



DEVELOPMENT SERVICES
DEPARTMENT

DEVELOPMENT ENGINEERING
AND FINANCE

CITY OF SACRAMENTO
CALIFORNIA

Special Districts
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June 2, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: 12TH STREET MAINTENANCE DISTRICT BUDGET FOR FY 2005/06 AND
REPORT BACK ON FISCAL YEAR 2005 COMMUNITY ACTIVITY**

LOCATION AND COUNCIL DISTRICT:

The 12th Street Maintenance District is located in both Council Districts 1 and 3. The district includes properties adjacent to 12th Street from "C" Street to "I" Street, as shown in Exhibit A of the Resolution.

RECOMMENDATION:

The report recommends that City Council adopt the attached resolution:

- Adopting the FY 2005/06 12th Street Maintenance District fees and amending the FY 2005/06 operating budget for district related expenses.

CONTACT PERSONS: Rita Goolkasian, Program Specialist, 808-5236
Edward Williams, Manager, 808-5440

FOR COUNCIL MEETING OF: June 21, 2005

SUMMARY:

This report contains the budget for the 12th Street Maintenance District for FY 2005/06. Services include sweeping of gutters and pedestrian sidewalks, and landscape maintenance. There is no increase in the annual assessment; however, a commitment for additional funding through participation in the district by SHRA and Regional Transit and a 6 month trial period for no cost services to the district has been identified. The fees and use of surplus funds necessary to implement the budget represent a full recovery of costs for this district and are indicated on Exhibit B of the attached resolution.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

On April 3, 1990, City Council adopted Resolution No. 90-245 approving the formation of the 12th Street Maintenance District. The maintenance services include a once per week cleanup of gutters and pedestrian sidewalks, and landscape maintenance.

The current district includes 37 commercial parcels within a seven-service block area along both sides of 12th Street. The fees are assessed by front footage. The current annual fee for a typical 80-foot wide lot is \$118.

Annually, City Council is requested to:

- Determine the costs for the services provided;
- Determine whether the costs of the services shall be borne wholly or partially by the property owners within the area; and
- Affix a service fee to be charged to cover the costs to be borne by each property owner within the area.

The annual assessment is inadequate to support all costs of the district. The 12th Street Maintenance contingency fund has been used to offset the costs, including administrative costs, and the fund balance is eroding. If the current low cost for maintenance should rise to normal market level, staff projects the surplus will no longer be able to supplement the annual cost requirement and the fund balance will erode within several years. If costs remain stable, the district could extend its funds perhaps another 5 years. Nevertheless, the district will dissolve if fees are not eventually raised over the next several years.

Fiscal Year 2005 Activity Report:

In an effort to convey that message and address the needs of the property owners as expressed by them in a customer survey response in 2002, SHRA, in conjunction with City staff from Neighborhood Services, developed alternative service options to present to property owners. On March 17, 2005, staff met with owners who dismissed any notion of a cost increase given their dissatisfaction with the current level of service.

They did, however, say that they may be willing to pay more for the assessment if they felt they were receiving value for their assessment. Beginning April 20, the Neighborhood Services Department began a trial program to provide and pay for two additional days per week of clean-up services along the corridor. Neighborhood Services has notified the property owners of their commitment to provide this free service for up to 6 months, after which time, they hope that property owners would come to value the service enough to pay for it when the trial period was over. These additional service days supplement the current contractor services and 12th Street is now being cleaned 3 days per week.

Staff will meet with property owners following the trial period and discuss amending the assessment to increase the fee for continuation of the service. If there is consensus to

increase the fee, then staff will begin assessment proceedings to increase the fee by vote and a supplemental tax bill will be sent to each owner for the remainder of FY05/06. If owners are still opposed to fee increases, service would eventually discontinue when the surplus funds are spent down.

Additional Participation

SHRA and Regional Transit own parcels within the boundary area. They have agreed to participate in the district, which increases the number of parcels to 41. SHRA is also exploring expansion of the district to include properties outside the current boundary, which should lower the cost for all should new services be added. As well, the City and SHRA will continue to explore ways to fund special services to the area. A report back on all efforts will occur after the October meeting with owners.

Administration Costs

Currently the administrative costs of the district are relatively high compared to overall costs due to the low cost of maintenance services and the few parcels participating. Staff is making every effort to keep costs low, which are low compared to other districts. Special Districts staff has lowered its administrative budget by 20% from \$2500 to \$2000 while the Street Operations and Accounting Division has increased their budget by 4% and 2% respectively. The net effect is that the Fiscal Year 2005/06 budget is slightly lower than the Fiscal Year 2005 budget.

FINANCIAL CONSIDERATIONS:

There is no fee increase recommended at this time. The fees levied are used to defray City and contractor expenses associated with the services and administration provided in this area. The proposed expenditures are fully fee supported.

