



April 20, 2012

Bryan Briggs, Redevelopment and Economic Development Manager  
City of Ceres  
2720 Second Street  
Ceres, CA 95307-3292

Dear Mr. Briggs:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Ceres (City), Successor Agency to the Stanislaus-Ceres Redevelopment Commission, submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 10, 2012 for the period of January through June 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, the following do not qualify as Enforceable Obligations (EO):

Administrative expenses totaling \$114,705 for the January through June 2012 period. The HSC section 34171 (b) limits administrative expenses for fiscal year 2011-12 to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. The City is allowed \$250,000 for administration costs. Therefore, \$114,705 of the claimed \$364,705 in administrative expenses is not an EO. Item Nos. 2 - 6 and 9 are considered administrative expenses.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct any inquiries to Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Lauren Klein, Auditor-Controller, Stanislaus County Auditor-Controller Office