



Lompoc City Council Agenda Item

City Council Meeting Date: February 19, 2019

TO: Jim Throop, City Manager

FROM: Dean Albro, Management Services Director
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SUBJECT: City of Lompoc Park Maintenance and City Pool Assessment District No. 2002-01 Statement for the Period of July 1, 2017, through June 30, 2018

Recommendation:

Staff recommends the City Council review, consider, receive and file the City of Lompoc Park Maintenance and City Pool Maintenance Assessment District No. 2002-01 (District) Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement) for the Period of July 1, 2017, through June 30, 2018.

Background:

In the spring of 2002, the City developed a proposed assessment for funding a portion of the cost of a new community swimming pool, park improvements and other park and recreation maintenance services. City property owners supported, by assessment ballot of August 2002, the creation of the District.

In May of 2003, the City Council adopted Resolution No. 5092(03) establishing the District Oversight Committee (Committee) to monitor the expenditures of funds of the subject District and report to the City Council on an annual basis any findings and/or recommendations.

In November of 2004, the District issued long term debt in the amount of \$2,605,000 concurrent with the issuance of long term bond debt by the City's former Lompoc Redevelopment Agency for the purposes of construction of the Lompoc Aquatic Center. A portion of the annual collections of the District's assessments are used to pay the debt service of the District's portion of the bond. The bond payment schedule provides for graduated payment amounts of principal over the term of the debt starting at \$30,000 paid

September 2, 2006, with a final principal payment of \$160,000 on September 2, 2014. As of June 30, 2018, the District's outstanding principal on the debt was \$1,920,000. The bond matures on September 2, 2034.

At the conclusion of each fiscal year, after the annual financial close process, the City's Finance Department compiles the District Statement and the Oversight Committee ensures that all funds of the District were spent as intended.

Discussion:

The District operates on a funding cycle that begins with City Council authorization to engage a qualified Engineer to prepare a report to be used as a basis for the following year's assessment. The City Council directs the consulting assessment engineer to prepare an Engineer's Report each year for the next fiscal year. The Engineer's Report includes the proposed assessment budget and updated assessment for each parcel in the City. Annually, the City Council approves the Engineer's Reports and authorizes the levy of assessments for the following fiscal year. Collection of the assessments is performed by the County of Santa Barbara in conjunction with the property tax bills. This process takes place over the course of approximately six months with three separate actions required by the City Council during the January to June timeframe. The acceptance of the annual report occurs approximately six months following the cycle to set the assessment and addresses the completed fiscal year prior to the current assessment period.

The typical process begins in January of each year and concludes in October with the presentation of the annual report to the Oversight Committee. With a recommendation by the Oversight Committee, the report is then brought to the City Council in November of the same year. The cycle and the process begins again the following January.

Fiscal Impact:

The creation the District provided for the annual review of park and pool expenditure activities. There are no direct costs associated with the oversight function. However, staff time is required to prepare the Statement, to prepare for the meeting and to present the approved report. The acceptance of the District's annual assessment by the City Council and annual collection by Santa Barbara County of the assessment provides resources for park maintenance and Aquatic Center operations that would otherwise be funded from General Fund resources.

Conclusion:

The District Statement for the period of July 1, 2017, through June 30, 2018, is to be reviewed by the Oversight Committee for acceptance. By using the City Council as the Oversight Committee, the City can now provide more certainty of a quorum of Committee

members while maintaining the intent of the initial of monitoring the expenditures of funds of the District.

Respectfully submitted,

Dean Albro, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachment: District Statement for the period of July 1, 2017, through June 30, 2018