

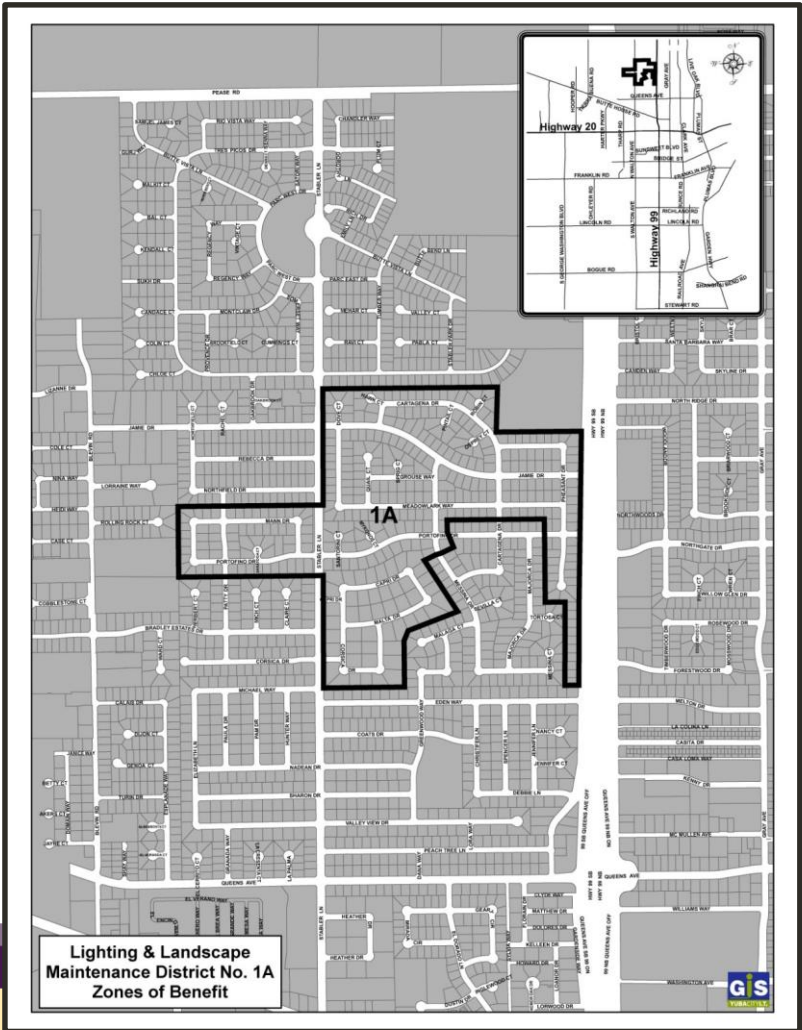


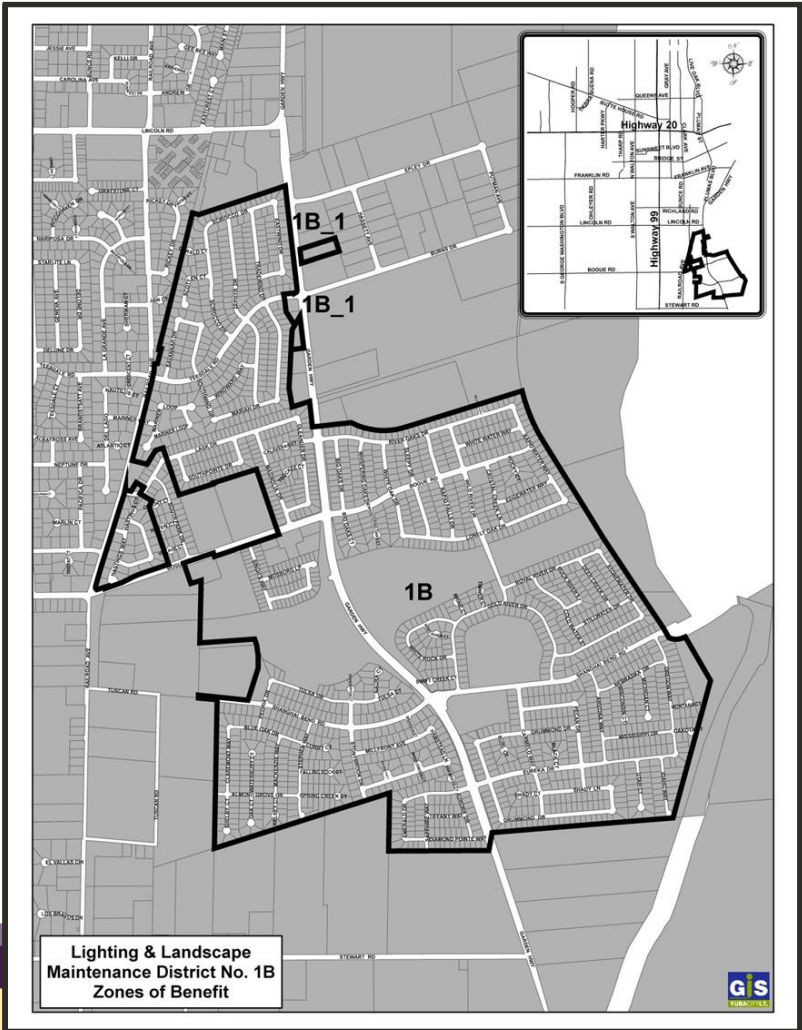
# **Yuba City Landscape Maintenance District No. 1**

