

**M E M O R A N D U M  
CITY OF CHINO  
PUBLIC WORKS DEPARTMENT**

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**COUNCIL MEETING DATE: JUNE 4, 2019**

**TO: MATTHEW C. BALLANTYNE, CITY MANAGER**

**FROM: AMER JAKHER, PUBLIC WORKS DIRECTOR**

**SUBJECT: LANDSCAPE AND STREETLIGHT MAINTENANCE DISTRICT ASSESSMENT  
FOR FISCAL YEAR 2019-20.**

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**RECOMMENDATION**

1) Adopt Resolution No. 2019-023 directing the filing of an annual report; 2) adopt Resolution No. 2019-024 approving the Engineer's Report; 3) adopt Resolution No. 2019-025 declaring its intention to order improvements for Assessment District Nos. 75-1, 75-2, 76-1, 76-2, 83-2, and 2002-1; and 4) schedule a public hearing for Tuesday, July 16, 2019.

**FISCAL IMPACT**

Sufficient funds have been included in the Fiscal Year 2019-20 Operating Budget and is contingent upon the budget's adoption on June 18, 2019.

Revenue:	Expenditure: 3607260, 36172601, 36172602, 36172603, 36172604, 36172606, 36172607
Transfer In:	Transfer Out:

## **BACKGROUND**

The City has formed six Landscape and Streetlight Maintenance Assessment Districts pursuant to the *Landscaping and Lighting Act of 1972* of the California Streets and Highways Code. This procedure authorized the City to recover costs that are incurred in providing landscaping and street lighting maintenance service through a special benefit assessment district procedure.

Proposition 218 changed the procedural requirements for imposing, extending or increasing landscape and lighting assessments. Due to these changes, the City Council, in 2002, adopted a policy to annex future developments into Landscape and Streetlight Maintenance District 2002-1, which has a consumer price index (CPI) escalator that allows the City to increase rates.

The CPI adjustment is determined by the United States Department of Labor, Bureau of Labor Statistics for all urban consumers in the Riverside - San Bernardino - Ontario area index from January 2018 - January 2019. This year, there is a 3.047% CPI increase for landscape and streetlight maintenance in District 2002-1.

In past years, the City Council has approved a subsidy to the districts for landscape and lighting maintenance costs. As the costs associated with insurance, maintenance, water, and electricity change, the subsidy has also changed. Staff has reviewed the Fiscal Year 2017-18, 2018-19, and the new Fiscal Year 2019-20 information for expense, revenue, and subsidies from the engineer's reports provided by Webb Associates. The information is provided as follows:

	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>
Total Costs	\$1,428,728.39	\$1,514,691.35	\$1,115,891.73
Total Revenues Collected	\$596,591.88	\$604,419.21	\$612,481.01
City's 50% Contribution (Perimeter Areas)	\$370,673.95	\$401,241.92	\$401,241.91
City's Subsidy	\$461,462.56	\$509,030.22	\$503,410.71

A Proposition 218 mail ballot election, with majority support, would be required for any rate increase to the property owners in the districts above their current maximum assessment. Certain zones in Exhibit 1 had a 5% or less increase to their assessment for FY 19-20, since they were not at their maximum assessment. This increase does not trigger a proposition election and will adjust each year until it reaches the maximum rate.

Exhibit 1 enumerates the actual Fiscal Year 2018-19 assessments for the 75-1, 75-2, 76-1, 76-2 and 83-2 assessment districts and staff's recommended assessments for Fiscal Year 2019-20, holding the per-zone assessments not to exceed their Fiscal Year 2018-19 amounts (except in those areas that the rate was below the maximum assessment. These zones will have a maximum five percent increase or less over last year's rate helping reduce the subsidy.

Exhibit 2 enumerates the actual Fiscal Year 2018-19 assessments for the 2002-1 assessment district and staff's recommended assessments for Fiscal Year 2019-20 which includes a 3.047% CPI rate increase. The assessment rates will be increased for zones that are below the per-zone maximum allowable assessment rate. These zones will have a maximum five percent increase or less over last year's rate including the CPI adjustment helping reduce the subsidy.

The administrative charges (salaries, advertising, consultant services, and other miscellaneous office charges) for all six districts, 75-1, 75-2, 76-1, 76-2, 83-2 and 2002-1 were spread proportionately among the individual assessment areas.

### **ISSUES/ANALYSIS**

For the City to continue assessing fees to maintain its landscape and lighting districts under the *Landscape and Lighting Act of 1972*, the City Council is required to approve or approve as modified, the attached resolutions in sequence. This process will evidence the City's intention to levy and collect assessments. A public hearing is required even though the rates are not recommended for increases over the allowable costs under Proposition 218, and the hearing has been scheduled for Tuesday, July 16, 2019. Mailed notices are not required, only legal advertising and posting are mandated for this year. The Engineer's Report provides detailed information on all costs used in determining the proposed assessments and is on file for review in the Public Works Department.

Attachments: Exhibit 1  
Exhibit 2  
Resolution No. 2019-023  
Resolution No. 2019-024  
Resolution No. 2019-025