



Legislation Text

File #: 16-459, **Version:** 1

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SUBJECT: Maintenance Districts - Assessment Ballot Proceeding Processes

REPORT IN BRIEF

Detail the necessary steps required to conduct an assessment ballot hearing to obtain property owners' approval to increase special benefit assessments, rebuild Fund operating reserve balances, and allow for annual consumer price index adjustments on properties within identified Maintenance Districts.

RECOMMENDATION

City Council - Accept Report for Information Only.

DISCUSSION

Each year the City Council is required to hold a public hearing on the budgets for the various maintenance districts throughout the City. Prior to the enactment of Proposition 218, the City Council handled budget reports for maintenance districts under Government Code Section 54954.6, Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, and Article I of Title 13, Division VIII, of the Merced Municipal Code dealing with maintenance districts.

Subsequent to Proposition 218 enacted by the voters on November 5, 1996, the City must conduct a mail out ballot protest procedure (assessment ballot proceeding), in order to levy increased assessments over the previous year's budgets above the allowable consumer price index report within an assessment district.

The process for Districts that require an increase in assessments are as follows:

- The Public Works Department prepares the engineer's reports and annual budget costs;
- City Council adopts a resolution authorizing an assessment ballot proceeding and sets date for Public Hearing;
- Council opens the public hearing to determine voter approval of increased assessments. Following the public hearing Council shall consider all objections or protests, if any;
- The public hearing is continued to a subsequent meeting to allow staff the required time necessary to open and tally sealed ballots;
- Following the continued public hearing Council adopts a resolution approving, confirming, and adopting the reports and budgets based on the results of the tallied ballots;

- The Finance Department submits new assessment amounts to the Merced County Assessor's office for inclusion on property tax bills;
- If the results of the tallied ballots are successful, district expenses are recovered in the new assessment fee. If the ballots are unsuccessful the General Fund will cover the ballot proceeding costs.

Assessment Ballot Proceeding Noticing Requirements - Section 4000 of the Election Code and Sections 53739 et seq. of the Government Code.

- The City Clerk is directed to give notice by mail to the record owner of each parcel within the district. Each notice shall include the total amount of the proposed assessment chargeable to the entire District, amount chargeable to the record owner's parcel, the duration of the payments, the reason for the assessment and the basis upon the amount of the proposed assessment was calculated. Also, the notice must include the date, time, and location of the public hearing on the proposed assessment increase.
- In addition, each notice shall include a summary of the proceedings for the completion and return of the assessment ballot that includes a statement that the assessment shall not be imposed if the ballots submitted in opposition of the assessment exceeds the ballots submitted in favor of the assessment. Ballots are weighted according to the proportional financial obligation of the affected property. Notices must be mailed forty-five (45) days prior to the date of the public hearing.
- Each notice shall contain an assessment ballot that includes the City's address for receipt of the returned ballot and location where the property owner returning the assessment ballot may indicate his or her name, parcel number, and support or opposition to the proposed assessment. Each ballot must be signed and either mailed or hand delivered to the City Clerk's office.
- An assessment ballot may be submitted, changed, or withdrawn prior to the conclusion of the public testimony on the proposed assessment at the public hearing.
- The City Clerk is directed to include a stamped, self-addressed envelope for the return of the assessment ballot with the notice to the record owner.

The Public Works staff as in the past will work closely with contract vendor and City Clerk's office assisting with District parcel record owner information, mailing ballot explanation letters and forms, as well as ballot tallying.

The total estimated cost of balloting is approximately \$6,000; \$4.41 per parcel; 1,372 total parcels.

At this time the following ten (10) Districts require an assessment ballot proceeding in order to increase annual assessments:

Oakmont 3

Ridgeview Meadows

East College Homes	Olivewood
Pleasanton Park	Campus North
Merced Auto Center	Mansionette
Moss Landing	Hansen Park

These identified Districts do not have the necessary revenue to cover landscape maintenance services and storm drain pump utility costs. Without an increase in assessment levy these Districts will continue to lack required landscape maintenance services and storm drain pump operation.

The attached worksheet details the current Fund balance of each district.

ATTACHMENTS

1. Property Owner Cover Letter
2. Notice of Proposed Assessment Increase
3. Record Owner Assessment Ballot
4. Maintenance Districts Reserve Balances