



# CITY COUNCIL STAFF REPORT

DATE: January 4, 2017 CONSENT CALENDAR

SUBJECT: ACCEPTANCE OF COMMUNITY FACILITIES DISTRICT ANNUAL  
ACCOUNTABILITY REPORT

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

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## 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 2015-16.
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.

ITEM NO. 1.L.

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, 2016 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.

In fiscal year 2015-16, costs for certain public safety positions had been planned and the staffing costs were incurred, but some of the expenses are not reflected on the attached reports. Transfers have been processed in the current fiscal year to bring the balances to zero.

FISCAL IMPACT:

The following attachments provide a summary of the collection of special taxes and the authorized expenditures in the fiscal year 2015-16 in the CFD. Adequate funds are expected to be available to pay for the planned costs in fiscal year 2016-17, including for the accounting issue explained in the previous paragraph.

  
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Geoffrey S. Kiehl,  
Director of Finance and Treasurer

  
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David H. Ready, City Manager

Attachment:

CFD No. 2005-1 Annual Collections and Expenditures Report for FY 2015-16  
CFD No. 2007-1 Annual Collections and Expenditures Report for FY 2015-16

## **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:

"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 (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 by 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**

<b>Fund</b>	<b>06/30/2015 Balance</b>	<b>Amount Collected</b>	<b>06/30/2016 Balance</b>	<b>Expended Amount</b>	<b>Service Status</b>
Special Tax Fund	\$339,517.45	\$470,573.02	\$549,181.00	\$260,909.47	Ongoing

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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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- (a) The amount of funds collected and expended.
- (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. 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**

<b>Fund</b>	<b>06/30/2015 Balance</b>	<b>Amount Collected</b>	<b>06/30/2016 Balance</b>	<b>Expended Amount</b>	<b>Service Status</b>
Special Tax Fund	\$10,770.93	\$14,872.84	\$25,643.77	\$0.00	Ongoing