

February 28,2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
March 8, 2005

FORMATION OF A SUPPLEMENTAL ASSESSMENT DISTRICT FOR STREET LIGHTING AND LANDSCAPING

Recommendation:

It is recommended that the City Council do the following:

1. Approve the Professional Services Agreement with Harris & Associates in an amount not to exceed amount \$25,000 for providing the assessment engineering services necessary to form a Supplemental Assessment District for Street Lighting and Landscaping;
2. Authorize the Mayor to execute and the City Clerk to attest the Professional Services Agreement subject to approval by the City Attorney; and
3. Appropriate \$30,000 from the Lighting/Landscaping District funds to cover cost of professional services plus postage costs for mailing ballots.

Summary:

On January 11, 2005, the City Council determined that turning off streetlights is not a desired option for balancing the Lighting/Landscaping District's budget and directed staff to pursue the only other alternative, which is increasing the annual assessment to property owners. Staff estimates that this increase will be less than \$10 per year per property. The Lighting/Landscaping District is funded by a tax levy of \$455,000 per year. The assessment amount to each dwelling unit is \$41.45 per year. There is a total of 10,982 dwelling units in the City. This assessment has not changed since FY 97-98, when park landscaping was eliminated from the District budget. The assessment prior to this was set at \$54.82 per year in FY 95-96. This means that the new assessment will still be less than what was levied in 1995.

Under Proposition 218, increasing the annual assessment will require the same balloting procedure as forming a new assessment district. The consultant will prepare the Preliminary Engineer's Report and the City Council will then initiate the proceedings. Ballots will be mailed to all property owners within the City and a final public hearing will be held to receive public comment. Then ballots will be counted and the final determination made. It is anticipated that the final public hearing will be held in July or August of this year.

Staff recommends awarding the professional services contract to Harris & Associates because their assessment engineer is Joan Cox who is the person that did the assessment engineer's report for the District in 1997. She was with Berryman & Henigar at that time and is therefore very familiar with the District. She will also be of great assistance in the public education element necessary to getting this increase approved. The cost proposal of \$25,000 is also considered very reasonable. The only additional cost is postage for mailing the ballots, which is estimated to be \$2,500 to \$5,000 (depending upon the weight of mailer).

The District is supposed to be self-sustaining, with the tax levy equaling expenditures. If residents vote down this increase in assessment, then staff would recommend revisiting the option of reduced services.

Fiscal Impact:

The \$30,000 is available in the Lighting/Landscaping District Fund.

Attachment: Professional Services Agreement

Respectfully submitted,

Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted for fiscal impact:

Concur:

Viki Copeland
Finance Director

Stephen R. Burrell
City Manager