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DOC- 2011-0065247

Friday, MAY 13, 2011 15:59:13

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

RESOLUTION NO. 2011-039

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY
DETERMINING SPECIAL TAX RATES FOR FISCAL YEAR 2011-2012 FOR
THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

RESOLUTION NO. 2011-039

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DETERMINING SPECIAL TAX RATES FOR FISCAL YEAR 2011-2012 FOR THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)

WHEREAS, in proceedings heretofore conducted by this Council pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the "Law"), this Council on November 8, 2005, adopted a resolution entitled "A Resolution of the City Council of the City of Reedley Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien" finalizing the formation of the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 et seq. (the "Law");

WHEREAS, the City Clerk executed and caused to be recorded in the office of the County Recorder of the County of Fresno a notice of special tax lien in the form required by the Law.

WHEREAS, Maximum Special Tax Rates were established as follows:

Category I includes each Developed Parcel within the District for which a building permit has been issued prior to July 1 of the current Fiscal Year. Said Maximum Special Tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

TABLE 1 MAXIMUM SPECIAL TAX FISCAL YEAR 2011-12 CATEGORY I Special Tax Per Dwelling Unit / Acre	
DEVELOPMENT TYPE	SPECIAL MAXIMUM TAX RATE
Single Family Residential (per dwelling unit)	\$ 822.00
Multi-Family Residential (per dwelling unit)	\$ 612.00
Non-Residential (per gross building square foot)	\$ 0.22
Affordable Housing (per dwelling unit)	\$ 412.00
Infill Non Residential (per building square foot)	\$ 0.10

Category II includes each Parcel within the District that is not included in Category I.

The Maximum Special Tax that may be levied annually on Taxable Property in Category II beginning with the Fiscal Year starting July 1, 2011 ending June 30, 2012 is as set forth in Table 2 below per Net Developable Acre (said amount to be levied pro-rata for any portion of an acre). Said special tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

TABLE 2 MAXIMUM SPECIAL TAX FISCAL YEAR 2011-12 CATEGORY II Special Tax Per Net Developable Acre
\$ 667.00 per acre

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REEDLEY AS FOLLOWS:

1. The following Special Tax Rates shall be levied for the ensuing 2011-2012 fiscal year on all eligible properties in the District per the Rate and Method of Special Tax.

ADOPTED SPECIAL TAX FISCAL YEAR 2011-12 CATEGORY I Special Tax Per Dwelling Unit / Acre	
DEVELOPMENT TYPE	SPECIAL TAX RATE
Single Family Residential (per dwelling unit)	\$ 822.00
Multi-Family Residential (per dwelling unit)	\$ 612.00
Non-Residential (per gross building square foot)	\$ 0.22
Affordable Housing (per dwelling unit)	\$ 412.00
Infill Non Residential (per building square foot)	\$ 0.10

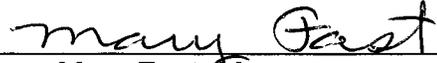
ADOPTED SPECIAL TAX FISCAL YEAR 2011-12
CATEGORY II
Special Tax Per Net Developable Acre

\$ 667.00 per acre

2. This Resolution shall take effect upon its adoption.

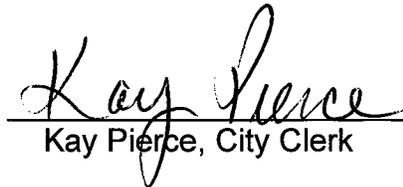
This Resolution was duly passed, approved, and adopted by the City Council of the City of Reedley this 10th day of May, 2011 by the following vote:

AYES:	Rapada, Chavez, Soleno, Betancourt, Fast.
NOES:	None.
ABSENT:	None.
ABSTAIN:	None.

