



Legislation Text

File #: 19-0144, **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:

Conduct Public Hearing Adopting Resolution No. 19-0055 Providing for Annual Levy and Collection of Street Lighting and Landscaping District Maintenance Assessments for Fiscal Year 2019-2020 (Finance Director Charelian).

a) **CONDUCT PUBLIC HEARING**

b) **ADOPT RESOLUTION NO. 19-0055 PROVIDING FOR ANNUAL LEVY AND COLLECTION OF FISCAL YEAR 2019-2020 MAINTENANCE ASSESSMENTS**

RECOMMENDATION:

Staff recommends that the City Council conduct a public hearing adopting Resolution No. 19-0055 providing for the annual levy and collection of Street Lighting and Landscaping District maintenance assessments for Fiscal Year (FY) 2019-2020.

FISCAL IMPLICATIONS:

The assessment rates remain unchanged from FY 2018-2019. The total assessments for FY 2019-2020 are \$377,688.

BACKGROUND:

The City provides for the maintenance costs of citywide street lighting and downtown landscaping through a Street Lighting and Landscaping Assessment District. The district was formed pursuant to the California Landscaping and Lighting Act of 1972. The district must be renewed annually through a series of City Council resolutions culminating with tonight's public hearing and adoption of the resolution.

The following is a summary of previous City Council actions:

April 2, 2019 - Adoption of Resolution No. 19-0034 ordering plans, specifications, cost estimates and the assessment engineer's report of annual assessments.

May 7, 2019 - Adoption of Resolution No. 19-0040 approving the assessment engineer's report for the annual levy of street lighting assessments for FY 2019-2020.

May 7, 2019 - Adoption of Resolution No. 19-0041 declaring the City Council's intention to provide for

the annual levy and collection of assessments for street lighting maintenance and setting the public hearing for June 18, 2019.

DISCUSSION:

The assessments for FY 2019-2020 (\$377,688), combined with a City contribution of \$17,112 for Downtown Streetscape (zone 10), will be used entirely for maintenance and operation of the street lighting (zones 1 through 9) and the Downtown Streetscape (zone 10). The City contribution of \$17,112 represents benefit received by the City via the inclusion of City Hall frontage along Highland Avenue in the Streetscape area (zone 10). In addition, the General Fund will be providing an operating subsidy of \$152,001 to cover revenue and contribution shortfalls. The shortfall components are \$142,910 for street lighting (zones 1 through 9) and \$9,091 for Streetscape (zone 10). In summary, total estimated revenue, including the General Fund contribution for FY 2019-2020, is \$394,800, while the budgeted expenditures for all zones is \$546,801, resulting in a deficit of \$152,001.

As discussed during the FY 2019-2020 budget meetings and in prior staff reports, the Street Lighting and Landscaping Fund will require a subsidy from the General Fund in the current fiscal year (\$152,001) and for the foreseeable future. Ongoing deficits can be alleviated through service level reductions/efficiencies, increased assessments (requiring a Proposition 218 vote), or other new revenue sources which may also require voter approval. This year the costs were modified by an increase of \$35,000 for annual repair/maintenance and \$18,700 due to purchase of 100% renewable energy. Offsetting these increases is a decrease by \$38,000 in Streetscape landscape maintenance downtown and energy savings by installation of new LED lighting.

This public hearing is the final step in the process to establish the FY 2019-2020 assessment. The public hearing has been properly noticed and the assessment engineer's report, map of assessment zones, and register of assessment levies have been placed on file with the City Clerk.

ATTACHMENTS:

1. Resolution No. 19-0055
2. Engineer's Report Fiscal Year 2019-2020