



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 15, 2023

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KINDON MEIK, CITY MANAGER
PHILIP LANZAFAME, INTERIM PUBLIC WORKS DIRECTOR
RON AHLERS, FINANCE DIRECTOR

SUBJECT: CONSIDER RESOLUTION NO. 2023-1876, ADOPTING POLICIES FOR THE CITY'S LANDSCAPE AND LIGHTING MANAGEMENT DISTRICTS; CONSIDER RESOLUTION 2023-1877, APPROVING THE TRANSFER OF FUNDS FROM LANDSCAPE MAINTENANCE DISTRICT NO. 22 (AD VALOREM) TO ZONE 7 OF LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT NO. 22 (ASSESSMENT)

MEETING DATE: OCTOBER 25, 2023

SUMMARY RECOMMENDATION:

Consider approval of Resolution No. 2023-1876, adopting policies for the City's Landscape and Lighting Management Districts and consider approval of Resolution No. 2023-1877, authorizing the transfer of \$381,862 from Landscape Maintenance District No. 22 (ad valorem funds) to Zone 7 of the Landscape and Lighting Assessment District No. 22.

BACKGROUND:

In October 2022, the City of Calabasas was the recipient of America in Bloom's Outstanding Achievement Award for Overall Impression. The prestigious honor is one

of many awards that the City has received over the last decade and is representative of the community's willingness to invest in the beautification of its urban landscape.

The majority of the City's green spaces are landscape and lighting assessment districts (LLAD), many of which were created before the City was incorporated. The districts are funded by the taxes assessed to individual property owners within defined zones. Residents in the districts therefore have a vested interest in the green spaces. The City is the fiduciary steward of the assessed funds and is responsible for the management of revenues and expenditures for each district. City staff work closely with HOAs, neighborhood associations, and property management companies to ensure that the maintenance and aesthetic appearance of the landscaped areas meets the highest standards.

Oversight of the landscape districts is complex and requires the attention of multiple City departments. At any given time, optimal management of the assessments can be affected by changes in landscape contractors, drought conditions, interagency coordination, staff turnover, and other variables. In recent years, several HOAs identified areas of concern for their respective assessment zones and for the landscape maintenance districts in general. Issues brought to the attention of the City are noted below:

- Delays in the monthly reporting to HOAs
- Missing or incorrect information on reports
- Unexplained swings in monthly expenses assigned to assessment districts
- Allocation of charges for landscape services and maintenance of the districts
- Questions about the methodology determining administrative expenses
- Need for increased communication from the City

In summary, HOA representatives and property management companies requested that the City be more transparent, accurate, and timely in its reporting and communication on matters relating to the landscape districts.

Recognizing an opportunity for change and improvement, the City contracted with a third-party consultant, Dan Bergmann with IGService, to interface with the various HOAs and to conduct a thorough review of the financial accounting and management practices associated with the assessment districts. Over the last five months, Mr. Bergmann met with City staff and HOA representatives, reviewed agreements and laws that govern landscape and lighting assessment districts, analyzed financial records, and coordinated with outside stakeholders such as the Las Virgenes Municipal Water District.

As a result of this initiative, procedures outlining the assigned responsibilities of the Public Works Department (Landscape District Division) and the Finance Department have been drafted. The document is intended for internal use and is subject to change

as the City identifies and implements best practices that improve transparency, timeliness, and accuracy.

Beyond the procedures, Mr. Bergmann and the City Manager met early in the review process with each Councilmember in order to solicit their input and thoughts on the assessment districts. Those conversations resulted in overarching policies on the City's administrative role, fiduciary responsibilities, and overall expectations in regards to the landscape and lighting assessment districts. A document outlining these policies was drafted to memorialize the Council's thoughts and expectations. Special attention is given to Landscape Maintenance District No. 22 (LMD 22) in the policies and the intent and use of ad valorem funds. The draft policy document is attached as part of Resolution No. 2023-1876.

Finally, in his presentation to the City Council, Mr. Bergmann will spend time discussing LMD 22 and the ad valorem funds. In 2010, the City entered into an agreement with Calabasas Park Homeowners Association (CPHA) whereby the City agreed to use LMD 22 funds for maintenance costs associated with the lake and park. Resolution No. 2023-1877 authorizes the transfer of funds from LMD 22 to Zone 7 in LLAD 22. This transfer serves as a reimbursement for costs borne by Zone 7 for bird control from 2016 to 2023, which was an eligible use of ad valorem funds and consistent with the 2010 CPHA agreement.

REQUESTED ACTION:

Consider approval of Resolution No. 2023-1876, adopting policies for the City's Landscape and Lighting Management Districts and consider approval of Resolution No. 2023-1877, authorizing the transfer of \$381,862 from Landscape Maintenance District No. 22 (ad valorem funds) to Zone 7 of the Landscape and Lighting Assessment District No. 22 to reimburse funds expended for bird control in and around the lake and park.

FISCAL IMPACT/SOURCE OF FUNDING:

With the adoption of Resolution No. 2023-1877, staff will transfer \$381,862 from LMD 22 to Zone 7 within Landscape and Lighting Assessment District 22. LMD 22 has a positive fund balance and the transfer will not adversely affect operation of the district or potential projects that could be paid for with ad valorem funds.

ATTACHMENTS:

- Attachment A: City of Calabasas Financial Procedures for Landscape Management Districts
- Attachment B: Resolution No. 2023-1876, approving Policies for the City's Landscape and Lighting Management Districts
- Attachment C: Resolution No. 2023-1877, approving a transfer of funds from LMD 22 to Zone 7 within LLAD 22