REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
June 5, 2007

Honorable Mayor and
Members of the City Council

Title: Amend the Citywide Landscaping & Lighting Assessment District Budget for Fiscal Year 2006/07

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** transferring $308,000 from the Citywide Landscaping and Lighting Assessment District contingency to Park Maintenance and Improvements for Fiscal Year (FY) 2006/07

Contact: Bob Cooper, Senior Engineer, (916) 808-5778; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis:

Issue: The Citywide Landscaping and Lighting Assessment District ("District") budget was adopted by Council on June 29, 2006. The council authorized a budget for FY2006/07 of $11,682,578. However, an extra $519,000 from District funds was incorrectly allocated to the Park Maintenance budget in the FY2006/07 approved budget. Those extra funds must be repaid from the Park Maintenance operating budget to the District. Staff recommends that these funds be repaid over a period of three years beginning in FY2006/07 with a $211,000 repayment. To implement the recommendation, the FY2006/07 Citywide Landscaping and Lighting budget must first be increased by $308,000. The proposed increase will align the Citywide Landscaping and Lighting budget with what is currently in the City's operating budget. The second year of the repayment has been included in the proposed City budget for FY2007/08.

Policy Considerations: This action is consistent with the requirements of the Landscaping & Lighting Act of 1972 as set forth in the California Streets and Highways Code. The budget appropriation is also consistent with the City's

Strategic Plan to safeguard and manage the public's resources with integrity, prudence, and efficiency, and to ensure the City maintain its ability to provide needed services through a balanced and sustainable budget.

Environmental Considerations: Per the California Environmental Quality Act (CEQA) guidelines sections 15061(b)(1) and 15378(b)(3) this action does not define a project and is therefore exempt from environmental review.

Committee/Commission: None

Rationale for Recommendation: The recommended action in the Resolution is consistent with the budget adopted by Council and the requirements in the California Streets and Highways Code, as set forth in Section 22500 of the Landscaping and Lighting Act of 1972.

Financial Considerations: The FY2006/07 Approved Budget for the Department of Parks and Recreation inadvertently included $519,000 in Citywide Landscaping and Lighting funding. In order to lessen the impact to Parks' effectiveness in delivering City services, staff recommends a payback over three years. The Department will pay back $211,000 in FY2006/07, $208,000 in FY2007/08, and $100,000 in FY2008/09. To implement the recommendation, the FY2006/07 Citywide Landscaping and Lighting budget must first be increased by $308,000. The proposed increase will align the Citywide Landscaping and Lighting budget with what is currently in the City's operating budget. The FY2007/08 operating budget will reflect repayment of this obligation from existing General Fund resources.

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, Planning Department

Approved by: _____
Carol Shearly
Director, Planning Department

Recommendation Approved:

_____
Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

The Citywide Landscaping & Lighting 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.

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.

During FY2006/07 the park maintenance portion of the District budget was incorrectly allocated $519,000 that was not included in the District budget adopted by Council on June 27, 2006. Additionally, the methodology that determines the allocation of District revenue had designated this amount for Street Maintenance. To correct this error, the Parks Department must return $519,000 to the District.

In order to lessen the impact to services provided by the Parks Department, staff recommends that Parks will pay back $211,000 in FY2006/07 and $208,000 in FY2007/08. An additional, $100,000 in FY2008/09 from Parks CIP Improvements will restore the total pay back to $519,000 as shown in the following table.

Repayment Schedule	**Amount**
FY2006/07 Parks CIP	$100,000
FY2006/07 Parks Operating	$111,000
Subtotal 1	***$211,000***
FY2007/08 Parks CIP	$208,000
FY2008/09 Parks CIP	$100,000
Subtotal 2	***$308,000***
Total	**$519,000**

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

AMEND THE CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT BUDGET FOR FISCAL YEAR 2006/07

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 89-600 thereby approving Assessment District No. 2 for all developed properties within the City of Sacramento.

B. Revenue from assessments collected by the District are for the sole and exclusive payment of expenditures specified by the Landscaping and Lighting Act of 1972 in accordance with the methodology described in the Engineer's Annual Report.

C. On June 27, 2006 Council adopted Resolution 2006-489 which approved the budget that authorized the Parks Department to expend $2,719,786 from District funds for On-going Park Maintenance.

D. During FY2006/07 the Parks Department budget inadvertently received an additional $519,000 over and above the amount authorized for Park Maintenance and Improvements. To correct the error, and to align with the City's operating budget, the District budget must first be increased by $308,000.

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

Section 1. The City Council finds and determines that the background statements A through D are true and correct.

Section 2. The City Manager is hereby authorized to transfer $308,000 from the FY2006/07 Citywide Landscaping and Lighting Contingency (Fund Balance) account of the District to Park Maintenance and Improvements.

Section 3. The City Manager is hereby authorized to make the necessary budgetary adjustments to implement the proposed three year pay back of the $519,000 detailed in the Background section of this resolution and shown in Exhibit A.

Section 4. Exhibit A is part of this Resolution.

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Exhibit A: Repayment Schedule

Exhibit A

Repayment Schedule	**Amount**
FY2006/07 Parks CIP	$100,000
FY2006/07 Parks Operating	$111,000
Subtotal 1	***$211,000***
FY2007/08 Parks CIP	$208,000
FY2008/09 Parks CIP	$100,000
Subtotal 2	***$308,000***
Total	**$519,000**