



Agenda Report

File #: 19-0453

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 5/15/2019

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

City Council consideration of Resolution No. 2019-026, declaring intention to levy and collect assessments within Lighting Maintenance District No. 84-1 for Fiscal Year 2019-20, approving preliminary Engineer's Report, providing notice of public hearing on proposed assessments.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2019-026, declaring intention to levy and collect assessments within Lighting Maintenance District No. 84-1 for Fiscal Year 2019-20, approving preliminary Engineer's Report, and providing notice of public hearing on proposed assessments.

ANALYSIS:

Lighting Maintenance District No. 84-1 (the "District") was established in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "1972 Act") in 1984. The purpose of the District is to provide lighting maintenance and operating services for the streetlights, traffic signals and related appurtenances within the District's boundaries.

The District encompasses 3 benefit zones covering approximately 10,915 streetlights, 612 safety lights, and 185 traffic signals and traffic control devices in the City. The City owns and maintains 157 traffic signals; four are jointly owned and maintained with Riverside County; six are jointly-owned with the City of Norco; 16 are California Department of Transportation (CalTrans) owned and jointly-maintained, and two are owned by Riverside County but maintained by the City through the District. Riverside County provides a maintenance reimbursement to the District to cover the cost of County owned signal. Within the District, there are also 23 traffic control devices, including 5 Edison powered Dynamic Message Signs (DMS), 5 Edison powered school beacons, 1 solar/battery powered school beacon and 12 solar/battery powered enhanced crosswalks. The annual assessments proposed to be levied within the District will pay for the energy and maintenance costs of these signals and devices during Fiscal Year 2019-20.

The State of California Street and Highways Code Section 22500 requires an annual review of the

assessments levied by the assessment districts formed under the 1972 Act. In order to levy and collect special assessments within the districts, Engineer's Reports must be prepared, which provide details on the improvements that are maintained and the estimated budgets for each district.

On May 1, 2019, the City Council adopted Resolutions No. 2019-015, to initiate the proceedings to levy and collect assessments for the District for Fiscal Year 2019-20, appointed Spicer Consulting Group, LLC as the engineer of record, and ordered the preparation of an Engineer's Report for the District.

Attached to this report is the preliminary Engineer's Report (the "Report") for the District, which include a detailed description of the existing improvements within the District, the estimated maintenance costs, the methods of assessment apportionment, and diagrams showing the boundaries. The report also provides analyses of the District's financial status.

Adoption of the recommended resolution will declare the City's intent to levy and collect Fiscal Year 2019-20 assessments, approve the Report, and set a public hearing for June 19, 2019, at which time the City Council may approve the annual assessments and order the levy of assessments within the District.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by providing concise, forthright information regarding the annual levy proceedings for the special assessment districts.

FISCAL IMPACT:

The cost of construction, installation, operation, servicing and maintenance of the District will be funded by the assessments levied and collected within the District. For Fiscal Year 2019-20, it is projected that the current year assessment revenue will be insufficient to cover the operating costs during the same fiscal period, resulting in an operating deficit of \$245,003, which will be covered by a one-time contribution from the District's operating reserves. The District completed replacing the high-pressure sodium lights with the more energy efficient LED in April 2018, which will result in reduction of operating costs in future years.

Below is an overview of the District's estimated assessment revenues and proposed expenditures for Fiscal Year 2019-20. Detailed information per zone can be found in the attached Report.

District	Estimated Costs	Estimated Assessment Revenue	General Benefit Contribution ⁽¹⁾	Estimated Excess/(Deficit)	Contribution (To)/From Operating Reserve	Contribution (To)/From Capital Reserve	Operating Reserve ⁽²⁾	Capital Reserve ⁽³⁾
LMD 84-1	\$ 2,388,510	\$ 2,029,714	\$ 113,793	\$ (245,003)	\$ 245,003	\$ -	\$ 289,050	\$ -

(1) Benefit received by non-residents of the District for the major/arterial streetlights, traffic signals, traffic control devices and landscape improvements. This amount is contributed by the City's General Fund.

(2) The Operating Reserve fund may equal up to 50% of the estimated annual cost of providing services.

(3) The Capital Replacement Reserve fund will be used for capital improvement projects. All existing improvement in the District have finite life expectancies and will require replacement at some point in the future. On an annual basis, any non-expended assessment monies, in excess of Operating Reserve contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient funds to pay for the needed replacement, or respond to unforeseen capital improvement needs.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action merely declares the City's intent to levy and collect assessments within the District for Fiscal Year 2019-20, and there is no possibility that adopting the resolution will have a significant effect on the environment.

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REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER

Attachment: Fiscal Year 2019-20 LMD 84-1 Preliminary Engineer's Report