



1

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 207  
915 I STREET  
SACRAMENTO, CA  
95814-2673

OFFICE OF THE DIRECTOR

916-449-5283

June 20, 1990

ADMINISTRATION  
916-449-8747

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session

SUBJECT: PRELIMINARY BUDGET FOR THE CITYWIDE LANDSCAPE AND LIGHTING DISTRICT FOR  
THE 1990-91 FISCAL YEAR

**SUMMARY**

Each year the City Council must vote to levy the annual special assessments for the Citywide Landscape and Lighting District. Staff will initiate this process in early July by submitting an Engineer's Report that details the district budget and the associated assessments for each parcel. Staff is providing a preliminary budget at this time to Committee in order to receive comments prior to completion of the budget hearings.

The preliminary budget for the Citywide Landscape and Lighting District totals \$3.4 million and includes \$300,000 for tree service augmentations and \$400,000 for continued funding of park rehabilitation projects. The projected assessments, based on the preliminary budget, increase an average of 5% over the 1989-90 levels.

**BACKGROUND**

In 1989-90 the City Council established a City-wide Landscape and Lighting District, primarily to fund energy and maintenance costs associated with street lighting throughout the City. In addition, \$400,000 was included in the district budget for park rehabilitation projects. Each year the Council must adopt an Engineer's Report that specifies the proposed expenditures of the district and the resulting assessments that will be levied against each parcel within the district boundaries.

The Engineer's Report for the 1990-91 fiscal year will be presented to this Committee in early July. This report, on the preliminary budget of the district, is provided to Committee at this time so that any suggestions or concerns from Councilmembers may be heard on the subject before completion of the budget hearings and submission of the Engineer's Report.

Landscape and Lighting District Budget for 1990-91

A program budget for the Citywide Landscape and Lighting District is provided on Attachment A. The key features of the 1990-91 budget are as follows:

- \$200,000 is added for additional tree trimming services.
- \$100,000 is included to complete funding of a tree management plan.
- \$400,000 is included for park rehabilitation projects.

In addition to the \$700,000 in discretionary programs outlined above, the district contains approximately \$2.4 million in services which were funded by the general fund prior to 1989-90. These services consist primarily of street light energy and maintenance costs. This shift in funding sources, which was one of the measures required to balance the 1989-90 budget, provides equity in financing the operating and maintenance costs associated with street lights. Approximately 35% of the City does not have neighborhood street lighting. Prior to the adoption of this district, residents of North Sacramento, East Sacramento, and midtown had a portion of their property tax used for this purpose.

It is worth noting that there is no funding recommended for median landscaping and construction for FY 1990-91. Should the Council choose to augment this activity by \$250,000, the additional rate impact would average 8%, ranging between a 3% to a 17% increase in assessments. The heavier burden would be absorbed by nonresidential rate categories.

It is also important to note that there is very little flexibility in reallocating the \$2.4 million in expenditures previously funded with general fund revenues. Every dollar that is moved from these programs to a new program would have to be recovered through increased assessments, a contribution of general fund revenue, or discontinuation of the previously funded program (in this case, street lighting).

Impact of Preliminary Budget on Annual Assessments

The preliminary budget included in this report will result in an average increase of 5% for the annual assessments. In addition, staff is recommending two changes pertaining to rate categories. These changes involve (1) Transferring all remaining condominium units from the single family category to the multi-family unit designation, and (2) assigning a separate rate category for churches.

Condominium associations have written to the City stating that assessments for these properties are presently charged at the single-family unit rate. The associations cite the fact that their traffic generation and population characteristics are more closely aligned with apartment units than with detached single-family units. Church representatives believe that they should not be categorized with five and seven-day-a-week commercial operations that generate considerably more traffic than a church, which has activities one to three days a week. Staff agrees that the rates for these two groups can be made more equitable by making the two category adjustments identified above.

Below is an illustration of projected changes from the 1989-90 assessments using the residential rate categories. Under the title "1990-91 Projected Assessments" there are two columns. The first column illustrates the increase in the assessment based on the preliminary budget. The second column reflects the assessment after the two category adjustments for condominiums and churches have been applied.

TABLE 1  
 PROJECTED CHANGES IN *ANNUAL* ASSESSMENTS

Rate Category	1989-90 Assessment	1990-91 Projected Assessments			
		Before Changes	\$	After Changes	\$
Single-Family Home With Street Lights	\$24.13	\$24.70	\$.57	\$24.48	\$.35
Single-Family Home Without Street Lights	6.82	7.76	.93	7.72	.90
Apartment Unit With Street Lights	16.84	17.23	.39	18.30	1.46
Apartment Unit Without Street Lights	4.72	5.37	.64	5.59	.87

Attachment B provides a detailed listing of all of the rate categories and the projected assessments.

Methodology used to Calculate Assessments

Although the average increase in assessments is projected at 5%, the percentage increase in each rate category varies from 1% to 18% due to the methodology used to calculate the assessments. This methodology will be provided in complete detail in the Engineer's Report that establishes the exact assessment. In summary the expenditures for the district are divided into three categories:

1. Common Facilities -- These benefit all City properties. Examples include street lighting at intersections, along major streets, and tree trimming along public rights-of-way to provide proper clearance and visibility.
2. Neighborhood Street Lighting -- This is for maintaining street lights and energy costs in neighborhoods that have street lights.
3. Park Improvements -- This is for park rehabilitation projects such as tennis and basketball court resurfacing and repair of playground equipment.

In each of these three expenditure categories, the costs are spread to parcels based on different factors. Common facilities are spread based on traffic generation characteristics. Neighborhood street lighting is also spread on traffic generation, but only to residential parcels that have street lights. Park improvements are spread based on the average household size, or number of employees.

