



Legislation Text

File #: RES 17-0078, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Henry Mitzner, Controller

SUBJECT:

Adoption of Annual Storm Water Service Fee for Fiscal Year 2017-2018 (Finance Director Moe).

CONDUCT PUBLIC HEARING; ADOPT RESOLUTION NO. 17-0078

RECOMMENDATION:

Staff recommends that the City Council conduct a public hearing regarding the annual storm water service fee for fiscal year 2017-2018, and adopt Resolution No. 17-0078.

FISCAL IMPLICATIONS:

The storm water fee currently generates approximately \$345,000 annually. As indicated in the adopted 2017-2018 budget, a General Fund subsidy of \$982,355 will be required to fund operations of \$876,655 and capital improvements of \$460,000.

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 support 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 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 operation 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 consultant. The typical 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 2017-18. Assuming there is not a majority protest, the City Council may then adopt resolution No. 17-0078, ordering that the fee be collected for Fiscal Year 2017-18 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 6, 2017 and July 13, 2017.

ENVIRONMENTAL REVIEW:

None required.

LEGAL REVIEW:

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

Attachment:

1. Resolution No. 17-0078