



Legislation Text

File #: 22-329, Version: 1

Report Prepared by: Juan Olmos, Public Works Manager - Tax Services

SUBJECT: Public Hearing on the Various Maintenance Districts' Engineer's Reports and Budgets for Fiscal Year 2022/2023 with Adoption of Resolution for Approval, Confirmation, and Adoption of the Engineer's Reports for the Various Maintenance Districts as Originally Submitted or as Modified

REPORT IN BRIEF

Consider adopting a Resolution approving, confirming, and adopting Engineer's Reports and Budgets for Maintenance Districts after the close of the Public Hearing.

RECOMMENDATION

City Council - Adopt a Motion adopting **Resolution 2022-35**, a Resolution of the City Council of the City of Merced, California, approving, confirming, and adopting Engineer's Reports on Maintenance Districts.

ALTERNATIVES

1. Adopt Resolution approving, confirming, and adopting Engineer's Reports on the various Maintenance Districts; or,
2. Return to staff with specific direction; or,
3. Deny.

AUTHORITY

Chapter 26 of Part 3 of Division 7 of the State of California Streets and Highway Code provides the applicable general law for Maintenance Districts; and,

Article I (alternative method for the levy of benefit assessments) of Title 13 Division VIII, of the Merced Municipal Code (MMC) dealing with Maintenance Districts, provides for subsequent modification to existing Maintenance Districts; and,

Initiative Measure (Proposition 218, Sections 2,3,4,5, and 6) approved at the November 5, 1996 election, and also known as, the "Right to Vote on Taxes Act," provides for assessment ballot proceedings.

CITY COUNCIL PRIORITIES

Addresses City Administrative Priority for Maintenance District Funding.

DISCUSSION

The Fiscal Year 2022/2023 budgets and engineer's reports on the various Maintenance Districts are complete and expenses are balanced with available revenue.

They are available upon request for review and have been submitted to the City Clerk's office, as required by MMC Sections 13.62.130, 13.62.150, and 13.62.160.

Several Districts will continue to benefit from existing operating reserve funds, as well as a consumer price index (CPI) increase adjustment of 7.1%. Attachment 2 is a summary of the budgets and assessment levies.

Fahrens Park II

The budget includes \$35,000 in continued funding for eucalyptus tree maintenance and beautification. Trees will be identified for inspection, pruning, and removal as necessary. They are located on the north and south sides of Buena Vista Drive, between North Highway 59 and Lago Court, including the bike paths along Fahrens and Black Rascal Creeks.

The goal each year is to ensure these trees are safe and healthy to minimize conflicts with pedestrians, vehicle traffic, and dwellings. Also, it will enhance the existing character and beauty of the area and naturalistic scenic bike pathways.

This work will begin prior to the start of the winter season with all dead, diseased, and hazardous trees or branches removed to include undergrowth and debris.

This project will be a partnership with the California Department of Forestry/Mount Bullion Conservation Camp, private landscape contractor, and Public Works staff.

In addition, funding in the amount of \$135,425 has been budgeted in the Districts below for contract area street tree pruning, planting and removal services, as well as sidewalk curb and gutter replacement:

<u>DISTRICT NAME</u>	<u>AMOUNT</u>
Silverado	\$15,000
Village Landing	\$ 5,425
Sunset West	\$25,000
Fahrens Park	\$10,000
Mansionette	\$20,000
Cypress Terrace	\$15,000
Davenport Ranch	\$15,000
Sequoia Hill	\$10,000
Yosemite Gateway	\$20,000
TOTAL:	<u>\$135,425</u>

The budget also includes \$113,589 in funding for the LED lighting replacement project, addressing Council's FY 22/23 goals and priorities to explore security options for parks & pathways, as well as brighter light replacements for streetlights. Additionally, funding in the amount of \$83,873 has been budgeted in the Districts below for the LED lighting project:

<u>DISTRICT NAME</u>	<u>AMOUNT</u>
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Las Brisas	\$ 42,926
Paulson Place	\$ 7,265
Ronnie	\$ 2,642
Sequoia Hill	\$ 7,265
Skymoss	\$ 14,529
Vista Del Sol	\$ 9,246
TOTAL:	\$ 83,783

Public Works staff will return to Council for approval of this work under separate report, that will include a detailed scope of services and City Attorney approved to form professional services agreement.