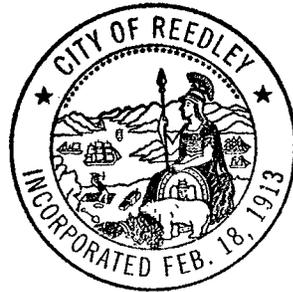


Mary Fast, Mayor

ATTEST:



Kay Pierce, City Clerk





REPORT TO CITY COUNCIL

MEMORANDUM

AGENDA ITEM NO: 11

COUNCIL MEETING DATE: 5/10/2011

SUBJECT: Adopt Resolution 2011-039 establishing the 2011-12 annual CFD tax amount

RECOMMENDATION

That the City Council adopt Resolution No. 2011-039 establishing the 2011-12 annual tax amount for properties within the Reedley Community Facilities District No. 2005-1 (CFD). Staff recommends that the maximum tax already in place be increased by a 1.7% CPI amount for the 2011-12 fiscal year and to allocate the 2011-12 fiscal year at 12% for Fire, 78% for Police and 10% for Parks based upon departmental budgetary requirements.

BACKGROUND

The Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code allows a City to establish a Community Facilities District (CFD) to finance a variety of services. The Reedley Community Facilities District 2005-1 was established for operational expenses associated with public safety (police and fire) and for park maintenance. Services provided within the CFD area do not supplant General Fund activities which are established at a historic spending level using the 2005-06 appropriation levels. The Special Tax Report establishing the CFD identified the use of CFD funds at a specific distribution amount for each service, although Council has the annual discretion to change the amount based upon budgetary needs and requirements. The following table summarizes prior year allocation amounts.

	2005-06 Through 2008-09	2009-10	2010-11
Fire Services	54%	51%	20%
Police Services	37%	38%	71%
Parks Services	9%	9%	9%

Each service receives its appropriate share of the adopted revenue amount each year and that balance is restricted and carried over each year if / when revenues exceed expenditures. The following table summarizes estimated CFD fund balances as of June 30, 2011.

	June 30, 2010 Reserved Unused Balance	2010-11 Estimated Revenue	2010-11 Estimated Expenditures	June 30, 2011 Reserved Unused Balance
Fire	\$120,987	\$69,068	\$140,944	\$49,111
Police	\$37,027	\$245,194	\$270,987	\$11,234
Parks	\$13,354	\$31,081	\$42,687	\$1,748
Total	\$171,368	\$345,343	\$454,618	\$62,093

RATES

The following table reflects the current **maximum tax rate** that has already been adopted and is in place for the Reedley Community Facilities District No. 2005-1 (Resolution 2010-041). The proposed rate for 2011-12 fiscal year has been increased by the most recent CPI-U for San Francisco-Oakland-San Jose (1.7%) as allowed for by the previously adopted resolution.

However, per Council direction, this item is brought forth as an annual resolution each May (prior to the annual tax levy deadline) for discussion. At this time, Council may establish the revenue distribution for the upcoming fiscal year in addition to setting the annual CFD tax amount. Please note that if a lower tax rate is considered, it must be universally applied to each building type category within the CFD. If a lower tax rate is being considered, Staff would recommend adoption of the CPI first to establish the maximum tax rate allowable for future year calculations.

Building Type	Current Maximum Rate	Proposed Maximum Rate 1.7% CPI	75% of Proposed Maximum	50% of Proposed Maximum	25% of Proposed Maximum
Single Family Home	\$808 per Unit	\$822 per Unit	\$617 per Unit	\$411 per Unit	\$206 per Unit
Multi Family Residential	\$602 per Unit	\$612 per Unit	\$459 per Unit	\$306 per Unit	\$153 per Unit
Affordable Housing	\$405 per Unit	\$412 per Unit	\$309 per Unit	\$206 per Unit	\$103 per Unit
Non Residential	\$0.22 per Square Foot	\$0.22 per Square Foot	\$0.17 per Square Foot	\$0.11 per Square Foot	\$0.06 per Square Foot
Infill Non Residential	\$0.10 per Square Foot	\$0.10 per Square Foot	\$0.08 per Square Foot	\$0.05 per Square Foot	\$0.03 per Square Foot
Undeveloped	\$656 per Acre	\$667 per Acre	\$500 per Acre	\$334 per Acre	\$167 per Acre

The following table summarizes the units within each category within the CFD that services are provided for as well as the units to be billed on the 2011-12 tax roll.

