



Date: January 27, 2020

To: Countywide Oversight Board

From: City of Brentwood Successor Agency

Subject: Resolution of the Countywide Oversight Board to the Successor Agencies of the Redevelopment Agencies within Contra Costa County ("Countywide Oversight Board") adopting the Brentwood Successor Agency Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2020 – June 2021, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

RECOMMENDATION

Adopt a Resolution approving the Brentwood Successor Agency ("Successor Agency") Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for July 2020 – June 2021, and authorizing the City of Brentwood Director of Finance and Information Systems to make minor adjustments thereto as necessary to secure approval of the ROPS and/or the Administrative Budget by the State Department of Finance.

BACKGROUND

By law, a successor agency is required to prepare a forward looking ROPS which reports one year of successor agency financial obligations, commonly referred to as "Enforceable Obligations". A successor agency may expend funds only for items on an approved ROPS. The ROPS presented for consideration covers the July 2020 – June 2021 time period.

Should the ROPS be approved by the Countywide Oversight Board, it will then be remitted to the State Department of Finance ("DOF") for their review. In the event of a dispute between the Successor Agency and the DOF regarding a line item on the ROPS the Successor Agency may request an additional review by the DOF, and has the opportunity to meet and confer on disputed items.

The Successor Agency is reporting excess funds at June 30, 2018 on the Cash Balance page of \$165,879 relating to \$164,346 of unspent investment earnings received and \$1,533 of unspent Redevelopment Property Tax Trust Funds (RPTTF) remaining. The RPTTF unspent funds were allocated for investment and trustee fees which came in slightly under projections. These remaining balances will serve to reduce the Successor Agency's future RPTTF allocations, as the DOF requires remaining funds to be spent prior to future RPTTF allocations.

The ROPS Detail Page includes a total of \$2,695,026 of enforceable obligations for the July 2020 – June 2021 time frame. Of the obligations listed, a total of \$2,472,040 is necessary to meet debt service payment obligations; \$1,600 is for investment/trustee related expenses; and \$221,386 is for the Successor Agency's annual administrative cost allowance. These expenses have all been consistently approved by the DOF on prior ROPS. In the future there will be a reconciliation of the RPTTF allocation that the Successor Agency receives for ROPS 20-21 against expenses which actually occur. Funds received for expenses listed on the ROPS which do not actually occur will be deducted from future RPTTF allocations. In this way, the Successor Agency is only provided sufficient funds to meet actual, rather than projected, expenses.

As mentioned above, the ROPS contains the administrative budget for the Successor Agency. The Successor Agency's "administrative cost allowance", is defined and authorized pursuant to H&S Code Section 34171(b) and, although H&S Code Section 34177(j)(1) authorizes the Successor Agency to request \$250,000 in administrative costs, the Successor Agency analyzed the administrative functions performed and determined that a reduced amount was appropriate. The total estimated Successor Agency administrative costs for the 2020/21 fiscal year are expected to be \$221,386 and is being submitted as the administrative cost allowance on the ROPS 20-21. This budget, in accord with H&S Code Section 34177(j)(2), proposes the source of payment for the administrative costs as the RPTTF established and maintained by the County Auditor-Controller pursuant to H&S Code Section 34170.5(b).

Attachments

Resolution

Exhibit "A" – Recognized Obligation Payment Schedule July 2020 - June 2021

Exhibit "B" – Administrative Budget

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