



May 18, 2012

Richard Loomis, Finance Director
City of Pinole
2131 Pear Street
Pinole, CA 94564

Dear Mr. Loomis:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Pinole Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 4, 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:

- Item 10 on page 1 in the amount of \$9,384. The October 2012 payment of \$27,184 for the engineering contract was listed in the ROPS. The claimed amount represents the total contract amount; however, the remaining amount to be paid in October 2012 for this contract is \$17,800. Therefore, \$9,384 of the claimed \$27,184 is not an EO.
- Item 36 on page 2 in the amount of \$42,285. It is our understanding that this contract is between the City of Pinole and a third party. As the redevelopment agency is neither a party to the contract nor responsible for payment of the contract amount, this line item is not an EO per HSC 34171 (d).

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.

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.

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

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Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL
Program Budget Manager

cc: Mr. Bob Campbell, Auditor-Controller, Contra Costa County Auditor – Controller's Office
Mr. Jay Wilverding, Chief Accountant, Contra Costa County Auditor – Controller's Office