



*City of Arts & Innovation*

# City Council Memorandum

---

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: MAY 22, 2018**

**FROM: FINANCE DEPARTMENT** **WARD: 2**

**SUBJECT: RESOLUTION FOR APPROVAL OF THE ENGINEER'S REPORT ON FISCAL YEAR 2018/19 LANDSCAPE MAINTENANCE DISTRICT 88-1 (SYCAMORE HIGHLANDS) ASSESSMENT – SET PUBLIC HEARING**

## **ISSUE:**

Adopt a Resolution giving preliminary approval required for the annual levy of special assessments within Landscape Maintenance District 88-1 and approving the Engineer's Report; set a public hearing for the final approval of the levy of special assessments.

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt a Resolution declaring the City's intention to levy and collect assessments for Fiscal Year 2018/19 within Landscape Maintenance District 88-1 (Sycamore Highlands) and approving the Engineer's Report; and
2. Set a Public Hearing for final approval of the levy of special assessments on June 26, 2018, at 3:00 p.m.

## **BACKGROUND:**

On March 6, 2018, the City Council adopted a Resolution ordering the preparation of the attached annual Engineer's Report for Landscape Maintenance District 88-1 (Sycamore Highlands). The cost of maintaining the landscaping and administration of the District will be assessed to the property owners within the District. All parcels within the District have been assessed annually regardless of the status of its development.

Landscape Maintenance District 88-1 was formed under the provisions of the 1972 Street Lighting and Landscaping Act, in conjunction with a Development Agreement for the Highlander (Sycamore Highlands) project. In July 1997, a property owner ballot, required by Proposition 218, approved the continuation of the District. The landscape improvements designed for the project area are in excess of normal City standards and the construction of the improvements has been funded by Community Facilities District 90-1 (Lusk-Highlander).

**DISCUSSION:**

The procedures of the Lighting and Landscaping Act of 1972 require the adoption of a Resolution giving preliminary approval to the Engineer's Report and the setting of a required Public Hearing; such hearing is requested for 3:00 p.m. on June 26, 2018.

Annually, the assessments are reviewed and any unspent balance remains with the District and serves to reduce subsequent years' assessments. This year, no excess is projected. The Engineer's Report has then calculated the annual assessment for the 2018/19 fiscal year to be \$94.98 per residential parcel. The District formation process allowed for an annual increase up to a cap calculated using the cumulative Consumer Price Index (CPI) factor, with that factor limited to a maximum of 10% in any one fiscal year. The maximum allowed assessment for 2018/19 is \$94.98 (\$58.00 base year multiplied by cumulative factor of 1.6375 or 163.75%). This is slightly below the budgeted expenditures for the year. As such, the maximum allowable assessment as calculated by the CPI adjustment factor is \$99,733 for FY2018-19.

Sycamore Highlands LMD 2018-19		Sycamore Highlands LMD 2017-18	
Budgeted Expenditures		Budgeted Expenditures	
Contract Maintenance	\$ 62,616	Contract Maintenance	\$ 66,353
Utilities	34,543	Utilities	25,005
Contract Contingencies and Misc Repairs	200	Contract Contingencies and Misc Repairs	200
Assessment Engineer	4,500	Assessment Engineer	4,500
Operating Costs	200	Operating Costs	200
<b>Total Estimated Cost</b>	<b>102,059</b>	<b>Total Estimated Cost</b>	<b>96,258</b>
Less: 2017/18 Surplus	-	Less: 2016/17 Surplus	-
<b>Amount Required for 2018/19 Assessment</b>	<b>\$ 102,059</b>	<b>Amount Required for 2017/18 Assessment</b>	<b>\$ 96,258</b>
Required reduction in assessment	(2,326)		
<b>Maximum Assessable 2018-19</b>	<b>\$ 99,733</b>	<b>Maximum Assessable 2017-18</b>	<b>\$ 96,258</b>

**FISCAL IMPACT:**

The cost of maintaining the parcels within the District will be assessed to the property owners within the District. Assessments are based on actual and projected expenditures and cannot exceed the amount established in 1997/98 during District formation, adjusted for changes in the CPI (cumulatively, 163.75%). The 2018/19 estimated landscape budget for the District is \$99,733; the assessment per residential parcel will be \$94.98. In 2017/18, the estimated landscape budget for the District was \$96,258 and the assessment per residential parcel was \$91.66.

Prepared by: Edward Enriquez, Assistant CFO/ Deputy Treasurer  
 Certified as to availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer  
 Approved by: Marianna Marysheva, Assistant City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. Resolution
2. Preliminary 2018/19 Landscape Maintenance District 88-1 Engineer's Report