

**DEPARTMENT OF TRANSPORTATION**  
 DIVISION OF RAIL AND MASS TRANSPORTATION  
 P.O. BOX 942874, MS-74  
 SACRAMENTO, CA 94274-0001  
 PHONE (916) 654-8811  
 TTY 711  
 www.dot.ca.gov



*Making Conservation  
 a California Way of Life.*

April 19, 2018

Mr. Matt Paulin  
 Chief Financial Officer  
 City of Stockton  
 City Hall, 425 N. El Dorado Street  
 Stockton, CA 95202-1997

Dear Mr. Paulin:

The purpose of this letter is to confirm the meeting on March 20, 2018, which we had an open discussion and overview of the California Department of Transportation (Caltrans) Proposition 1B Audit Report, dated October 30, 2017, performed by the Department of Finance. The goal of the meeting was to conclude with a corrective action plan that the City of Stockton (City) and Caltrans can concur.

We agreed upon a corrective action plan for the City, which includes the following actions be fulfilled by the City to meet Caltrans requirements and obligations of the approved corrective action plan as follows:

- 1) **The City of Stockton will reimburse a total of \$30,666 for the ineligible, in-direct, staff costs to Caltrans.**

These funds will be returned to the following programs:

- a) **\$22,555** to the 1B Highway Railroad Crossing Safety Branch

**BREAKDOWN PER PROJECT:**

1a. Eight Mile Road EAST Grade Separation	<b>\$ 8,274</b>
2a. Eight Mile Road WEST Grade Separation	<b>\$ 6,233</b>
3a. Lower Sacramento Grade Separation	<b>\$ 8,048</b>
<b><u>TOTAL HRCSA:</u></b>	<b><u>\$22,555</u></b>

- b) **\$4,358** to the 1B Trade Corridor Improvement Program (Sperry Road)
- c) **\$3,753** to the 1B State Local Partnership Program (French Camp Road)

**Please provide reimbursement to the Department by June 30, 2018. Make check payable to:**

The California Department of Transportation  
Cashiering Office–MS58  
PO Box 168019  
Sacramento, CA 95816-8019

- 2) **The City of Stockton is to update their written procurement manual detailing all policies and procedures for expenditures and reimbursements requirements.**
- 3) **The Division of Rail and Mass Transportation staff member will perform a City site visit to review the new updates to the procurement manual and the accounting/financial database to make sure the records are in-compliance. Please make arrangements with staff before June 30, 2018, and/or before the reimbursement.**

We appreciate the City's cooperation and coordination during this process. In order to coordinate the site visit, please contact Carlos Ruiz, Branch Chief, at (916) 654-3894 or via email sent to [carlos.ruiz@dot.ca.gov](mailto:carlos.ruiz@dot.ca.gov).

Sincerely,  
Original Signed By:

DARA WHEELER, Chief  
Division of Rail and Mass Transportation

c: Gordon MacKay, Director, Public Works Department, City of Stockton  
Robin Borre, Finance, City of Stockton  
Claire Tyson, Assistant Chief Financial Officer, City of Stockton  
Eric Alvarez, Deputy Director Public Works, City of Stockton  
Coco Briseño, Deputy Director, Planning and Modal Programs, Caltrans  
Alice M. Lee, Division Chief, External Audits, Caltrans  
Elena Guerrero, Acting Audit Manager, Division of Audits and Investigations, Caltrans  
Parminder Singh, Senior Transportation Engineer, District 10, Caltrans  
Angel Pyle, Staff Services Manager III, Division of Rail and Mass Transportation, Caltrans  
Daniel Burke, Staff Services Manager II, Local Assistance, Caltrans  
Carlos Ruiz, Branch Chief, Division of Rail and Mass Transportation, Caltrans  
Mary Estensen, Associate Transportation Planner, Division of Rail and Mass Transportation, Caltrans