



AGENDA ITEM NO: 1-B

City Manager: 

- CITY OF CLOVIS - REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: June 6, 2016

SUBJECT: Receive and File – Landscape Maintenance District Zones 2, 4 and 5; 2016 Assessment Election Results.

CONFLICT OF INTEREST

None

RECOMMENDATION

Receive and file the results of the election to increase the assessment in Landscape Maintenance District (LMD) Zone 4, and continue with the current assessment rates in LMD Zone 2 and LMD Zone 5.

EXECUTIVE SUMMARY

An election was held to increase assessments within Landscape Maintenance District No.1 Zones 2, 4 and 5. During the Public Hearing held on May 16, 2016, all ballots were received and the balloting portion of the election was closed. The public hearing was continued to June 6, 2016, in order to receive and file the balloting results. Ballots were publicly tabulated on May 17, 2016. Balloting results are as follows: The assessment increase passed in Zone 4 with 60% of the ballots in favor of the increase. The assessment increase failed to pass in Zones 2 and 5. Zone 2 balloting rejected an assessment increase with 54% not in favor, and Zone 5 balloting rejected an assessment increase with 50.12% not in favor. Upon receiving the LMD rate increase election results, the public hearing for the LMD assessment election will be closed.

BACKGROUND

The yearly assessments established for all properties within the LMD provide funding for the City's cost in operation, maintenance, and repair of the public landscaping within each zone. Though staff has implemented several cost saving measures to postpone

the need to increase these assessments, the rates established in 2004 for Zone 2, and 2013 for Zone 4 and Zone 5 are no longer able to sustain the current level of maintenance and provide for the necessary capital reserves. On March 7, 2016, Council authorized staff to proceed with a Proposition 218 election to increase assessments in LMD Zones 2, 4 and 5. The balloting portion of the election was closed at the end of the Public Hearing on May 16, 2016. The ballots were publicly tabulated in Council Chambers on May 17, 2016.

A majority of returned ballots approved an assessment rate increase in Zone 4, but rejected an assessment rate increase in Zone 2 and Zone 5. The ballot count is as follows:

- **Benefit Zone 2: The Assessment Increase Failed 54.00% to 46.00%**

Type of Vote	No. of Ballots Returned	Weighted Assessment Amount	Percent of Votes
Yes	960	\$105,252.18	46.00%
No	980	\$123,532.10	54.00%
Total	1,940	\$228,784.28	100%

Zone 2: Total number of ballots mailed: 5,678 (34.17% election turn-out)

- **Benefit Zone 4: The Assessment Increase Passed 60.21% to 39.79%**

Type of Vote	No of Ballots Returned	Weighted Assessment Amount	Percent of Votes
Yes	1,437	\$71,898.12	60.21%
No	953	\$47,516.58	39.79%
Total	2,596	\$94,582.74	100%

Zone 4: Total number of ballots mailed: 6,869 (34.79% election turn-out)

• **Benefit Zone 5: The Assessment Increase Failed 50.12% to 49.88%**

Type of Vote	No. of Ballots Returned	Weighted Assessment Amount	Percent of Votes
Yes	640	\$41,510.40	49.88%
<u>No</u>	<u>597</u>	<u>\$41,704.98</u>	<u>50.12%</u>
Total	1,381	\$69,188.10	100%

Zone 5: Total number of ballots mailed: 3,636 (34.02% election turn-out)

FISCAL IMPACT

A new assessment rate will be established for LMD Zone 4 beginning in fiscal year 2016/17. In LMD Zone 2 and LMD Zone 5 the assessment rates will not increase in fiscal year 2016/17. The Zone 4 assessment rate will increase from \$36.42/year to \$49.86/year for a total annual assessment of \$352,909.08. The Zone 2 assessment rate will remain at \$87.10/year for a total annual assessment of \$550,547.86. The Zone 5 assessment rate will remain at \$50.10/year for a total annual assessment of \$185,370.00. LMD Zones 1 through 6 do not include annual escalation factors, so additional future elections in these Zones will be needed as costs continue to rise.

REASON FOR RECOMMENDATION

The election was held as approved by Council on March 7, 2016. The results are being reported back to Council and the new assessment rate will be included in the 2016/2017 levy.

ACTIONS FOLLOWING APPROVAL

The assessment rates in the Engineer's Report for Landscape Maintenance District No. 1, Zones 2, 4 and 5 will reflect the results of the election.

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