



May 17, 2013

Mr. Jason Garben, Economic Development Director
City of Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Mr. Garben:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 8, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Suisun City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to Finance on February 22, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on May 7, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

Item Nos. 15 and 16 – Prior period administrative costs in the amount of \$145,400. Finance no longer denies the items. These items represent employee costs for the period of July 2011 through January 31, 2012 (prior to redevelopment agency dissolution) totaling \$135,900 and audit fees allocated to the Agency totaling \$9,500. These items were approved by Finance on the January through June 2013 ROPS (ROPS III) period as referenced in our letter dated December 27, 2012; however, Finance determined these amounts had already been funded. During the ROPS 13-14A Meet and Confer, the Agency provided documentation that these items had been approved on the January through June 2012 (ROPS I) and had already been paid. Subsequent to the approval and payment of the items, Finance reclassified these items as administrative costs that resulted in the inclusion of the amounts in the Agency's July 2012 True-up. The Agency paid the True-up demand; however, because these items were approved as enforceable obligations and paid prior to the July True-up calculation and then demanded back with the Agency's July True-up demand, the Agency will be permitted to receive Redevelopment Property Tax Trust Funds (RPTTF) during the ROPS 13-14A to fund the items.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$2,891,495 as summarized on the following page:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 2,777,340
Minus: Six-month total for items denied or reclassified as administrative cost	-
Total approved RPTTF for enforceable obligations	<u>\$ 2,777,340</u>
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	<u>125,000</u>
Minus: ROPS II prior period adjustment	<u>(10,845)</u>
Total RPTTF approved for distribution:	\$ 2,891,495

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency and the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment. Please refer to the worksheet used by the CAC to determine the audited prior period adjustment for the Agency:

<http://www.dof.ca.gov/redevelopment/ROPS/view.php>

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Suzanne Bragdon, City Manager
Mr. Jun Adeva, Deputy Auditor Controller, County of Solano
California State Controller's Office