

TO: James L. App, City Manager
FROM: Doug Monn, Public Works Director
SUBJECT: Landscape and Lighting Balloting Services
DATE: August 19, 2014

NEEDS: For City Council to consider a contract with Willdan Financial Services for Landscape and Lighting balloting related services.

FACTS:

1. The El Paso de Robles Landscape and Lighting Maintenance District No. 1 (L&L) was formed by City Council in 1989. In recent years, insufficient assessments have prevented full landscape maintenance in many of the L&L Sub Areas.
2. Balloting of the L&L was last conducted in 2006. In the ensuing years, costs to maintain the L&L have substantially increased. Any balloting effort will include an analysis of current assessments, the cost to restore lost service and water rate increases. The inclusion of an annual inflator and new maximum assessment limit will eliminate the need to re-ballot in the near future.
3. Extensive public outreach will be necessary to fully engage the public in the balloting process including both property owner workshops and printed materials.
4. A proposal for balloting related services was solicited from Willdan Financial Services to assist with balloting services. Willdan Financial Services has prepared the annual Engineers report for many years and provided expertise the last time deficit sub areas were balloted. They have an extensive working knowledge of the District. The proposal is attached for review.

**ANALYSIS &
CONCLUSION:**

If approved, Willdan Financial Services will perform an assessment engineering review and evaluation. This review and analysis will identify appropriate or necessary modifications to current assessments. The goal of the balloting effort is to ensure that assessments are fair, equitable, sufficient to provide an appropriate degree of landscape maintenance, and consistent with provisions of the California Constitution (Proposition 218).

**POLICY
REFERENCE:**

Purchasing and Payment Procedures Manual
Resolution No. 89-89 which formed the El Paso de Robles Landscape and Lighting Maintenance District No. 1

FISCAL IMPACT: Cash reserves from the Landscape and Lighting Fund are available for balloting costs.

Willdan Financial Services	\$68,875.00
Contingency	<u>\$ 8,000.00</u>
Total	\$76,875.00

- OPTIONS:**
- a. Adopt Resolution No. 14-xx allocating \$76,875.00 from District funds for balloting services and authorize the City Manager to enter into a contract with Willdan Financial Services for \$68,875.00.
 - b. Defer balloting for one year and reconsider in Fiscal Year 2015/2016.
 - c. Amend, modify, or reject the above option.

Attachment: 1) Willdan Proposal for Balloting Services
2) Resolution



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Executive Summary

At present, the City of Paso Robles ("City") funds landscaping and lighting improvements, which includes maintenance, servicing and operation, through revenue generated by the El Paso de Robles Landscape and Lighting Maintenance District No. 1 ("District"). Willdan Financial Services ("Willdan") understands that the City wishes to present to property owners the enhancement of landscape maintenance within their specific Sub-Area of the District funded by an assessment increase. The proposed new assessment amount will also include the water rate increase implemented on January 1, 2012, which increases annually through January 1, 2016. We further understand that it is the City's desire to ballot all of the existing Sub-Areas and Zones.

Since the establishment of the District, the legislative requirements and approval process specific to the establishment of an assessments district, as well as the ability to increase assessments has changed dramatically. The requirement of a "special" benefit finding, distinct from a "general" benefit identified in Proposition 218, was not a radical departure from the pre-existing practice and case law. However, since many assessment formulas might not withstand the heightened scrutiny that is likely to result from recent court cases, identifying and quantifying special and general benefits is an essential part of an Engineer's Report. The clarity and documentation of benefit findings in the Engineer's Report is a critical factor for supporting annual assessments; and each year, Willdan works closely with our clients to enhance this documentation.

