



City of South Lake Tahoe

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June 12, 2014

Ms. Elizabeth Zangari, Department Analyst II
El Dorado County Community Development Agency
Administration and Finance Division
2850 Fairlane Court
Placerville, CA 95667

Dear Ms. Zangari:

**Subject: Annual Public Hearing for Continued Snow Removal Equipment Purchase
Funded through the Existing County Service Area #3 Parcel Assessment**

In accordance with the Extension of the Joint Powers Agreement executed in January 1999 for the purpose of continuing the provision of snow removal services within County Service Area (CSA) #3, City staff is forwarding to you the enclosed items.

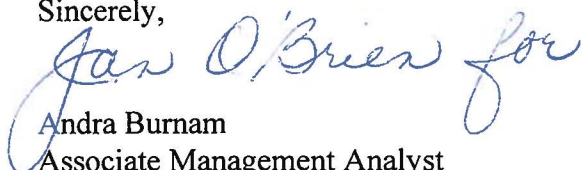
- 1) The original minute order for the public hearing held at the City Council's regular meeting of April 1, 2014;
- 2) A copy of the staff report for the public hearing; and,

Since no opposition was voiced, it is the recommendation of the City Council of the City of South Lake Tahoe that the \$20.00 per-improved-parcel assessment, levied on CSA #3 parcels for the purpose of purchasing new snow removal equipment, be continued.

County of El Dorado produced a list of parcels within the City upon which the charge is to be levied.

Please do not hesitate to call if you have any questions (530) 542-6034.

Sincerely,


Andra Burnam
Associate Management Analyst

Enclosures

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City of South Lake Tahoe

"making a positive difference now"

MINUTE ORDER

CITY OF SOUTH LAKE TAHOE

CITY COUNCIL

REGULAR MEETING OF TUESDAY, APRIL 1, 2014, 9:00 A.M.

CITY COUNCIL CHAMBERS, 1901 AIRPORT ROAD,

SOUTH LAKE TAHOE, CALIFORNIA

BY THE ORDER OF THE CITY OF SOUTH LAKE TAHOE CITY COUNCIL:

PUBLIC HEARING:

(b) Annual Public Hearing for Continued Snow Removal Equipment Purchase Funded through the Existing County Service Area No. 3 (CSA #3) Parcel Assessment

Public Works Director Jarvis provided the staff report and explained that in September 1989 a Joint Powers Agreement (JPA) was executed between the City of South Lake Tahoe and El Dorado County (EDC) to form a Zone of Benefit within County Service Area No. 3 (CSA #3) which was entirely within the municipal boundaries of the City of South Lake Tahoe. He indicated that this agreement allowed EDC to levy a \$20 per improved parcel charge on behalf of the City and that all funds collected less one (1) percent for administrative costs were dedicated to purchase new snow removal equipment for the City. Jarvis stated that the agreement had a 10-year sunset clause and he described the March 1999 extension agreement and said that pursuant to the JPA the City acting as the advisory board to the CSA was required to hold one public hearing annually regarding the levy and to forward to EDC its recommendations and the substance of the testimony, if any, for EDC to review.

Mayor Cole stated that the public had approved this tax in 1989 with the intention of funding the City's snow removal equipment needs but noted it was passed with no possibility of increasing the tax. He acknowledged that costs for everything had increased substantially during the past 25-years and said the same was true of this equipment, thus the purchasing power of those monies had acutely diminished.

Jarvis reported that the current assessment provided the City with approximately \$220,000 per year to purchase snow removal equipment for the City's fleet and said that the most recent purchases were made in 2006-2007 with three (3) graders and one (1) blower. He indicated that those were expected to be fully paid off in 2016.

Councilmember Davis inquired on the ages and types of the oldest piece of equipment and the youngest piece of equipment.

Jarvis stated that the oldest piece of equipment being operated was 43-years old and was a blower, and that the newest equipment were the graders and blower purchased in 2007. He indicated that the average age of the City's snow removal equipment was 19-years and the cost to maintain the fleet was \$288,000 per year.

