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Successor Agency

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Staff Report

ITEM NO. 6

To: Successor Agency Board
From: Judy Holwell, Project Manager
Date: August 2, 2012
**Subject: Approval of the Recognized Obligation Payment Schedule
for the period January – June 2013 (ROPS III)**

Discussion

As required by AB 1484, a Budget Trailer Bill recently passed by the legislature and signed into law by Governor Brown on June 27, 2012, the Successor Agency, after Oversight Board approval, is required to submit a Recognized Obligation Payment Schedule for the period January through June 2013 (ROPS III) by September 1, 2012. The new law, which purported to clarify the ambiguous language found in AB X1 26, actually imposes additional regulations on local government and allows little time to meet such new obligations. One such regulation is the submittal of the ROPS III. If the Successor Agency fails to submit the ROPS III to the California Department of Finance (DOF) by the deadline, the City (the entity that created the redevelopment agency) will be subject to a penalty of \$10,000 per day.

Attached for your reviewed and approval is a partial draft of the Lemoore Successor Agency's ROPS III. The DOF requires ROPS III to be submitted on the new format, which was available to successor agencies on August 2, 2012. The attached schedule includes all obligations known for the first six months of 2013 and also includes all items that were denied by the DOF from prior ROPS submittals that the Successor Agency Board directed staff to challenge. As you can see, all items on the schedule are ones you are familiar with, with the exception of the payment to Sampson, Sampson & Patterson, LLP in the amount of \$10,000 for a Due Diligence Review. This item is also added as a new requirement of AB 1484.

The new ROPS III reporting form also requires a report of prior period estimated obligations versus actual payments for the period January through June 2012, even though redevelopment was not dissolved until February 1, 2012. This new additional reporting will take some time to prepare. However, staff anticipates having it available for your review at or before Tuesday evening's City Council Meeting.

Staff recommends that the Successor Agency Board direct staff to present ROPS III to the Oversight Board as presented or amended for approval at its next meeting, which is scheduled for August 23, 2012.

Budget Impact

Successor Agency expenditures for the period January-June 2013 total \$27,562,028 as shown on ROPS III.

Recommendation

That the Successor Agency Board direct staff to present the Recognized Obligation Payment Schedule for the period January to June 2013 (ROPS III) to the Oversight Board for approval as presented or amended and submit it to the Department of Finance by the deadline. (Since September 1st falls on a Saturday and Monday, September 3rd is Labor Day, the deadline as stated by DOF is September 4th.)