

COMMISSION ON STATE MANDATES

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August 6, 2015

Mr. Kurt Wilson
City Manager
City of Stockton
425 N. El Dorado St., 2nd Floor
Stockton, CA 95202

Mr. John Luebberke
City Attorney
City of Stockton
425 N. El Dorado St., 2nd Floor
Stockton, CA 95202

Mr. Ted Wood
Deputy City Attorney
City of Stockton
425 N. El Dorado St., 2nd Floor
Stockton, CA 95202

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED AND EMAIL

And Interested Parties and Affected State Agencies via email (see mailing list)

RE: **Dismissal of Incorrect Reduction Claim**
Investment Reports, 02-9635802-I-67
Statutes 1995, Chapter 783 (SB 564)
Statutes 1996, Chapters 156 (SB 864) and 749 (SB 109)
Fiscal Years 1995-1996, 1996-1997 and 1998-1999
City of Stockton, Claimant

Dear Mr. Wilson, Mr. Luebberke, and Mr. Wood:

On October 16, 2002, the City of Stockton (City) filed the above-named incorrect reduction claim (IRC) with the Commission on State Mandates (Commission). After the Commission adopted two decisions on IRCs on the *Investment Reports* program addressing issues that cut across all or most of the pending IRCs on this program, a stipulation was entered into between claimant representatives, the Commission, and the State Controller's Office (Controller) to attempt to negotiate settlements on the remaining IRCs on this program. As a result, settlements have been negotiated by the claimants and all IRCs on the *Investment Reports* program have been resolved, except for this one. However, despite repeated attempts to contact the City to see if it wishes to settle or pursue this claim, claimant was unresponsive to the Controller's inquiries.

Therefore, on March 27, 2014, the Commission issued a letter requesting that the City contact the Commission by April 24, 2014 to indicate whether the claimant planned to negotiate with the Controller or wished to proceed with the hearing of this matter. The City did not respond to the Commission.

Accordingly, on August 28, 2014, the Commission issued a notice of abandonment stating that, pursuant to section 1187.13 of the Commission's regulations, the executive director may deem a matter abandoned if the claimant does not respond with 60 days of service to the written notification. (Cal. Code Regs., tit. 2) The notice was sent via email and first class certified mail to the attention of Mr. Wilson, City Manager and was sent via email and first class mail and Mr.

Mr. Wilson, Mr. Luebberke, and Mr. Wood

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Luebberke, City Attorney. On October 27, 2014, Mr. Luebberke, on behalf of the City, notified the Commission of the City's intent to negotiate with the Controller to resolve the IRC.

On January 28, 2015, members of the Controller's staff discussed the IRC with Neal Lutterman, Deputy City Attorney. After that discussion, the Controller's staff called Mr. Lutterman on March 11, 2015, and were informed that he was no longer with the City of Stockton. He left a forwarding number, however, and the Controller's staff left two telephone messages on March 11 and April 3, 2015.

On April 10, 2015, I called the City Attorney's Office and asked if anyone was representing the City in this matter and was informed that Mr. Ted Wood, Deputy City Attorney, now represents the City of Stockton and can be reached at (209) 937-8914. I provided this information to the Controller's staff, immediately after that phone call. The Controller's staff stated that they have called and left messages on Mr. Wood's voicemail three times on:

- April 13, 2015, approximately 7:30 am
- April 20, 2015, approximately 8:00 am
- April 30, 2015, approximately 8:15 am

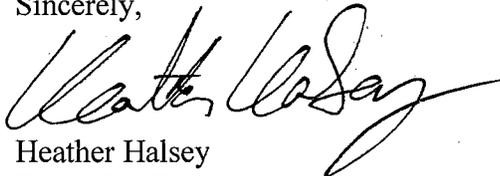
In addition, I myself called Mr. Wood on May 26, 2015 at around 3:45 pm and received a message that he would be out of the office for some time.

Therefore, on June 5, 2015, the Commission issued a second notice of abandonment, requesting that the City contact the Commission by August 4, 2015 to indicate whether the claimant planned to negotiate with the Controller or wished to proceed with the hearing of this matter. The City did not respond to the Commission by August 4, 2015 as required, and for that reason, this matter is deemed abandoned. (Cal. Code Regs., tit. 2, § 1187.13(a)(1))

Consequently, effective today, this IRC is dismissed. (Cal. Code Regs., tit. 2, § 1187.14(a))

Pursuant to section 1181.1(c) of the Commission's regulations, a real party in interest may appeal to the Commission for review of the actions and decisions of the executive director within 10 days of first being served written notice of this action and decision.

Sincerely,



Heather Halsey
Executive Director

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On August 6, 2015, I served the:

Dismissal of Incorrect Reduction Claim

Investment Reports, 02-9635802-I-67

Statutes 1995, Chapter 783 (SB 564)

Statutes 1996, Chapters 156 (SB 864) and 749 (SB 109)

Fiscal Years 1995-1996 and 1996-1997

City of Stockton, Claimant

via Certified Mail to:

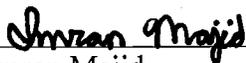
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and by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on August 6, 2015 at Sacramento, California.



Imran Majid
Commission on State Mandates
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(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 8/6/15

Claim Number: 02-9635802-I-67

Matter: Investment Reports

Claimant: City of Stockton

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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