Therefore, in order to ensure that existing Sub-Area assessments and the future financial stability of the District are appropriately addressed, the City seeks Willdan's assistance to perform an assessment engineering review and evaluation. The goal of this review and analysis is to identify appropriate or necessary modifications to the Zones and/or Sub-Areas and/or assessments that the City should consider for implementation based upon current case law and legislative authority, including but not limited to:

- Expanded discussion and identification of special and general benefit;
- Expanded or enhanced documentation of the improvements and/or diagrams;
- Long term cost recovery considerations;
- Modified cost allocations contained in the report;
- Possible district re-organization and restructuring;
- Possible redistribution of costs (changes in the method of apportionment); and
- Potential balloting for new or increased assessments.

We understand the City's primary goal is to ensure that the district assessments are fair, equitable and consistent with the legislative authority to provide such improvements and the provisions of the California Constitution (Proposition 218). While there is no guarantee that whatever changes are made to the district will make it impervious to legal challenges, our objective is to make these assessments as reasonable and defensible as possible, as well as identify potential issues and risks. In addition, we will work closely with City staff to identify the true cost of providing the improvements and that assessment revenues are maximized to the extent possible.

Our approach to this project and the subsequent scope of work, presented in the following section, is based on our prior engagements with the City and working knowledge of the District.

Scope of Services

Below is our proposed scope of services described in detail by task. We want to ensure the following is responsive to the City's needs. We will work with the City to revise our proposed scope based on input prior to approval of a contract, and as needed during the course of the project.

Phase I – Benefit Assessment Analysis

Task 1.A: Project Kick-off Meeting

Objective: The primary objective of this meeting is to establish lines of communication, discuss pertinent project information, and confirm or adjust the project objectives, as necessary.

Description: We propose to initiate this engagement by holding an "all hands" project kick-off meeting to discuss the various elements and develop an initial strategy, project timeline and course of action to address the City's needs. This discussion should include City staff members that will be directly involved in the project as well as key Willdan Team members. This meeting will likely include specific discussions of the City's goals and priorities; policies, legal and political considerations; project timelines; budget information; organizational structure; and availability and access to pertinent documentation and data.

Meetings: One (1) project kick-off meeting to be held at City offices.

Deliverables: Willdan to provide a project timeline. City to provide the necessary improvement information and GIS files containing the plotted improvements within the boundaries of the specified Zones and Sub-Areas.

Task 1.B: Develop/Update Comprehensive Improvement Matrix

Objective: Develop a complete and detailed list of improvements associated with the Zones and Sub-Areas. Assuming the City has most of these improvements identified in GIS files, we will incorporate this information into the GIS generated boundary diagrams and budget modeling software.

Description: Review and evaluate the lighting and landscape maintenance improvements within the Zones and Sub-Areas, and their relationship to the properties and developments contained within. The establishment of an accurate and comprehensive improvement list is critical to the development of an appropriate and defensible benefit nexus, corresponding budget and special benefit assessments.

In addition to identifying the location, type and extent of the improvements, we anticipate that the improvement matrix may consider potential variances in the level of desired maintenance and servicing required. While a general overview of the improvements is sufficient to develop an initial special benefit nexus, detailed information of the specific improvements will likely be required to establish appropriate budgets and refine the benefit nexus.

Meetings: As needed, conference calls and e-mails with City staff to discuss and refine specific improvement information.

Task 1.C: Review Benefits/Services, Complete Benefit Analysis, Verify Assessment Methodology

Objective: Review the services funded by the assessment and the areas and properties served in order to verify the existing special/general benefit nexus and assessment methodology is consistent with current case law.

Description: Review plans for the provision of services, maintenance, rehabilitation and/or improvements in order to verify the benefit relationships between these services and the properties served.

Proposition 218, applicable assessment law, and the California Constitution require the establishment of a special benefit nexus between the properties assessed and the services provided. Based on our findings and keeping within the established legal and legislative limitations, as well as accounting for the ramifications of current court decisions, Willdan will identify any necessary modifications to the methodology to ensure a reasonable and defensible special benefit nexus for the assessments. We will also evaluate applicable levels of general benefit and identify an allowance in the technical memorandum, which will outline the findings and recommendations of our analysis. The objective of this task is to clearly identify special and general benefit as it relates to the properties being assessed and ensure that the funding source will meet the future fiscal needs of the City with regard to these services.

