



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 26, 2018**

FROM: FINANCE DEPARTMENT **WARD: 2**

SUBJECT: PUBLIC HEARING – FISCAL YEAR 2018-2019 LANDSCAPE MAINTENANCE DISTRICT 88-1 (SYCAMORE HIGHLANDS) ASSESSMENTS – RESOLUTION ADOPTION

ISSUES:

Conduct a Public Hearing to receive public comment regarding the levy of annual special assessments within Landscape Maintenance District 88-1 (Sycamore Highlands); and adopt a Resolution confirming the Engineer's Report and establishing the Fiscal Year 2018-2019 Landscape Maintenance District 88-1 assessments.

RECOMMENDATIONS:

That the City Council:

1. Conduct the Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2018-2019 Landscape Maintenance District 88-1 assessments; and
2. Adopt a resolution confirming the Engineer's Report and establishing the Fiscal Year 2018-2019 Landscape Maintenance District 88-1 assessments.

BACKGROUND:

Landscape Maintenance District 88-1 (Sycamore Highlands, formerly known as Lusk Highlander or Highlander) was formed under the provisions of the 1972 Street Lighting and Landscaping Act, in conjunction with a Development Agreement for the Sycamore Highlands (Highlander) project. District formation was approved by property owner ballot in July 1997, as required by Proposition 218. 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).

A Public Hearing has been scheduled to discuss and adopt a resolution for the proposed Fiscal Year (FY) 2018-2019 assessments for Landscape Maintenance District 88-1. The Public Hearing and resolution adoption is required by law and occurs each fiscal year to allow for the levy of assessments on the properties within the District. 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 their development.

DISCUSSION:

The procedures of the Lighting and Landscaping Act of 1972 require a Public Hearing prior to the adoption of a resolution confirming the Engineer's Report and levying the annual assessments.

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 calculated the annual assessment for FY 2018-2019 to be \$94.98 per residential parcel. The District formation process allows for an annual increase up to a cap calculated using the cumulative Consumer Price Index ("CPI") factor, with that factor limited to a maximum increase of 10% in any one fiscal year. The maximum allowed assessment for FY 2018-2019 is \$94.98 (\$58.00 base year multiplied by cumulative factor of 1.6375 or 163.75%). As such, the maximum allowable assessment as calculated by the CPI adjustment factor is \$99,733 for FY 2018-2019.

Budgeted Expenditures		Sycamore Highlands LMD 2018-19	Budgeted Expenditures		Sycamore Highlands LMD 2017-18
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
Total Estimated Cost		102,059	Total Estimated Cost		96,258
Less: 2017/18 Surplus		-	Less: 2016/17 Surplus		-
Amount Required for 2018/19 Assessment	\$	102,059	Amount Required for 2017/18 Assessment	\$	96,258
Required reduction in assessment		(2,326)			
Maximum Assessable 2018-19	\$	99,733	Maximum Assessable 2017-18	\$	96,258

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 will not exceed the amount established in FY 1997-1998 with the District formation, adjusted for cumulative changes in the CPI (cumulatively, 163.75%). The FY 2018-2019 estimated budget for Landscape Maintenance District 88-1 is \$99,733; the assessment per residential parcel will be \$94.98. In FY 2017-2018, the estimated landscape budget for the District was \$96,258 and the assessment per residential parcel was \$91.66.

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

Attachments:

1. Resolution
2. 2018-2019 Landscape Maintenance District 88-1 Engineer's Report
3. Presentation