



DATE: June 27, 2017

TO: Mayor and City Council

FROM: Maintenance Services Director

SUBJECT Adopt Resolutions to Approve the Engineer's Report, Reconfirm Base Maximum Assessment Amount, Confirm the Assessment Diagram and Fiscal Assessment, Order the Levy and Collection of Fiscal Assessments, and Approve Funding Recommendations and Appropriate Special Revenue Funds for Maintenance District No. 1 - Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road and Ruus Lane - for Fiscal Year 2018

RECOMMENDATION

That the City Council adopts the attached resolutions (Attachment II and III):

1. Approving the Engineer's Report,
2. Reconfirming the Base Maximum Assessment amount,
3. Confirming the Assessment Diagram and Fiscal Assessment,
4. Ordering the Levy and Collection of Fiscal Assessments,
5. Approving the Funding Recommendations, and
6. Appropriating Revenue and Expenditure budgets for Maintenance District No. 1

SUMMARY

Maintenance District No. 1 (MD 1) was established in 1995 to pay for the operation, maintenance, repair, and replacement of a storm drain pumping facility near Stratford Road and Ruus Lane. The City subsequently signed an agreement with the Alameda County Flood Control and Water Conservation District (Flood Control District) to transfer ownership of the facility to the Flood Control District, and for the Flood Control District to operate and maintain the facility. The City therefore acts as an intermediary, whereby the City established the maintenance district and receives the annual assessment revenue, and then annually reimburses the Flood Control District for their operation, maintenance, repair and replace services. Based on staff's review of the District's financial position, staff is recommending no change to the FY 2018 assessment rate from the previous year, set at \$243.92.

BACKGROUND

On May 23, 1995, the City Council ordered the formation of MD 1 to provide for the maintenance, operation, and capital replacement for storm drainage improvements. The Storm Water Lift Station (SWLS) was constructed to pump storm water run-off for the district. The drainage basin includes 29.1 acres of which 24.7 acres are residential, 1.9 acres are for a park site, and 2.5 acres are for the collector streets of Stratford Road and Ruus Lane. Pacheco Way does not drain into this basin system nor does the industrial property to the south. The total number of lots in the drainage basin is 174.

Because the Flood Control District operated similar facilities within the City, the District was asked to take over ownership and maintenance of the pumping station facility. The agreement signed by both parties calls for the City to reimburse the Flood Control District for annual expenses and make an annual capital replacement contribution. The storm drain pumping facility includes a masonry building that houses the Supervisory Control and Data Acquisition (SCADA) System and generator, and includes a total of four pumps.

DISCUSSION

On June 06, 2017¹, the City Council adopted Resolution No. 17-071, approving the Preliminary Engineer's Report, declaring its intent to levy assessments for FY 2018, and setting June 27, 2017, as the public hearing date.

Based upon revenues required to maintain operations and contribute to the capital replacement account, staff is recommending that the FY 2018 assessment rate be levied at the same amount as FY 2017, at \$243.93. This is the maximum base assessment amount that can be charged, based on the language adopted during the district's original formation on May 23, 1995. A gross assessment amount of \$42,686 will be assessed over 174 parcels, which is sufficient to support the FY 2018 expenditure budget of \$40,900.

In compliance with Section 10-10.25² of the Hayward Municipal Code, an annual report is required to be submitted and approved by the City Council. The report is attached (Attachment IV), and includes:

- (1) a description of the improvements to be operated, maintained, and serviced;
- (2) the FY2018 recommended budget;
- (3) the FY 2018 recommended assessment rate; and
- (4) map of the benefit zone (assessment diagram).

¹ Consent Item 17-197: <http://hayward.legistar.com/gateway.aspx?M=F&ID=0bfe3718-714a-402c-97a8-c8b3389e2ad6.docx>

² Hayward Municipal Code 10-10.25: https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART10MAD1

Proposition 218 Compliance

For FY 2018, all assessments are proposed to be levied in compliance with Proposition 218 and do not require any noticing or balloting of property owners.

FISCAL IMPACT

Staff has evaluated this Special Revenue Fund's operating and capital reserve account balances and have determined that they are adequate for FY 2018. There is no fiscal impact to the City's General Fund for this recommendation since all expenditures will be paid for using the MD 1 funds.

PUBLIC CONTACT

To provide community engagement, City staff:

1. Mailed a notice to property owners (Attachment VI);
2. Posted an online survey to measure maintenance satisfaction³;
3. Held a community engagement meeting on May 30;
4. Introduced this item at the June 6, 2017⁴ Council meeting; and
5. Published a required legal notice in The Daily Review newspaper on June 16, 2017 (Attachment VII).

NEXT STEPS

If the City Council adopts the attached resolutions, the revenue and expenditure budgets will be appropriated, and the final Assessor's tax roll will be prepared and filed with the County Auditor's Office allowing the assessments to be included in the FY 2018 tax roll.

Prepared by: Denise Blohm, Management Analyst II, Maintenance Services Department

Recommended by: Todd Rullman, Maintenance Services Director

Approved by:



Kelly McAdoo, City Manager

³ Online Survey: www.hayward-ca.gov/benefitzone

⁴ Consent Item 17-197: <http://hayward.legistar.com/gateway.aspx?M=F&ID=0bfe3718-714a-402c-97a8-c8b3389e2ad6.docx>