



April 11, 2016

Ms. Jasmin Bains, Finance Director
City of Parlier
1100 East Parlier Avenue
Parlier, CA 93648

Dear Ms. Bains:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Parlier Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 29, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 5 – Consultant Fees in the total outstanding amount of \$31,500 are not allowed. It is our understanding the contract between the Agency and Urban Futures is no longer active and this item should be retired. Therefore, with the Agency's consent, the requested amount of \$6,300 for Redevelopment Property Tax Trust Funds (RPTTF) has been reduced to zero, and the item will be retired.
- Item No. 27 – Property Disposition Costs in the total outstanding amount of \$50,000 are not allowed. The Agency provided an Agreement for Professional Services (Agreement), dated August 5, 2015. However, this document is insufficient to support the requested amount because the Agreement has expired and the Agency was unable to otherwise support the amount requested. To the extent the Agency can provide suitable documentation, such as an executed contract or vendor invoices, to support the requested funding, the Agency may be able to obtain RPTTF funding in the future. Therefore, the requested amount of \$10,000 is not eligible for RPTTF funding.
- Although the administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3), Finance notes the oversight board has approved an amount that appears excessive, given the number and nature of the other obligations listed in the ROPS. HSC section 34179 (i) requires the oversight board to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the oversight board to apply adequate oversight when evaluating the administrative resources required to successfully wind-down the Agency.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF.

These items are enforceable obligations for the ROPS 16-17 period. However, these obligations do not require payment from property tax revenues and the Agency has \$605,308 in available Other Funds. Therefore, with the Agency's consent, the funding source for the following items has been reclassified to Other Funds and in the amounts specified below:

Item No.	Project Name/ Debt Obligation	RPTTF Requested	Administrative Cost Allowance Requested	Reclassified to Other Funds
4	Fiscal Agent Fees	\$1,800		\$1,800
25	2015 Tax Allocation Refunding Bonds	\$348,508		\$348,508
26	2015 TARB Continuing Disclosure	\$5,000		\$5,000
29	Successor Agency Administration		\$250,000	\$250,000
	Total	\$355,308	\$250,000	\$605,308

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized in the Approved RPTTF Distribution Table on Page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

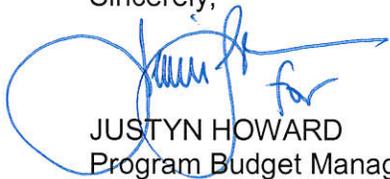
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. 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 Agency in the RPTTF.

Please direct inquiries to Nichelle Thomas, Supervisor, or Alexander Watt, Lead Analyst at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Mr. Jenell Van Bindsbergen, Successor Agency Attorney, City of Parlier
Mr. George Gomez, Accounting Financial Manager, Fresno County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 176,054	\$ 195,554	\$ 371,608
Requested Administrative RPTTF	125,000	125,000	250,000
Total RPTTF requested for obligations on ROPS 16-17	301,054	320,554	\$ 621,608
Total RPTTF requested	176,054	195,554	371,608
<u>Denied Items</u>			
Item No. 5	0	(6,300)	(6,300)
Item No. 27	0	(10,000)	(10,000)
	0	(16,300)	(16,300)
<u>Reclassified Items</u>			
Item No. 4	(1,800)	0	(1,800)
Item No. 25	(174,254)	(174,254)	(348,508)
Item No. 26	0	(5,000)	(5,000)
	(176,054)	(179,254)	(355,308)
Total RPTTF authorized	0	0	\$ 0
Total Administrative RPTTF requested	125,000	125,000	250,000
<u>Reclassified Item</u>			
Item No. 29	(125,000)	(125,000)	(250,000)
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	0	0	\$ 0