	Single Family	Multi-Family	Affordable Housing	Non-Residential Sq Ft	Infill Non-Residential Sq Ft	Undeveloped
Within CFD Area	409	84	0	55,766	43,349	19.49
2011-12 CFD Tax Rolls	409	32	0	55,766	33,919	19.49

2011-12 Potential Revenue					
Building Type	Current Maximum Rate (No Action Required)	Proposed Maximum Rate (With CPI)	75% of Proposed Maximum	50% of Proposed Maximum	25% of Proposed Maximum
Single Family Home	\$330,472	\$336,198	\$252,353	\$168,099	\$84,254
Multi Family Residential	\$19,264	\$19,584	\$14,688	\$9,792	\$4,896
Affordable Housing	\$0	\$0	\$0	\$0	\$0
Non Residential	\$12,269	\$12,269	\$9,480	\$6,134	\$3,346
Infill Non Residential	\$3,392	\$3,392	\$2,714	\$1,696	\$1,018
Undeveloped	\$12,785	\$13,000	\$9,745	\$6,510	\$3,255
Total Revenue	\$378,182	\$384,442	\$288,980	\$192,231	\$96,768

The 2011-12 budgetary requirements from Fire, Police and Parks to service the properties within the CFD boundary are identified as follows with their justification memos attached to this staff report.

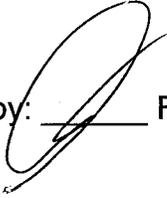
	June 30, 2011 Estimated Unused CFD Balance	2011-12 Potential Revenue at Maximum Rate*	Total Available For Use for 2011-12	Budgetary Needs for 2011-12	CFD General Fund Offset for 2011-12	June 30, 2012 Estimated Unused CFD Balance	2011-12 Distribution of CFD Tax*
General Staff Administration	\$0	\$3,411	\$3,411	\$3,411	\$3,411	\$0	
Fire	\$49,111	\$46,804	\$95,915	\$95,915	\$95,915	\$0	12%
Police	\$11,234	\$295,503	\$306,737	\$359,142	\$306,737	\$0	78%
Parks	\$1,748	\$38,724	\$40,472	\$40,472	\$40,472	\$0	10%
Total	\$62,093	\$384,442	\$446,535	\$498,940	\$446,535	\$0	100%

*Distribution based upon maximum tax rate and budgetary needs

FISCAL IMPACT:

The 2011-12 General Fund budget will realize an expenditure relief of \$446,535 for Fire, Police and Park services for parcels within the CFD boundary. Legal counsel has reviewed this matter

against Prop 26 and there is no impact with regard to the current practice of setting rates and revenue allocations.

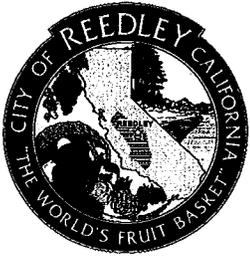
Prepared by:  Finance Director

Approved by:  City Manager

- Attachment(s):
1. Police, Fire & Parks 2011-12 Departmental Budgetary Requirements
 2. CPI-U For San Francisco-Oakland-San Jose
 3. Map of CFD Boundary

Motion: _____

Second: _____



City of Reedley

Memo

To: Lori Oken,
From: Darlene Mata
CC:
Date: 4/19/2011
Re: CFD Administrative Costs

The following time is associated with each processing of a CFD annexation. It is estimated that we will process two per year since we try to combine the properties.

Engineering	8 hours X 2 = 16 hours per year @ 47.82 =	\$ 765.12
Planning	2 hours X 2 = 4 hours per year @ 56.22 =	\$ 224.88
Newspaper Notice	\$750.00 x 2	= \$ 1500.00

Ongoing tracking for the year

Planning	15 hours per year @ 39.97	= \$ 599.55
Building	10 hours per year @ 32.18	= \$ 321.80

The City Attorney and the City Manager have also been involved in the process as it goes to City Council.

