



Agenda Report

File #: 19-0565

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 6/19/2019

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

Public Hearing for City Council consideration of Resolution No. 2019-038, confirming the diagram and assessment within Zone 19 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2019-20.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2019-038, confirming the diagram and assessment within Zone 19 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2019-20.

ANALYSIS:

Zone 19 of the Landscape Maintenance District No. 84-2 (the "District") was established in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "1972 Act") in 1986. The purpose of the District is to provide landscape maintenance and operating services for the public landscaping and appurtenant facilities within the District's boundaries.

The annual assessments proposed to be levied within the District will pay for the maintenance of parks, slopes, parkways, and open spaces during Fiscal Year 2019-20. Services provided include all necessary operations, administration, capital replacements, and maintenance required to keep the above-mentioned improvements in a healthy and satisfactory working condition.

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 District, an Engineer's Report must be prepared, which provides details on the improvements that are maintained and the estimated budgets for the District.

On May 1, 2019, the City Council adopted Resolution No. 2019-017, 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.

On May 15, 2019, the City Council adopted Resolution No. 2019-030, to declare the City's intention to levy and collect assessments within the District, approve the preliminary Engineer's Report (the "Preliminary Report") as it pertains to the District, and provide notice of public hearing on the proposed assessments. Notice of public hearing was published in the local newspaper on June 7, 2019.

Attached is the final Engineer's Report (the "Report") as it pertains to the District, which is consistent with the Preliminary Report. The Report includes a detailed description of the existing improvements within the District, the estimated maintenance costs, the method of assessment apportionment for each lot or parcel within the District's boundaries, and a diagram showing the boundaries of the District. The Report also provides an analysis of the District's financial status.

Adoption of the recommended resolution is the last step of the annual proceedings for the levy and collection of special assessment within the District. The City Council will conduct a public hearing to afford all interested parties an opportunity to make verbal or written comments on the proposed annual assessment. At the conclusion of the hearing, it is recommended that the City Council adopt the said resolution confirming the diagram and assessment for the District for Fiscal Year 2019-20, which will constitute the levy of the assessment for the maintenance and servicing of public lighting facilities within the District, in accordance with the Streets and Highways Code.

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 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 insufficient to cover the operating costs for the District during the same fiscal period, which will be covered by a one-time contribution from the operating reserves and a proposed inter-fund loan from the Dwelling Development Tax Fund (if needed, based on year-end actuals). The projected shortfall is the result of a proposed retrofit project that will convert areas from potable water to reclaimed water within the District. If the project moves forward in the budget process, it will be included in the Proposed Fiscal Year 2019-20 budget for the City Council's consideration on June 2019. The City continues to look for opportunities to help reduce expenses for the District, such as rebates for landscaping renovations.

The 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 Report.

District	Estimated Costs	Estimated Assessment Revenue	General Benefit Contribution ⁽¹⁾	Reclaimed Water Project	Estimated Excess/(Deficit)	Contribution (To)/From Operating Reserve	Contribution (To)/From Capital Reserve	Operating Reserve ⁽²⁾	Capital Reserve ⁽³⁾
LMD 84-2, Zone 19	578,575	464,940	-	37,129	(76,506)	76,506	-	(23,049)	-

(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: KIM SITTON, 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

Attachments:

1. Fiscal Year 2019-20 Landscape Maintenance District No. 84-2 Final Engineer's Report, as it pertains to the District.
2. Resolution No. 2019-038