



October 9, 2012

Mr. Jack Castro, Finance Director
City of Parlier
1100 E. Parlier Avenue
Parlier, CA 93648

Dear Mr. Castro:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Parlier Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 27, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item Nos. 6 through 9, and 19 – Various Pass through Agreements totaling \$36,586. HSC section 34182 (c) (3) states that the county auditor-controller shall prepare estimates of amounts of property tax to be allocated and distributed, and the amounts of pass through payments to be made in the upcoming six-month period. Therefore, these items are not enforceable obligations and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding:
 - Item No. 6 – Consolidated Mosquito
 - Item No. 7 – Fresno County Library
 - Item No. 8 – Parlier Cemetery
 - Item No. 9 – Sierra King Hospital
 - Item No. 19 – Fresno County Tax Collector
- Item Nos. 10 and 11 – Local Match for Youth Center and Daycare projects totaling \$300,000. Sufficient documentation was not provided to demonstrate that these items are the former redevelopment agency's obligation. The contracts provided for these items were between the City of Parlier and the Department of Housing and Community Development. Therefore, these line items are not enforceable obligations and not eligible for RPTTF funding.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$550,811 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 646,704
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 6	325
Item No. 7	15,144
Item No. 8	2,167
Item No. 9	657
Item No. 10	100,000
Item No. 11	200,000
Item No. 19	75
Total approved RPTTF for enforceable obligations	\$ 328,336
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	222,475
Total RPTTF approved:	\$ 550,811

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

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/>.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Virginia Medina, Accounting Tech II, City of Parlier
Mr. George Gomez, Accounting Financial Manager, Fresno County