

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

**BOARD OF DIRECTORS MEETING**

**June 11, 2020**

**ITEM 3**

**COLLECTION OF PARK ASSESSMENT: LANDSCAPING AND LIGHTING ACT OF 1972; ADOPTION OF RESOLUTION APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2020-21**

**SUMMARY OF RECOMMENDATION:**

Conduct a Public Hearing and Consider Adoption of a Resolution Approving the Levy and Collection of Assessments Within the Kensington Landscape Maintenance Assessment District to Pay the Costs of Improvements for the Fiscal Year Commencing July 1, 2020 and Ending June 30, 2021.

**BACKGROUND**

On December 6, 1994, KPPCSD formed the Kensington Park Assessment District for the purpose of levying and collecting special assessments to pay for maintaining and servicing Kensington Park. These activities consist of:

- Landscaping and grass maintenance;
- Maintaining water and electric services;
- Procuring equipment and supplies related to park maintenance;
- Repair or replacement of existing improvements, and addition of future improvements (if determined to be necessary).

The District consists of a residential area, generally located north of the Contra Costa County line, east of Santa Fe Avenue, west of Kensington Road, and south of Gelston Place.

Estimate Of Costs

The proposed Kensington Park Assessment District budget for fiscal year 2020-21 is as follows:

<b>Account Description</b>	<b>2020/21 Proposed Budget</b>
<b>Maintenance Contract</b>	<b>\$54,600</b>
<b>Tree Pruning/Removal</b>	<b>30,000</b>
<b>Utilities</b>	<b>15,500</b>
<b>Drain Clearing</b>	<b>600</b>
<b>Misc. Maintenance Services and Supplies</b>	<b>1,500</b>
<b>Operations &amp; Maintenance Total</b>	<b>\$102,200</b>
<b>Administrative Services</b>	<b>5,424</b>
<b>Levy Fees</b>	<b>1,914</b>
<b>Incidental Expenses</b>	<b>0</b>
<b>Expenses Total:</b>	<b>\$7,338</b>

<b>Total Costs</b>	<b>\$109,538</b>
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A description of the items summarized in the budget is provided below. A more detailed, historical summary of expenditures is provided as an attachment to this report.

- Maintenance contracts include contract services for park restroom custodian and maintenance repairs;
- Tree Pruning/Removal includes the costs for trimming trees and removal of debris;
- Utilities include the costs for water to irrigate the landscaping and the costs for electricity for street lighting;
- Miscellaneous Services/Equipment include the costs for maintaining and replenishing equipment and supplies;
- Miscellaneous repairs include costs for any infrastructure repair on the property within the District, including repairs to buildings;
- Administrative Services include services necessary for District maintenance, including preparation of the Annual Engineer’s Report and expenses for the services of KPPCSD personnel;
- Levy Fees are the charges by Contra Costa County to place the assessment on the property tax rolls.

#### Budget and Policy Considerations

As the Board will note, the proposed budget for the Kensington Park Maintenance District for FY 2020-21 is significantly higher than in prior years. This is due to:

- Costly capital improvements, including tree removal and tennis court resurfacing (estimated aggregate cost of \$40,000);
- An increase in contract maintenance expenditures to reflect actual, ongoing service needs;
- An increase in water utilities to more accurately reflect historical usage; and
- An increase in landscape maintenance costs associated with the recently renovated community center.

Even without the capital improvements, the basic maintenance needs of the park are estimated to be approximately \$28,000 higher than the District levy. Thus, the KPPCSD Board will need to acknowledge this deficit and, at some point, implement some combination of the following options:

- Subsidize the activities of the Kensington Park Maintenance District from general operating funds;
- Request that Kensington property owners increase the assessment through a mail-in vote, in accordance with provisions of Proposition 218. Note that, given the time frame for this procedure, the earliest that this option can be pursued would be for FY 2021-22; and
- Reduce park maintenance service levels to align with the current assessment.

