

MEETING DATE: 5/11/09

AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT: (1) Adoption of a Resolution initiating Proceedings for a Proposed increase of Assessments within Landscaping Maintenance District Number 1, the Levy of Annual Assessments therein, and Ordering the Preparation of a preliminary Assessment Engineer's Report; (2) Approval of a Professional Services Agreement with NBS Government Finance Group (dba NBS) for Assessment District Consulting Services; and (3) Approval of a Related Budget Amendment

ATTACHMENTS

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1 RESOLUTION NO. _____

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 CULVER CITY, CALIFORNIA, INITIATING PROCEEDINGS FOR
5 A PROPOSED INCREASE OF ASSESSMENTS WITHIN
6 LANDSCAPING MAINTENANCE DISTRICT NO. 1, THE LEVY OF
7 ANNUAL ASSESSMENTS THEREIN AND ORDERING THE
8 PREPARATION OF AN ASSESSMENT ENGINEER'S REPORT.

9 WHEREAS, the City Council of the City of Culver City has by previous
10 Resolutions formed and levied annual assessments for Landscaping Maintenance District No. 1
11 (the "District"), pursuant to provisions of Chapter 15.01 of the Culver City Municipal Code
12 ("CCMC"), that provides for the levy and collection of assessments by the County of Los
13 Angeles for the City of Culver City to pay for the maintenance and services of all improvements
14 and facilities related hereto; and,

15 WHEREAS, the City Council desires to increase assessments within the District;
16 and, has determined that all parcels within the District receive special benefit from the
17 improvements; and,

18 WHEREAS, the City Council has retained the consulting firm of NBS for the
19 purpose of assisting with the proposed increase in assessments and preparing an Assessment
20 Engineer's Report relating to proposed assessment increases within the District, which will take
21 effect for Fiscal Year 2009/10 (the "Engineer's Report"), to be filed with the City Clerk, in
22 accordance with CCMC Section 15.01.055.

23 NOW, THEREFORE, the City Council of the City of Culver City, DOES HEREBY
24 RESOLVE as follows:

25 1. The City Council hereby proposes to increase assessments within the
26 District to pay for increased costs to service and maintain the existing improvements with the
27 District.
28

1 2. The City Council hereby orders the preparation of the Engineer's Report
2 in accordance with the requirements of the CCMC Section 15.01.055, to be filed with the City
3 Clerk for submission to the City Council. The Engineer's Report shall be prepared by NBS and
4 approved by the City Engineer, prior to filing with the City Clerk.

5
6 APPROVED AND ADOPTED this _____ day of _____ 2009.

7
8
9 _____
D. SCOTT MALSIN, MAYOR
City of Culver City, California

10
11 ATTEST:

APPROVED AS TO FORM:

12
13 _____
MARTIN R. COLE, City Clerk

14 _____
CAROL A. SCHWAB, City Attorney

April 6, 2009

Mr. Mate "Matt" Gaspar
Engineering Services Manager
City of Culver City
9770 Culver Boulevard
Culver City, CA 90232

Subject: Addendum to Original Agreement to Add Consulting Services for Increase of Assessments for Landscaping Maintenance District No. 1 and Higuera Street Landscaping and Lighting Maintenance District

Dear Mate:

NBS would like to thank you for the opportunity to provide Assessment Increase Services for the City of Culver City ("City"). We will add these services to our existing agreement with the City. All other provisions of the existing contract between the City and **NBS** remain in effect. We look forward to continuing our professional relationship.

Please find enclosed two (2) copies of our Executed Agreement. Upon signing, please return one copy to the undersigned and keep one copy for your records.

Scope of Services

| Assessment Increase |

Project Schedule. **NBS** will communicate with City staff, legal counsel and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals, components and criteria that will meet City preference.
- Identify and resolve any special circumstances that may be involved in the update or administration of the Districts proposed to be increased.
- Develop project schedules to meet legal requirements and provide for effective interfacing of all involved parties.
- Establish and coordinate with City staff a schedule to assure completion of necessary actions and compliance with statutes.

Parcel Database. **NBS** will prepare a district parcel database reflecting data from the latest County Assessor's Secured Roll. The database will include ownership, mailing and parcel information relevant to the spread of the assessments.

Budget Development. **NBS** will assist City staff to establish a budget for the projected costs of maintaining all improvements. Cost categories may include, but not be limited to, landscaping, lighting, maintenance, capital improvements, incidental costs (engineering, legal and city administration), operating reserves, capital improvement reserves and delinquency reserves.

Agency Review. NBS will communicate with City staff to address issues pertaining to costs, improvements, statute requirements and benefit received. We will provide analysis of proposed assessments, as well as any contributions to be made from the City to the District. NBS will review mailed and published legal notices, establish the date for the public hearing, verify scheduling, City approach, District requirements and other issues related to the successful operation of the proposed district.

Engineer Signature. NBS will have a Registered Professional Engineer (PE) review the Engineer's Report for signature and stamp.

Preliminary Engineer's Report. NBS will prepare, submit and review with City staff a *Preliminary Engineer's Report*, including description of improvements, plans and specifications, cost estimate, assessment criteria and assessment roll.

Public Informational Mailer. NBS will work in conjunction with the City to design and prepare a public informational mailer. The primary goal of the mailer is to educate property owners about the need to increase each District's assessments in order to fund the ongoing maintenance of public improvements at the same level provided in previous years. NBS will mail the public informational piece to all property owners in each District. The public informational mailer will provide the date, time and location for the Public Hearing.

