DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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April 20, 2012

Richard Loomis, Finance Director
City of Pinole
2131 Pear Street
Pinole, CA 94564

Dear Mr. Loomis:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Pinole Redevelopment Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 5, 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:

> Item No. 36 on page 2 in the amount of $48,000 represents a contract between the City of Pinole and a third party. As the Redevelopment Agency is not a party to the contract, this line item is not an enforceable obligation per HSC 34167 (a) (d) (1).

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.

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 inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Mr. Bob Campbell, Auditor-Controller, Contra Costa County Auditor – Controller's Office
Mr. Jay Wilverding, Chief Accountant, Contra Costa County Auditor – Controller's Office