

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 05/11/2009		Item Number: <u>A-6</u>	
AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - (1) Adoption of a Resolution initiating Proceedings for a Proposed increase of Assessments within Higuera Street Landscaping and Lighting Maintenance District, the Levy of Annual Assessments therein, and Ordering the Preparation of an 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			
Contact Person/Dept.: Mate Gaspar/PW		Phone Number: (310) 253-5602	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master Email Notification (05/06/09); All Property Owners within the District on (May 1, 2009)			
Department Approval: Charles D. Herbertson (05/01/09)		City Attorney Approval: Carol Schwab (by H. Baker) (05/06/09)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (05/06/09)		City Manager Approval: Jerry B. Fulwood (05/06/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution initiating proceedings for a proposed increase of assessments within Higuera Street Landscaping and Lighting Maintenance District, the levy of annual assessments therein, and ordering the preparation of an assessment engineer's report. Staff also recommends the City Council approve a professional services agreement with NBS Government Finance Group dba NBS for assessment district consulting services, in an amount not to exceed \$8,000 and approve a related budget amendment. <u>A budget amendment requires a four-fifths vote</u> <u>BACKGROUND/DISCUSSION:</u> The Higuera Street landscaping and lighting improvements were installed in 1995 at the request of the property owners. The Assessment District 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 26, 2009, staff will present to the City Council the Assessment Engineer's Report, and request the City Council declare its intention to levy the annual assessment by a majority ballot process by the property owners within the District			

City of Culver City, California
City Council Agenda Item Report

per Proposition 218 requirements, and set the date, time and place for the Public Hearing.

This year, based on a preliminary evaluation and several years of historical actual data, staff is proposing the assessment district levy be modified to provide for an automatic annual increase based on the Consumer Price Index (CPI) plus 5%. If approved by the property owners in the District, the annual CPI increase would be applied with an additional 5% premium each year until the total revenues generated from the District match the annual expenditures and the fund has a positive balance.

As stated earlier, the assessment process is much more difficult and time consuming when increases are proposed. In order to complete the Assessment Engineer's Report by the deadline for inclusion in the upcoming 2009/10 tax rolls, it is recommended that the preparation of the Assessment Engineer's Report and other related assessment services be conducted by a professional consulting firm.

NBS is a consulting firm that specializes in the processing of the annual assessment levies to the assessment districts for many agencies in the region. Recently, the Redevelopment Agency contracted with NBS to prepare a proposed landscaping assessment district on Washington Boulevard near Meier Street.

NBS is proposing to conduct their professional services for an amount not-to-exceed \$8,000 (including reimbursable expenses).

FISCAL ANALYSIS:

It normally is the goal of an Assessment District to be 100 percent self-supporting for all expenditures (thereby eliminating the need for subsidy from other funds, including the General Fund). Property owners within the District are charged their fair share of these costs, as will be calculated in the Assessment Engineer's Report.

If the anticipated increase to the assessment is not approved by a majority of property owners within the District, then the District is expected to have insufficient revenues to continue services at existing levels. As a result, the City Council may determine to consider any one or a combination of the following: (1) services may be decreased accordingly to stay within the existing assessment amount; (2) the City Council may elect to subsidize the district with other funds, typically general funds. Such a discussion can be held at the time the City Council considers the Engineer's Report and holds the Public Hearing.

Culver City Municipal Code Section 15.01.045 states that incidental expenses incurred in conjunction with assessment districts include the cost of preparation of

City of Culver City, California
City Council Agenda Item Report

the engineer's reports, assessment, printing, advertising, posting, and mailed notices. There is funding available in Fund 425 – Landscape Maintenance District to accommodate the professional services agreement with NBS. This funding includes receipts from the respective assessment district annual levies and therefore would be appropriate to use for this purpose.

ATTACHMENT:

1. Resolution
2. NBS proposal
3. Informational flyer to residents (mailed on 05/01/09)

MOTIONS:

That the City Council:

1. Adopt a resolution initiating proceedings for a proposed increase of assessments within Higuera Landscape and Lighting Assessment District, the levy of annual assessments therein, and ordering the preparation of the Assessment Engineer's Report, and setting the date for a Public Hearing thereon; and,
2. Approve a budget amendment to appropriate funds in the amount of \$8,000 from Fund 425 Landscape Maintenance Assessment District reserve to object account 42533100.619800 – Other Contractual Services (**requires four-fifths vote**); and,
3. Approve a professional services agreement with NBS Government Finance Group dba NBS for assessment district consulting services in an amount not to exceed \$8,000; and,
4. Authorize the City Attorney to review/prepare the necessary documents; and,
5. Authorize the City Manager to execute such documents on behalf of the City.