

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: November 15, 2022
Re: Item #7: Discuss options regarding internal loan between PMP and Shopping Center Funds

Background

In 2018 the City purchased the shopping center at 2719 Lexington Avenue. To accomplish this purchase, \$1.5 million of funds were loaned from the Pavement Management (PMP) fund and a receivable was recorded. The sale of the former fire station on Fairview was seen as a way to repay this loan, hence the interfund loan receivable and payable were recorded. The former fire station was sold and \$1,233,171.30 was received on February 28, 2022 and the internal loan has been reduced to a remaining balance of \$266,828.70.

At the May 10th Finance Commission meeting staff presented some alternatives for addressing the remaining interfund loan balance. The Commission discussed and decided to have it brought back to a later meeting.

Staff had identified some alternatives to address this remaining interfund loan balance:

- Transfer funds from the Excess Cash Reserve fund to the PMP fund
- Transfer funds from the General Fund to the PMP fund
- Do nothing until the PMP fund needs the cash

The Finance Commission can discuss the options and determine if any of the options should be considered at this time.

Staff Recommendation

Discuss alternatives for addressing the remaining interfund loan balance. Staff would recommend either using the Excess Cash Reserve fund or the General Fund reserves to repay the PMP fund. Staff is also willing to leave the receivable sit in the PMP fund until the fund needs the cash.

Requested Commission Action

Discuss alternatives and determine if there is strong support for recommendation to the City Council.

Prepared by: Michelle Pietrick, Finance Director
Attachments: none