Conclusions from our review may be provided to the City in memorandum format.

Task 1.D: Budget Analysis

Objective: Analyze the current budget(s) and corresponding assessments for the Zones and Sub-Areas.

Description: Analyze annual budgets for the maintenance and servicing of the improvements. In order to complete this task, we will rely on our budget modeling software that utilizes standard per unit costs for calculating both annual and long-term maintenance expenses associated with the improvements.

We will rely heavily on the City's ability to provide complete and detailed descriptions of the specific improvements being maintained (location, quantity and type of service[s]). In addition, the budget will also identify costs that may be considered general benefit (if any), current assessment revenues, annual water rate increases, and current City contributions, as well as funding needs that are not currently funded but could be considered in order to restore lost service. The goal of this budget analysis is to identify the annual funding needed to provide a defensible full-cost recovery of the special benefits to properties, but also to quantify any general benefit costs or expenses the City may choose not to fund through the assessment.

Meetings: Attend one in-person meeting to discuss and review the annual budget information.

Task 1.E: Update District Parcel Database and Diagrams

Objective: Establish an updated electronic parcel database and assessment diagrams.

Description: Using updated parcel information from the current County Assessor's Office secured roll and development information provided by the City update the parcel database currently used to annually administer the District, and update the assessment diagrams (if necessary). The database will ultimately contain the benefiting properties within the district and will identify each parcel's specific land use, assigned benefit units, proposed assessments, and other related property and assessment information.

The information contained in this database will be enhanced and updated, as needed, through parcel research and specific information provided by the City.

Utilizing GIS files provided by the City, Willdan will develop assessment diagrams for the specific Zones and Sub-Areas incorporating identification of the improvement locations, if this data is available.

Task 1.F: Technical Memorandum and Implementation Strategy Discussion

Objective: Provide a technical memorandum to the City summarizing the information, findings and recommendations of the benefit assessment analysis developed in Phase I of this engagement.

Description: Prepare and provide the City with a memorandum summarizing the improvement benefit(s) received, including both special and general benefits.

The technical memorandum will include as needed:

- Recommended changes to the district structure and/or methods of apportionment;
- Proposed budget and possible assessment changes;
- Discussion of relevant findings and recommendations resulting from the previous tasks and, as applicable, recommended changes to the boundary diagrams; and
- Summary evaluation of potential risks and/or discussion of the pros and cons associated with implementing or not implementing the adjustments or modifications recommended or suggested.

When finalized, many components of this document including the updated boundary diagrams, benefit issues and analysis, budgets and proposed assessments may be incorporated into the Engineer's Report for the upcoming fiscal year.

Meetings: One (1) all day meeting with City staff and Council members (individually) to discuss the findings and recommendations outlined in the technical memorandum.

Deliverables: Technical memorandum summarizing and identifying the various findings and recommendations from the benefit analysis.

Phase II – Public Outreach

Community outreach and education efforts can involve a variety of mechanisms and tools. Depending on the extent of the proposed assessment changes the City may wish to implement, a more concentrated outreach effort (that could include radio spots, newspaper releases or enhanced graphic designs for property owner mailings) to garner support for the proposed assessments which would require the City to retain the services of a public relations firm. However, based on previous discussions with City staff, Willdan will assist the City with coordinating and scheduling of basic public outreach efforts that do not require a public relations firm. Outlined below are services that Willdan will provide.

Task 2.A: Develop and Mail Informational Piece/Property Owner Meeting Invitation

Objective: Develop and mail an informational piece that will also serve as an invitation to an upcoming property owner workshop.

Description: In cooperation with the City, Willdan will prepare and mail an Informational Piece/Invitation to each property owner as part of an overall education effort. The mailer is intended to provide property owners with basic information about the Zones and/or Sub-Areas and the proposed assessment, as well as invite affected property owners to a public workshop.

