

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

Meeting Date: 08/09/10		Item Number: PH-1	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING - Adoption of a Resolution Approving the Engineer's Report and Affirming the Existing Annual Assessment Levy for Higuera Street Landscape and Lighting Assessment District - Fiscal Year 2010/2011			
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 (08/05/10) Property owners were mailed a courtesy notice on (07/29/10).			
Department Approval: Charles D. Herbertson(08/02/10)		City Attorney Approval: Carol Schwab (by H. Baker) (08/02/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (08/04/10)		City Manager Approval: Martin R. Cole (08/05/10)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution: 1. Approving the Engineer's Report for the Higuera Street Landscape and Lighting Assessment District for Fiscal Year 2010/2011; and 2. Affirming the existing annual assessment levy for Fiscal Year July 1, 2010 to June 30, 2011. <u>PROCEDURE:</u> 1. Mayor seeks motion from the 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 ; and, 5. City Council discusses the item and arrives at its decision.			

City of Culver City, California
Agenda Item Report

BACKGROUND:

The Higuera Street landscaping and street lighting improvements were installed in 1995 at the request of the property owners. The assessment area was formed and the boundary includes properties on both sides of Higuera Street between Lindblade Avenue and Hayden Avenue. Each of the properties directly or indirectly benefits from the public improvements maintained in the District.

On May 24, 2010, the City Council adopted Resolution R2010-037 ordering the preparation of the Engineer's Report and declared its intention to order the annual assessment levy for the Higuera Street Landscape and Lighting Assessment District and setting June 14, 2010 at 7:00 p.m. in the City Council Chambers as the date, time and place for the Public Hearing.

At the meeting of June 14th, 2010, the City Council continued the public hearing to August 2, 2010. At the August 2, 2010, the City Council approved staff's request to further continue this public hearing to this evening.

DISCUSSION:

In July 2009 and the two previous fiscal years, a majority protest was received in response to a proposal to increase the assessment levy. In August 2009, the City Council voted to affirm the existing assessment levies. In December 2009, the City Council approved the reduction of maintenance from 4 times a month to 2 times a month, removal of lantanas around the street trees, and reduction of landscape irrigation by 30%, in order for the District expenditures to match the District revenues.

Staff did not seek an assessment levy increase through a ballot for Fiscal Year 2010/2011. A review of the expenditures and revenues showed that the District is self sufficient now. However, in future years as maintenance cost continue to escalate, it may be necessary to further curtail district maintenance in the event District property owners do not provide their support to an increase in the assessment. When this occurs, staff will return to the City Council with recommendations for further reducing District maintenance in order to maintain expenditures within the available district revenues. The total proposed Fiscal Year 2010/2011 assessment levy for the District is \$19,402.24. The charge per linear frontage footage per parcel is \$4.35.

Recently, the three irrigation controllers for this District were replaced. The cost to replace each controller including labor was \$2,500. The District has a current fund balance of \$15,100 and due to these new irrigation controllers the Fund Balance will be reduced to \$7,600. The Fund Balance is typically used for capital improvement/replacement costs such as new landscape, irrigation controllers and

City of Culver City, California
Agenda Item Report

street light poles (when damaged by automobile accidents). It is not recommended to use the Fund Balance to offset operating deficits in maintenance of the District.

In order to replenish the Fund Balance for future capital improvements, it is advisable to have an operating surplus of at least \$1,500 each fiscal year. However, with a remaining Fund Balance of \$7,600, there are sufficient funds for future capital costs at this time.

It has been recommended by some property owners that the maintenance of the parkway area between the sidewalk and street be eliminated. In 2003, the property owners approved by a majority vote an increase to the assessment levy to add the maintenance of the parkways. If the maintenance of the parkways is eliminated, it will reduce the cost to the District in the amount of \$1,200 a year. If the irrigation of the parkways is also eliminated it will reduce the cost to the District in an estimated amount of \$1,500 a year.

Staff does not recommend eliminating the maintenance and irrigation of the parkways at this time. If in the future, if costs to the District exceed the revenue, the option to eliminate the maintenance and irrigation of the parkways can be considered.

Staff recommends that the existing assessment levy be affirmed for Fiscal Year 2010-11.

Other options available to the City Council include:

- By a 4/5ths majority vote, approve a budget amendment to increase landscape maintenance to 3 or 4 times a month and subsidize the District with City's General Funds.
- 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 at a subsequent meeting.
- By a 4/5ths majority vote, suspend collection of said assessment and continue the services, funding them entirely with the City's General Fund.

FISCAL ANALYSIS:

The Higuera Street Landscaping and Lighting Assessment District budget is proposed to be 100 percent self-supporting for all expenditures. Property owners within the District are charged for their fair share of these costs, as described in the Engineer's Report.

City of Culver City, California
Agenda Item Report

ATTACHMENTS:

1. Engineer's Report
2. Proposed Resolution

MOTION:

That the City Council:

Adopt a Resolution approving the Engineer's Report and affirming the existing assessment levy for Higuera Street Landscape and Lighting Assessment District, for Fiscal Year July 1, 2010 to June 30, 2011.