



April 27, 2012

Bill Lewis, City Administrator
Woodlake City Hall
350 N. Valencia Blvd.
Woodlake, CA 93286

Dear Mr. Lewis:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Woodlake Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 12, 2012 for the period January through June 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as Enforceable Obligations (EO):

- Administrative expenses of \$8,535. HSC section 34171 (b) limits the fiscal year 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. The City is allowed \$250,000 for administration costs. Therefore, \$8,535 of the claimed \$258,535 in administrative costs is not allowed. Items 1 on page 1 and 1 through 3 on page 2 are considered to be administrative expenses.

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.

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 Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Rita A. Woodard, Tulare County Auditor- Controller
Ms. Sharla Allison, Chief Accountant-Property Tax