\$ 3411.35



CITY OF REEDLEY



Fire Administration

1060 D Street, Reedley CA 93654

Jerald K. Isaak, Fire Chief

MEMORANDUM

DATE: April 20, 2011
TO: Lori Oken, Finance Director
SUBJECT: Community Facilities District Projected Expenditures FY 2011/2012

The CFD as adopted per Resolution 2005-109 and governed by Section 53311.5 of the Government Code of the State of California (The Act) specifically states that the first priority for the funds are for fire and emergency medical services, then police and public safety, and finally park maintenance. More specifically: (i) fire protection and suppression services; (ii) emergency medical services including ambulatory services; (iii) community information with regard to public safety; (iv) earthquake and other emergency relief programs; (v) other public safety services, including police protection services, authorized to be funded under Section 53313(a) or (b) of The Act; (vi) park operation and maintenance expenses; and, (vii) repair and replacement of park facilities.

Based on current estimates, the City of Reedley anticipates there will be 409 homes, 84 multi-family and 7 commercial properties within the Community Facilities District for the 2011/2012 Fiscal Year. The impact on the Fire Department to provide services for the district is estimated to be \$95,915.00. This is based on applying Fire Department personnel costs and associated operating expenses for administration, equipment, training, planning and maintenance to respond within the district. Any balance is reserved to provide an allowable buffer and funding of future Fire Department services and maintenance.

Respectfully submitted,



— MEMORANDUM —

Date : April 19, 2011
To : Lori Oken, Finance Director
From : Lieutenant Joe Garza, Acting Chief of Police *JG*
Subject : Community Facility District Budget Needs : 2011 – 2012 Fiscal Year

In review of the estimation of housing being assessed in the 2011 – 2012 fiscal year, it was determined that 409 new single family parcels, 7 Commercial Properties, and an additionally 84 Multi-family Units would be part of that assessment. In determining the impact, the new housing would have on the police department we calculated that the City of Reedley would grow by a population of approximately 1725 new residents. This calculation was derived from utilizing the state average of 3.5 population increase per home. The police department responds to an average of 32,000 calls for service per year, which fluctuates up and down with the economy and other variables. The population is just over 26,000 which means the police department responds to the equal of each resident at least once per year.

In calculating the cost, for police services it was determined that our calls for service would increase by 1700 calls for service with each call costing the police department \$211.26 for a total cost of **\$359,142**.

The cost would include the time required for an officer to handle incident, dispatching time, records clerk input time, fuel cost, supervision, etc. The cost is a very conservative figure, which does not take into account increased normal preventive patrol time associated with each new resident, increased traffic created by residents and commuter traffic frequenting the commercial establishments.



— MEMORANDUM —

April 22, 2011

To: Lori Oken, Finance Director
From: Russ Robertson, Public Works Manager
Subject: CFD Use

Community Facilities District- Parks Services

In the 2011-2012 budget year, we anticipate that approximately 345 residential homes will be served under the CFD. Applying the state average of 3.5 people per household, we estimate that approximately 1,008 residents have moved into the city of Reedley over the past couple of years in the Community Services District. In review of services provided to the community, it is determined that the Parks Maintenance Department provided new residents services in excess of \$40,472. This amount was calculated by applying the cost of personnel (part time and full time parks maintenance workers), equipment, fuel, and vehicle maintenance costs.

Oken, Lori

To: Scott G. Cross
Subject: RE: CFD & Prop 26 Question

From: Scott G. Cross [<mailto:SCross@lozanosmith.com>]
Sent: Friday, January 07, 2011 12:16 PM
To: Oken, Lori
Cc: Rogers, Rocky
Subject: RE: CFD & Prop 26 Question

Lori,

I've finally been able to review all the City's CFD materials and Prop. 26. Prop. 26 will not impact the way the City sets the annual CFD taxes. The City approved a max. rate for each category of CFD taxes with an annual CPI increase. The annual CPI increase methodology was approved by the voters when the CFD went into effect. Thus, as long as the annual increase to the max rate is no more than the CPI (the previously approved methodology), it is not considered an "increase" requiring new voter approval.

