



DEVELOPMENT SERVICES
DEPARTMENT

DEVELOPMENT ENGINEERING
AND FINANCE

CITY OF SACRAMENTO
California

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May 11, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: CITYWIDE LANDSCAPING AND LIGHTING DISTRICT - INITIATE
ANNUAL PROCEEDINGS FY 2005/06**

LOCATION AND COUNCIL DISTRICT: Citywide, All Council Districts.

RECOMMENDATION:

This report recommends that City Council adopt the following resolutions:

- Directing Filing of the Annual Report
- Approving Annual Report and Intention to Order Improvements.

CONTACT PERSON: Rita Goolkasian, Special Districts Analyst, 808-5236
Edward Williams, Manager, 808-5440

FOR COUNCIL MEETING OF: June 7, 2005

SUMMARY:

This report will initiate annual proceedings for the Citywide Landscaping and Lighting (L&L) Assessment District. The recommended Council action authorizes filing of the FY 2005/06 Engineer's Report and sets a public hearing date for June 28, 2005. The proposed budget of \$11,042,741 reflects a maximum 2.1% consumer price index (CPI) rate adjustment for inflation plus a \$100,000 distribution from surplus funds. Staff is also recommending an additional appropriation of \$270,000 from surplus for a one-time assistance to pay for increased street lighting energy costs and the Urban Reforestation Program. A schedule of the L&L budget proceedings is shown on Attachment A.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The Citywide L&L 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, including 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 L&L budget (\$600,000) goes towards 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 existing Citywide L&L program 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), San Francisco area, all items, but not to exceed three percent (3%) in any year. The CPI increased 2.1% from April 2004 to April 2005 and the increase is reflected in the proposed 2006 estimates. The annual department budgets also reflect an applied surplus of \$100,000 for operations. An additional \$270,000 from projected surplus is recommended to offset the Street Lighting division's budget by \$170,000 due to increased energy costs, and \$100,000 for the Urban Reforestation Program.

FINANCIAL CONSIDERATIONS:

Each year the L&L budget is put together taking into consideration several factors. Some of these factors include the cost of services, the projected number of parcels in each

assessment category and the amount of projected surplus/deficit in the L&L fund balance at the current fiscal year end. The proposed budget is shown on Attachment B.

Parcel/Unit Count Update

L&L assessments are based on categories for single-family parcels and multi-family units (with and without neighborhood lights), non-residential parcels (based on parcel size) and churches. Staff projects the parcel counts to each category based on prior year's growth. Other factors used in computing assessments are the number of residents or employees and trip generation factors.

L&L Fund Balance

Each year, the L&L projected year-end fund balance is reflected in the following year's budget as a surplus or deficit. A surplus can occur because contingencies built into the budget to cover assessment shortfalls may not have been used, delinquencies may have been insignificant, or the number of assessed parcels is more than what was projected. The L&L unrestricted fund balance for June 30, 2005 is projected to be \$370,000 and staff recommends this amount to be distributed as follows in fiscal year 2006:

1. \$100,000 to be allocated proportionally to the assessment for each category as supplementation to all L&L department budgets.
2. A separate one-time appropriation of \$170,000 to the Street Lighting Division of Department of Transportation for increased energy costs due to SMUD's recent approval of a 10% increase in energy rates.
3. A separate one-time appropriation of \$100,000 to Trees Services Division of Parks and Recreation Department for their Urban Forest Enhancement Program.

These expenditures are an appropriate use of L&L funds.

Proposed Budget

The proposed L&L budget for FY 2005/06 is \$11,042,741. This budget reflects the increase in revenue due to the CPI adjustment (2.1%) in assessment rates, increased parcel counts and \$100,000 in available surplus funds. Correspondingly, the cost for services has increased as the result of inflation, new development and redevelopment within the City of Sacramento. A comparison of the proposed budget to last year's budget is shown on Attachment B.

Proposed Levy

Implementation of the proposed budget will require levy of \$10,942.741 for FY 2005/06 as shown on Attachment B. The assessment for a typical single-family home with lights is \$65.28.

