

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

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

DATE: June 14, 2007 (CC Meeting of June 20, 2007)

SUBJECT: Consider Final Review of the Assessment Engineer's Report for the Parks and Recreation Maintenance and Improvement Assessment District for Fiscal Year 2007/2008 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 2007/08, 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 February 7, 2007, the City Council adopted Resolution No. 2007-2563 indicating its intent to continue the park assessment for FY 2007/08 and directing the preparation of the Engineer's Report.

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, provided to the Council under separate cover, the Council will be establishing 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. This report 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. When the initial assessment was set at \$39.00 for a single family equivalent (SFE) unit, the total assessment generated approximately 51.6 percent of the revenue required to support park maintenance and improvement operations at that time. This percentage was well below the "special" assessment cap of 75 percent. The City contributed funds to cover the remaining 48.4 percent. Over the years, as park acreage and amenities expanded and costs increased, the percentage of City contribution grew. The park assessment revenue for FY 2007/08 is expected to be only about 32 percent of the proposed operating costs.

Park Maintenance and Improvement Budget

The budget contained in the Engineer's Report differs from the revised budget document presented to the Council because it is necessary to finalize the Engineer's Report in advance to meet printing and public notice deadlines. What is important in the Engineer's Report is the percentage of the total Park Maintenance and Improvement

budget that comprises a special benefit, as discussed above. The revised FY 2007/08 City Budget meets the aforementioned threshold.

The total proposed Park Maintenance and Improvement Budget identified in the Engineer's Report for FY 2007/08 is \$5,416,361. This is a combined figure consisting of maintenance activity, Fund 2400, and capital improvement projects, Fund 2100 – 2113 and 2400, in the City's Budget document. The Engineer's Report estimates that the assessment will generate approximately \$628,554, contingent on the Council's approval of the proposed levy rate. This is approximately \$22,662 more in assessment revenue than was projected for FY 2006/07. At this rate, assessment revenue will cover approximately 11.6 percent of the total budget (or 15.4 percent of the "special" benefit). According to the Engineer's Report, the City's contribution for FY 2007/08 is \$4,787,807 and is comprised of the General Fund (\$1,335,140), Park Improvement Fund (\$2,838,172), MRA (\$525,000), and state Park Bond (\$89,495). Based on the City's revised FY 2007/08 Budget, prepared after the Engineer's Report, the contribution from the General Fund was reduced to \$1,279,827 as the result of the deletion of several expenditures.

The capital improvement expenditures included in the Engineer's Report budget figure includes: Poindexter Park expansion design (\$300,000); AVRC expansion (\$1,837,604); Magnolia Park (\$525,000); Glenwood Park restrooms and playground improvements (\$197,244); Mountain Meadows basketball lights (\$55,000); Tierra Rejada Park bocce ball courts (\$29,460); AVCP parking lot and multipurpose court basketball standards and lights, swings, relocate backflow (\$432,359); Miller Park swings (\$20,000); replace College View basketball court lights (\$25,000); Campus Canyon ball wall (\$25,000); Peach Hill Park playground improvements (\$25,000); and Monte Vista Park landscape improvements (\$25,000).

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 1998/99	2.3%	2.3%	0
2001/02	Dec 1999/00	3.7%	.7%	.7%

2002/03	Dec 2000/01	2.1%	2.8%	0
2003/04	Dec 2001/02	3.7%	3%	.7%
2004/05	Dec 2002/03	1.8%	2.5%	0
2005/06	Dec 2003/04	4.39%	3%	1.39%
2006/07	Dec 2004/05	4.042%	3%	2.432%
2007/08	Dec 2005/06	3.701%	3%	3.133%

The CPI increase calculation pertaining to the FY 2007/08 assessment (December 2005 – December 2006) is 3.701 percent. Because of the 3 percent cap on rate adjustments, the City can only raise the assessment by 3 percent and carry the .701 percent over to FY 2008/09. The total CPI carryover is now 3.133, 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 2007/08 is \$48.74, an increase of \$1.42 over FY 2006/07.

STAFF RECOMMENDATION (Roll Call Vote)

- 1) Open the Public Hearing, take public testimony, and close the Public Hearing.
- 2) Adopt Resolution No. 2007-____.

Attachment: A - Resolution

RESOLUTION NO. 2007-_____

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 2007/08 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. 2007-2563, 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 2007-08; 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. 2007-_____, 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 20, 2007, 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 2007-08 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 20th day of June, 2007

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk