



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 6, 2004

ITEM NUMBER: IX-3

SUBJECT: PROPOSED ASSESSMENT BY THE MOSQUITO, FIRE ANT AND DISEASE CONTROL DISTRICT

DATE: JUNE 30, 2004

FROM: CITY MANAGER'S DEPARTMENT

PRESENTATION BY: ALLAN L. ROEDER, CITY MANAGER

FOR FURTHER INFORMATION CONTACT: ALLAN L. ROEDER AT (714) 754-5327

RECOMMENDATION:

Approve or deny assessment.

BACKGROUND

As an Independent Special District, the Orange County Vector Control District is responsible for protecting public health by controlling flies, mosquitoes, and other vectors. The District has been in existence since 1947 and serves all of Orange County. Its Board is composed of 35 members representing each of the County's 34 incorporated communities and 1 member representing the unincorporated areas. Resident Charles Gleason represents the City of Costa Mesa.

In April 2004, the Board of the District voted to proceed with a benefit assessment Countywide to support various programs. The benefit assessment constitutes a levy on all real property and, as such, requires approval by a majority of the property owners. As a property owner, the City of Costa Mesa was sent ballots for various properties under City ownership. As the head of the City's municipal corporation, the City Council reserves the right to cast votes for property under the City's ownership. Ballots must be returned no later than 3 pm on July 22, 2004.

ANALYSIS

The City received official ballots (Please see attached Exhibit A) for a total of 88 individual parcels. Based on the District's adopted rate structure, Public/Institutional property owners are assessed at a rate of \$5.42 per parcel. Consequently, the City's total liability for this assessment would be \$476.96 based on existing property owned by the City of Costa Mesa. While not budgeted for in the FY 2004-05 Operating Budget, the amount is such that accommodations can be made to address this expense without increasing the budget.

Exhibit B is a copy of the District's official "Ballot Information Guide" regarding the assessment. It provides a summary of the District's programs and the basis for the funding request. Additionally, City staff received material from the District entitled "Questions and Answers about OCVCD New Benefit Assessment." This appears as Exhibit C to this report.

Proposition 218 makes no provision for opposing arguments offered to property owners as part of the Official Notice and Ballot Information Guide. In reviewing the minutes of the April 15th meeting of the District at which time staff was directed to proceed with the assessment, there were references to parties opposing the measure. A copy of the relevant sections of those minutes is attached as Exhibit D, as well as follow-up correspondence to those issues.

FISCAL REVIEW

As noted in the preceding, the City will incur an annual cost of \$5.42 per parcel or \$476.96 for the City inventory of 88 parcels should this assessment be approved. This may vary depending on budgets adopted by the District. Ultimately, the assessment may not be increased beyond CPI with a 3% annual cap unless authorized by property owners through a subsequent election. While not considered significant in the context of the City's \$93,343,684 Operating Budget, there are two disconcerting elements to the proposed assessment.

1. The proposed assessment assumes full implementation of the Governor's recent agreement with cities, counties and special districts for the LOCAL initiative. Under that agreement, special districts – like cities – have agreed to forfeit revenue to the State for the next two fiscal years in exchange for Constitutional protections thereafter. However, neither the State Legislature nor the electorate has acted upon the agreement. Beginning in fiscal year 2006-07, the State will cease the transfer of revenues from cities, counties and special districts, and those local agencies will, in turn, see a corresponding revenue increase. Unless there are other factors not clearly identified, the District will receive the benefit of the new assessment and the return of lost property tax revenue.

In discussing this point with District staff, it was pointed out that funding under the assessment is primarily for new programs targeting the West Nile virus and the Imported Red Fire Ant. Under the Governor's proposal with cities, counties and special districts, the District will be forced to reduce services by 30% according to District staff.

2. There does not appear to be any provision in the assessment for exemptions. The City of Costa Mesa currently maintains contracts and personnel for pesticide application due to the significant amount of property under municipal ownership. This is needed for not only the control of vectors but rodents, bees and other vermin not addressed by the District. Consequently, the City will not only incur the cost of pesticide contracts but the annual assessment by the District as well. This is a matter staff intends to discuss further with the District.

LEGAL ANALYSIS

There is no legal analysis required of this item.

CONCLUSION

The City Council is requested to indicate its position on the subject of the proposed assessment. Copies of this report will be provided to the Vector Control District, as well as local representative Charles Gleason.

ALLAN L. ROEDER
City Manager

Attachments: [Attachment 1 – Official Assessment Ballot \(Exhibit “A”\)](#)
[Attachment 2 – Official Notice & Ballot Information Guide \(Exhibit “B”\)](#)
[Attachment 3 – OCVCD’s New Benefit Assessment \(Exhibit “C”\)](#)
[Attachment 4 – Minutes of the Board of Trustees OCVCD –
April 15, 2004 \(“Exhibit “D”\)](#)

cc: Deputy City Clerk
Acting City Attorney
Board member Charles Gleason, OC Vector Control District
Michael Hearst, OC Vector Control District