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Title: RESOLUTION - Authorizing the appropriation of \$44,000 in surplus funds from Assessment District No. 131 to be re-used for maintenance of district improvements (Council District 2)

Sponsors: Public Works Department

Indexes:

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Attachments: 1. Resolution Authorizing Appropriation of Surplus AD 131 Funds.pdf, 2. AD 131 UGM Improvements.pdf

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3/16/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

March 16, 2017

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Public Works Department

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Public Works Department, Administration Division

SUBJECT

RESOLUTION - Authorizing the appropriation of \$44,000 in surplus funds from Assessment District No. 131 to be re-used for maintenance of district improvements (Council District 2)

RECOMMENDATION

Staff recommends that the Council adopt a Resolution authorizing the appropriation of Assessment District No. 131 surplus funds for maintenance of street lights originally constructed by the District improvements.

EXECUTIVE SUMMARY

Assessment District No. 131 (AD 131) originally issued bonds in 1991 to construct major streets, traffic signals, water mains and sewer mains within the district boundaries (see enclosed original map). Work was completed in the 1990's and the 20 year bonds were paid off in 2007, thus ending the assessments to AD 131 properties. However, a relatively small surplus of funds remains after all AD 131 obligations have been fulfilled. State law allows surplus funds to be used for maintenance

of any public improvements originally constructed within an assessment district. Therefore, it is proposed to utilize the \$44,000 surplus remaining in the AD 131 fund to retrofit existing street lights constructed by the district to more efficient Light Emitting Diode (LED) light sources. If the Council adopts the resolution being recommended by staff, the LED street lighting retrofit will be included in the proposed FY2018 budget.

BACKGROUND

On April 10, 1990, the City Council formed AD 131 in the general vicinity north of Herndon Avenue between Blythe and Polk Avenues (see enclosed original map). AD 131 raised funds to construct selected infrastructure improvements by issuance of tax exempt improvement bonds. The Bonds were issued for \$10.8 million in 1991, infrastructure was completed in the 1990's and the bonds were paid off in 2007 using the collected assessments.

After bond maturity, the AD 131 fund yielded a relatively small surplus. Currently, the balance of the surplus fund, including interest earned is approximately \$44,000. The Municipal Improvement Act of 1913 (State Streets and Highways Code Section 10427 et seq.), and City Council Resolution 90-162 allow surplus funds to be used as follows: (a) transfer to the general fund for any amount not to exceed the lesser of \$1,000 or 5% of the total amount expended; (b) as a credit upon the assessment or supplemental assessment; or, (c) for the maintenance of the improvements.

AD 131 completed major street construction along Herndon, Milburn, Blythe, Spruce, Alluvial, Polk/Santa Fe/Herndon Frontage. The street construction included the construction of street lighting systems which included approximately 150 street lights. It is proposed to utilize the surplus AD 131 funds to retrofit as many of these existing high pressure sodium luminaires to more energy efficient LED light sources as surplus funds will allow. The LED lights will provide annual savings in energy costs and longer term maintenance savings due to the 15 to 20 year life of LED fixtures over 5 to 7 years for the existing sodium lamps.

Staff recommends the surplus funds be used to maintain AD 131 improvements, specifically to retrofit LED luminaires on the existing street lights constructed as major street improvements by AD 131.

ENVIRONMENTAL FINDINGS

Pursuant to Section 15378 of the California Environmental Quality Act Guidelines, this item does not constitute a project and, therefore, does not require an environmental finding.

LOCAL PREFERENCE

Local preference is not implicated because this resolution does not include a bid or award of a construction or services contract.

FISCAL IMPACT

The surplus funding will pay for labor and material to retrofit as many street lights in AD 131 as funds allow. This action will not impact the General Fund.

Attachments:
Resolution Authorizing Appropriation of Surplus Funds

Original Assessment District No. 131 Map