



May 18, 2012

Laura Weyant, City Manager
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

Dear Ms. Weyant:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Firebaugh Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 7, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- HSC section 34163(b) prohibits a redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. The following items do not qualify as EOs:
 - Page 1, items 3, 4 and 36, in the amount of \$1.2 million. No contracts have been executed.
 - Page 1, item 31, in the amount of \$75,000. The RDA was not a party to this contract.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your 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.

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

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 and submit to the following email address:

Redevelopment_Administration@dof.ca.gov

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

Sincerely,

MARK HILL
Program Budget Manager

cc: On following page

Ms. Laura Weyant

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cc: Ms. Rita Lozano, Deputy City Clerk, City of Firebaugh
Mr. George Gomez, Accounting Financial Manager, County of Fresno
Ms. Robin Cook, Senior Accountant, County of Fresno