



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JULY 11, 2017

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT

**FROM:** GARY PETERSEN, PUBLIC WORKS DIRECTOR

**THRU:** DON REYNOLDS, ASSISTANT PUBLIC WORKS DIRECTOR  
HILDA GARCIA, PUBLIC WORKS ADMIN SUPERVISOR

**TITLE:** ANNUAL LEVY ASSESSMENTS FOR LANDSCAPE & MAINTENANCE DISTRICTS

### **RECOMMENDED MOTION:**

A motion to approve the twelve resolutions approving and/or amending engineer's reports and ordering the levy and collection of annual assessments for the landscape & maintenance assessment districts.

### **RECOMMENDATION:**

It is recommended that City Council approve resolutions approving and/or amending the Engineer's Report and ordering the annual levy and collection of assessment for the Airport Business Center Landscape Maintenance District, and the North/East Area, Harden Ranch, Vista Nueva, Mira Monte and Monte Bella Maintenance Districts.

### **EXECUTIVE SUMMARY:**

There are six landscape maintenance assessment districts (LMAD) within the City of Salinas that were created under the Landscaping and Lighting Act of 1972 (the Act), adopted locally in the Salinas City Code. The Act allows property owners to assess themselves within a specific area, or "district" in order to generate funds for various improvements within the district. At its June 6<sup>th</sup> meeting, the City Council adopted the twelve necessary resolutions ("Notice of Intent" for each district) and the set public hearing date of July 11 in order to approve the engineer's reports and the levying of assessments in order to meet the August 1 assessment roll due date to the Monterey County Assessor's Office.

### **BACKGROUND:**

There are six landscape maintenance assessment districts (LMAD) within the City of Salinas that were created under the Landscaping and Lighting Act of 1972 (the Act), and adopted locally in Article II, Chapter 21C of the Salinas City Code. The Act allows property owners to assess themselves within a specified area, or "district" in order to generate funds for installing, maintaining, and servicing public lighting, landscaping, and improvements in their neighborhood.

The City renews these assessments annually. On June 6, 2017, City Council approved resolutions to initiate the process. Public notices of the public hearings are required and were published in the Salinas Californian and El Sol following the Council's June 6<sup>th</sup> approval.

At the June 6<sup>th</sup> Council meeting, staff recommended an increase of 3.65% for the North/East District assessment based on the average rise in the Engineer's News Record (ENR) cost index for common labor and material during the 2016 to 2017 calendar year. Staff revisited the formula used to calculate the percentage change for the increase and recommends revising the increase down to 2.83%. All other district's assessments will remain the same.

Below is a summary of the assessment rates for Fiscal Year 17/18. Rates do not include the \$10.00 per parcel collection fee.

DISTRICT	FY 2016/2017 RATES	PROPOSED 2017/2018 RATES
Airport Business Center	\$217.49 per acre	No Change
North/East	\$186.31 per Low Density unit \$111.78 per Medium Density unit \$ 74.57 per High Density unit	\$191.85 per Low Density unit \$115.10 per Medium Density unit \$ 76.74 per High Density unit
Harden Ranch	\$66.72 per unit \$353.66 per acre	No change
Vista Nueva	\$600.00 per parcel	No change
Mira Monte	\$594.74 per parcel	No change
Monte Bella	\$802.20 per parcel	No change

Local agency assessment rolls must be sent to the Assessor's Office by August 1<sup>st</sup> of each tax year in order for the parcel levies to be billed and collected. Council usually adopts the necessary resolutions in June, setting public hearings in July to meet the August 1<sup>st</sup> assessment roll due date to the Monterey County Assessor's Office.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

### STRATEGIC PLAN INITIATIVE:

The staff recommendation supports the Council Goal of Effective, Sustainable Government.

### FISCAL AND SUSTAINABILITY IMPACT:

Based on proposed maintenance district formulas, the total levy to be received (including the City \$10.00 per parcel collection fee) in FY 2017-18 are estimated as follows:

- Airport Business Center      \$ 14,468      Same as FY 2016-2017
- North/East District      \$781,885      2.83% increase from FY 2016-2017
- Harden Ranch District      \$155,185      Same as FY 2016-17
- Vista Nueva District      \$ 29,890      Same as FY 2016-17
- Mira Monte District      \$122,762      Same as FY 2016-17
- Monte Bella District      \$538,331      Same as FY 2016-17

Last year, the City received 94% of the total levy due to non-payment of assessments sent out with the County property tax bills.

The City has a long-standing financial policy to maintain an operating reserve equal to 50% of maintenance costs; however, this policy is “advisory only” and meeting this level of reserves would require a voter approved assessment increase. For the past few years, it has been impossible to maintain this reserve level for all of the districts. The annual amounts required by the 50% policy and the projected amounts are shown below for each district.

<u>District</u>	<u>Annual Operating Budget</u>	<u>50% of Annual Maintenance Cost (desired reserves)</u>	<u>Fund Balance 2017/2018</u>
Airport Bus. Ctr.	\$ 20,440	\$ 10,220	\$ 14,171
North/East	\$ 780,870	\$ 390,435	\$ 63,538
Harden Ranch	\$ 156,097	\$ 78,049	\$ 46,786
Vista Nueva	\$ 28,400	\$ 14,200	\$ 157,786
Mira Monte	\$ 124,762	\$ 62,381	\$ 295,796
Monte Bella	\$ 207,610	\$ 103,805	\$ 129,700

Mira Monte and Monte Bella have \$143,900 and \$1,342,600 respectively in capital reserves set aside for street slurry sealing/overlay, playground equipment and other infrastructure maintenance.

Vista Nueva has \$63,000 set aside in capital reserves to monitor and maintain sanitary sewer pump station and jog path, replace fence, resurface residential traffic striping, and maintain curbs, gutters, sidewalks and streetlights.

### ATTACHMENTS:

Resolution amending and/or Approving Engineer’s report for each District  
Resolution ordering the Annual Levy for each District  
Engineer’s Report for each District