DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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April 26, 2012

Paul Mugan, Interim Deputy City Manager
City of Greenfield
599 El Camino Real
Greenfield, CA 93927

Dear Mr. Mugan:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Greenfield (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 11, 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 a sample of line items reviewed and application of the law, we do not believe the following items qualify as Enforceable Obligations (EO):

- Item Nos. 17, 18, 19 – Walnut Avenue Project of $571,992. On the ROPS for the months of January through June 2012, the City of Greenfield included extra monthly costs in the amount of $469,756 (item 17), $46,975 (item 18), and $55,261 (item 19) which totals to $571,992. Therefore, $571,992 of the total claimed $3,431,960 is not an EO.

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 and may cause payment delays for valid obligations. 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

MARK HILL
Program Budget Manager

cc: Ms. Julie Aguero, Auditor Controller Analyst II