

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Mary K. Lindley, Parks, Recreation and Community Services Director 

DATE: May 26, 2006 (CC Meeting of June 7, 2006)

SUBJECT: Consider Final Review of the Assessment Engineer's Report for the Parks and Recreation Maintenance and Improvement Assessment District for Fiscal Year 2006/2007 and Resolution Confirming the Levy Amount

EXECUTIVE SUMMARY

The City Council is being asked to open the public hearing on the continuation of the Parks and Recreation Maintenance and Improvement Assessment District for FY 2005/06, receive testimony, close the Public Hearing, approve the final Engineer's Report (Report), and adopt a resolution confirming the assessment levy.

BACKGROUND

In July 1999, the City successfully established an assessment district for the maintenance and improvement of City parks. The District was initiated by the Council to provide funding in place of AD 85-1 (Park Maintenance Assessment District), which was disbanded in July 1998 as a result of Proposition 218. The current Maintenance District is based on a "special" assessment. This means that the City assesses property owners for that portion of park maintenance and improvement activities that generate a "special" benefit. All activities that generate a "general" benefit must be funded from non-assessment revenues (typically General Fund and Park Improvement Fund).

The Parks and Recreation Maintenance and Improvement Assessment District (Assessment District) includes 16 parks, 15 improved parks and one undeveloped park (Magnolia Park). The amount of the assessment levied to property owners may only increase by the Cost of Living factor (CPI) for the Los Angeles Metropolitan area, and not more than 3 percent in any year. In situations when the CPI exceeds 3 percent, the remaining difference can be carried over to a subsequent year.

On December 21, 2005, the City Council adopted Resolution No. 2005-2429 indicating its intent to continue the park assessment for FY 2006/07 and directing the preparation of the Engineer's Report. On May 17, 2006, the Council approved the Engineer's Report and set June 7, 2006, as the date for a Public Hearing

DISCUSSION

The City Council is being asked to receive public testimony on the continuation of the assessment and to set the assessment levy amount. By approving the Report on May 17, the Council established the assessment levy, the formula used to spread the assessment, and the "City's Contribution" (comprised of General Fund, Park Improvement Fund [PIF], Redevelopment Agency funds, and state Park Bond funds) for the maintenance and improvement of parks. The Report was provided to the Council prior to its May 17 meeting and sets forth certain relevant information, including the following:

- a Boundary Map(s);
- the reason for the assessments;
- the duration of the assessments;
- the method of assessments;
- the amount of the annual assessments;
- information regarding cost of living adjustments; and
- a description of improvements to be maintained.

The Assessment District includes all 16 City parks, Arroyo Vista Community Center, and the Serenata Trail. The Report contains a determination regarding the percentage of benefit deemed "special" and the percentage deemed "general", generated from the maintenance and improvement of City parks and recreation facilities. The percentage figure identified by the Engineer is 25 percent "general" benefit and 75 percent "special" benefit. This percentage is then applied to the total park maintenance and improvement budget. Under Proposition 218, the City can only assess property owners for the 75 percent portion of the budget related to "special" benefits. Although 75 percent is identified as providing "special" benefit, and consistent with previous years, it is proposed that property owners be assessed below the 25 percent threshold, at approximately 11 percent of the total budget. The "City's Contribution" as identified in the Report is comprised of the General Fund (\$1,343,132), Park Improvement Fund (\$3,331,600), MRA (\$532,992), and state Park Bond (\$89,495) sources, makes up the remaining approximately 89 percent of the total budget for FY 06/07.

Park Maintenance and Improvement Budget

The Engineer's Report addresses the estimated revenue to be generated by the assessment (approximately \$605,892) contingent on the Council's approval of the

proposed rate. This is approximately \$23,000 more in assessment revenue than was projected for FY 2005/06. The report also identifies the non-assessment contribution, which is noted in the Report as City Contribution. As mentioned above, consistent with Proposition 218, the City covers all costs associated with park maintenance activity expenditures that generate "general" benefits (these activities comprise approximately 25 percent of the budget). Additionally, the City traditionally covers a significant portion of the cost associated with expenditures that generate "special" benefits. The remaining costs associated with "special" benefits are covered by the revenue collected from the assessed levy.

