Title: Establish Revenue and Expenditure Budgets for Sacramento Maintenance Community Facilities District No. 2014-04

Location: Citywide

Recommendation: Pass a Resolution: 1) establishing revenue and expense budgets for Fiscal Year 2016/17 for Sacramento Maintenance Community Facilities District No. 2014-04 (Fund 2250); and 2) establishing budget authority for future annexation areas in this District.

Contact: Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:
1-Description/Analysis
2-Resolution
Description/Analysis

Issue Detail: On May 19, 2015, Council passed Resolution 2015-0130 establishing a citywide future annexation area for the Sacramento Maintenance Community Facilities District No. 2014-04 (District) to provide funding for maintenance services in areas that annex into the District.

The Delta Shores development project was the first project to annex into the District and Fund 2250 was created as a management requirement of the annexation area. In Fiscal Year (FY) 2016/17 the City levied a special tax of $370,996.12 to fund maintenance services. Establishment of the revenue and expenditure budgets for the tax assessment is necessary for expenditure authority for services in FY2016/17. Since these annexations occur throughout the year and do not always comport with the City’s budget cycle, staff is also recommending approval to establish revenue and expenditure budgets for future funds that are created as areas annex into the District.

Policy Considerations: The recommended action will provide funding for maintenance and repair of public amenities, facilities, and improvements for project areas annexed to the District as well as the existing Delta Shores annexation.

Economic Impacts: None.

Environmental Considerations: Under the California Environmental Quality Act Guidelines, administration of a district does not constitute a project and is therefore exempt from review.

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Establishing budget for the tax assessment is necessary for expenditure authority for existing funds and future annexation area funds is required by City Budget Resolution No. 2016-0216.

Financial Considerations: The property owners will pay all costs associated with the District. Rates will vary by project as the actual cost of services for and services provided to each annexation area will be different.

Local Business Enterprise (LBE): Not applicable.
BACKGROUND

A. The Sacramento Maintenance Community Facilities District 2014-04 Future Annexation Territory (District) was established by City Council on May 19, 2015. The District levies special taxes in an amount sufficient to provide funding for maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas within public rights-of-way for annexed areas.

B. Fiscal Year (FY) 2015/16 was the first year that landowners within the District were subject to the special tax. New accounting funds are created as necessary for new annexations into the District. Fund 2250 was created for the Delta Shores annexation into the District and the special tax was levied for FY 2016/17 to fund maintenance in the annexation area.

C. Individual accounting funds are created for new annexations with budgets over $250,000. Revenue and Expense budgets will be necessary as each of these new funds are created.

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

Section 1 The Background statements A and B are true and correct.

Section 2 The City Manager, or his designee, is authorized to establish a revenue and expenditure budget for Sacramento Maintenance Community Facilities District 2014-04 (Fund 2250) for FY 2016/17.

Section 3 The City Manager, or his designee, is authorized to create individual accounting funds for annexations to this District with budgets over $250,000, establish revenue and expenditure budgets for such funds, and make necessary budget adjustments for such funds as described in Section C of the Background.