



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 26, 2012

Jessica Hurst, Manager
City of Colton
650 N. La Cadena Drive
Colton, CA 92324

Dear Ms. Hurst:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Colton (City) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012. Finance contacted you for clarification of items listed in the ROPS.

The ROPS submitted to Finance is incomplete, and therefore, not approved for making obligation payments. The HSC section 34167 (i) states "the Department of Finance ... shall... have the authority to require any documents associated with the enforceable obligation to be provided to them in a manner of their choosing." Finance requires the City to revise the ROPS to (a) incorporate January obligations, and (b) Identify the funding source for each obligation.

Please use the template on the Finance website at http://www.dof.ca.gov/assembly_bills_26-27/view.php to prepare and submit a revised ROPS for Finance's review.

In addition to the above, Finance has determined several of the line items included on ROPS are not enforceable obligations (EO). The HSC section 34171 (d) lists EO characteristics. Based on our application of the law the following items do not qualify as EOs:

Items 6, 7, 8, 9, 10, 11 and 27, page 2 total \$3,947,353. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the City that created the redevelopment agency (RDA) and the former RDA are not EOs. In addition, items 7 and 27 war contracts signed by the City of Colton not the Colton Redevelopment Agency.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS to be ineffective until Finance approval.

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 Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Larry Walker, San Bernardino County Auditor Controller