We propose a single straightforward informational piece that will convey the significance and reasons for the new/increased assessment in an easy-to-understand format, as well as provide the time and place of a workshop to discuss the proposed assessments. This mailing would likely be a tri-fold format, double-sided, in one (1) color. However a more elaborate mailer utilizing multi-colors and/or graphics can be created if the City so desires.

We propose the Informational Piece/Invitation be mailed to property owners preparatory to a scheduled community meeting/public workshop. Optionally, along with the informational mailer we can work with the City to develop a brief survey questionnaire for property owners to complete and mail back, or possibly fill out and submit online.

Deliverables: A draft of the Informational Piece/Invitation will be provided to City staff for review and comment prior to mailing.

Task 2.B: Property Owner Workshops

Objective: Provide property owners with background information to assist them in making informed decisions about the new/increased assessments.

Description: Attend the prescheduled community meeting/workshop, acting as technical support to City staff to answer questions and provide information related to the calculation of the proposed assessment, the

improvements and services they fund, and to describe the balloting process. Generally, an effective communication tool is to conduct at least one (1) property owner workshop prior to the notices and ballots being mailed, but a property owner survey may be utilized in conjunction with or in lieu of the workshop.

Meetings: Based on correspondence with City staff, this submittal includes attendance at two workshops with property owners. Due to the number of Sub-Areas included in this project, it may be necessary to hold additional workshops. A fee for attendance at additional property owner workshops has been included in the Fee for Services section.

Deliverables: Printing, processing and mailing the invitation for the prescheduled workshop.

Phase III – Establishment of New Assessment

Upon conclusion of the strategy discussion, if the City decides to pursue the implementation of an increased or new assessment for the Zones and Sub-Areas previously analyzed, Willdan proposes to perform the following tasks.

Task 3.A: Strategy Meeting(s)

Objective: Discuss, as well as recap, the outcome of the initial property owner outreach and input.

Description: The Willdan Team will meet with City staff and City Council members (individually) to review and discuss the outcome of the property owner workshops. The purpose of these discussions is to be informative and disseminate property owner concerns and thoughts regarding the new/increased assessment.

In order to comply with applicable legislative statutes, a full day at City offices has been allocated to this task. We will meet with City staff and Council meetings at three separate meetings/briefings.

Meetings: One full day of meetings at City offices.

Task 3.B: Prepare Engineer's Report

Objective: Prepare an updated Engineer's Report integrating an expanded benefit discussion and Proposition 218 requirements and budgets.

Description: In accordance with the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (Proposition 218), Willdan will prepare the Engineer's Report for the proposed assessments and modifications that will be presented to City Council. The Engineer's Report will include the following items:

- Plans and specifications that describe the ongoing lighting and landscape maintenance to be maintained and serviced.
- Method of apportionment that outlines the special benefit conferred on properties within the Zones and Sub-Areas and the calculations used to establish each parcel's proportional special benefit assessment. As well as a description of the assessment range formula, if applicable, establishing the maximum assessment rate in subsequent fiscal years.
- The budget that outlines the costs and expenses to provide maintenance, including incidental expenses authorized by the 1972 Act.
- Assessment diagram that identifies the boundaries of the Zones and Sub-Areas.
- The assessment roll which contains each Assessor Parcel Number and their proportional maximum assessment.
- An affidavit stating the report has been prepared by a professional engineer.

Deliverables: One (1) electronic copy of the draft Engineer's Report will be provided to the City for review and comment prior to submittal of a final Engineer's Report for the City Council's consideration and approval at the Intent Meeting. When finalized with City staff, a final electronic version and two hardcopies of the report will be provided to the City that the City Clerk may incorporate into the

Council agenda package. The proposed assessment roll that is typically incorporated into the Engineer's Report may be provided to the City as a separate document or electronic file.

