



Administrative Report

H.6., File # 21-2344

Meeting Date: 5/4/2021

To: MAYOR AND CITY COUNCIL
From: TED SEMAAN, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE CITY ENGINEER'S REPORT FOR THE 2021-2022 FISCAL YEAR STREET LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2105-039, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DECLARING ITS INTENTION TO ORDER THE MAINTENANCE AND IMPROVEMENTS OF CERTAIN STREET LIGHTING FIXTURES, APPURTENANCES, AND LANDSCAPED AREAS FOR THE FISCAL YEAR COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND SETTING A TIME AND PLACE FOR THE PUBLIC PROTEST HEARING

SET JUNE 1, 2021 AS THE DATE TO CONDUCT A PUBLIC HEARING TO CONSIDER THE PROPOSED 2021-2022 FISCAL YEAR STREET LANDSCAPING AND LIGHTING DISTRICT ASSESSMENT

EXECUTIVE SUMMARY

The 1972 Landscaping and Lighting Act requires cities to prepare an engineer's report and conduct a public hearing before levying annual landscaping and lighting district assessment fees. On April 6, 2021 the City Council directed the City Engineer to prepare the report of the anticipated expenses and assessment proposal for the City's Street Landscaping and Lighting Assessment District (District) for the 2021-22 Fiscal Year. The Engineer's Report (see attached) includes a summary of the District's boundaries, its proposed revenues and expenditures and the services funded by the assessment. According to the report a general fund subsidy of \$889,594 will be required in the 2021-22 FY to cover all District costs.

BACKGROUND

On April 6, 2021, the City Council adopted Resolution No. CC-2104-026 and ordered a report from the City Engineer for the 2021-22 fiscal year activities of the Street Landscaping and Lighting Assessment District. The report includes an assessment diagram, system plans and specifications, and cost estimates for furnishing electrical energy, maintenance, and improvements for all public lighting facilities and landscaped public areas included in the District. The report is attached and a copy of the District map is available for review at the Engineering Services counter at City Hall and on the City's website at:

https://www.redondo.org/depts/public_works/engineering/lighting_n_landscaping_assessment_information.asp.

The District was formed in 1983 under the requirements of the 1972 Landscaping and Lighting Act. The District operates and maintains the following public improvements: 5,127 Street Lights (3,228 of which are owned and operated by Southern California Edison and 1,899 of which are owned and operated by the City); 102 Signals (55 Traffic, 23 Flashing Yellow Beacon and 24 Flashing Red Beacon); and 21.85 Acres of Landscaping. Whether or not there is a proposed change to the annual fee, the Act requires that a public hearing be held before implementing each year's District assessment. Staff recommends that the City Council approve the Resolution declaring the intention to order the FY2021-22 assessment and set a public hearing for June 1, 2021 for consideration of final approval.

A typical home in Redondo Beach with a frontage of 40 feet pays approximately \$59.20 a year for street landscaping and lighting under the District's assessment methodology. This has not changed since 1991. The District in the FY2021-22 is projected to run a \$889,594 deficit that must be offset, typically by a subsidy from the General Fund. Estimated costs for FY2021-22 are based on projected expenses for FY2020-21. The FY2021-22 anticipated deficit is \$88,173 less than what was anticipated in the FY2020-21 engineer's report. This is due to \$98,000 savings in energy costs, an \$31,936 increase in personnel cost, a \$23,269 savings in internal service charges, a \$3,940 savings in contract and professional services and a \$5,100 reduction in miscellaneous revenues.

To address the deficit, the City Council may consider initiating the process to increase the assessment. In 2006, the City sought voter approval under Proposition 218 to adjust the assessment to pay for all District related costs, but was unsuccessful. During the FY 2017-18 budget adoption discussions, the City Council deliberated on this, but ultimately decided to leave the assessment unchanged.

If the City Council chooses to proceed with a supplemental assessment, the following steps are anticipated. After solicitation, a professional services contract would be awarded by the City Council to an engineering consultant to prepare a detailed engineering report that outlines the total cost of the needed improvements and services, the list of parcels to be assessed, the proportionate special benefits to each parcel and the amount of the assessment for each parcel. The City Council would be presented with that report and choose if and when to set a public hearing date to levy the assessment. Notice of the public hearing and ballots would then be mailed, no less than 45 days prior to the public hearing, to record property owners for each parcel to be assessed. Ballots must be returned prior to the close of the public hearing and are tabulated only after the public hearing is closed. If the yes votes weighted by the assessment amount are greater than the no votes received (similarly weighted), the City Council may levy the assessment as outlined in the engineer's report for the following fiscal year. For example, if so directed, the consultant contract could be awarded in Summer 2021, the engineer's report prepared in Fall 2021, with ballots mailed in early 2022, followed by a public hearing and determination of the vote in Spring 2022, in time for assessment during FY2022-23.

Regardless of what City Council chooses to do about a supplemental assessment in following years, adoption of the staff recommendations is required to continue the current assessment for FY2021-22.

COORDINATION

The attached resolution has been reviewed and approved as to form by the City Attorney's Office. Revenue and expense figures for the Engineer's report have been prepared by Public Works staff and verified by the Financial Services Department.

FISCAL IMPACT

Expected funding and expenditures for the 2021-2022 FY are as follows:

FY 21-22 Funding

| | |
|------------------------------|-------------------|
| Assessment Fee | \$1,513,000 |
| Public Services Lighting Fee | \$ 500 |
| Other Revenues | \$ 40,000 |
| General Fund Subsidy | <u>\$ 889,594</u> |

Total Funding \$2,443,094

FY 21-22 Expenditures

| | |
|---------------------------|-------------------|
| Personnel | \$ 983,835 |
| M & O | \$1,192,016 |
| Capital Improvements | \$ 0 |
| Overhead/Internal Svc Chg | <u>\$ 267,243</u> |

Total Expenditures \$2,443,094

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. CITY ENGINEER'S REPORT FOR THE FISCAL YEAR 2021-22 STREET LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT
2. RESO LANDSCAPE & LIGHTING ACT