The total cost of the 12th Street Maintenance District for FY 2005/06 is \$7,050 (see Exhibit B of attached resolution). The total amount assessed to the property owners is proposed to be \$118 for a typical 80-foot wide parcel (\$9.83/month) for a total district assessment of \$5,289. Participation from SHRA and Regional Transit raises the previous revenues by \$427. The budget will be offset with \$1,761 from available fund balance estimated to be approximately \$8,100 at 6/30/05.

FY 04/05 Assessment	FY 05/06 Budget	Surplus Offset	FY 04/05 Assessment
\$4,862	\$7,050	\$1,761	\$5,289

ENVIRONMENTAL CONSIDERATION:

Under the California Environmental Act (CEQA) guidelines, the annual proceedings for an assessment district do not constitute a project and, therefore, are exempt from review.

POLICY CONSIDERATIONS:

The annual proceedings are being conducted in accordance with City Code Title 3.128. Approving the annual district is consistent with the City's Strategic Plan in preserving and

enhancing the City's neighborhoods and quality of life.

ESBD CONSIDERATIONS:

Not applicable. No goods or services are being purchased.

Respectfully submitted,



Edward Williams, Manager
Development Engineering and Finance

RECOMMENDATION APPROVED:


ROBERT P. THOMAS, City Manager

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2. Exhibit A, 12th Street Maintenance District FY 2005/06 Location Map, pg. 6
3. Exhibit B, 12th Street Maintenance District FY 2005/06 Budget, pg. 7
4. Exhibit C, 12th Street Maintenance District Parcel Fee Schedule FY 2005/06, pg. 8

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____

RESOLUTION ADOPTING THE FY 2005/06 BUDGET FOR THE 12TH STREET MAINTENANCE DISTRICT AND ESTABLISHING THE FEES ASSESSED ON PROPERTY WITHIN THE DISTRICT

Whereas the 12TH Street Maintenance District (see Exhibit A) was established by the City Council on April 3, 1990 by Resolution No. 90-245; and

Whereas property owners within the boundaries of the 12 Street Maintenance District are assessed a fee to cover the cost of delivering Landscaping maintenance services;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City Council has determined that the FY 2005/06 costs for the 12th Street Maintenance District are as shown on Exhibit B attached hereto and incorporated into this resolution; and
2. The City Council has determined that the additional costs shall be wholly borne by the property owners in the area; and
3. The City Council fixes the fee for each property owner as shown on the Exhibit C attached hereto and incorporated into this resolution; and
4. The proposed FY 2005/06 revenue (\$5,289) and expenditure (\$7,050) budgets for the 12th Street Maintenance District be amended as shown on Exhibit B. The expenditure budget will be offset with \$1,761 from the district's fund balance.
5. The Finance Director is authorized to establish the expenditure authority for the departments of Transportation, Development Services and Finance necessary to provide services for the 12th Street Maintenance District in the amount of \$7,050 which will be reimbursed by the 12th Street Maintenance District.

