DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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April 26, 2012

Carol E. Giovanatto, Assistant City Manager
City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

Dear Ms. Giovanatto:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Sonoma Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 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 obligations characteristics. Based on our application of the law, the following items do not qualify as an EOs:

- Items 5, 14, 17, 18, 21, 22, 23, Form B total $3.1 million for projects with no contracts.
- Items 11, 12, 13 Form B total $1.7 million are for contacts signed after June 27, 2011. HSC section 34163 (b) states agencies may not enter into contracts after June 27, 2011.
- Items 4, 6, 7, 8, 9, 10, 15, 20 and 26 total $4.8 million. The contracts provided do not agree with the total obligations listed on the ROPS. In addition, some of the contracts were signed after June 28, 2011. HSC section 34163 (b) states an agency shall not have the authority to enter into contracts after June 27, 2011.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the 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 or Kylie Le at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Mr. Erick Roeser, Property Tax Manager, Sonoma County