



Administrative Report

L.2., File # 21-2519

Meeting Date: 6/1/2021

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

TITLE

PUBLIC HEARING TO CONSIDER THE PROPOSED ASSESSMENTS FOR THE STREET LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FOR FISCAL YEAR 2021-2022

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2106-051, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT, AND LEVYING OF THE ASSESSMENT FOR THE STREET LANDSCAPING AND LIGHTING DISTRICT FOR THE FISCAL YEAR FROM JULY 1, 2021 TO JUNE 30, 2022

PROCEDURES:

- a. OPEN PUBLIC HEARING, TAKE TESTIMONY; AND
- b. CLOSE PUBLIC HEARING; AND
- c. ADOPT RESOLUTION

EXECUTIVE SUMMARY

On May 4, 2021, the City Council approved the City Engineer's Report and adopted Resolution No. CC-2105-039, declaring its intention to levy assessments for the Street Landscaping and Lighting District for maintenance of street lighting fixtures and landscaped areas for FY 2021-22. As part of the approval, the City Council set June 1, 2021 as the date for a public hearing to consider the proposed District assessment. The annual assessment fee is not proposed for adjustment in the upcoming Fiscal Year and has not been changed since 1991. It should be noted that current assessment fee revenue does not fully cover District expenses. As a result, the General Fund must annually subsidize District operations. The proposed subsidy for FY 2021-22 is \$889,594. Decision Packages #10 - #12 include recommendations that will increase the General Fund subsidy in FY 2021-22 to the District by \$332,113 to address projected increases to water, electricity, and tree trimming costs.

BACKGROUND

On April 6, 2021, the City Council adopted Resolution No. CC-2104-026, ordering a report from the City Engineer for the FY 2021-22 Landscaping and Lighting Assessment District, including an assessment diagram, plans, specifications, and cost estimates for furnishing electrical energy, maintenance, and improvements for public lighting facilities and landscaped areas included in the District. The report was presented to the City Council on May 4, 2021.

At that time, the City Council approved Resolution No. CC-2105-039, declaring its intention to levy assessments for FY 2021-22 for maintenance of the public lighting facilities and landscaped areas. The Resolution set June 1, 2021 as the date for a public hearing to consider the proposed assessments (see attached) for FY 2021-22. As described in the Engineer's Report, a typical home in Redondo Beach with a frontage of 40 feet pays approximately \$59.20 per year for street landscaping and lighting. The fee has not changed since 1991. In 2006, the City sought voter approval under Proposition 218 to adjust the assessment to pay for all District costs. Redondo Beach property owners voted against the proposed fee increase. The City Council considered initiating the process to increase the assessment during the FY 2016-17 budget adoption discussions, but ultimately decided to leave the assessment unchanged. In the base budget for FY 2021-22, the District will run a \$889,594 deficit, which must be offset by a subsidy from the General Fund. However, projected increases to costs for water, electricity and tree trimming have led to the preparation of several Decision Packages (10-12) in response to these higher costs. If approved, the budgeted subsidy would increase by \$332,113 to \$1,221,707. This higher figure is not inconsistent with previous levels such as the \$1,081,025 subsidy in FY 2018-19. Recent year subsidies have been reduced, (along with reductions in service) as a budget balancing measure.

The District was formed in 1983 under the requirements of the 1972 Landscaping and Lighting Act. The District operates and maintains: 5,127 street lights (3,228 Southern California Edison owned and 1,899 City owned); 102 signals (55 traffic and 23 flashing yellow beacon and 24 flashing red beacon); and 21.85 acres of landscaping. Despite the lack of a proposed change to the annual fee, the Act requires that a public hearing be held before implementing each year's District assessment.

COORDINATION

The attached resolution was prepared by the City Attorney's Office. Public Works Department staff coordinated with staff in the Financial Services Department to prepare the District's annual revenue and expense figures.

FISCAL IMPACT

The following funding/expenditure plan is consistent with the May 4, 2021 City Engineer's Report. The actual amounts included in the Proposed FY2021-22 City Budget (page 35), completed after the May 4 estimate was prepared, are higher than the City Engineer's Report by \$338 in both the general fund subsidy and the personnel expenditures.

<u>FY 2021-22 Funding</u>		<u>FY 2021-22 Expenditures</u>	
Assessment Fee	1,513,000	Personnel	983,835
Public Services Lighting Fee	500	M & O	1,192,016
Other Revenues	40,000	Capital Improvements	0
General Fund Subsidy	<u>889,594</u>	Overhead/Internal Svc Chg	<u>267,243</u>
Total Funding	2,443,094	Total Expenditures	2,443,094

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. RESOLUTION
2. TABLE 1-FY 2021-22 ASSESSMENT SCHEDULE