This methodology is used so that the parcels receiving the benefit from the expenditures of the district receive a proportionate assessment. For this reason, across the board increases in assessments are somewhat infrequent since increases in district expenditures vary from category to category.

FINANCIAL DATA

The budget estimates and associated assessments included in this report are preliminary projections. The actual assessments will be provided in an Engineer's Report that will be submitted to the City Council in early July.

There is no fiscal impact associated with this report. The report is provided for information only.

POLICY CONSIDERATIONS

The actual budget for the Citywide Landscape and Lighting District will be presented in July. If there are suggestions or concerns about the district, staff can take direction from the Committee to make modifications to the preliminary budget.

MBE/WBE

Not applicable.

RECOMMENDATION

This report is for information only. Staff will return with a proposed budget and Engineer's Report for the Citywide Landscape and Lighting District in early July. The Committee may provide direction to staff on changes to the preliminary information contained in this report.

Respectfully Submitted,

  
Melvin H. Johnson  
Director of Public Works

APPROVED FOR COMMITTEE INFORMATION:



Jack Crist  
Deputy City Manager

June 20 1990  
All Districts

Contact Person  
William Farley, Senior Management Analyst  
449-5845

**CITY - WIDE  
LANDSCAPING AND LIGHTING DISTRICT  
PROGRAM EXPENDITURES**

	1989-90 APPROVED	1989-90 ACTUAL	1990-91 ESTIMATE	CHANGE	%
<b>COMMON FACILITIES</b>					
Safety Lighting	\$487,696	\$487,696	\$485,907		
Median Maintenance	222,600	222,600	222,600		
Median Construction (A)	250,000	250,000	0		
Tree Trimming R/W	0	0	352,787		
Engineering	150,000	89,677 (1)	41,000 (2)		
Administration (3)	10,000	10,000	10,000		
Contingency	100,000	160,323	209,000 (B)		
Total	1,220,296	1,220,296	1,321,294	100,998	8%
<b>NEIGHBORHOOD STREET LIGHTING</b>					
Neighborhood Lighting	1,548,209	1,548,209	1,538,706		
Conduit Replacement	53,000	53,000	60,000		
Total	1,601,209	1,601,209	1,598,706	(2,503)	0%
<b>PARK MAINTENANCE, DEVELOPMENT &amp; REHABILITATION</b>					
Park Maint, Dev & Rehab	400,000	400,000	400,000		
Tree Management Plan	0	0	100,000		
Total	400,000	400,000	500,000	100,000	25%
<b>TOTAL EXPENDITURES</b>	<b>\$3,221,505</b>	<b>\$3,221,505</b>	<b>\$3,420,000</b>	<b>\$198,495</b>	<b>6%</b>

- (1) Consultant Services for Engineers Report (\$61,935) and printing & mailing costs (\$27,742)
- (2) Consultant Services for Annual Report (\$21,00) and upgrade data storage and programing facilities (\$20,000)
- (3) Administrative costs, staff time & misc. expenses
- (A) This funding replaced existing Gas Tax funding for the Arden Way median. The Gas Tax was then available to offset General Fund street maintenance.
- (B) This contingency will pay for government assessments and cover delinquencies. It is not available for programs.

## ATTACHMENT B

DETAIL OF PROJECTED ASSESSMENTS  
BY EXPENDITURE CATEGORY AND RATE CATEGORIES

1990-91 ASSESSMENTS  
WITH CHANGES

RATE CATEGORY	1989-90	1990-91 ASSESSMENTS		1990-91 ASSESSMENTS	
	ASSESSMENTS	AMOUNT	CHANGE	AMOUNT	CHANGE
=====					
COMMON FACILITIES					
SINGLE FAMILY	\$4.01	\$4.31	\$0.30	\$4.26	\$0.25
MULTI-FAMILY	2.81	3.02	0.21	3.23	0.43
CHURCHES	N/A	N/A	N/A	71.88	N/A
NON-RESIDENTIAL (>25)	52.68	56.58	3.90	59.37	6.69
NON-RESIDENTIAL (25-100)	263.39	282.89	19.50	296.87	33.47
NON-RESIDENTIAL (<100)	547.85	588.41	40.56	617.88	70.03
NEIGHBORHOOD STREET LIGHTING					
SINGLE FAMILY	17.31	16.95	-0.37	16.76	-0.55
MULTI-FAMILY	12.12	11.86	-0.26	12.71	0.59
PARK IMPROVEMENTS/NEIGHBORHOOD TREE SERVICES					
SINGLE FAMILY	2.81	3.45	0.64	3.46	0.65
MULTI-FAMILY	1.91	2.35	0.43	2.36	0.44
CHURCHES	N/A	N/A	N/A	7.82	N/A
NON-RESIDENTIAL (>25)	4.04	4.96	0.92	5.48	1.43
NON-RESIDENTIAL (25-100)	20.20	24.79	4.59	27.37	7.17
NON-RESIDENTIAL (<100)	42.02	51.56	9.54	56.92	14.90
TOTAL					
SINGLE FAMILY	24.14	24.70	0.57	24.48	0.35
w/o lights	6.82	7.76	0.93	7.72	0.90
MULTI-FAMILY	16.84	17.23	0.39	18.30	1.46
w/o lights	4.72	5.37	0.64	5.59	0.87
CHURCHES	N/A	N/A	N/A	79.70	N/A
NON-RESIDENTIAL (>25)	56.72	61.54	4.82	64.85	8.13
NON-RESIDENTIAL (25-100)	283.59	307.68	24.09	324.23	40.64
NON-RESIDENTIAL (<100)	\$589.87	\$639.97	\$50.10	\$674.80	\$84.93