Hope this helps.

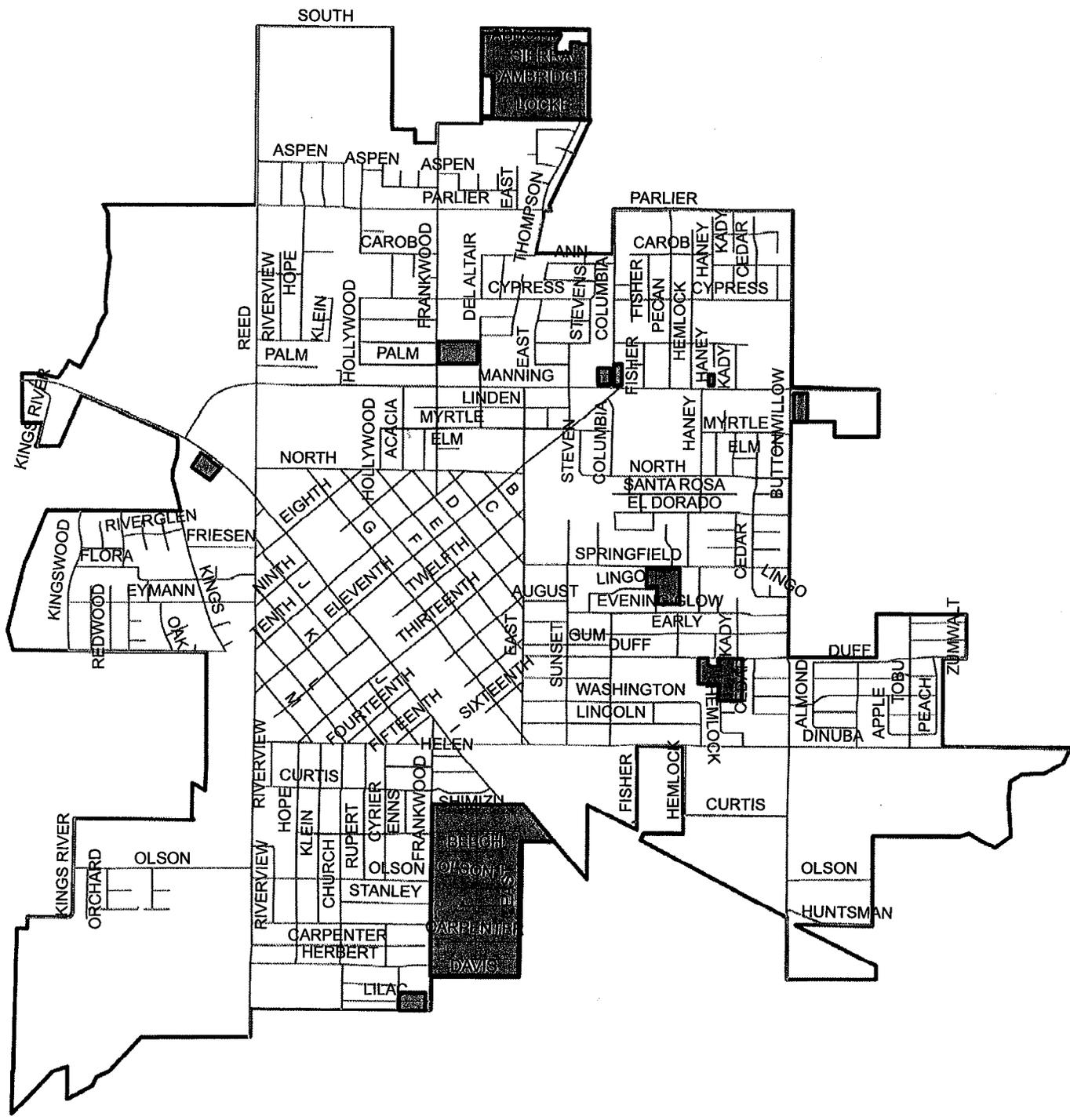
Scott

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DINUBA
OLSON HUNTSMAN