Legal Notices and Assessment Ballots. NBS will prepare legal notices and assessment ballots to be mailed, as required, for compliance with the Culver City Municipal Code and Proposition 218.

Assessment Ballot Tabulation. NBS will tabulate the ballots returned at the Public Hearing, via the most appropriate method (bar code or other) and report the statistics upon completion.

Meeting Attendance. NBS will attend the Public Hearing.

Final Engineer's Report. NBS will prepare, submit and review with City staff a *Final Engineer's Report*, including description of improvements, plans and specifications, cost estimate, assessment criteria, assessment roll and diagram as approved by the City Council.

Toll-Free Phone Number. NBS will provide a toll-free phone number for use by the City and all property owners. Our staff will be available to answer questions regarding the Assessment Increase.

Fee Structure

[Assessment Increase Services]

Landscaping Maintenance District No. 1	
Higuera Street Landscaping and Lighting Maintenance District	\$18,000*
* fee is for proceedings for both districts performed concurrently	

[Expenses]

Customary out-of-pocket expenses will be billed to the City at actual cost to NBS. These expenses include, but are not limited to, mailing fulfillment, postage, copying, printing and travel costs.

[Additional Services]

The following table shows our current hourly rates. Additional services authorized by the City, but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	\$ 190
Senior Consultant/Programmer	150
Engineer	140
Consultant	130
Analyst	100
Clerical/Support	55

[Terms]

Assessment Increase Services Fees will be invoiced as follows: 50% upon delivery of the Preliminary Engineer's Report and 50% upon assessment ballot tabulation. If the project is prematurely terminated by either party, **NBS** shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month.

Please feel free to contact me if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,
DBA NBS**

City of Culver City

Mike Rentner

Name

President and CEO

Title

Date

Title

Date



Important Information about Landscaping Maintenance District No. 1

Council Meeting Dates and Times Each of the City Council meetings listed below are to be held at the Mike Balkman Council Chambers, 9770 Culver Boulevard, Culver City, California at 7PM. The following are the dates and topics for discussion.

May 11, 2009

Topic: City Council to initiate the proceedings for the proposed increase of assessment levies and ordering the preparation of the preliminary Engineer's Report for the proposed increase.

May 26, 2009

Topic: Approving the preliminary Engineer's Report, including the proposed assessment amounts and setting the time and place of the public hearing.

July 13, 2009

Topic: City Council to hold a Public Hearing. Property owners can express opinions regarding the proposed increase, ballots are tabulated and results are announced.

Background The Landscaping Maintenance District No. 1 was formed in 1978 to provide for the maintenance of improvements that specially benefit your parcel. At formation, the District did not include an escalation clause to allow for an annual increase in assessments due to the rise in maintenance costs. The costs of maintenance are now considerably higher than the amount that is being collected through your property tax bill. An annual escalation clause is being proposed in order to cover higher costs and the replenishment of funds. This is not a new assessment and if the addition of the escalation clause is not passed, the existing assessment will remain in place. Landscaping Maintenance District No. 1 is comprised of two zones which include the area southeast of Culver Boulevard, southwest of Elenda Street and northwest of Arizona Avenue, generally described as Studio Estates (Zone 1) and the area northwest of Jefferson Boulevard, east of Overland Avenue and bordering the Ballona Creek on the north and the Westside Business Park on the northeast (Zone 2).

What does the annual levy provide? Maintenance, servicing and operation include, but are not limited to, the following:

- Weekly maintenance of the landscaping area and irrigation systems
- Weed and litter control
- Fungus, insect and rodent control
- Plant replacement, as needed

What is at risk and why? Costs of labor, materials and supplies have increased substantially, forcing the District to tap into the City's General Fund to provide the required levels of maintenance and service. As a result the City may no longer continue to fund the maintenance at the current level. If the property owners within the District do not approve the proposed assessment increase, the City may curtail services. With no increase in the assessment, residents may expect the following:

- Reduction or elimination of shrub/ground fertilization
- Reduction or elimination of sprinkler equipment and plant replacement
- Reduction in fungus, insect and weed control
- Reduction in the control of litter, trash and weeds

How much could the rates increase? There are two zones within the District. The Zone 1 assessment is on a per parcel basis and the Zone 2 assessment is based on each parcel's square footage. For Fiscal Year 2009/10 the increase in the assessment would be as follows:

<u>Zone</u>	<u>Current Assessment Rate</u>	<u>Proposed Maximum Assessment Rate</u>	<u>Increase</u>
Zone 1	\$175.52 per parcel	\$184.92 per parcel	\$9.40 per parcel
Zone 2	\$0.0213 per square foot	\$0.0247 per square foot	\$0.0034 per square foot

Thereafter, as of February 1 of each fiscal year beginning Fiscal Year 2010/11, the maximum assessment amount shall be increased by the February Consumer Price Index for All Urban Consumers for the Los Angeles, Riverside and Orange County plus 5%. The 5% premium will continue until the revenues for the district are sufficient to cover costs and the fund has a positive fund balance.

What is next? Assessment ballots will arrive in the mail the week of June 1st. You may return your ballot by mail or in person to the office of the City Clerk, before the close of the Public Hearing on July 13th. If you have any questions or would like additional information please contact Mate "Matt" Gaspar Engineering Services Manager at (310) 253-5602.

Thank you for your participation.