



REPORT TO COUNCIL

City of Sacramento

43

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www.CityofSacramento.org

PUBLIC HEARING
June 23, 2009

**Honorable Mayor and
Members of the City Council**

Title: Citywide Landscaping and Lighting Assessment District – Public Hearing

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion, adopt a **Resolution** confirming diagram and assessment and levying the assessment for Fiscal Year (“FY”) 2009/10 for the Citywide Landscaping and Lighting Assessment District (“District”).

Contact: Brian Wong, Program Specialist, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Brian Wong

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis:

Issue: The District is required by the California Streets and Highways Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect assessments which will partially fund the maintenance of the improvements in the District for FY2009/10.

Policy Considerations: The annual proceedings for the District are being conducted as set forth in the Landscaping and Lighting Act of 1972, California Streets and Highways Code Sections 22500, et seq. This process is consistent with the City’s Strategic Plan 3-Year Goal to “achieve sustainability and enhance livability”.

Environmental Considerations: Under California Environmental Quality Act (CEQA) guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Sustainability Considerations: There are no sustainability considerations applicable to the formation process or administration of a special district.

Committee/Commission: None

Rationale for Recommendation: The recommended actions in the Resolution are required by the California Streets and Highways Code, as set forth in Section 22500 of the Landscaping and Lighting Act of 1972, for annual proceedings of an existing district.

Financial Considerations: Each year the District budget is developed taking into consideration several factors including the cost of services, the projected number of parcels in each assessment category, and the amount of projected surplus/deficit in the District fund balance at the end of the current fiscal year. The proposed budget is shown on Attachment 2.

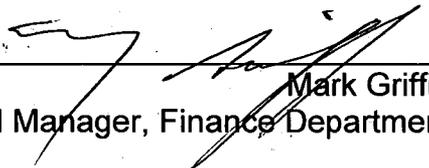
Beginning in FY2009/10 through FY2011/12, the expectation is that the level of delinquencies will steadily increase, while coverage of the delinquent parcels by Sacramento County's Teeter program could decrease. Nevertheless, throughout this period, there will be sufficient fund balance to prevent decreases in department budgets associated with this District.

The proposed District expenditure budget for FY2009/10 is \$13,483,913. Assessment revenue will be \$13,308,913. The District has funds available in fund balance to cover the difference.

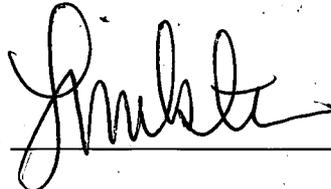
This budget has been included in the FY2009/10 Proposed Operating Budget. The budget reflects an increase in assessment revenue due to a 0.80% CPI adjustment, an increase in parcels, and a correction of parcel levies. Correspondingly, the cost for services has increased as the result of inflation, new development, and redevelopment within the City of Sacramento.

Emerging Small Business Development (ESBD): City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: _____


Mark Griffin
Fiscal Manager, Finance Department

Approved by: _____


Leyne Milstein
Director, Finance Department

Recommendation Approved:


for Ray Kerridge
City Manager

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BACKGROUND

The Citywide Landscaping & Lighting District (“District”) was established in June of 1989. The District contributes funding for the maintenance and rehabilitation of City parks and other public landscaped areas, street tree maintenance, and the energy and maintenance cost of streetlights throughout the City. Property owners are assessed in accordance with a series of benefit formulas adopted by City Council in 1989. Annual assessments are paid by property owners along with their regular County property taxes. Each year the City must update and adopt the annual Engineer’s Report and approve the assessment.

The budget is arranged in three categories as described below. In addition to the maintenance activity, each category also contains a proportionate share of the administration and billing costs.

- 1) **Street Related Operations and Maintenance:** This section contains the budget for safety lighting, neighborhood lighting, median maintenance, and street tree maintenance.
- 2) **Bonded Indebtedness:** A portion of the annual District budget goes toward the payment of debt service on 20-year bonds sold in 1996 to finance park improvements. These bonds will expire after tax year 2016.
- 3) **On-going Park Maintenance, Park Improvements, and Graffiti Abatement:** This section contains the park maintenance budget, the graffiti abatement program, and funding for park capital improvement projects (CIP). The voters approved this portion in November 1996.

The District contains a provision for an annual adjustment in budget and assessments to account for inflation. The district allows for an annual increase based on the Consumer Price Index (CPI) as measured in April for the prior twelve months for the San Francisco area, all items, but not to exceed 3% in any year. The change in the April 2009 CPI is 0.80% over the prior 12 months for the April-to-April All Urban Consumers for San Francisco. Therefore, the rate increase for FY2009/10 will be 0.80%

Beginning in FY2009/10 through FY2011/12, the expectation is that the level of delinquencies will steadily increase, while coverage of the delinquent parcels by Sacramento County’s Teeter program could decrease. However, available surplus funds are projected at \$1,904,503 at the beginning of FY2009/10 and are expected to be sufficient to accommodate increased delinquencies and reduced Teeter distributions.

The detailed assessment structure by land use is provided as Exhibit A to the Resolution.

