



May 11, 2012

Ms. Cynthia Scott, City Clerk
City of Rancho Mirage
69-825 Highway 111
Rancho Mirage, CA 92270

Dear Ms. Scott:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Rancho Mirage (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 1, 2012 for the period July through December 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:

- Form B, items 3 and 4 – Contracts with CVAG totaling \$420,000. These items are contracts with the City and not the former redevelopment agency.

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 and submit to the following email address:

Redevelopment_Administration@dof.ca.gov

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.

Please direct inquiries to Evelyn Suess, Supervisor or Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: On following page

cc: Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
Mr. Randal K. Bynder, City Manager, City of Rancho Mirage