

RESOLUTION NO. 2023-1876

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, APPROVING POLICIES FOR THE CITY'S LANDSCAPE AND LIGHTING MANAGEMENT DISTRICTS.

WHEREAS, the City Council of the City of Calabasas recognizes that Calabasas is unique with its extensive public and homeowner association (HOA) common landscape areas; and

WHEREAS, City staff fulfills the important role of managing five different landscape districts containing over 20 different assessment zones, most represented by individual HOAs; and

WHEREAS, City staff has a fiduciary responsibility to utilize fees collected for the purpose intended, and to conduct itself professionally as a service provider to each homeowner association representing an assessment district and the assessment area property owners; and

WHEREAS, City staff shall have written procedures to coordinate activities between Public Works, Finance, HOAs, and property management companies supporting the HOAs; and

WHEREAS, City staff shall further have written policies approved by the City Council, the first version of which is attached and approved hereto.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Calabasas, California, as follows:

1. City landscape management services to the various landscape assessment districts, most represented by HOAs, are deemed to be a primary service of City staff.
2. City staff shall maintain and modify a procedures document as needed to provide timely, transparent, and accurate landscape management services.
3. The attached "Policies for Landscape Management, October 2023" are hereby approved.

PASSED, APPROVED AND ADOPTED this 25th day of October 2023.

Alicia Weintraub, Mayo pro Tem

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, City Clerk
Master Municipal Clerk
California Professional Municipal Clerk

Matthew T. Summers
Colantuono, Highsmith & Whatley, PC
City Attorney

City of Calabasas
Policies for Landscape Management
October 2023

(Approved by City Council Resolution 2023-1876 dated October 25, 2023)

Principles of Service. The City Council of the City of Calabasas recognizes that Calabasas is unique with its extensive public and homeowner association (HOA) common landscape areas. The City's attractive identity is based on its colorful and well-kept medians, entrances, and parks, providing significant aesthetic and environmental benefits to the community.

City staff fulfills the important role of managing five different landscape districts containing over 20 different assessment zones, most represented by an individual HOA. Pursuant to Proposition 218, homeowners can further retain or modify their annual assessment, or even remove their community from the assessment district and its benefits. Accordingly, the City, in its landscape management role for each assessment district, has a fiduciary responsibility to utilize fees collected for the purpose intended, and to conduct itself professionally as a service provider to each homeowner association representing an assessment district and the underlying homeowner assessment payers. Final authority for all decisions regarding expenditures of funds from the landscape districts is held by the City Council, and may be delegated to City staff, in compliance with applicable law, as the landscape district funds are public funds.

Further, the City recognizes that HOA officers are volunteers, seeking to make their respective areas as nice as possible with the available assessment funds.

Accordingly, City landscape management services to the various HOA's are deemed to be a primary service of city staff. HOA officers shall be treated as partners in landscape management of the many assessment districts, in compliance with applicable law. Specifically, consistent with core values of City staff, landscape management services shall be:

- TIMELY
- TRANSPARENT
- ACCURATE

City Staff shall have written procedures to coordinate activities between Public Works, Finance, HOAs, and property management companies supporting the HOAs. Such procedures may be updated as needed to improve landscape management services and shall be made immediately available to HOAs and the public on request. Minimum landscape management service standards to be achieved and covered by written procedures shall include:

- Proactively provide annual budgets to each functioning HOA, soliciting input as needed to assure a high level of service.
- Follow the steps for Negative LMD Assessment Fund Balances when they occur.
- Maintain updated monthly financial accounting for each assessment district, providing monthly reports to HOAs. In addition, such reports shall be available to the HOAs upon request.
- Alert HOAs in a timely manner when financial issues need attention.
- Support HOAs attempting to modify assessment levels through the voter balloting process, subject to applicable laws regarding uses of public funds.

Proposition 218 Compliance (California Constitution Article 13D). Revenue collected from the assessment districts (excluding ad valorem revenue) is regulated under the rules of Proposition 218, as it pertains to property related fees and charges. Accordingly, city staff shall manage the assessment districts in compliance with Article 13D, summarized here.