PUBLIC HEARINGS – Item (b): (Continued)

Davis acknowledged the reduced purchasing power on the 25-year old assessment of \$20 and inquired if the City had leased purchased the equipment acquired in 2007.

Jarvis said that the City purchased the graders in 2007 and that the cost of the graders was approximately \$284,000 each and he speculated that a new grader at this time would likely cost approximately \$400,000. He indicated consideration of attempting to remodel the City's old graders when funds were again available but said that cost was nearly comparable to that of purchasing new equipment.

Davis inquired on the cost of a new blower.

Jarvis stated that was dependent on what was purchased. He suggested consideration of loader-mounted blowers which would be near the same cost or slightly less and would provide the benefit of the loader which could be set up as a blower or blades mounted. Jarvis said that the blades could be removed in the summer and the loaders could be used for other purposes making them more versatile and added that those were slightly more nimble than the graders particularly in the neighborhoods which would be helpful for the operators.

At 9:50 a.m., Mayor Cole asked if anyone in the audience wished to provide comment. No one appeared in order to be heard and Mayor Cole closed the public comment period.

Cole remarked that the monies intended to purchase snow removal equipment no longer could extend that far, that those monies barely made it possible to buy equipment over time, and by the time the equipment was paid off there were no funds to purchase new equipment to replace that which was outdated. He stated that this had previously been brought to the public and said as much as he loathed assessments he thought the message had to be disseminated that the original intention to assess ourselves a \$20 annual fee to purchase snow removal equipment was no longer an adequate amount. Cole indicated the importance of snow removal to our community and said that the largest part of snow removal was good equipment. He stated his hope that this topic would be revisited along with contemplation of another ballot measure.

City Manager Kerry suggested that if the Council wanted to take this matter back to the voters they consider a cost of living increase perhaps with an associated percentage cap. She noted had the initial measure contained such that moderate cost of living allowances would have permitted small adjustments yearly, that the amounts being collected would have better kept up with needs, and it would not be necessary to now take this back to the voters for a large change after it was understood that the funding was no longer adequate.

Cole indicated his agreement with Kerry and said that assigning a fixed amount on a parcel that was going to a fixed payment such as debt service which didn't change was appropriate, but that a fixed assessment to fund a product that was constantly increasing in cost caused the intended outcome to cease. He stated his belief that the public needed to be apprised of the age and condition of their City's snow removal equipment.

PUBLIC HEARINGS – Item (b): (Continued)

Councilmember Conner stated her agreement with Cole, said that the City's snow removal equipment was in dire straits, and remarked that our community did not understand that. She said that our community needed to be fully informed on this matter and that a cost of living increase with a cap should be clearly conveyed to our community. Conner indicated that the City had to start replacing its outdated equipment and needed to plan for such.

Davis remarked that the public's awareness had been tempered by recently mild winters but said when the heavy snow came that would be the time that the City and the Councilmembers would get telephone calls. He remarked that would be when this old equipment was stressed and was when the challenges arose, and he thanked the City's staff that did everything they could to keep this old equipment operating. Davis submitted that a cost of living increase would be a difficult sell to the public but indicated that a cap would be helpful. He agreed with Cole that this matter needed to come back before the Council, and suggested the conduct of strategy

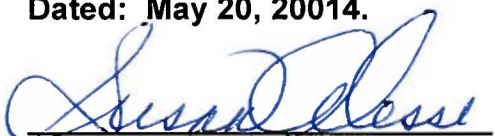
discussions in June or July. Davis noted that the older the equipment the greater the maintenance costs and said there reached a point when it was no longer cost efficient to continue attempting to repair and operate old equipment.

Kerry referenced the strategic decision-making model that had been discussed in the financial workshop regarding cost avoidance and said that staff was already planning a Five-Year Capital Improvement Plan Workshop sometime mid-summer. She indicated that Jarvis was working on the Asset Management Replacement Plan and when that was complete staff would schedule a workshop for both the Capital Improvements and Asset Plans.

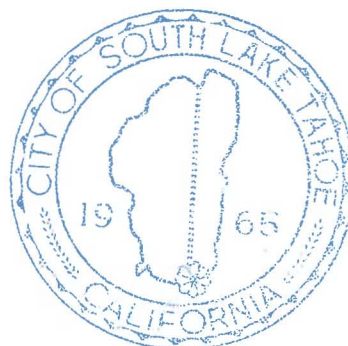
IT WAS MOVED BY COUNCILMEMBER DAVIS, SECONDED BY COUNCILMEMBER SWANSON AND UNANIMOUSLY CARRIED TO RECOMMEND CONTINUATION OF THE ANNUAL \$20 PARCEL FEE ASSESSMENT AND TO DIRECT THE CITY CLERK TO FORWARD THE COMMENTS AND RECOMMENDATION TO THE EL DORADO COUNTY BOARD OF SUPERVISORS VIA MINUTE ORDER.

I, Susan Alessi, City Clerk for the City of South Lake Tahoe, do hereby certify that the above is a true and correct excerpt of the April 1, 2014 Regular City Council meeting minutes.

Dated: May 20, 20014.



**Susan Alessi, City Clerk
City of South Lake Tahoe**





City of South Lake Tahoe

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PUBLIC HEARING b

Staff Report City Council Meeting of April 1, 2014

To: Nancy Kerry, City Manager

From: Jim Marino, Assistant Director of Public Works

Re: **Annual Public Hearing for Continued Snow Removal Equipment Purchase Funded through the Existing County Service Area No. 3 Parcel Assessment**

Recommendation:

Hear staff report; receive public comment; receive City Council comments; and direct the City Clerk to forward comments and recommendations to the El Dorado County Board of Supervisors via Minute Order.

History and Discussion:

On September 20, 1989, a Joint Powers Agreement (JPA) between the City of South Lake Tahoe and El Dorado County was executed to allow the County to form a Zone of Benefit within County Service Area No. 3 (CSA 3), which lies entirely within the municipal boundaries of the City of South Lake Tahoe. The agreement allows the County to levy a charge of \$20.00 per improved parcel. The County remits all funds collected to the City, less one percent (1%) for administrative costs. These funds are dedicated to purchase new snow removal equipment for the City of South Lake Tahoe. Due to a ten-year sunset clause in the original JPA, an extension was executed by both parties in March 1999 and the agreement shall be continued in full force and may only be terminated upon 180 days written notice by either party. Upon receipt of such notice, the City and County must meet and mutually agree to the termination of the agreement.

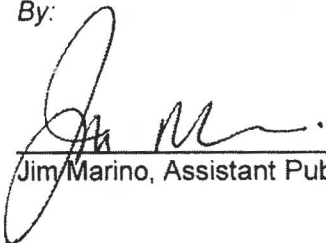
Since the inception of the JPA, the City has purchased fifteen (15) snow graders/plows, one (1) snow blower/loader combination, and two (2) snow blowers. The newest equipment purchased in 2007 (three graders and one blower) is being financed and will be paid in full in 2016. There are no funds available for any future equipment until this purchase is paid in full.

Pursuant to the JPA, the City acts as the advisory board to the County Service Area and shall hold at least one public hearing annually regarding the levy. Following the public hearing, the City is required to forward to the County its recommendations and the substance of the testimony, if any, for County review.

Financial Implications:

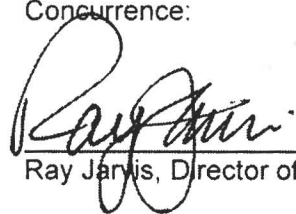
Last year, the City received \$225,607 from the County CSA 3 tax receipts from 11,200 improved parcels.

By:



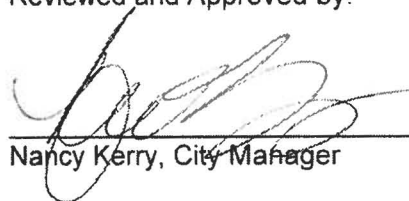
Jim Marino, Assistant Public Works Director

Concurrence:



Ray Jarvis, Director of Public Works

Reviewed and Approved by:



Nancy Kerry, City Manager

c: Ruth Young, El Dorado County, Fiscal Administration Manager