ENVIRONMENTAL CONSIDERATIONS:

City Council action in approving these resolutions is solely for the purpose of approving an annual report, and is therefore not a project for the purpose of the California Environmental Quality Act (CEQA).

POLICY CONSIDERATIONS:

These annual proceedings are being conducted in accordance with the Landscaping and Lighting Act of 1972 as set forth in Section 22500 of the California Streets and Highway's Code. Annual approval of the Landscaping and Lighting District is consistent with the City's Strategic Plan in preserving and enhancing the City's neighborhoods and quality of life.

ESBD CONSIDERATIONS:

City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully submitted,


Edward Williams, Manager
Development Engineering and Finance

RECOMMENDATION APPROVED:


ROBERT P. THOMAS, City Manager

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ATTACHMENT A

CITYWIDE LANDSCAPING & LIGHTING ASSESSMENT DISTRICT ANNUAL REPORT SCHEDULE FOR FY 2005/06 BUDGET

June 7, 2005

City Council Adopts:

- Resolution Directing Filing of the Annual Report
- Resolution of Intention to Order Improvements and Set the Public Hearing Date

June 10, 2005

City Clerk Publishes Notice of Hearing

June 28, 2005

City Council Conducts Public Hearing and Adopts:

- Resolution Confirming Report and Levying FY 2005/06 Assessments
- Resolution Amending the FY 2005/06 Budget for the Citywide Landscaping and Lighting District

July 2005

Prepare Final Assessment Roll for Adopted Budget

August 1, 2005

Transfer Assessment Roll to County for Inclusion on Tax Bill

ATTACHMENT B

**PROPOSED FY 2005/06 BUDGET FOR
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT
(With 2.1% CPI adjustment in assessments)**

SERVICES	APPROVED BUDGET FY2004/05	PROPOSED BUDGET FY2005/06
<u>Street Related Operations & Maintenance:</u>		
Safety Lighting	\$409,027	\$427,155
CIP - Safety Lighting Replacement Program	0	0
Median Maintenance	1,022,988	1,011,967
CIP - Median & Soundwall Area Landscaping	0	0
Tree Maintenance (Residential & Non-residential)	3,576,714	3,515,622
Neighborhood Street Lighting Maintenance	2,405,045	2,357,361
CIP - Neighborhood Street Lighting Replacement Program	442,961	459,833
Administration & Billing	75,000	58,348
Contingency	0	0
SUBTOTAL STREET RELATED O&M	\$7,931,735	\$7,830,286
<u>Bonded Indebtedness:</u>		
Park Improvements (bonded portion)	\$600,000	\$600,000
Administration & Billing	5,801	5,933
SUBTOTAL BONDED INDEBTEDNESS	\$605,801	\$605,993
<u>Park Maintenance & Improvements and Graffiti Abatement:</u>		
Park Maintenance	1,793,683	\$1,793,683
CIP - Park Improvements (on-going improv)	701,801	671,559
Graffiti Abatement	121,708	122,550
Administration & Billing	25,000	18,730
Contingency	0	0
SUBTOTAL PARK MAINT., IMPROV. & GRAFFITI	\$2,642,192	\$2,606,522
TOTAL L&L BUDGET	\$11,179,728	\$11,042,741
Available Surplus Offset	(\$491,156)	(100,000)
ASSESSED TO PROPERTY OWNERS:	\$10,688,572	\$10,942,741

ATTACHMENT C

RECOMMENDED ANNUAL ASSESSMENTS FOR FY 2005/06

Assessment Components	Single Family Residence	Multi-Family Residence	Business 0-25,000 S.F.	Business 25,001-100,000	Business 100,001 or more	Church
<u>Street Related O&M:</u> Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance No Lights: \$ 22.56 Lights: \$ 46.75						
	\$ 22.56	\$ 15.79	\$ 100.80	\$ 503.98	\$1,048.28	\$ 28.80
<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 Main., Youth Employment Program, Graffiti Abatement	\$ 14.46	\$ 9.84	\$ 24.73	\$123.63	\$257.15	\$ 7.06
Proposed Assessment: No Lights: \$ 41.09 Lights: \$ 65.28	\$ 41.09	\$28.40	\$131.56	\$657.79	\$1,368.19	\$ 37.59
	\$ 65.28	\$45.34				
Current Year Assessment: No Lights: \$ 40.33 Lights: \$ 64.02	\$ 40.33	\$27.88	\$128.97	\$644.84	\$1,341.25	\$ 36.85
	\$ 64.02	\$44.46				
<i>Change in assessment with CPI adjustment:</i> No Lights: \$ 0.76 Lights: \$ 1.26	\$ 0.76	\$ 0.52	\$ 2.59	\$12.95	\$ 26.94	\$ 0.74
	\$ 1.26	\$ 0.88				

