



May 17, 2013

Mr. Alex Terrazas, Assistant Town Manager  
Town of Truckee  
10183 Truckee Airport Road  
Truckee, CA 96161

Dear Mr. Terrazas:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated April 26, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the Town of Truckee Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on March 12, 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 9, 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. 4 and 5 – Professional Services and Program Administration totaling \$30,000. Finance continues to deny these items. During the Meet and Confer process, the Agency provided further explanation that the various administrative services were necessary for the continuing function of the Agency. However, the contract for professional services expires June 30, 2013, and there are no other documents in place to support the request for program administration. Once the contracts are awarded, the Agency may be allowed to request funding for these obligations in the future. Therefore, these line items are not enforceable obligations and are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding on this ROPS.
- Item No. 20 – Various Projects in the amount of \$500,000 of bond proceeds. Finance no longer objects to this item. Subsequent to the Meet and Confer, the Agency received a Finding of Completion from Finance on May 15, 2013. Therefore, the Agency may utilize the proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c). As such, this item is eligible for expenditure on the ROPS 13-14A, as originally requested.

In addition, per Finance's ROPS letter dated April 26, 2013, the following items not disputed by the Agency continue to be denied:

- Item Nos. 3 and 6 – Professional Services in the amount of \$10,000. These items are considered general administrative cost and have been reclassified. Although this reclassification increased administrative costs to \$135,000, the administrative cost allowance has not been exceeded.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$446,535 as summarized below:

| <b>Approved RPTTF Distribution Amount</b>                                      |                   |
|--|-------------------|
| <b>For the period of July through December 2013</b>                            |                   |
| Total RPTTF funding requested for obligations                                  | \$ 375,746        |
| Minus: Six-month total for items denied or reclassified as administrative cost |                   |
| Item 3*  | 7,500             |
| Item 4   | 2,500             |
| Item 5   | 12,500            |
| Item 6*  | 2,500             |
| Total approved RPTTF for enforceable obligations                               | \$ 350,746        |
| Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost         | 135,000           |
| Minus: ROPS II prior period adjustment   | (39,211)          |
| <b>Total RPTTF approved for distribution:</b>                                  | <b>\$ 446,535</b> |

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. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. 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. However, Finance was not notified, by the March 22, 2013 deadline, that the CAC would be auditing your self-reported prior period adjustment. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

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/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

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.

Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Kim Szczurek, Administrative Services Director, Town of Truckee  
Ms. Marcia L. Salter, Auditor-Controller, County of Nevada  
California State Controller's Office