CONCLUSION**

Approval from the Apple Valley Successor Agency will allow for the over expenditure to be applied to future ROPS periods and allow for the reimbursement to the General Fund.