**PROPOSED FY2009/10 BUDGET FOR
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT
(With 0.80% CPI adjustment increase in assessments)**

Street Related Operations & Maintenance:

Safety Lighting & Medians	\$1,774,003
Neighborhood Street Lighting Maintenance	3,298,092
Tree Maintenance – Residential	3,202,218
Tree Maintenance – Non-Residential	1,139,797
Administration & Billing	<u>211,696</u>
Subtotal Street Related O&M	\$9,625,806

On-Going Park Maintenance:

Park Maintenance & Improvements	2,859,165
Graffiti Abatement	155,681
Administration & Billing	<u>67,795</u>
Subtotal On-Going Park Maintenance:	\$3,082,641

Bonded Indebtedness:

Park CIP Improvements	768,566
Administration & Billing	<u>6,900</u>
Subtotal Bonded Indebtedness	\$775,466
Less Debt Service	(\$586,980)
Excess Available For Parks CIP	\$181,586

TOTAL DISTRICT BUDGET	\$13,483,913
Use of Fund Balance	(\$175,000)

TOTAL ASSESSED TO PROPERTY OWNERS:	\$13,308,913
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SCHEDULE OF PROCEEDINGS

**CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
FY 2009/10 SCHEDULE**

June 2, 2009 Council Considers Resolution of Intention and Sets Date for Public Hearing

June 3, 2009 Publish Notice of Meeting and Hearing

June 23, 2009	Hold Public Hearing Council Orders Annual Levy
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July 2009 Assessments to County for Placement on Tax Roll

RESOLUTION NO.

Adopted by the Sacramento City Council

CONFIRMING DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENT FOR THE CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2 for FY2009/10

BACKGROUND:

- A. The Citywide Landscaping and Lighting Assessment District No. 2 ("District"), was established by the City Council on August 1, 1989. The City Council adopted Resolution No. 89-600 thereby approving Assessment District No. 2 for all developed properties within the City of Sacramento.
- B. The City Council established the District under the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 in the Streets and Highways Code, beginning with Section 22500) ("the 1972 Act"), and has previously levied assessments on property in the District to pay for landscaping and lighting maintenance services and related services to be provided within the District, all in accordance with the 1972 Act.
- C. Pursuant to Chapter 3 of the 1972 Act, City Council directed the Supervising Engineer of the Department of Transportation, as the Engineer of Work for the District, to prepare and file an Annual Report for the FY2009/10.
- D. The Engineer of Work filed the Annual Report on June 2, 2009, and City Council adopted the Resolution approving the Engineer's Annual Report and Intention to levy and collect assessments within the assessment district for FY2009/10 and set a public hearing for June 23, 2009, in the meeting place of City Council, City Hall, 915 I Street, First Floor, Sacramento, California. Notice of the hearing was given in the time and manner required by law.
- E. The FY2009/10 assessments are increased by the Consumer Price Index adjustment from the previous year, and equal to the highest authorized amount for the District shown on Exhibit A.
- F. The Council is fully advised in this matter.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The City Council:

- a) Confirms the assessment diagram and the assessment roll set forth in the Engineer's Annual Report on file with the City Clerk and approved by City Council on June 2, 2009; and;
- b) Levies the assessment set forth in the Engineer's Annual Report.

Section 2. Exhibit A is part of this resolution.

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Exhibit A: Fiscal Year 2009/10 District & Parcel Assessment

EXHIBIT A**CITYWIDE LANDSCAPING & LIGHTING DISTRICT FISCAL YEAR 2009/10
DISTRICT AND PARCEL ASSESSMENTS****DISTRICT ASSESSMENT AND FUND SOURCES AND USES**

<i>Estimated</i> Beginning Fund Balance	\$ 1,904,543
Total Assessed to Property Owners	13,308,913
Street Related Operations & Maintenance	9,414,110
Park Maintenance	3,014,846
Bonded Indebtedness	768,566
Administration & Billing	286,391
Total Expenditures	\$13,483,913
<i>Estimated</i> Ending Fund Balance *	\$1,729,453
Year-Over-Year Change In Fund Balance	(\$175,000)

The Estimated Ending Fund Balance does not include \$194k in delinquencies that may not be covered by Sacramento County's Teeter program, thus the actual assessment collections will differ from the amount assessed to property owners.

PARCEL ASSESSMENT

Assessment Components	Single Family Residence	Multi-Family Residence	Business Property (Parcel Square Ft.)			Church
			0-25,000	25,001-100,000	100,001 or more	
<u>Street Related O&M:</u>						
Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance			\$112.86	\$561.28	\$1,167.44	\$32.07
With Lights:	\$51.32	\$35.92				
Without Lights:	\$24.70	\$17.29				
<u>Bonded Indebtedness:</u>						
CIP-Park Improvements	\$4.07	\$2.77	\$6.04	\$30.18	\$62.77	\$1.72
<u>Park Facilities & Related O&M:</u>						
Park Maint., Youth Employment Program, Graffiti Abatement	\$15.91	\$10.83	\$27.21	\$136.05	\$282.99	\$7.77
Total Proposed Assessment:			\$145.50	\$727.50	\$1,513.20	\$41.57
With Lights:	\$71.30	\$49.52				
Without Lights:	\$44.68	\$30.89				
Current Year Assessment:			\$144.86	\$724.26	\$1,506.44	\$41.38
With Lights:	\$70.76	\$49.14				
Without Lights:	\$44.36	\$30.66				
Change in assessment with 0.80% CPI increase adjustment:*			\$0.64	\$3.24	\$6.76	\$0.19
With Lights:	\$0.54	\$0.38				
Without Lights:	\$0.32	\$0.23				