The proposed FY 2006/07 Park Assessment District budget figure of \$5,903,111 (an increase of approximately \$2,263,814 from FY 2005/06) includes \$1,747,080 for operation and maintenance (approximately \$356,275 over FY 2005/06) and \$4,156,031 for capital improvements and equipment (an increase of approximately \$1,907,539 from FY 2005/06). The capital improvement expenditure increase results primarily from the construction of the following proposed projects: Poindexter Park expansion (\$542,380), AVRC gym expansion (\$2,120,510), Magnolia Park (\$32,992), Glenwood Park restrooms and playground improvements (\$165,497), Tierra Rejada Park playground equipment replacement and bocce ball courts (\$119,350), AVCP parking lot and basketball lights, swings, relocate backflow (\$432,358), Campus Canyon ball wall (\$25,000), Peach Hill Park playground improvements (\$25,000), and Monte Vista Park interpretative nature center (\$25,000).

FY 2006/07 Park Asst. District Budget Summary	Proposed Expenditures	Funding Source
Operation/Maintenance	\$1,747,080	
Capital Park Projects	\$4,156,031	
Total Expenditure Budget	\$5,903,111	
Assessment Levy		\$605,892
General Fund		\$1,343,132
Park Improvement		\$3,331,600
Redevelopment Bonds (Magnolia Park)		\$532,992
State Park Bond (Poindexter Park Exp)		\$89,495
Total Revenues		\$5,903,111

The budget figures contained in the Engineer's Report may differ slightly from the figures in the City's draft budget document presented to the City Council. This is a result of needing to finalize the Report prior to completing the City Budget.

Assessment Rate

The assessment district was adopted with a CPI cap of 3 percent. However, the approved assessment language allows the City to carry over any difference in the CPI that exceeds 3 percent to the following year, as long as it adheres to the cap in subsequent years. The history of the adjusted assessment levy is as follows:

Fiscal Year	CIP Period	CIP	Levy Adjustment	Carryover Adjustment (Running Total)
2000/01	Dec 1998 - Dec 1999	2.3%	2.3%	0
2001/02	Dec 1999 - Dec 2000	3.7%	.7%	.7%
2002/03	Dec 2000 - Dec 2001	2.1%	2.8%	0
2003/04	Dec 2001 - Dec 2002	3.7%	3%	.7%
2004/05	Dec 2002 - Dec 2003	1.8%	2.5%	0
2005/06	Dec 2003 - Dec 2004	4.39%	3%	1.39%
2006/07	Dec 2004- Dec 2005	4.042%	3%	2.432% (1.39% + 1.042%)

The CPI increase calculation pertaining to the FY 2006/07 assessment (December 2004 – December 2005) is 4.042 percent. Because of the 3 percent cap on rate adjustments, the City can only raise the assessment by 3 percent and carry the 1.042 percent over to FY 2007/08. The total CPI carryover is now 2.432, of which all or part can be applied to the assessment levy in subsequent years when the CPI is below 3 percent. The proposed SFE assessment rate and levy for FY 2006/07 is \$47.32.

STAFF RECOMMENDATION (Roll Call Vote)

- 1) Open the Public Hearing, take public testimony, and close the Public Hearing.
- 2) Adopt Resolution No. 2006-_____.

Attachment: A - Resolution

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, APPROVING ENGINEER'S REPORT, CONFIRMING DIAGRAM AND ASSESSMENT AND ORDERING LEVY OF ASSESSMENT FOR FISCAL YEAR 2006/07 FOR THE PARKS MAINTENANCE AND IMPROVEMENT DISTRICT OF THE CITY OF MOORPARK

WHEREAS, on July 15, 1999, by its Resolution No. 99-1625, after receiving a weighted majority of ballots in support of the proposed assessment, this Council ordered the formation of and levied the first assessment within the City of Moorpark Parks and Recreation Maintenance and Improvement District (the "Assessment District") pursuant to the provisions of Article XIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, by Resolution No. 2005-2429, the City Council ordered the preparation of an Engineer's Report for the Parks and Recreation Maintenance and Improvement District (the "District") for fiscal year 2006-07; and

