

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

May 7, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Public Hearing on Proposed Increase to Property Related Service Charge for a Capital Improvement Project for Road Improvement and Operations, Maintenance, and Snow Removal Services in County Service Area 70 Zone R-34 Big Bear Rd

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70, Zone R-34 Big Bear Rd:

1. Conduct a public hearing, pursuant to Proposition 218, to hear and consider any protests against the proposed increase to the property related service charge from \$100 per parcel per year to an increased amount of \$699.06 per parcel per year (with an annual inflationary increase of up to 3%), effective 2024-25, for 10 years, to fund a Capital Improvement Program project to repave West Villa Grove Avenue from Plumas Court southeast and ending at Villa Grove Avenue and for ongoing operations, road maintenance, and snow removal services.
 2. Direct the Clerk of the Board of Supervisors to count and determine the number of written protests submitted by owners of the identified parcels to determine if a majority protest to the proposed increased property related service charge exists.
 3. Adopt **Resolution No. 2024-50**, if determined no majority protest exists, for the proposed increased property related service charge, which:
 - a. Authorizes a mailed ballot election, pursuant to Proposition 218, of property owners within County Service Area 70, Zone R-34 Big Bear Rd regarding the proposed increase to property related service charge from \$100 per parcel per year to an increased amount of \$699.06 per parcel per year (with an annual inflationary increase of up to 3%), effective 2024-25, for 10 years, to fund a Capital Improvement Program project to repave West Villa Grove Avenue from Plumas Court southeast and ending at Villa Grove Avenue and for ongoing operations, road maintenance, and snow removal services.
 - b. Establishes June 21, 2024, or any day thereafter, as the date of the mailed ballot election for vote by the property owners within County Service Area 70, Zone R-34 Big Bear Rd, with the election conducted by an independent election service provider.
 - c. Directs the Auditor-Controller/Treasurer/Tax Collector to place the \$699.06 per parcel service charge on the 2024-25 property tax roll, if the mailed ballot election is successful.
 4. Direct the Department of Public Works – Special Districts to begin procedures to dissolve County Service Area 70, Zone R-34 Big Bear Rd, if determined that a majority protest exists.
- (Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

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May 7, 2024**

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). All costs associated with the property related service charge increase of County Service Area 70, Zone R-34 Big Bear Rd (Zone) will be paid by the property owners within the Zone. The Zone currently generates annual revenue of \$2,600 (26 parcels at \$100 per parcel) through the existing property related service charge. This revenue is currently used to fund ongoing operations, road maintenance, and snow removal services.

As a result of community outreach, the Department recommends increasing the service charge from \$100 to \$699.06 comprised as follows:

- \$12,168.52 (26 parcels at \$468.02 per parcel to fund the CIP) per year, for 10 years, to fund repayment of a loan, with interest, for a road paving project.
- \$6,007.04 (26 parcels at \$231.04 per parcel to fund operations and maintenance (O&M)) per year, with an annual inflationary increase of up to 3%. The inflationary factor is a key component to provide sufficient and sustainable operations, road maintenance, and snow removal services.

If the proposed service charge increase is approved by the property owners of the Zone, annual revenue of \$18,175.56 will be generated, effective 2024-25, to repay a future loan taken to fund a Capital Improvement Program (CIP) project to repave West Villa Grove Avenue from Plumas Court southeast and ending at Villa Grove Avenue (Project) over the course of 10 years and generate sufficient funds to support a sufficient O&M fund that restores the desired levels service of the Zone's residents. Budget adjustments for the Project and O&M costs are not requested at this time, but may be included in a future item to adopt the certified election results.

BACKGROUND INFORMATION

In 1994, the Zone was formed to provide operations, road maintenance, and snow removal services for approximately 1,026 feet of roadway of West Villa Grove Avenue in the Big Bear area. When the Zone was formed, a \$100 per parcel annual service charge was established. However, there was no inflationary factor built into the service charge and therefore the \$100 annual charge has remained unchanged. Had an inflationary factor of 3% been included since 1994, the per parcel service charge would now be approximately \$235.66 per year. With the annual cost of inflation over the past 36 years, the lack of corresponding increase in revenue has resulted in reduced services being provided to the Zone, further degrading the road surface. Without immediate action to increase the annual service charge, the Zone's long-term sustainability and solvency is threatened. The increased service charge will also generate sufficient revenue to fund a CIP project to repave West Villa Grove Avenue.