#### Process to Reestablish the Kensington Park Maintenance District

Each year, the KPPCSD Board of Directors needs to approve the resolutions that initiate the process of collecting the park assessment, pursuant to the Landscaping and Lighting Act of 1972, under which

regulation the Kensington Park Assessment District was established. The specific steps in this process are described below:

- Adoption of a resolution initiating proceedings for the levy and collection of assessments for the Kensington Park Assessment District for Fiscal Year 2020-21;
- Adoption of a resolution approving the Annual Report for the Kensington Park Assessment District for Fiscal Year 2020-21;
- Adoption of a resolution declaring the Board's intention to levy and collect assessments for the Kensington Park Assessment District for Fiscal Year 2020-21 and setting the Public Hearing for Thursday, June 11, 2020.

These three resolutions were adopted by the Board at its meeting of May 14, 2020.

The final step in the process is to hold a Public Hearing and for the Board to adopt a resolution approving the assessment levy and collection of assessments within the landscape maintenance district for fiscal year 2020-21, which is the subject of this agenda item. A copy of the report, "Kensington Park Assessment District Annual Report Fiscal Year 2020-21," which is referenced in the resolution, is attached to this agenda report.

The total assessment to each dwelling unit is \$18.36, which is an increase from \$17.85 last year, with a total of 2,190 parcels to be assessed. The total balance to levy will be approximately \$41,529. This revenue may be used only for the maintenance of the "New Park."

**RECOMMENDATION:**

Conduct a Public Hearing and consider adoption of a Resolution Approving the Levy and Collection of Assessments Within the Kensington Landscape Maintenance Assessment District to Pay the Costs of Improvements for the Fiscal Year Commencing July 1, 2020 and Ending June 30, 2021.

**FISCAL IMPACT:**

Anticipated revenue from the Kensington Park Assessment District levy is \$41,029. The amount of this levy relative to the proposed expenditures will necessitate a subsidy from the general operating funds of KPPCSD to be considered by the Board as part of the FY 2020-21 budget.

**ATTACHMENTS:**

- Historical Summary of Kensington Park Assessment District Expenditures
- Resolution 2020-06, Approving the Levy and Collection of Assessments Within the Kensington Landscape Maintenance Assessment District to Pay the Costs of Improvements for the Fiscal Year Commencing July 1, 2020 and Ending June 30, 2021;
- Kensington Park Assessment District Annual Report Fiscal Year 2020-21

**SUBMITTED BY:** Bill Lindsay, General Manager

## ATTACHMENT

<b>Kensington Park Assessment District Budget for Engineer's Report</b>						
	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Maintenance service base contract -Herrera						\$24,600
Maintenance service contract - Community Center landscaping						\$3,000
Other maintenance contract services - Herrera						\$7,000
Brush clearing (blackberry, poison oak)						\$10,000
<b>Subotal - Base maintenance contracts</b>	<b>\$37,000.00</b>	<b>\$22,200.00</b>	<b>\$22,200.00</b>	<b>\$27,300.00</b>	<b>\$28,263</b>	<b>\$44,600</b>
Utilities (water)	5,000.00	3,000.00	3,000.00	4,500.00	\$4,659	\$15,500
Miscellaneous maintenance services/supplies						\$1,500
Drain Clearing	1,000.00	600	600	600	\$621	\$600
<b>Operations &amp; Maintenance Total</b>	<b>\$43,000.00</b>	<b>\$25,800.00</b>	<b>\$25,800.00</b>	<b>\$32,400.00</b>	<b>\$43,895</b>	<b>\$62,200</b>
Tree Removal	10,000.00	10,000.00	10,000.00	10,000.00	\$10,353	\$30,000
Tennis court resurfacing						\$10,000
<b>Total - Capital Improvements</b>						<b>\$40,000</b>
Administrative Services (NBS)	\$9,024.00	\$5,000.00	\$5,000.00	\$4,921.08	\$6,313	\$5,424
Levy Fees*	4,400.00	2,200.00	2,200.00	1,912.88	1,914	1,914
Incidental Expenses	2,000.00	1,200.00	1,200.00	587.28	608	
<b>Administrative Expenses Total:</b>	<b>\$15,424.00</b>	<b>\$8,400.00</b>	<b>\$8,400.00</b>	<b>\$7,421.24</b>	<b>\$8,835</b>	<b>\$7,337</b>
<b>Total Costs</b>	<b>\$58,424.00</b>	<b>\$34,200.00</b>	<b>\$34,200.00</b>	<b>\$39,821.24</b>	<b>\$52,730</b>	<b>\$109,537</b>