- Revenue from each assessment district must be kept in that district.
- Revenue shall be used only for landscape-related activities, per each year's approved budget and Engineer's Report.
- Revenue shall not be greater than the amount needed for each assessment district, which can include a carryover amount as defined below.
- Expenses must be assigned to the assessment district in which they occurred.
- Expenses must be in proportion to the services provided.
- Each assessment district must follow the voter approval process to increase assessment levels beyond the annual consumer price index increase, as previously approved via the Proposition 218 ballot process.

Annual Engineering Analysis. The city shall contract for the ongoing annual engineering analysis for each year's budget, including assessing potential increases and assessment changes to the landscape management districts. Pursuant to Proposition 218, this report is required to be done by a licensed professional engineer. The annual report primarily recalculates each assessment level based on the updated consumer price index.

Reports and Presentations to City Council. The Public Works Director shall be responsible for providing a written report and presentation to the City Council once every two years. The first report shall be done in November or December 2024, following close-out reporting to the Assessment Districts for the fiscal year just completed in June 2024. The report shall cover the overall status of the various LLADs and LMD 22, and include:

- Projects completed and planned for LMD 22
- Recommended policy changes, if any
- Other relevant reporting of value to City Council and the public

The Landscape Management Division shall notify HOA's in Assessment Districts of the bi-annual meetings to invite comments and attendance at the meetings.

Positive LMD Assessment Fund Balances. Each assessment area shall maintain a positive fund balance. Accordingly, each budget must be prepared to maintain a positive fund balance. At the end of each fiscal year, if any assessment area has accumulated a fund balance that is greater than three year's expenses, the HOA associated with that assessment area shall be given the opportunity to forego the annual inflationary increase. Each subsequent year, the need for resumption of the inflationary increase shall be reviewed by city staff and communicated to the HOA.

Negative LMD Assessment Fund Balances. When an assessment area has a negative fund balance at the end of a fiscal year, the following shall happen. The City's General Fund shall not be used to make up any budget shortfalls.

1. City staff shall monitor ongoing expenses versus budget by assessment district to anticipate negative fund balances.
2. Based on next year's budget, the city staff shall determine if the negative balance can be eliminated while maintaining satisfactory services to the HOA.
3. If the negative balance is projected to continue, city staff shall coordinate with HOA representatives to determine:
 - a. Opportunities to increase efficiency.
 - b. Willingness for services to be reduced.
 - c. HOA's interest in pursuing an increase in assessment through the Proposition 218 balloting process.
4. If city staff and the HOA are unable to reach agreement, HOA representatives may contact the city manager, and may also bring concerns directly to the City Council following procedures for public comment.
5. The City has ultimate responsibility to manage these funds. If agreement cannot be reached, city staff shall take steps unilaterally to eliminate the negative fund balance moving forward through establishment of a balanced budget.

LMD 22 Ad Valorem Tax Revenue. This revenue is collected from all parcel owners within the defined LMD 22 boundary. It is not an assessment but rather collected from within the one percent general property tax, as this ad valorem tax originated in 1968 prior to the implementation of Proposition 13 limitations. The City has full authority for the use of these ad valorem funds consistent with The Improvement

Act of 1911. The City may from time to time solicit input from the CPHA president, CPHA classic commission president, CPHA Lake Committee chairperson, CPHA Landscape Committee chairperson, and the chairpersons from within the various LMD 22 HOA's.

Whereas the ad valorem funds can be used for landscape-related services in common areas throughout LMD 22, explicit language exists for CPHA. Per the September 25, 2010, agreement between the city and CPHA, ad valorem funds are to be used:

1. For the common areas in Calabasas Park, defined as Calabasas Lake, CPHA Park, and McCoy Creek (Recital #2).
2. To maintain area to the City's normal park maintenance standards (Section 3).
3. To pay for insurance associated with Calabasas Park (Section 9).
4. To offset CPHA's cost for security (Section 11).
5. To follow the scope of services entitled "Calabasas Lake Scope of Services" (Exhibit F).

Additional ad valorem funds may be used, as available, in compliance with the Improvement Act of 1911. Use of additional ad valorem funds shall be authorized by the City Council.