

**City of Culver City, California
Agenda Item Report**

Meeting Date: 08/03/09		Item Number: PH-2	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING - Adoption of a Resolution Approving the Engineer's Report and Affirming the Existing Annual Assessment Levy for Landscaping Maintenance District No. 1, – Zone 2 - Fiscal Year 2009/2010			
Contact Person/Dept.: Mate Gaspar/DPW		Phone Number: (310) 253-5602	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (07/30/09) (USPS) Property owners were mailed a postcard on (07/23/09).			
Department Approval: Charles D. Herbertson (07/27/09)		City Attorney Approval: Carol Schwab (by H. Baker) (07/28/09)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/29/09)		City Manager Approval: Mark Scott (07/29/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a Resolution: 1. Approving the Engineer's Report for Landscape Maintenance Assessment District No.1, Zone 2 (LMD#1, Z2) for Fiscal Year 2009/2010; and 2. Affirming the existing annual assessment levy for Fiscal Year July 1, 2009 to June 30, 2010. <u>PROCEDURE:</u> 1. Mayor seeks motion from City Council to receive and file the affidavits of publication and posting of notices, and correspondence received in response to the public hearing notices; and 2. Mayor calls for a staff report and the City Council Members may pose questions to staff as desired; and, 3. Mayor seeks a motion to open the public hearing ; and, 4. Mayor seeks a motion to close the public hearing after all public testimony has been presented including the presentation by the City Clerk of any protests received; and,			

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5. City Council discusses the item and arrives at its decision.

BACKGROUND:

Landscaping Maintenance District No. 1, consisting of two zones, was created for the purpose of providing on-going maintenance of landscaping along:

- “Zone 1” (Studio Estates), being the periphery of the MGM Lot 2 residential subdivision; and,
- “Zone 2” (Ballona Creek), being the 20-foot wide strip along the southerly side of Ballona Creek from the easterly side of Overland Avenue to the northeasterly line of Westside Business Park, a distance of about 2,200 feet.

On July 13, 2009, the proposed assessment increase for Zone 1 was approved by a majority of the votes received from members of the District. Therefore, no further action by the City Council for Zone 1 is required for Fiscal Year 2009/2010. However, the proposed assessment increase for Zone 2 did not pass as result of the receipt of a majority protest.

On July 20, 2009, the City Council adopted Resolution R2009-058 approving the preliminary Engineer’s Report and declaring its intention to order the annual assessment levy for Zone 2 and setting August 3, 2009 at 7:00 p.m. in the City Council Chambers as the date, time and place for the Public Hearing.

DISCUSSION:

The Fiscal Year 2008/09 total assessment levy amount is \$12,915 for Zone 2. The recommended Fiscal Year 2009/20 total assessment levy is \$12,915 for Zone 2 (which represents retaining the current levy with no increase).

The total estimated cost to maintain Zone 2 at the current level of maintenance is \$23,504. This amount is based on the approved agreement with Marina Contracting and estimated administrative and material costs. Since there was a majority protest to the proposed increase of the assessment levy, staff is recommending the existing assessment levy in the amount of \$12,915 be reaffirmed for Fiscal Year 2009/10.

In order to provide for a balanced Assessment District budget, staff proposes that the frequency of the maintenance of the landscaping area within Zone 2 be reduced so that the cost equals the assessment levy. Staff will work with Marina Contracting to determine the required reduction in maintenance frequency and report the results to the City Council at a later date.

Other options available to the City Council include:

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- By 4/5ths majority vote, approve a budget amendment and subsidize the District with City's General Funds (estimated to be \$11,000 for Fiscal Year 2009/2010).
- By simple majority vote, order the District be disbanded and discontinue the services. A resolution implementing that disbanding action would be brought to the City Council for consideration at a subsequent meeting.
- By 4/5ths majority vote, temporarily suspend collection of said assessment for Fiscal Year 2009/2010 and continue the services, funding them with the City's General Fund (which would result in a \$24,000 expense to the General Fund).

FISCAL ANALYSIS:

The total cost to fund the maintenance of Zone 2 at its current level of maintenance is \$23,504. The total proposed assessment levy amount is \$12,915. If maintenance frequency is kept the same Zone 2 will have a deficit of \$10,589. If the maintenance frequency is reduced to approximately one-half of its current level the district will be able to maintain a balanced budget. If another option requiring a budget amendment were to be approved by City Council, funds from the General Fund unappropriated reserves would need to be used to fund the option.

ATTACHMENTS:

1. City Engineer's Report
2. Proposed Resolution

MOTION:

That the City Council:

- 1A. (Staff Recommendation) Adopt the Resolution approving the Engineer's Report and affirming the existing assessment levy for Landscape Maintenance District #1, Zone 2 for Fiscal Year July 1, 2009 to June 30, 2010; and,
- 1B. (Staff Recommendation) Direct staff to proceed with identifying final recommended reductions in services and report those recommendations back to the City Council prior to the exhaustion of the assessment revenues collected for Fiscal Year 2009/2010 (since the assessment levy represents approximately 1/2 of the revenues needed to fund the services of the District, staff would return to the City Council before the end of January, 2010);

OR

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- 1C. Approve a Budget Amendment appropriating \$11,000 from the Unappropriated General Fund Reserve (a budget amendment requires a 4/5ths vote)

OR

2. Direct staff to return to the City Council with a resolution of intention in order to initiate the proceedings for dissolution of the District.

OR

- 3A. Order the assessment levy be suspended and the maintenance of the District be paid for with City General Funds. **and,**

- 3B. Approve a Budget Amendment appropriating \$24,000 from the Unappropriated General Fund Reserve (a budget amendment requires a 4/5ths vote)