MAYOR

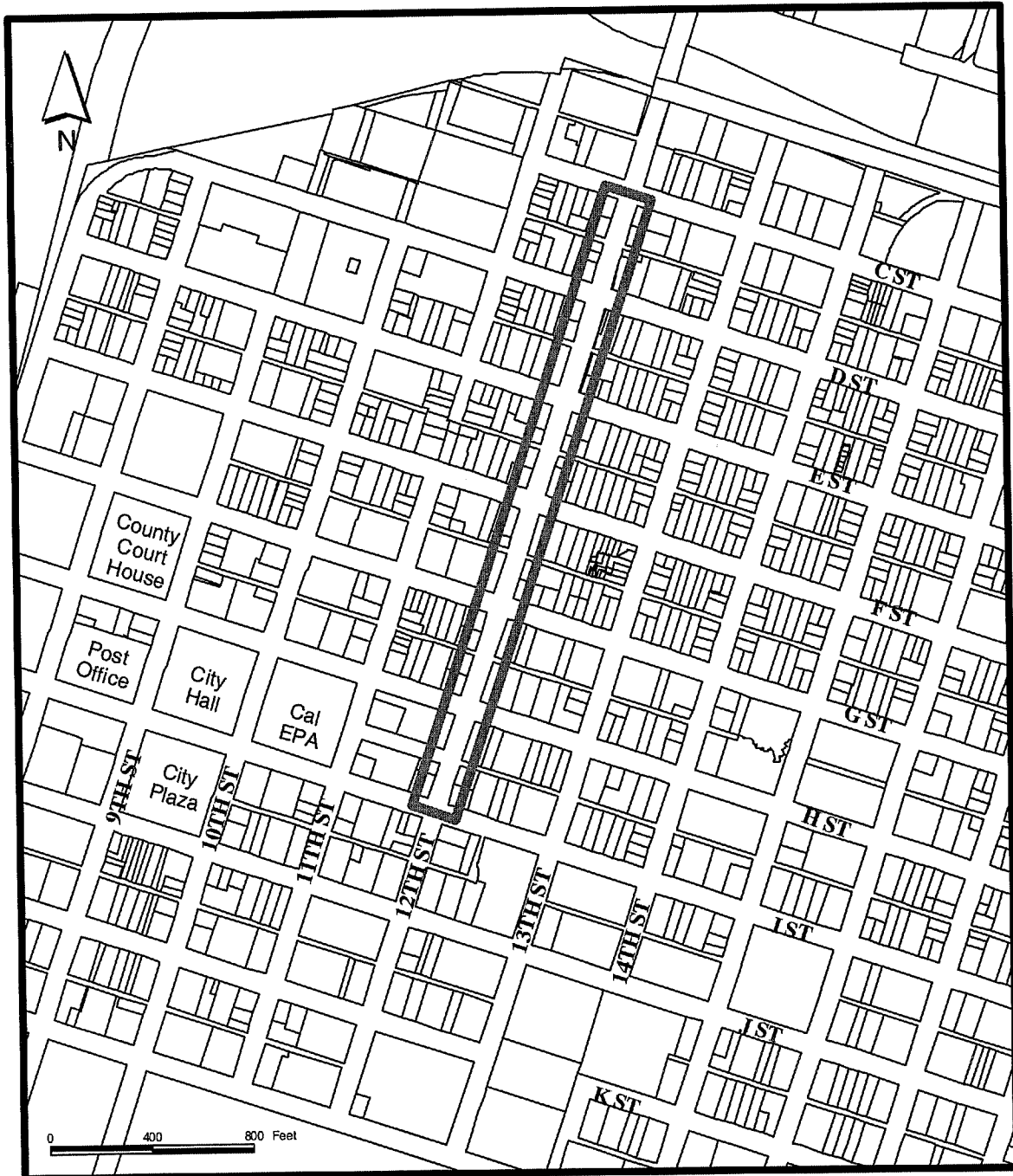
ATTEST:

CITY CLERK

Exhibit A – Location Map (1 page)
Exhibit B – FY2005/06 Budget (1 page)
Exhibit C – Parcel Fee Schedule (2 pages)

EXHIBIT A

12th Street Maintenance District



 Maintenance Area



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EXHIBIT B

12TH STREET MAINTENANCE DISTRICT FY 2005/06 BUDGET

Department of Transportation – Street Operations	
Contract Maintenance	\$2,800
Contract Administration & Inspection	1,350
Department of Finance – Accounting	
Finance Administration	525
County Billing Fee	85
Parcel Recording	290
Development Services Department – Development Engineering and Finance	
Special Districts Administration	<u>2,000</u>
	Subtotal
	\$7,050
Less Fund Balance Offset	<u>- \$1,761</u>
Total Assessed to Property Owners	\$5,289

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

EXHIBIT C

CITY OF SACRAMENTO 12TH STREET MAINTENANCE DISTRICT PARCEL FEE SCHEDULE FY 2005/06

ASSMT #	PARCEL #	FRONT FOOTAGE	TOTAL FEE TO PARCEL
1	00200750110000	80	\$117.90
2	00200750240000	80	117.90
3	00200750140000	40	59.00
4	00200750150000	40	59.00
5	00200750160000	80	117.90
6	00200820020000	80	117.90
7	00200820010000	80	117.90
8	00200820160000	27	39.80
9	00200820240000	11	16.20
10	not used	0	0.00
11	00201150110000	80	117.90
12	00201150120000	80	117.90
13	00201150130000	160	235.90
14	00201160080000	100	147.40
15	00201160580000	80	117.90
16	00201160110000	80	117.90
17	00201210360000	65	95.79
18	00201210340000	80	117.90
19	00201210320000	85	125.27
20	00201220010000	90	132.70
21	00201220020000	70	103.20
22	00201220250000	40	59.00
23	00201220240000	120	176.90
24	00201570070000	120	176.90
25	00201570080000	40	59.00
26	00201570130000	160	235.90
27	00201560110000	80	117.90
28	00201560120000	80	117.90
29	00201560130000	80	117.90
30	00201560140000	80	117.90
31	00201610010000	160	235.90

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32	00201610200000	80	117.90
33	00201610190000	80	117.90
34	00201620010000	160	235.90
35	00201620200000	160	235.90
36	00600450020000	140	206.40
37	00600460010000	47	69.30
38	00600460070000	93	137.10
39	02101160090000	60	88.42
40	not used	0	0.00
41	not used	0	0.00
42	00600510210000	160	235.90
43	00600510170000	80	117.90
44	00600510160000	80	117.90
45	not used	0	0.00
46	not used	0	0.00
		3,588	\$5,288.98

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