Task 3.C: Prepare Resolutions

Objective: Prepare resolutions for the Intent Meeting and Public Hearing, utilizing the City's existing document format.

Description: Prepare drafts of the resolutions for the City's review and finalization, which will be adopted by Council, in connection with the establishment of a new assessment for the Zones and/or Sub-Areas. We anticipate the following resolutions will be necessary:

- *Resolution Initiating Proceeding*, which calls for the Engineer's Report to be prepared;
- *Resolution of Intention*, confirms the proposed assessments outlined in the Engineer's Report on file, declares the Council's intent to levy and collect such assessments, and sets the Public Hearing date; and
- *Resolution approving the Engineer's Report and Assessment Diagram*; confirms the proposed district assessments; and orders the levy and collection of those assessments for the current fiscal year.

Willdan will also assist in the preparation of staff reports, as necessary.

Deliverables: It is anticipated that there will be a total of three (3) resolutions for the City Council's approval although the final (third) resolution could be split into two resolutions (one approving the report and diagrams and another ordering the levy of assessments).

Task 3.D: Prepare Notices and Ballots

Objective: Prepare the required Notice of Public Hearing and assessment ballots consistent with applicable provisions of the California Constitution, the Proposition 218 Omnibus and current case law.

Description: Prepare a draft of the Notice of Public Hearing and the accompanying assessment ballots to be mailed to each affected property owner. Draft copies will be sent to the City for review and comment by City staff and the City Attorney. Based on written comments and edits received, a final sample of the documents will be prepared and provided to the City, prior to the actual printing of the documents.

It is anticipated that the text of the Notice will be the same for each parcel being balloted and the ballots will be tailored (mail merged), so as to specifically address the assessment and related parcel information for each property.

Deliverables: Draft notices and ballots will be delivered to City staff for review and comment prior to the final version being printed and processed for mailing.

Task 3.E: Print and Mail Notices and Ballots

Objective: Cause the printing and mailing of the required notices and assessment ballots.

Description: Upon adoption of the Resolution of Intention, print and assemble notices and ballots for mailing. Notices and ballots will be printed double-sided, so as to save on postage costs. A return #9 envelope addressed to the City Clerk will be included for the convenience of the property owner to mail back the assessment ballot.

Mailing of the notices and ballots will be completed at least 45 days prior to the Public Hearing date as required by law.

Deliverables: Notices and ballots mailed to the property owners of record subject to the new/increased assessment.

Task 3.F: Public Hearing and Ballot Tabulation

Objective: Attend the Public Hearing to answer questions and assist in the tabulation of returned ballots.

Description: Attend the Public Hearing to be available to answer any questions posed by the City Council. Ballots may be opened and tallied by the City Clerk or their designees. It is anticipated that Willdan will be asked to assist the City Clerk with the ballot tabulation. Willdan has developed ballot tabulation software that uses barcode scanning to electronically tabulate the ballots quickly. This software provides a summary of the weighted ballot results as well as a record of each ballot tabulated.

Upon the close of the Public Hearing, the City Clerk will be directed to open and tabulate the ballots received. Upon completion of the tally, the Clerk will announce the results by dollar amount cast in favor and against. Our scope of services anticipates that the ballot tabulation will be conducted immediately after the Public Hearing. Assuming all Sub-Areas are balloted and approximately 50 percent of the ballots are returned, we anticipate the ballot tabulation will take approximately two to two and a half hours to complete.

If for some reason, the number of ballots returned or the Council's agenda for that particular meeting does not allow for the tabulation to be completed on the same day, our scope and fee may need to be adjusted to address additional time and effort. If the tabulation is extended, the formal results may not be announced until the next scheduled Council meeting along with the Council's adoption of the various resolutions.

Meetings: One (1) City Council Public Hearing to be available to answer questions and tabulate the ballots at City Hall.

Deliverables: Ballot tabulation results.

