



# City of Rialto

## Legislation Details (With Text)

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**On agenda:** 7/28/2020      **Final action:** 7/28/2020  
**Title:** Request City Council to Conduct a Public Hearing to Adopt (1) Resolution No. 7656 Approving the Engineer's Reports and Ordering the Levy of Assessments for Fiscal Year 2020/2021 for Street Light Maintenance District No. 1, (2) Resolution No. 7657 for Landscape Maintenance District No. 1, (3) Resolution No. 7658 for Landscaping and Lighting District No. 2. (ACTION)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - FY 20-21 Rialto\_SLD 1\_Engineer Report-Final.pdf, 2. Attachment 2 - FY 20-21 Rialto\_LMD 1\_Engineer Report- Final.pdf, 3. Attachment 3 - FY 20-21 Rialto\_LLMD 2\_Engineer Report -Final.pdf, 4. Rialto SLD1 Reso-PH.pdf, 5. Rialto LMD1 Reso-PH.pdf, 6. Rialto LLMD2 Reso-PH.pdf

Date	Ver.	Action By	Action	Result
7/28/2020	1	City Council		

For City Council Meeting [July 28, 2020]

TO: Honorable City Council

APPROVAL: Rod Foster, City Manager

FROM: Savat Khamphou, Public Works Director/City Engineer

Request City Council to Conduct a Public Hearing to Adopt (1) **Resolution No. 7656** Approving the Engineer's Reports and Ordering the Levy of Assessments for Fiscal Year 2020/2021 for Street Light Maintenance District No. 1, (2) **Resolution No. 7657** for Landscape Maintenance District No. 1, (3) **Resolution No. 7658** for Landscaping and Lighting District No. 2. (ACTION)

### **BACKGROUND**

The Landscaping and Lighting Act of 1972, (the "Act"), beginning with Section 22500 of the California Streets and Highways Code, requires the City Council to order the preparation of an Engineer's Report each year which details the levying of special assessments for the three separate Special Districts established within the City of Rialto. The Act allows the City to establish Special Districts to pay for the costs of installation and maintenance of various improvements, which provide special benefits to properties within the district.

### **Street Light Maintenance District No. 1 ("SLD 1"):**

SLD 1 was established throughout the entire City to fund the operation of the City's streetlight system consisting of over 3,750 streetlights, and to fund costs for tree trimming and maintenance. Because

Proposition 218 limits the special assessments levied in SLD 1 to the historic maximum special assessment prior to November 1996, the assessments collected cannot increase. To offset the rising maintenance costs and energy costs of the street lights, the Public Works Department, through a capital improvement project and funded through a loan, purchased the street lights from Southern California Edison (SCE) and converted the light fixtures from High Pressure Sodium Vapor (HPSV) to Light Emitting Diodes (LED). The savings from the LED conversion goes into repaying the loan used to fund the project. Sufficient funds remain in the district budget to fund the maintenance costs while staff evaluates and reviews strategies to reduce these costs while maintaining the level and quality of service provided to SLD 1.

Landscape Maintenance District No. 1 (“LMD 1”):

Rialto established in 1977 LMD 1 to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. LMD 1 is comprised of over 100 separate annexed areas throughout the City, which occurred with the development of various subdivision tracts. Within LMD 1, the City maintains 1,000,000 square feet of turf and 3,700 trees within a total area of 61 acres. Proposition 218 limits the special assessments levied in LMD 1 to the historic maximum special assessment prior to November 1996. Funds remain in the district budget to fund the maintenance costs with some historical General Fund assistance of approximately \$238,000. At mid-year budget, staff will bring back to City Council strategies that can be implemented and provide an update on actual costs and recommend actions for consideration to improve district operations.

Landscaping and Lighting District No. 2 (“LLMD 2”):

The City first established LLMD 2 in January 2005 and was formed to fund costs for the operation of new streetlights added to the City’s streetlight system, and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. Properties that become subject to the LLMD 2 assessment are removed from the City’s SLD 1. LLMD 2 is for the annexation of all new developments within the City, established with current costs in mind, and with the ability to adjust the special assessments annually by a cost inflator tied to the CPI to accommodate current operational costs. Annexation into LLMD 2 is a condition of approval for all new development projects required to provide exterior landscaped parkways or medians, and/or required to install new streetlights. The special assessments to levy in LLMD 2 are not limited to any historic maximum special assessment. Pursuant to Proposition 218, the maximum assessment may increase pursuant to the CPI. Staff is not proposing to increase the assessments for LLMD 2 at this time. Funds remain in the district budget to fund the maintenance costs while staff evaluates and reviews strategies to reduce costs and maintain the level and quality of service provided to LLMD 2.

**ANALYSIS/DISCUSSION**

The maintenance costs for the districts have been increasing and assessment revenues relatively flat. Within the next six months, staff will explore and implement various strategies and bring back to City Council at mid-year budget ways to reduce costs while maintaining the quality and level of service provided to the districts. Staff does not recommend increasing assessments for fiscal year 2020/2021, but rather, to keep the same assessment rate as the prior fiscal year until a full analysis of the current operations are analyzed and evaluated. The following strategies will be evaluated and by mid-year budget be presented to Council for consideration in order to reduce costs and maintain the districts at the current assessment levels while ensuring an acceptable level of service.

Evaluate the Feasibility of Using In-House Staff for District Maintenance - With the increase in contractor costs, staff will evaluate the use of in-house staff for landscaping and streetlight maintenance. This will allow the city to improve quality control and response times.

Reassess Landscape Maintenance, Street Lighting Maintenance, and Tree Trimming Contracts Staff will reassess current maintenance contracts associated with the assessment districts to ensure competitiveness of costs and services.

