

***Expired Special
Assessment Districts –
Surplus Funds
Disposition***

May 25, 2010

Item 3.3

Project Overview

- Special project proposed by Finance Department commenced in September 2008 to close-out inactive special assessment district funds
 - 50 Improvement Districts formed between 1970-1994
 - Predominantly commercial properties
- Expired Improvement District surplus funds remain unused and unclaimed
- Previous efforts made to refund and/or credit surplus funds
- Improvement District Close-Out procedures documented by GFOA in 2009

District Formation Overview

- Local agency bonds issued to finance construction of public infrastructure supporting new development
 - Improvement/Assessment Districts (Assessment bonds)
 - Community Facilities Districts (Mello-Roos bonds)
- City administers all district activities for the benefit of property owners within districts

Surplus Improvement District Funds

June 30, 2009 Cash Balance*

<u>Funds Type</u>	<u>Recommended Disposition</u>		<u>Total Funds</u>
	<u>Refund Past</u> <u>Assessees</u>	<u>Transfer to</u> <u>Other Funds</u>	
Construction	\$ -	\$ 4,108,830	\$ 4,108,830
Assessment	4,024,308	184	4,024,492
Reserve	2,515,616 ^a	-	2,515,616
Water Main Deposit	155,246 ^a	92,993	248,239
Administration	=	<u>207,984</u>	<u>207,984</u>
Total	\$ 6,695,170	\$ 4,409,991	\$ 11,105,161

* Fund balances include interest earnings.

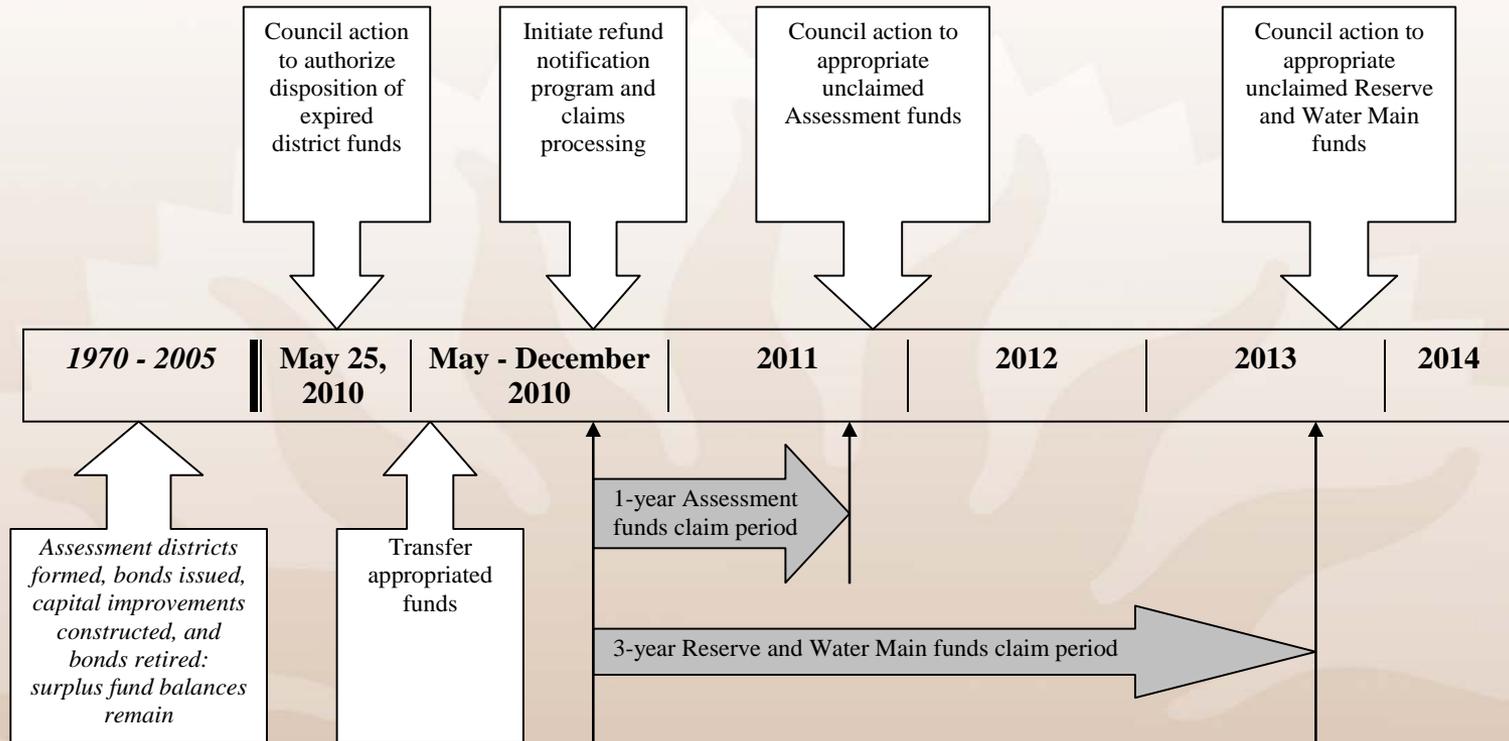
^a Legally required funds disposition.

Recommended Disposition and Use of Surplus Funds – Refund Past Assesseees

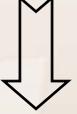
- \$6,695,170 refund of surplus funds
 - Refund methodologies in accordance with State law provisions
 - Eligible recipients identified
 - 419 past assesseees
 - 880 parcels
- Refund Notification Program
 - 1 year claims period: assessment funds
 - 3 year claims period: reserve and water main deposits

Surplus Funds Disposition Timeline

Surplus Assessment District Funds - Accumulation and Disposition Timeline



Recommended Disposition and Use of Surplus Funds – Transfer to Other Funds

	<u>May 31, 2010</u> <u>Estimated Cash Balance</u>	
<u>June 30, 2009</u> <u>Cash Balance</u>	<u>Est. Additional</u> <u>Interest Earnings</u>	<u>Total</u> <u>Transfer</u>
\$ 4,409,991 	\$ 86,209	\$ 4,496,200
		

Recommended Transfer to Other Funds

GF Economic Uncertainty Reserve	\$ 3,533,814
Prior Year Ineligible Capital Expenditures Reimbursement	544,872
Reserve for Maintenance Projects (DOT to identify projects)	287,514
Funding for Finance Dept. Administration	<u>130,000</u>
Total – All Appropriations/Uses	\$ 4,496,200

Recommendations

- Authorize Disposition of Funds
- Approve Budget Actions

Project Follow-Through

- Transfer Funds
- Close Fund Accounts
- Commence Refund Disbursement Process