



REPORT TO COUNCIL

City of Sacramento

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CONSENT
MAY 4, 2006

Honorable Mayor and
Members of the City Council

Subject: Citywide Lighting & Landscaping District Appropriation Transfer for Fiscal
Year 2005/2006

Location/Council District: Citywide

Recommendation:

Adopt a resolution to transfer \$746,632 from the Citywide Lighting and Landscaping
District (L&L) fund balance to the FY 2005/2006 operating budget.

Contact: Robert Cooper, Senior Engineer, (916) 808-5778; Mark Griffin, Public
Improvement Financing Manager, (916) 808-8788

Presenters: Not Applicable

Department: Development Services Department

Division: Public Improvement Financing

Organization No: 4815

Summary:

This report recommends City Council authorize the transfer of \$746,632 from the L&L
fund balance to the Department of Transportation's (DOT) and the Department of Parks
and Recreation's FY2006/07 operating budgets for authorized uses under the L&L Act
of 1972. The fund balance will be reduced by this action to a level that is sufficient to
pay debt service and for cash flow purposes. This transfer exceeds \$100,000 and
therefore requires City Council approval pursuant to Council Resolution 2005-487
(Section 6.2).

Committee/Commission Action: None required.

Background Information:

The Citywide L&L District was established in June of 1989. The L&L District contributes funding for the maintenance and rehabilitation of City parks and other publicly landscaped areas, and street tree maintenance, including the energy and maintenance cost of streetlights throughout the City. The Engineer's Report for the L&L District is adopted annually and specifies the methodology required to allocate the assessment revenue for the authorized improvements. 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 at the same time as their regular County property taxes.

Because of the unprecedented development growth in the City and because of actual expenditures that were less than budgeted last fiscal year, revenues and the fund balance entering the current fiscal year are higher than anticipated. Staff therefore recommends the transfer of \$746,632 to the operating budget to fund eligible L&L expenses. This transfer in funding is to adjust prior budget estimates to reflect actual expenditures, not to increase current service levels.

The additional funds would be allocated to DOT and the Department of Parks and Recreation in the same proportion as their share of the total fund balance of the L&L. The amounts and purposes are as follows:

<u>Description</u>	<u>Amount</u>
Median Maintenance	\$488,363
Neighborhood Street Lighting Maintenance	82,359
Street Tree Maintenance	102,841
Park Maintenance	59,038
Park Maintenance – Youth Program	10,418
Graffiti Abatement	3,613
Total:	<u>\$746,632</u>

Financial Considerations:

The transfer of \$746,632 is from the L&L fund balance and will not increase existing or future assessments. The following table shows the proposed allocation for the L&L budget transfer by department.

Proposed FY 05/06 Budget Transfer

Department	Amount
Dept. of Transportation	\$673,564
Parks Dept.	<u>\$73,068</u>
Total Transfer	\$746,632

With this action, the fund balance will remain at a level adequate to cover debt service plus a small cash reserve for cash flow needs. The remaining fund balance will be approximately 5% of revenue, or \$561,637. This action will maintain the L&L District fund balance at a reasonable level and ensure that assessments collected are used for services as quickly as possible.

Environmental Considerations:

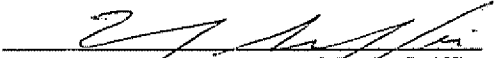
The Environmental Services Manager has determined that the proposed action of the transfer of \$746,632 from the L&L fund balance is exempt from CEQA under Statutory Section 15273(a)(3) and (4) of the CEQA Guidelines. Section 15273(a)(3) and (4) of the CEQA Guidelines applies to activities that involve the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting financial reserve needs and requirements; and obtaining funds for capital projects, necessary to maintain service within existing service areas.


Policy Considerations:

This action is consistent with the requirements of the Landscaping and Lighting Act of 1972 as set forth in the California Streets and Highway's Code. The budget transfer is also consistent with the City's Strategic Plan to safeguard and manage the public's resources with integrity, prudence, and efficiency, to ensure the City maintains its ability to provide needed services through a balanced and sustainable budget.

Emerging Small Business Development (ESBD):

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

Respectfully Submitted by: 
Mark Griffin
Public Improvement Financing Manager

Approved by: 
Carol Shear
Planning Director

Recommendation Approved:



Ray Kerridge
for City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

May 4, 2006

CITYWIDE LIGHTING AND LANDSCAPING APPROPRIATION TRANSFER FOR FISCAL YEAR 2005/06

BACKGROUND

- A. On August 1, 1989, the City Council adopted Resolution No. 89-600 approving Assessment District No. 2 Citywide Landscaping and Lighting (L&L) District for all developed properties within the City of Sacramento. On June 28, 2005 the City Council approved and adopted the fiscal year 2005/2006 L&L budget by Resolution No. 2005-542.
- B. Assessments collected under the L&L District are for the sole and exclusive payment of expenditures specified by the State of California Lighting and Landscaping Act of 1972 in accordance with the methodology described in the Engineer's Report.
- C. This transfer exceeds \$100,000 and therefore requires City Council approval pursuant to Council Resolution 2005-487 (Section 6.2).
- D. L&L revenues must be appropriated for eligible expenses in a timely manner. The fund balance of the L&L District fund can be reduced, and the operating budget increased to fund eligible L&L expenses, by \$746,632 without affecting the prudent financial management of the fund.

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

Section 1. The City Manager is hereby authorized to transfer \$746,632 from the fund balance of the Citywide Lighting and Landscaping District to the following accounts:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
340-3497-4390	Median Maintenance	\$488,363
340-3496-4390	Neighborhood Street Lighting Maintenance	82,359
450-4713-4390	Street Tree Maintenance	102,841
450-4728-4390	Park Maintenance	59,038
450-4723-4390	Park Maintenance – Youth Program	10,418
310-3276-4390	Graffiti Abatement	3,613
Total:		<u>\$746,632</u>