



## Agenda Report

---

**File #:** 19-0462

---

### **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. 2019-027, declaring intention to levy and collect assessments within Lighting Maintenance District No. 2003-1 for Fiscal Year 2019-20, approving preliminary Engineer's Report, and providing notice of public hearing on proposed assessments.

**RECOMMENDED ACTION:**

That the City Council adopt Resolution No. 2019-027, declaring intention to levy and collect assessments within Lighting Maintenance District No. 2003-1 for Fiscal Year 2019-20, approving preliminary Engineer's Report, and providing notice of public hearing on proposed assessments.

**ANALYSIS:**

Lighting Maintenance District No. 2003-1 (the "District") was established in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "1972 Act") in 2003. 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 125 streetlights, 59 safety lights, and 13 traffic signals. Among the 13 traffic signals, 3 are shared with CalTrans, and 2 are shared with Riverside County. The annual assessments proposed to be levied within the District will pay for the energy and maintenance costs of the above 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 Report must be prepared, which provide details on the improvements that are maintained and the estimated budgets for the District.

On May 1, 2019, the City Council adopted Resolution No. 2019-016 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 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 of the District. 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 preliminary Engineer's 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 District.

**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 revenues will be sufficient to cover the operating costs during the same fiscal period.

An overview of the District's estimated assessment revenues and proposed expenditures for Fiscal Year 2019-20 is presented below. Detailed information per zone can be found in the attached preliminary Engineer's Reports.

District	Estimated Costs	Estimated Assessment Revenue	General Benefit Contribution <sup>(1)</sup>	Estimated Excess/(Deficit)	Contribution (To)/From Operating Reserve	Contribution (To)/From Capital Reserve	Operating Reserve <sup>(2)</sup>	Capital Reserve <sup>(3)</sup>
LMD 2003-1	\$ 122,188	\$ 133,407	\$ 10,601	\$ 21,820	\$ -	\$ (21,820)	\$ 61,095	\$ 368,434

*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.

**PREPARED BY:** LIEN-CHI CANTUBA, FINANCIAL ANALYST III

**REVIEWED BY:** JENNIFER SCHAEFER, FINANCE MANAGER III

**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 Lighting Maintenance District No. 2003-1 Preliminary Engineer's Report