

May 16, 2005

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting of
May 24, 2005

**HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT
2005-2006 ADOPTION OF RESOLUTIONS REGARDING THE
ENGINEER'S REPORT AND SETTING JUNE 14, 2005,
FOR A PUBLIC HEARING**

Recommendation:

It is recommended that the City Council:

1. Adopt the attached Resolutions approving the Engineer's Report for Hermosa Beach Landscaping & Street Lighting District 2005-2006 ("District") made pursuant to the requirements of Resolution No. 05-6385; and
2. Adopt the attached Resolution declaring the City Council's intention to order certain improvements and to levy and collect assessments within the District for the fiscal year beginning July 1, 2005 through June 30, 2006; and setting June 14, 2005, to accept public input on the matter of the proposed assessment.

Discussion:

The Landscaping and Street Lighting District assesses all property owners in the City to provide funding for the maintenance and operation of the citywide street lighting program and landscaping within the street medians and parkways. The City Council must confirm the annual assessment each year to be placed on the tax roles to be collected by the County Tax Assessor.

This year's assessment amount is set at \$41.45 per dwelling unit, which has not increased since 1996. With the passage of Proposition 218 in 1996, this amount cannot be increased without the approval of the affected property owners through a ballot procedure under the majority protest rule. This means that the proposed assessment would be defeated if more than 50% of the ballots received are opposed to the increase.

Adoption of both Resolutions is necessary at this time so that a public hearing can be held to take testimony on the assessments. The first Resolution approves the report prepared by the Director of Public Works acting as the Assessment Engineer. Its adoption confirms that the report has been prepared prior to the public hearing. This report covers matters relating to the District and is on file in the City Clerk's office.

The adoption of the second Resolution provides for the setting of a public hearing for June 14, 2005, at 7:30 PM. At the conclusion of the public hearing, the City Council will be provided with a Resolution it may adopt ordering the assessments.

As mentioned earlier, all decisions will be made after the public hearing and adoption of these Resolutions will only confirm that the report has been prepared and that the public hearing will be held on June 14, 2005.

When the District was originally formed in FY 89/90 the assessment amount was set at \$16.84 per dwelling unit. In FY 95/96 the assessment amount was increased to \$54.82 with the exception for senior citizens maintaining the \$16.84 amount (through a rebate program). Because of a surplus of funds the assessment amount was reduced to the present amount of \$41.45 in FY 97/98.

This surplus of District funds was able to cover the increasing costs of services up until fiscal year 03/04. The 04/05 budget had a projected deficit of \$141,738, which was funded by a transfer from the General Fund. Only \$52,622 of the transfer was actually used, leaving \$89,116 available from the transfer. Without the transfer from the General Fund, there would be a deficit of \$35,117 for 2005-06.

Fiscal Impact:

On March 8, 2005, the City Council approved a Professional Services Agreement with Harris & Associates to provide assessment-engineering services to amend this District in an effort to realize an increase in the assessment up to \$10 per year/Equivalent Dwelling Units for FY 2006-07. Staff anticipates that the balloting process could be completed by February 2006. This action will release or reduce obligations of the General Fund.

Attachments:

1. Engineer's Report
2. Resolution approving the District Report
3. Resolution setting a time and place for the public hearing

Respectfully submitted,

Concur:

Homayoun Behboodi
Associate Engineer

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

Noted for Fiscal Impact:

Concur:

Viki Copeland
Finance Director

Stephen Burrell
City Manager

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