



Legislation Text

File #: 18-0316, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Interim Finance Director
Henry Mitzner, Controller

SUBJECT:

Resolution No. 18-0082 Approving the Annual Storm Water Service Fee for Fiscal Year 2018-2019 (Interim Finance Director Charelian).

- a) **CONDUCT PUBLIC HEARING**
- b) **ADOPT RESOLUTION NO. 18-0082**

RECOMMENDATION:

Staff recommends that the City Council conduct a public hearing regarding the annual storm water service fee for fiscal year 2018-2019 and adopt Resolution No. 18-0082.

FISCAL IMPLICATIONS:

The storm water fee currently generates approximately \$345,000 annually. As indicated in the adopted 2018-2019 budget, a General Fund subsidy of \$1,248,046 will be required to fund operations of \$905,767 and capital improvements of \$710,000.

The projected cumulative subsidy over the next five years is \$6,273,312. Under present conditions, the General Fund subsidy offsetting Storm Drain deficits will continue indefinitely. As costs escalate due to mandates for clean water and storm water treatment, the General Fund transfers will also grow unless action is taken to increase the fee or alternative revenue sources are identified and approved by voters.

Without additional revenues, Storm Water subsidies will ultimately exhaust the entire General Fund Unreserved Fund Balance and begin consuming Economic Uncertainty Reserves due to the continued subsidies.

BACKGROUND:

The City levies an annual storm water service fee on each parcel of real property in the City. The fee is levied to finance the costs of on-going operations and maintenance of storm water facilities and services. The fee is based on an engineering analysis of the City's storm drain requirements performed in 1996 by an outside engineering group. The typical annual fee is \$19.12 per year per single family residence. The fee has remained unchanged since the passage of Proposition 218 in

1996.

DISCUSSION:

The storm water fee is collected each fiscal year via the County of Los Angeles consolidated property tax bill. The City submits such fees to the County each year by the August due date specified by the County Auditor in order to include the fee on the property tax bills issued in October.

In order to include the fee on the property tax bill, the City Council must hold a public hearing, at which time the City Council considers all objections and protests regarding the proposed levy of the fee for Fiscal Year 2018-19. Assuming there is not a majority protest, the City Council may then adopt resolution No. 18-0082, ordering that the fee be collected for Fiscal Year 2018-19 on the County of Los Angeles tax roll.

PUBLIC OUTREACH/INTEREST:

The notice of this hearing was properly published in *The Beach Reporter* on July 5, 2018 and July 12, 2018.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Resolution for adoption.

Attachment:

1. Resolution No. 18-0082