



Legislation Text

File #: 19-0138, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Henry Mitzner, Controller

SUBJECT:

Consideration of Ordering Plans, Specifications, Cost Estimates, and Engineer's Report for Annual Street Lighting and Landscaping Assessments (Finance Director Charelian).

ADOPT RESOLUTION NO. 19-0034

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 19-0034 ordering the preparation of plans, specifications, cost estimates, and the engineer's report for the annual renewal of the Landscaping and Lighting District for fiscal year 2019-2020, pursuant to the Landscaping and Lighting Act of 1972.

FISCAL IMPLICATIONS:

The assessment engineering cost for the Landscaping and Lighting District is \$7,250 and is budgeted in the Public Works department.

It is important to note that because assessments have been fixed since 1995-1996 and costs have continued to rise and exceed the revenue generated by the assessments, the Street Lighting and Landscape Fund has depleted its fund balance. As a result, the General Fund continues to subsidize the fund. The preliminary estimate for the subsidy in the current fiscal year (2018-2019) is \$188,792, and \$195,382 for the upcoming fiscal year 2019-2020. A Proposition 218 vote is required to raise the assessments; City Council reviewed the options for raising assessments but has deferred such action.

BACKGROUND:

The City provides for the operations and maintenance of Street Lighting and the Downtown Streetscape via the Street Lighting and Landscaping Assessment District (District). The District, which was formed pursuant to the Landscaping and Lighting Act of 1972, is comprised of separate street lighting districts for the majority of the City, and the lighting and landscaping services provided for Downtown.

DISCUSSION:

The District must be renewed annually through a series of City Council resolutions, culminating with a

public hearing. The public hearing and adoption of a final resolution are scheduled for the City Council Meeting of June 18, 2019.

In order to renew the districts, an assessment engineer must review and develop the benefit assessments for each parcel. Those assessments are based on the proposed budget for the upcoming fiscal year commencing July 1, subject to the constraints of Proposition 218. For FY 2019-2020, the preliminary assessment is comprised of \$377,836 from private property owners and a General Fund contribution toward Streetscape of \$17,112 for City property located in the Streetscape zone, for a total assessment of \$394,948. Total assessments (\$394,948) are the only budgeted resources for fiscal 2019-2020; budgeted expenditures for all zones are \$590,330, resulting in a shortfall of \$195,382 for all zones. The 2019-2020 fiscal year opening balance will have no available funds requiring a General Fund subsidy to match the shortfall.

The first step in this annual process is for City Council to pass a Resolution of Initiation at the April 2, 2019, City Council meeting, which authorizes the preparation of an engineer's report on the District. Then, on May 7, 2019, the engineer's report will be submitted to City Council, along with a Resolution of Intention, which authorizes proceedings for the annual levy and collection of assessments. Finally, on June 18, 2019, the public hearing will be held. At that time, City Council will be asked to adopt a resolution providing for the levy and collection of street lighting assessments for the fiscal year 2019-2020.

During fiscal year 2017-18, City Council asked staff to identify cost-cutting opportunities in the Street Light and Landscaping Fund. Staff is looking to identify changes in cost cutting during 2019-2020 budget process.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(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 this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 19-0034
2. Lighting and Landscape Assessment Districts Map