Task 3.G: Ballot Tabulation Result Direct Mail

Objective: Inform affected property owners via email regarding the outcome of each assessment vote.

Description: Prepare a direct mail postcard to be mailed to affected property owners, identifying the results of each proposed new/increased assessment measure. A draft of the postcard will be provided to City staff for review and comment before the final version is mailed.

Deliverables: Ballot results follow-up mailer.

City Responsibilities

The City will prepare or provide the following, if necessary, in order to complete the tasks previously identified.

- Provide information regarding current zoning, existing land uses, and property development information, as needed.
- Provide electronically (GIS layers) or in some cases hard copy improvement diagrams, design plans or renderings and site plans as needed for Willdan to develop the plans and specifications required for the Engineer's Report and to develop the proposed budget and assessment evaluation.
- Provide pertinent budget information that will assist in developing the district budget and benefit rationale.
- Prepare all internal memos and other supporting documents necessary for City Council agendas.
- Provide updated GIS data and map shape files for all parcels in the City.
- Arrange for any required publications notice of Council meetings or Public Hearings in the local newspaper.
- Review the draft reports and presentation materials before the final documents are prepared. This review is typically performed by City staff but may include the City Attorney. Requested changes shall be submitted to Willdan in writing.

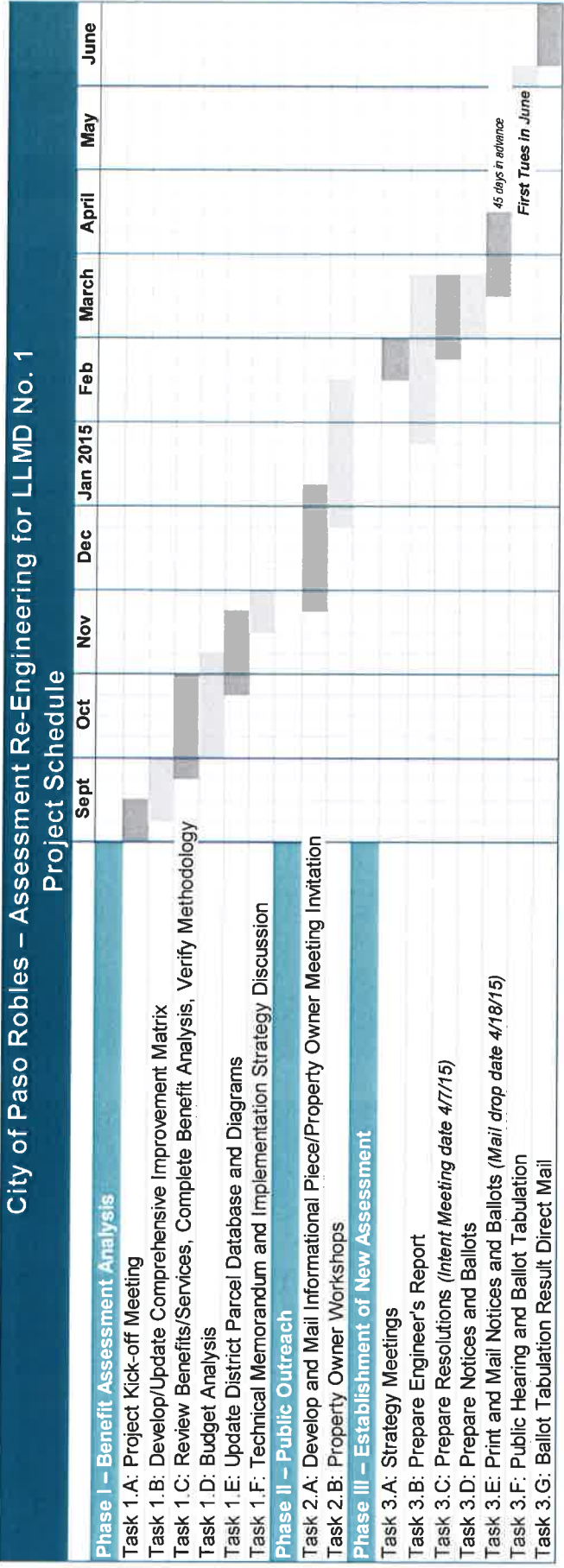


The City of Paso Robles acknowledges that Willdan shall rely upon the validity and accuracy of the information provided by the City and the County and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

Timeline

The table below outlines the timeframe necessary to complete each task identified in our Scope of Services. The following key dates and considerations have been incorporated into our estimated project schedule:

- Anticipated project start in early September 2014;
- Considering City Council meets the first and third Tuesday of each month:
 - Intent Meeting is slated for April 7, 2015
 - Public Hearing is slated for June 2, 2015



Fee for Services

Willdan proposes to perform the tasks identified within the Scope of Services section for the **not-to-exceed fee of \$68,875**. The table below provides a breakdown of this fee.

Assessment Re-Engineering Services Landscape & Lighting Maintenance District No. 1 Fee for Services	
Phase I: Benefit Assessment Analysis	\$ 35,750
Phase II: Public Outreach	16,325
Phase III: Establishment of New Assessment	<u>16,800</u>
Total Cost	\$ 68,875
Attendance at Additional Property Owner Meetings	\$2,640 per day*

* This fee is a day rate and does not include travel expenses. If the City approves Willdan's participation in additional property owner meetings, we would assist with multiple meetings in a single day.

Please note the following:

- Our proposed fee **does not include** costs associated with printing and postage of the Informational Piece/Invitation, notices and ballots, or the ballot result direct mail piece.
- The quoted not-to-exceed fee includes attendance at the following five meetings:
 - One project kick-off meeting;
 - One meeting regarding the annual budget;
 - One full day of meetings pertaining to the technical memorandum;
 - Two property owner workshops;
 - One full day of meetings to internally discuss the workshops; and
 - One City Council meeting to tabulate the ballots.
- Telephone conference calls are not considered "meetings" for the purpose of our proposal and are not limited by our Scope of Services.
- We will invoice the City monthly based on percentage of project completion.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses. Examples of reimbursable expenses include, but are not limited to: postage, travel expenses, mileage (at the current prevailing rate), maps, electronic data provided by the County and/or other applicable resources, and copying (currently 6¢ per copy).

Any additional expense for reports or, otherwise, from outside services will be billed to the City. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of work previously identified will be at our then-current hourly rates (see "Hourly Rates" below).

In the event that a third party requests any documents from Willdan, we may charge such third party for providing said documents in accordance with our applicable rate schedule.

Hourly Rates

Our current hourly rates are listed below.

Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal Consultant / Managing Principal	\$200
Senior Project Manager	\$165
Project Manager	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Assistant Analyst	\$75

RESOLUTION NO.14-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AWARDING A CONTRACT TO WILLDAN FINANCIAL SERVICES FOR LANDSCAPE AND
LIGHTING BALLOTING SERVICES

WHEREAS, the El Paso de Robles Landscape and Lighting Maintenance District No. 1 was formed in 1989; and

WHEREAS, insufficient assessments have prevented full service landscape maintenance in many Landscape and Lighting Sub Areas in recent years; and

WHEREAS, balloting of the Landscape and Lighting District was last conducted in 2006; and

WHEREAS, a proposal was solicited from Willdan Financial Services to perform an assessment engineering review and evaluation to identify appropriate or necessary modifications to current assessments; and

WHEREAS, the expertise provided by this firm is essential to the City's endeavor to successfully ballot the Landscape and Lighting District; and

WHEREAS, funds from the Landscape and Lighting Fund are available for balloting costs.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles does hereby approve a budget of \$76,875.00 from Landscape and Lighting District funds for balloting services and authorizes the City Manager to enter into a contract with Willdan Financial Services for \$68,875.00

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 19th day of August, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk