

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



**Oversight Board  
for the  
Successor Agency**

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## Staff Report

ITEM NO. 7 & 8

**To: Oversight Board for the Successor Agency**  
**From: Jeff Britz, City Manager**  
**Date: May 18, 2012**  
**Subject: Department of Finance Position on Recognized Obligation  
Payment Schedule (ROPS) and consideration of adopting  
Resolution No. 2012-05 approving a Modified ROPS for the period  
July 1 – December 31, 2012**

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### Discussion

Attached is Resolution No. 2012-05 and a Modified Recognized Obligation Payment Schedule for the period July through December 2012 (Modified July ROPS), which is being presented for your approval (Exhibit A). On April 26, 2012, the Oversight Board adopted Resolution No. 2012-03 approving the July ROPS for the same period (Exhibit B). However, on May 11, 2012, the City of Lemoore received a letter from the California Department of Finance (DOF) denying several items listed (Exhibit C). The Successor Agency is expecting a property tax disbursement from the Kings County Auditor-Controller on June 1, 2012, which is to pay enforceable obligations for the July through December 2012 period exclusively. However, the Oversight Board must approve the Modified July ROPS prior to the DOF providing approval to the Auditor-Controller to make such disbursement.

In order to insure the June 1 disbursement, the Successor Agency is recommending approval of the Modified July ROPS, with the understanding that we are reserving the right to challenge the items listed in our May 15 response to the DOF (Exhibit D). All attachments to our response can be downloaded at the following Dropbox link: <https://www.dropbox.com/sh/t6hdri19ojnbpok/EV28I9y8r4>.

Two additional spreadsheets are attached for your convenience titled Disqualified ROPS Items, which detail the items denied by the DOF in both the January ROPS and the July ROPS. The January ROPS is not being addressed at this time, because the Successor Agency is challenging the DOF's position on the obligations identified in our May 15 response letter to the DOF that we believe are enforceable. Additionally, modification of the January ROPS is not required for the June 1 disbursement.

### **Budget Impact**

The Modified July ROPS lists expenditures totaling \$3,112,415 for the six-month period July 1, 2012 through December 31, 2012.

### **Recommendation**

That the Oversight Board adopt Resolution No. 2012-05 approving the Modified Recognized Obligation Payment Schedule for the period July 1 to December 31, 2012.