



CITY COUNCIL STAFF REPORT

DATE: February 3, 2016 CONSENT CALENDAR

SUBJECT: ACCEPTANCE OF COMMUNITY FACILITIES DISTRICT ANNUAL
ACCOUNTABILITY REPORT

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

SUMMARY

Specific sections of the California Government Code require annual reporting for voter-approved special taxes issued subsequent to January 2001. The Community Facilities District (CFD) No. 2005-1 (Public Safety Services) and Community Facilities District (CFD) No. 2007-1 (Tribal Land) were established in 2005 and 2007. Each year staff and the CFD administrator prepare a report summarizing the financial activity of the CFDs and certifying that the use of the funds is consistent with the purpose of the CFD. The report is required to be accepted by the City Council.

RECOMMENDATION:

1. Accept the Community Facilities District No. 2005-1 (Public Safety Services) and Community Facilities District No. 2007-1 (Tribal Land) Special Tax and Bond Accountability Reports for the Fiscal Year 2014-15.
2. Authorize the City Manager to execute all necessary documents.

BACKGROUND:

CFD No. 2005-1 (Public Safety Services) (the "District") was formed to finance the costs and expenses of providing public safety services to the City of Palm Springs (the "City"). The services provided include: Police services, fire protection and suppression services, and life safety services of the City required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City, including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff that directly provide police services and fire protection and suppression services and life safety services, respectively, and (iv) City overhead costs associated with providing such services within the District.

CFD No. 2007-1 (Tribal Land) (the “District”) was formed to finance the costs and expenses of providing public safety services to the City of Palm Springs (the “City”). The services provided include: New police services, fire protection and suppression services, and life safety services (the “Services”) of the City of Palm Springs required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City of Palm Springs, including but not limited to, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel.

The Local Agency Special Tax and Bond Accountability Act (“Accountability Act”) was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 2001. Some of the requirements of the Act are handled at the formation of the special tax district and others are handled through annual reports. This section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- a) The amount of funds collected and expended.
- b) The status of any project required or authorized to be funded as identified in subdivision of Section 50075.1 or Section 53410.”

The annual report (“Accountability Report”) has been prepared for the CFD No. 2005-1 (Public Safety Services) and CFD No. 2007-1 (Tribal Land) of the City of Palm Springs (City) for the fiscal year ended June 30, 2015 pursuant to and in accordance with the requirements outlined in the Accountability Act. These reports are attached for the Council’s review.

STAFF ANALYSIS:

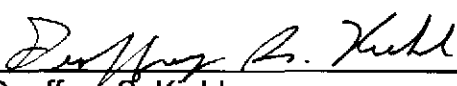
On September 7, 2005, the City Council established the Community Facilities District (CFD) pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”). The CFD is authorized to levy a special tax generally for the purpose of funding public safety services for new development within the City.

The authorized costs of service includes but not limited to, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel.

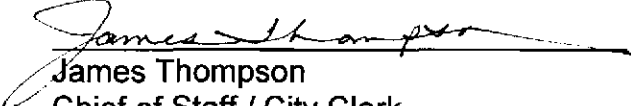
The City is legally required to maintain a separate fund to account for revenues and expenditures related to the CFD. The source of revenue in this fund is the annual CFD levy paid by homeowners within the CFD.

FISCAL IMPACT:


The following attachments provide a summary of the collection of special taxes and the authorized expenditures in the fiscal year 2014-15 in the CFD. The summarized revenues and expenditures have no impact on the City's General Fund.



Geoffrey S. Kiehl,
Director of Finance and Treasurer



James Thompson
Chief of Staff / City Clerk



David H. Ready, City Manager

Attachment:

CFD No. 2005-1 Annual Collections and Expenditures Report for FY 2014-15
CFD No. 2007-1 Annual Collections and Expenditures Report for FY 2014-15

SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the "Act"). The Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the special tax district and others are handled through annual reports. This section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

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- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410."

The requirements of the Act apply to the Funds of:

City of Palm Springs
Community Facilities District No. 2005-1
District Formed September 7, 2005

Purpose of Special Tax

Community Facilities District No. 2005-1 (Public Safety Services) (the "District") was formed to finance the costs and expenses of providing public safety services to the City of Palm Springs (the "City"). The services provided include: Police services, fire protection and suppression services, and life safety services of the City required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City, including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff that directly provide police services and fire protection and suppression services and life safety services, respectively, and (iv) City overhead costs associated with providing such services within the District.

Collections & Expenditures

Fund	06/30/2014 Balance	2014/15 Collected	06/30/2015 Balance	Expended Amount	Service Status
Special Tax Fund	\$291,727.44	\$408,189.29	\$339,517.45	\$360,399.28	Ongoing

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The requirements of the Act apply to the Funds of:

City of Palm Springs
Community Facilities District No. 2007-1
District Formed October 17, 2007

Purpose of Special Tax

Community Facilities District No. 2007-1 (Tribal Land) (the "District") was formed to finance the costs and expenses of providing public safety services to the City of Palm Springs (the "City"). The services provided include: New police services, fire protection and suppression services, and life safety services (the "Services") of the City of Palm Springs required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City of Palm Springs, including but not limited to, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel.

Collections & Expenditures

Fund	06/30/2014 Balance	2014/15 Collected	06/30/2015 Balance	Expended Amount	Service Status
Special Tax Fund	\$7,174.97	\$7,746.30	\$10,770.93	\$4,150.34	Ongoing