WHEREAS, pursuant to said Resolution, the Engineer's Report was prepared by SCI Consulting Group, formerly known as Shilts Consultants, Inc., Engineer of Work, in accordance with Section 22565, et. seq., of the Streets and Highways Code (the "Report") and Article XIID of the California Constitution; and

WHEREAS, by Resolution No. 2006-2468, the City Council preliminarily approved the Engineer's Report for said District and set a date for a Public Hearing; and

WHEREAS, said report was duly made and filed with the City Clerk and duly considered by this Council and found to be sufficient in every particular, whereupon it was determined that the report should stand as the Engineer's Report for all subsequent proceedings under and pursuant to the aforesaid resolution, and that June 7, 2006, at the hour of 7:00 p.m. in the Council Chambers, located at 799 Moorpark Avenue, Moorpark, California 93021, were appointed as the time and place for a hearing by this Council on the question of the levy of the proposed assessment, notice of which hearing was given as required by law; and

WHEREAS, at the appointed time and place the hearing was duly and regularly held, and all persons interested and desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the levy were fully heard and considered by the Council, and all oral statements and all written protests or communications were duly heard, considered and overruled, and this council thereby acquired jurisdiction to order the levy and the confirmation of the diagram and assessment prepared by and

made a part of the Engineer's Report to pay the costs and expenses thereof.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The public interest, convenience and necessity require that the levy be made.

SECTION 2. The Assessment District benefited by the improvements and assessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by a map thereof filed in the office of the City Clerk, which map is made a part hereof by reference thereto.

SECTION 3. The Engineer's Report as a whole and each part thereof, to wit:

(a) the Engineer's estimate of the itemized and total costs and expenses of maintaining the improvements and of the incidental expenses in connection therewith;

(b) the diagram showing the assessment district, plans and specifications for the improvements to be maintained and the boundaries and dimensions of the respective lots and parcels of land within the Assessment District; and

(c) the assessment of the total amount of the cost and expenses of the proposed maintenance of the improvements upon the several lots and parcels of land in the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels, respectively, from the maintenance, and of the expenses incidental thereto;

are finally approved and confirmed.

SECTION 4. Final adoption and approval of the Engineer's Report as a whole, and of the plans and specifications, estimate of the costs and expenses, the diagram and the assessment, as contained in the report as hereinabove determined and ordered, is intended to and shall refer and apply to the report, or any portion thereof as amended, modified, or revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, heretofore duly adopted or made by this Council.

SECTION 5. The assessment to pay the costs and expenses of the maintenance of the improvements for fiscal year 2006-07 is hereby levied. For further particulars pursuant to the provisions of the Landscaping and Lighting Act of 1972, reference is hereby made to the Resolution Directing Preparation of Engineer's Report.

SECTION 6. Based on the oral and documentary evidence, including the Engineer's Report, offered and received at the hearing, this Council expressly finds and determines (a) that each of the several lots and parcels of land will be specially benefited by the maintenance of the improvements at least in the amount if not more than the amount, of the assessment apportioned against the lots and parcels of land, respectively, and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.

SECTION 7. Immediately upon the adoption of this resolution, but in no event later than the third Monday in August following such adoption, the City Clerk shall file a certified copy of the diagram and assessment and a certified copy of this resolution with the Auditor of the County of Ventura. Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessment. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments, after collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the City of Moorpark Parks and Recreation Maintenance and Improvement District.

SECTION 8. Upon receipt of the moneys representing assessments collected by the County, the County shall deposit the moneys in the City Treasury to the credit of the improvement fund previously established under the distinctive designation of the Assessment District. Moneys in the improvement fund shall be expended only for the maintenance, servicing, construction or installation of the improvements.

SECTION 9. The assessments levied are in conformance with Proposition 218.

SECTION 10. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 7th day of June, 2006

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk