DATE: October 7, 2013

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: William Mushallo, Finance Director

SUBJECT: Resolution: Setting 2013-2014 Annual Assessment District Administrative Rates

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution setting 2013-2014 annual assessment district administrative rates.

BACKGROUND

Since 1987 the City has charged assessment districts administrative fees, as allowed by State law. The assessment districts include:

- AD 23, formed in 1995 for Redwood Business Park 3, construction and improvements to North McDowell Blvd.; bridge over Willow Brook Creek; road improvements on Old Redwood Highway; utility improvements; and, widening Willow Brook Creek.
- AD 24, formed in 1996 for Lakeville Highway Road Improvements, street improvements; storm drain improvements; traffic signalization; landscaping; and, right-of-way acquisition.
- AD 25, formed in 1997 for McNear Landing various grading; pavement; curb and gutter; street lights; traffic striping and signs; walkways; landscaping, irrigation and lighting; and, water and sanitary sewer mains.

DISCUSSION:

Administrative fees are charged to assessment districts to recover costs incurred by the City related to the accounting and administration of the assessment district bonds. These include the following direct costs: Sonoma County collection fees, paying agent fees, disclosure fees and allocation of audit fees. These also include staff time for preparation and payment of debt service, work related to pay-offs and bond calls, allocation of investment income, bank reconciliation for AD accounts and audit work related to the districts and the related bonds.
FINANCIAL IMPACTS

The administrative fees that will be collected by the County, from the assessment district property owners, will be utilized by the City to offset costs incurred in connection with the administration of the districts. The fees for AD 24 and AD 25 are based on a percentage of the debt service payment for the year. The AD 24 rate will decrease slightly (by 1.5%) and the AD 25 rate will decrease slightly (by 1.3%). The fee for AD 23 remains the same from year to year.

Total Administrative Fees to be collected from all the Assessment Districts will be $18,226.

ATTACHMENTS

1. Resolution Setting FY 2013-2014 Annual Assessment Administrative Rates
2. Exhibit A – Schedule of Administrative Rates by Assessment District
RESOLUTION SETTING 2013-2014 ANNUAL ASSESSMENT DISTRICT ADMINISTRATIVE RATES

WHEREAS, the City Council has heretofore confirmed an assessment for improvements in the assessment districts listed in Exhibit A, including a maximum annual assessment to reimburse the City for costs in administering the assessments, the funds derived therefrom and the bonds secured thereby,

WHEREAS, the annual assessment for administrative costs is hereby set for each assessment district listed in Exhibit A, and shall be collected on the County tax roll for the fiscal year 2013-2014, until changed by resolution of this City Council,

WHEREAS, the annual assessment shall be spread and applied to the assessed parcels in the same manner as the original assessment,

NOW, THEREFORE BE IT RESOLVED, that the City Council finds that the total annual assessment for each Assessment District listed in Exhibit A, including the Assessment District administrative fees adopted by this resolution does not exceed the maximum annual assessment adopted in the engineer’s report for each such Assessment District, and that the annual administrative assessment is a reasonable estimate of the administrative costs to be incurred.
EXHIBIT A

CITY OF PETALUMA, CA
ANNUAL ASSESSMENT FOR ADMINISTRATIVE RATES FOR
TAX ROLL YEAR 2013-2014

<table>
<thead>
<tr>
<th>Assessment District</th>
<th>tax code</th>
<th>*maximum threshold</th>
<th>2013-14 assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment District # 23</td>
<td>80010</td>
<td>$ 8,800</td>
<td>$8,800</td>
</tr>
<tr>
<td>Redwood Business Park III</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment District # 24</td>
<td>76501</td>
<td>$ 12,800</td>
<td>$5,489</td>
</tr>
<tr>
<td>Lakeville Highway Improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment District # 25</td>
<td>92801</td>
<td>NA</td>
<td>$3,937</td>
</tr>
<tr>
<td>McNear Landing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$18,226</td>
</tr>
</tbody>
</table>

* The administrative fee is calculated at 3% of the annual debt service payments. The maximum threshold is the amount that the fee may not exceed.