

Mayor
Willard Rodarmel
Mayor Pro Tem
John Plourde
Council Members
John Gordon
John Murray
William Siegel



Successor Agency

119 Fox Street
Lemoore • CA 93245
Phone (559) 924-6700
FAX (559) 924-9003

August 22, 2012

Cassandra Mann, Property Tax Manager
County of Kings Department of Finance
1400 W. Lacey Blvd.
Hanford, CA 93230

Re: ROPS III – Kings County Auditor-Controller Initial Review

Dear Ms. Mann:

In response to your letter dated August 21, 2012 regarding items on our proposed Recognized Obligation Payment Schedule for January through June 2013 (ROPS III), our office has reviewed your comments and responds as follows:

Item #1 regarding the Brownfield Cleanup (\$75,000). We agree that the Department of Finance (DOF) denied this item. However, per the DOF's instructions for completing ROPS III, we were instructed to include items previously denied by the DOF so that we have an opportunity to go through the meet and confer process. We believe that the DOF denied this item because our prior annual contracts with Associated Soils Analysis, Inc. were addressed to the City of Lemoore. Internally, our City staff processed the documents appropriately and all payments for services were made by the Lemoore Redevelopment Agency (RDA). The property is owned by the RDA and the contamination remediation was always an obligation of the RDA. Additionally, this item is on our Oversight Board Agenda for August 23. The Board is asked to approve a contract for this fiscal year's remediation services with this firm. Based on Health and Safety Code section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the successor agency, including 'the costs of maintaining assets prior to disposition' are enforceable obligations. Additionally, section 34178(a), which you cited, only applies to contracts between a city and a redevelopment agency, not a third party. Therefore, this item should remain on ROPS III.

Item #2 regarding Administrative Cost Allowance. We agree with your assessment. The DOF did reduce the amount to \$250,000 and therefore, both columns on ROPS III will be changed to reflect this amount. As an explanation, our Successor Agency paid legal fees and bank fees totaling \$10,906 which should have been part of the \$250,000. It was our assumption that the amount overspent would be deducted from the next tax increment payment, which is why it was listed on our ROPS III. However, to correct the issue internally, we will list the \$250,000 on the ROPS III and the City of Lemoore will reimburse the Successor Agency the amount of the overage, \$10,906.

Item #3 regarding the Chamber Agreement. We agree that the DOF approved the amount of \$58,525. Listing the amount as \$58,000 was an error on our part. ROPS III will be revised to reflect the correct amount.

Thank you for your thorough review of our ROPS III. A revised ROPS III will be presented to the Oversight Board for approval based on the information listed above. If you have any further concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a long horizontal flourish extending to the right.

Jeff Britz
City Manager

cc: Oversight Board Members