Downtown

Replanting of flowers, trees, shrubs, and other vegetation along 16th and Main Streets will continue throughout the fiscal year.

This annual change out is essential in maintaining a healthy, aesthetically pleasing landscaped environment to this vibrant section of the city.

Pleasanton Park, Campus North, and Northwood Village

Landscape maintenance at Pleasanton Park and Campus North will continue through the fiscal year receiving service quarterly. Scheduled maintenance at Northwood Village will continue bi-weekly. Each Districts' budget benefitted from having irrigation services temporarily shut off which ultimately increased their Fund reserve balances.

Merced Auto Center and Ridgeview Meadows

Due to their minimum Fund Reserve balances landscape maintenance will be completed bi-weekly reduced from weekly service. Both Districts had previous failed assessment ballot hearings to increase annual assessment levies, that was not approved by the property owners by majority vote. The most recent being Ridgeview Meadows in March 2018.

Hansen Park and Olivewood

Landscape maintenance services at these Districts will continue to be completed on a will-call basis, commensurate with available funding. Due to the disparity between expenditures and revenue in these Districts, maintaining existing vegetation within available funding continues to be a challenge.

Staff will continue to explore ways of reducing expenditures, as well as being proactive in maximizing revenues. As in year's past staff will explore the availability of partnering with volunteer service groups for future landscape activities.

History and Past Actions

Maintenance Districts were originally established to pay for the operation and maintenance costs associated with maintaining storm drainage systems, street lighting, and aesthetically pleasing landscaping to open spaces such as park strips and street center-islands.

Property owners within these identified Districts are levied annual assessments against each lot or

parcel of land to cover these expenses.

Proposition 218, enacted by the voters in 1996, requires the City to conduct an assessment ballot proceeding in order to levy increased assessments, beyond the allowed adjustment, based on the United States Department of Labor's All Urban Consumers-Western Region CPI report.

Each year City Council must hold both a public meeting and public hearing on the various Maintenance Districts' budgets for the coming fiscal year before final adoption of the budget.

The approval process for Districts with no increase in assessment above the allowable CPI is as follows:

- Public Works Department determines annual budget costs by District;
- Engineer prepares annual report and assessment spread;
- Council adopts resolution approving Engineer's Reports and sets dates for public meeting and public hearing;
- Council seeks public input at public meeting, but takes no other action;
- Following a public hearing, Council adopts resolution approving, confirming, and adopting Engineer's Reports.

The approval process for Districts with an increase in assessment above the allowable CPI is as follows:

- Public Works Department determines annual budget costs by District;
- Engineer prepares annual report and assessment spread;
- If the proposed increase in annual assessments is greater than the amount allowed under Proposition 218, then an assessment ballot proceeding must be held. Assessments remain at the previous year's rate, until the legal ballot process is followed;
- Notices and ballots are mailed 45-days prior to the scheduled public hearing;
- Council holds a public hearing to determine voter approval of increased assessments and the public hearing is continued to a subsequent meeting to allow time to open and tally the sealed ballots;
- Following the "continued" public hearing, Council adopts a resolution approving, confirming, and adopting the Engineer's Reports based on the results of the ballots.

In closing, operating budgets are balanced with available revenue and/or fund balance reserves. The CPI adjustment increase to budgets with previously held successful ballot proceedings is 7.1%.

Council will have the opportunity to consider a motion on the various budgets following the close of the public hearing scheduled for Tuesday, June 21, 2022.

IMPACT ON CITY RESOURCES

Budget appropriations are not required. Funding is provided in the Proposed Fiscal Year 2022-2023 Budget.

ATTACHMENTS

1. Resolution 2022-35
2. Budget Summary Report