



October 15, 2012

Ms. Shelly Gunby, Financial Management Director
City of Winters
318 First St.
Winters, CA 95694

Dear Ms. Gunby:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Winters Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 31, 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 No. 5 – Loan due to the City of Winters in the amount of \$629,167. This item is a loan between the City of Winters and the former Winters Community Development Agency. HSC section 34171 (d) (2) states that agreements between the City and the Agency are not enforceable. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause this item to be enforceable in future ROPS periods.
- Item No. 7 – Winters Opera House Lease in the amount of \$23,000. The term for this lease was July 1, 2009 through January 31, 2011. Since the contract has expired and cannot be renewed or extended pursuant to HSC section 34163 (c), the item is not an enforceable obligation and is not eligible for Redevelopment Property Tax Trust Funds (RPTTF) on this ROPS.
- Item No. 8 – Winters Visitor Center Operations Funding in the amount of \$69,600. It is our understanding there is no current contract for this item. HSC 34163 (b) prohibits a RDA from entering into new contracts; therefore, the item is not an enforceable obligation and not eligible for RPTTF funding.
- Item No. 15 – Miscalculated pass-through in the amount of \$177,531. Pass-through payments or miscalculated pass through payments are not allowed. The auditor controller is responsible for these payments (HSC Section 34183 (a) (1)). Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding.

Except for items denied in whole or in part as enforceable obligation(s) 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 RPTTF distribution for the reporting period is: \$1,015,549 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 1,252,794
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 5	163,314
Item No. 7	6,000
Item No. 8	14,400
Item No. 15	177,531
Total approved RPTTF for enforceable obligations	\$ 891,549
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	124,000
Total RPTTF approved:	\$ 1,015,549

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

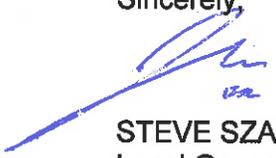
All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Howard Newens, CPA, Auditor-Controller, Yolo County