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____

RESOLUTION DIRECTING FILING OF ANNUAL REPORT FOR FY 2005/06 ASSESSMENT DISTRICT NO. 2

(Pursuant to the Landscaping and Lighting Act of 1972)

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

1. The Manager of Development Engineering and Finance, Development Services Department, the person designated by this Council as the Engineer of Work for Assessment District No. 2 (Citywide Landscaping and Lighting District), is hereby directed to file an annual report in accordance with the provisions of the Landscaping and Lighting Act of 1972.
2. The improvements to be made in this assessment district are generally described as follows:
 - a. The installation or construction of improvements including (a) landscaping; (b) statuary fountains, and other ornamental structures and facilities; (c) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (d) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (e) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (f) the acquisition of land for park, recreational, or open-space purposes; and (g) any and all expenses incidental to the above.
 - b. The installation or construction of improvements including (a) landscaping; (b) statuary fountains, and other ornamental structures and facilities; (c) all works or improvements used or useful for the lighting of public places,

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RESOLUTION NO.: _____

DATE ADOPTED: _____

including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (d) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (e) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (f) the acquisition of land for park, recreational, or open-space purposes; and (g) any and all expenses incidental to the above.

- 3. This resolution is adopted pursuant to Section 22622 of the Streets and Highways Code.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING ANNUAL REPORT AND INTENTION TO ORDER IMPROVEMENTS FOR FY 2005/06 ASSESSMENT DISTRICT NO. 2

(Pursuant to the Landscaping and Lighting Act of 1972)

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

1. City Council hereby approves the annual Engineer's Report on file in the City Clerk's Office.
2. City Council intends to levy and collect assessments within Assessment District No. 2 (Citywide Landscaping and Lighting District) during fiscal year 2005/06. The area of land to be assessed includes all the parcels located in the City of Sacramento, Sacramento County.
3. The improvements to be made in this assessment district are generally described as follows:
 - a. The installation or construction of improvements including (a) landscaping; (b) statuary fountains, and other ornamental structures and facilities; (c) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (d) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (e) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (f) the acquisition of land for park, recreational, or open-space purposes; and (g) any and all expenses incidental to the above.

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RESOLUTION NO.: _____

DATE ADOPTED: _____

- b. The installation or construction of improvements including (a) landscaping; (b) statuary fountains, and other ornamental structures and facilities; (c) all works or improvements used or useful for the lighting of public places, including ornamental standards, luminaries, poles, traffic signals, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances; (d) any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof including grading, clearing, removal of debris, curbs, gutters, walls, sidewalks, paving, water irrigation, drainage, or electrical facilities; (e) park and recreational improvements including, but not limited to, land preparation such as grading, leveling, cutting and filling, sod landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, and public restrooms; (f) the acquisition of land for park, recreational, or open-space purposes; and (g) any and all expenses incidental to the above.
4. In accordance with this Council's resolution directing the filing of an annual report, the Engineer of Work has filed with the City Clerk the report required by the Landscaping and Lighting Act of 1972. All interested persons are referred to that report for full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the assessment district.
 5. There is no increase in the annual assessment except for the 2.1% Consumer Price Index (CPI) rate, San Francisco, all items.
 6. City Council will conduct a public hearing on Tuesday June 28, 2005, on the question of the levy of the proposed annual assessments. The hearing will be held at 2:00 p.m., at the meeting place of City Council located in interim City Hall, 730 "I" Street, First Floor, Sacramento, California.
 7. The City Clerk is authorized and directed to give the notice of hearing required by the Landscaping and Lighting Act of 1972.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____