Property owners residing in the Zone were contacted by the Department of Public Works – Special Districts (Department) in mid-2021 to discuss the levels of service. Community town hall meetings were held on February 23, 2023 and January 18, 2024, with two attendees and zero attendees, respectively. The Department further reached out, via phone, to property owners in the Zone that had previously provided contact information to discuss the cashflow issues and the sustainability of the Zone. Options were presented to the Zone's members and feedback was taken from 12 property owners. Of the 26 property owners that constitute the Zone, 12

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property owners surveyed, eight were in favor of the service charge increase and four were against the service charge increase.

Pursuant to Proposition 218 requirements for proposed increases to property related service charges, written notice was mailed on February 29, 2024, to the record owner of each identified parcel upon which the service charge is proposed for imposition. The notice included the amount of the charge proposed to be imposed upon each, the basis upon which the amount of the proposed charge was calculated, the reason for the charge, together with notice of the May 7, 2024, public hearing date, time, and location on the proposed property related service charge.

The Board of Supervisors (Board) shall hear and consider any and all protests against the proposed increased property related service charge pursuant to Proposition 218. At the conclusion of the public hearing, if the Board determines that written protests against the proposed increased service charge are presented by a majority of owners of the identified parcels, then the Board shall determine that a majority protest exists. Should this occur, the increased service charge shall not be imposed, and the proceedings will terminate. In such a circumstance, the Department will then begin procedures for the Zone's dissolution, pursuant to Recommendation No. 4, as anticipated future costs and current financing will make the Zone insolvent. If dissolved, the responsibility to maintain the road and perform services, such as snow removal, reverts back to the property owners. If the Board determines that a majority protest does not exist, then the Board may proceed, pursuant to Proposition 218 and California Constitution Article XIII D, § 6(c), by authorizing a mailed ballot election of property owners within the Zone for the proposed increase to the property related service charge. The election for the increased service charge shall be conducted not less than 45 days after the close of the public hearing.

Recommendation No. 3 adopts a Resolution authorizing a mailed ballot election, pursuant to Proposition 218, regarding the proposed property related service charge and establishes June 21, 2024, or any day thereafter, as the date of the mailed ballot election for vote by the property owners within the Zone. The election will be conducted by an independent election service provider. The Department will return to the Board to adopt the certified election results.

If a simple majority of the ballots returned from the property owners approves the proposed increased service charge, the Department will recommend that the Board approve the increase and authorize placement of the new amount on the annual tax roll beginning in 2024-25. If a simple majority of the ballots returned are not in favor of the proposed increase, the Department will terminate the proceedings and recommend that the Board direct the Department to begin procedures for the Zone's dissolution as the Department would have exhausted all available options to maintain the Zone's solvency.

PROCUREMENT

Not applicable.

**Public Hearing on Proposed Increase to Property Related Service
Charge for a Capital Improvement Project for Road Improvement and
Operations, Maintenance, and Snow Removal Services in County Service
Area 70 Zone R-34 Big Bear Rd
May 7, 2024**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455)

On March 20, 2024; Auditor-Controller/Treasurer/Tax Collector (Franciliza Zyss, Chief Deputy, Property Tax, 382-3176) on April 10, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on April 18, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on April 22, 2024.

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Record of Action of the Board of Supervisors
Board Governed County Service Areas

Hearing Opened
Public Comment: None
Hearing Closed

APPROVED REC. NOS. 1 & 2

Moved: Curt Hagman Seconded: Joe Baca, Jr.
AYE: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca Jr.
ABSENT: Col. Paul Cook (Ret.)

APPROVED REC. NO. 3

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 7, 2024



cc: File - BGCSA/CSA 70 Zone R-34 Big Bear Road w/ attachments
JLL 05/9/2024