**August 18, 2020**



**Presentation By:  
Diana Langley, Interim City Manager/Public Works Director**





# Yuba City Landscape District No. 1 Background



- City annually levies and collects special assessments to maintain landscaping improvements
- Assessments approved by property owners of record at time Districts were formed
- District 1, Zones of Benefit (ZOB) A and B do not have provisions for a Cost of Living Adjustment (COLA)
  - Historically charged maximum levy allowed to cover maintenance expenses
- ZOB B\_1 recently formed and has COLA provisions

# Yuba City Landscape District No. 1 Analysis



- Engineer's Annual Report has been prepared
- In previous years, expenditures have exceeded revenue in ZOB A and B due to lack of COLA provisions
- City addressed negative fund balances by cutting costs and using transfers from General Fund and Streets and Road Fund
- This year City will further reduce professional services, water, and administration to allow revenue to slightly exceed expenditures

# Yuba City Landscape District No. 1 Analysis (Cont.)



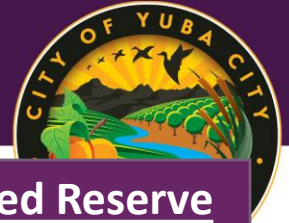
- The reduction in services will be extremely noticeable
  - Maintenance activities reduced to 7 months out of year in ZOB B
- Unlikely that City will be able to reduce expenses while maintaining acceptable levels of maintenance in the future
- In 2008 City attempted to modify District No. 1 to include COLA provisions, but residents in District opposed modification
- Without rate increases, maintenance costs will exceed revenues
- This will result in lower maintenance levels or need to supplement District revenue with other sources
- City could approach property owners about approving an assessment increase (Proposition 218 process)

# Yuba City Landscape District No. 1 Analysis (Cont.)



- City staff provided letters and exhibits to all property owners and residents in ZOB B
- Letters give background on formation of the ZOB, the previous attempt to hold a Prop 218 hearing and necessary levy per parcel to meet costs
  - Currently each residence pays \$29.50
  - To cover costs, each residence would need to be levied at approximately \$50 per year initially, plus applicable COLA increases as necessary
  - \$20.50 increase initially.
- Letters provided in English, Spanish, and Punjabi

# Yuba City Landscape District No. 1 Fiscal Impact



<u>Zone of Benefit</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Projected Reserve Fund Balance as of 7/1/21*</u>
A	\$22,007	\$20,472	(\$133)
B**	\$65,937	\$62,676	\$31,129

\*The Projected Reserve Fund Balance is the Total of the Capital Replacement Reserve plus the Operating Reserve. Reserve balance in Zone of Benefit B includes General Fund Transfers unspent from last year

\*\*Dollar amounts for both Zones of Benefit B and B\_1 are included within "1-B" row of table

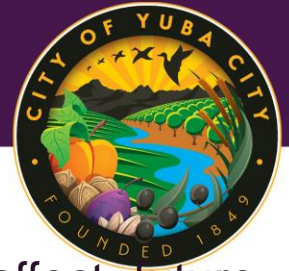


# Yuba City Landscape District No. 1 Fiscal Impact (Cont.)



- Staff recommends maintaining ZOB B reserve balance to cover unforeseen expenses
- Moving forward, City may be required to reduce maintenance levels in District No. 1, or continue to utilize transfers from other funds to maintain previous years' level of maintenance

# Yuba City Landscape District No. 1 Alternatives



1. Direct the modification of the assessment amounts which will affect future revenue and expenditure amounts in FY 2020/21, or cancel the District and find alternative funding sources to maintain the landscaping
2. Direct City staff to follow Prop 218 procedures in order to modify District No. 1 to include an adjustment to match current expenditures with COLA provisions to avoid revenue shortfalls in the future
3. Direct other fund sources to supplement the District. Over the last five fiscal years, the average expenditure amount in ZOB B was approximately \$100,000 with revenues being approximately \$65,000

# Yuba City Landscape District No. 1 Recommendation



- A. Conduct a Public Hearing
- B. Adopt a resolution confirming and ordering the annual levy of assessments for Fiscal Year 2020/21, pursuant to the Landscaping and Lighting Act of 1972

# Questions?

