

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 05/26/2009		Item Number: <u>A-7</u>	
AGENDA ITEM: Adoption of a Resolution (1) Approving the Preliminary Assessment Engineer's Report for Proceedings for the Assessment Increase within Landscape Maintenance District Number 1 for Fiscal Year 2009/10; (2) Declaring its Intention to Levy and Collect Assessments; (3) Setting Monday, July 13, 2009 for a Public Hearing thereon; and (4) Ordering the Initiation of Assessment Ballot Procedures			
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 E-Mail Notification List (05/20/09); All Property Owners within Landscape Maintenance District Number 1 (05/01/09).			
Department Approval: Charles D. Herbertson (05/15/09)		City Attorney Approval: Carol Schwab (by H. Baker) (05/19/09)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (05/20/09)		City Manager Approval: Jerry B. Fulwood (05/20/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution (1) approving the preliminary Assessment Engineer's Report for proceedings for the proposed assessment increase within Landscape Maintenance District Number 1 for Fiscal Year 2009/10; (2) declaring its intention to levy and collect assessments; (3) setting Monday, July 13, 2009 for a Public Hearing thereon; and (4) ordering the initiation of assessment ballot procedures. <u>BACKGROUND:</u> On May 11, 2009, the City Council adopted a resolution initiating proceedings for a proposed increase of assessment within Landscape Maintenance District Number 1 (LMD #1) for Fiscal Year 2009/10 and ordered the preparation of an assessment engineer's report. LMD #1 consists of two zones (Studio Estates and Ballona Creek east of Overland Avenue adjacent to Jefferson Business Park) and was created for the purpose of providing on-going maintenance of landscaping within the District. <u>DISCUSSION:</u> The preliminary engineer's report is attached for review. This year, staff is proposing the assessment district be modified to provide for an automatic annual increase			

City of Culver City, California
City Council Agenda Item Report

based on the Consumer Price Index (CPI) in Los Angeles-Riverside-Orange County 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 District Fund has a positive balance. Essentially, the District Fund will borrow from the General Fund to fully fund the maintenance services. At that point, which is estimated to occur in 2026/27 for Zone 1 and 2022/23 for Zone 2 the 5% premium amount will be discontinued and only the CPI increase would be applied on an annual basis thereafter. Once a positive fund balance is achieved, it may be necessary to make a one-time reduction in the assessment amount to balance the annual revenues and expenditures; however, as stated above, the annual CPI increase would continue to be applied.

FISCAL ANALYSIS:

It should be 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 should be charged their fair share of these costs. If the proposed CPI + 5% annual increase to the assessment is not approved by the property owners within the District, then services may be decreased accordingly to stay within the existing assessment amount, or the City Council may determine to subsidize the District with General Funds.

ATTACHMENTS:

1. Proposed Resolution
2. Preliminary Assessment Engineer's Report
3. 20-Year Cash Flow

MOTIONS:

That the City Council:

Adopt a resolution (1) approving the preliminary Assessment Engineer's Report for proceedings for the proposed assessment increase within Landscape Maintenance District Number 1 for Fiscal Year 2009/10; (2) declaring its intention to levy and collect assessments; (3) setting Monday, July 13, 2009 for a Public Hearing thereon; and (4) ordering the initiation of assessment ballot procedures.