New Development and Home-Owner Associations (HOA) to Maintain Perimeter Landscaping -The Department of Public Works currently requires developers to provide easements on property and annexation into LLMD 2 as part of the conditions of approval and subdivision improvement agreement. For new development and new HOAs these conditions can be modified to require the developer or HOA to enter into a landscape maintenance agreement to maintain landscaping within and adjacent to the property. The process and legalities of this potential condition will be thoroughly reviewed over the next six months.

Existing Development and HOAs to Maintain Perimeter Landscaping - The process is more complicated for existing developments and HOAs as it may require a majority vote from multiple property owners. Staff will review and communicate with existing developments and HOAs and seek their input on maintaining landscaping adjacent or around the perimeter of their property.

Conversion to Synthetic Turf - Conversion of turf or existing landscaping to synthetic or decorative hardscaping surfaces, such as installation of gateway monuments, boulders, decorative concrete may significantly reduce or eliminate the need for continual maintenance. Such designs will be reviewed and considered as appropriate.

Conversion of HPSV to LED - The City recently completed a significant capital improvement project to purchase SCE streetlights and converting them from HPSV to LED as part of SLD 1. Unfortunately, the project did not complete the conversion of remaining City owned streetlights and safety lights. The remaining 230 HPSV lights will be converted as part of the current 2020/2021 fiscal year.

The City must adopt various Resolutions to initiate the process for levying special assessments to collect funds for maintenance of improvements within SLD 1, LMD 1, and LLMD 2. The method for calculating the special assessments for these Districts remains unchanged from prior years. The special assessments are formula based depending on the benefits of streetlights and/or landscaping (as the case may be), and other District services within the City. Engineer's Reports for SLD 1, LMD 1, and LLMD 2 have been prepared and are included as attachments pursuant to requirements of the Act, and the projected revenues and expenditures have been estimated for these Districts in Fiscal Year 2020/2021.

In order to officially levy assessments for SLD 1, LMD 1, and LLMD 2, the City Council must make certain findings and adopt various Resolutions related to the Special Districts and conduct a Public Hearing. At the Public Hearing, property owners will have an opportunity to comment on the continued operation and maintenance of improvements within SLD 1, LMD 1, and LLMD 2. Based on the public testimony, the City Council will consider approving the Engineer's Reports, to approve the continued operation of SLD 1, LMD 1, and LLMD 2 for Fiscal Year 2020/2021, and to order the levying and collection of assessments.

The City Clerk published notices for the Public Hearing as required by Sections 22552 and 22553 of the California Streets and Highways Code.

### **ENVIRONMENTAL IMPACT**

Pursuant to Section 15378(a), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

Approval of this action complies with the City of Rialto General Plan Goals and related Policies:

- Goal 2-8: Preserve and improve established residential neighborhoods in Rialto.**
- Goal 2-10: Create distinctive gateways at all entry points into Rialto and for individual districts or neighborhoods.**
- Goal 2-12: Design new streets to be pedestrian friendly.**
- Goal 2-13: Achieve quality aesthetic design of all signage in the City of Rialto.**
- Goal 2-17: Provide high-quality and environmentally sustainable landscaping.**
- Goal 2-19: Encourage neighborhood preservation, stabilization, and property maintenance.**
- Goal 2-21: Ensure high-quality planned developments in Rialto.**
- Goal 2-22: Promote commercial and/or industrial development that is well designed, people-oriented, environmentally sustainable, sensitive to the needs of the visitor or resident, and functionally efficient for its purpose.**

### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

### **FINANCIAL IMPACT**

#### **Operating Budget Impact**

##### *SLD 1:*

Sufficient funds remain in Fund 490 for SLD 1 to cover expenditures for fiscal year 2020/2021 while staff evaluates and reviews strategies to reduce costs while maintaining the level of service provided to the district.

##### *LMD 1:*

Sufficient funds remain in Fund 225 for LMD 1 to cover expenditures with some historical General Fund assistance of approximately \$238,000. Staff will bring back an update on strategies and provide an update on the actual costs during mid-year budget and recommend to Council consideration of any necessary action at that time.

**LLMD 2:**

Sufficient funds remain in Fund 224 to cover expenditures for fiscal year 2020/2021 while staff evaluates and reviews strategies to reduce costs while maintaining the level of service.

At this time, staff does not recommend increasing assessments to the districts for fiscal year 2020/2021 until an analysis of the strategies previously discussed are brought back to City Council for consideration. Staff will evaluate and present these strategies to the Council for consideration in order to offset, minimize or reduce maintenance costs, while maintaining an acceptable level of service.

**Capital Improvement Budget Impact**

This action will not affect the Capital Improvement budget.

**Licensing**

A Business license application and payment of a Business License tax is not required for this action.

**RECOMMENDATION**

Staff recommends that the City Council:

- Adopt a Resolution Approving the Engineer's Report and Ordering the Continued Operation and Maintenance of Improvements for Street Light Maintenance District No. 1 and Ordering the Levy and Collection of Annual Assessments related thereto for Fiscal Year 2020/2021.
- Adopt a Resolution Approving the Engineer's Report and Ordering the Continued Operation and Maintenance of Improvements for the Landscape Maintenance District No. 1 and Ordering the Levy and Collection of Annual Assessments related thereto for Fiscal Year 2020/2021.
- Adopt a Resolution Approving the Engineer's Report and Ordering the Continued Operation and Maintenance of Improvements for Landscape and Lighting District No. 2 and Ordering the Levy and Collection of Annual Assessments related thereto for Fiscal Year 2020/2021.