

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Public Works *[Signature]*

BOARD AGENDA # \*C-2

Urgent  Routine

AGENDA DATE July 24, 2012

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of the Fiscal Year 2012-2013 Benefit Assessment Rates for the following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club-Zone A, Country Club-Zone B, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Gibbs Ranch, Gilbert Road, Golden State, Hillcrest, Kenwood Park, Mancini Park Homes, Marshall, Monterey, North Oaks, North McHenry, North McHenry #2, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park

STAFF RECOMMENDATIONS:

1. Approve a resolution to levy Fiscal Year 2012-2013 benefit assessment rates for the following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club-Zone A, Country Club-Zone B, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Gibbs Ranch, Gilbert Road, Golden State, Hillcrest, Kenwood Park, Mancini Park Homes, Marshall, Monterey, North Oaks, North McHenry, North McHenry #2, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park.
2. Authorize the Auditor-Controller to add the assessments to the 2012-2013 tax roll.

FISCAL IMPACT:

Total funding expected to be generated from the Fiscal Year 2012-2013 Lighting District assessments is approximately \$344,641. The assessment revenue will provide sufficient funding for all projected energy and maintenance costs of streetlights for each of the individual lighting districts. There is no fiscal impact to the County General Fund.

BOARD ACTION AS FOLLOWS:

No. 2012-388

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini  
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of the Fiscal Year 2012-2013 Benefit Assessment Rates for the following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club-Zone A, Country Club-Zone B, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Gibbs Ranch, Gilbert Road, Golden State, Hillcrest, Kenwood Park, Mancini Park Homes, Marshall, Monterey, North Oaks, North McHenry, North McHenry #2, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park

## **DISCUSSION:**

Lighting districts were formed with landowner elections for the purpose of providing street lighting services to the unincorporated areas of the County. Revenue received from ad valorem (according to value) property taxes was adequate until the passage of Proposition 13 when the resultant 55% reduction in revenue caused operation and maintenance services to suffer. In 1981, the Board of Supervisors adopted an ordinance permitting the levy of special assessments for lighting purposes, subject to voter approval. Pursuant to the Streets and Highways Code, Section 19000, et seq., the cost of conducting and maintaining the lighting district shall be assessed against the individual parcels of land within the district's boundaries.

In November 1996, Proposition 218 was passed by voters, requiring a majority vote for any increase in assessment amounts. Ballot procedures were held for the districts where an increase in assessment was anticipated. The ballot procedure also requested the approval of use of a formula whereby each year's assessment would be calculated as:  $\text{Amount of Annual Assessment} = (\text{Estimated Operation \& Maintenance Costs} - \text{Fund Balance from Previous Year} - \text{Estimated Property Tax Revenue}) / \text{Number of Benefiting Parcels or Equivalent Benefit Units in District}$ . All but one of the Lighting Districts has the approved formula in place. Lighting districts formed prior to Proposition 13 have continued to receive property tax revenue, with direct assessments making up the difference between required funding and available property taxes. Districts formed after the passage of Proposition 13 rely solely on direct assessment funding. The number of parcels in a lighting district can vary from as few as 1 to over 4,000.

If the Board approves the levy assessments, funding in the districts that have approved the use of the formula will be adequate to provide uninterrupted operation and maintenance of the streetlights.

The proposed assessments are provided on "Exhibit A" (Schedule of Lighting District Assessments). Five of the lighting districts have decreased assessments from the prior year; twenty-three have increased assessments, and one district remains the same. The primary reasons for the increases are increased utility costs, an increase in vandalism (theft of wires), and the absence of adequate funding for the 6 month dry period. Those districts with decreased assessments experienced vandalism or lack of dry period funding, raising the assessments in prior years.

The attached schedule provides information on projected fund balance as of June 30, 2011, annual budget, and the Fiscal Year 2012-2013 proposed assessment. Fiscal management of the lighting districts continues to be challenging. While utility costs and routine maintenance are predictable, occurrences of accidents and vandalism are random and costly. Unfortunately, a single incident involving accidents or vandalism can result in costs of \$1,500 to \$3,000 per occurrence. To ensure fiscal stability the calculation for the proposed assessments includes funding for potential major repairs. The amount added to the assessment is based on historical occurrences of damage, the number of lights within the district and the size of the district. A small district of 6 lights may have a reserve of \$500, whereas a large district of 500 lights may have a reserve of \$6,500. The impact to the district varies in conjunction with the number of

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parcels that the added cost is distributed over. For example, Golden State Lighting District has only 7 parcels, but experienced over \$3,000 of repairs due to wire theft. This cost must be recovered through increased assessments. In comparison, Salida Lighting District has over 4,200 parcels, therefore the per parcel impact for a \$3,000 expense is substantially less.

The 6-month dry period funding on Exhibit A refers to the period of time from July 1<sup>st</sup> through December 10<sup>th</sup>. The fiscal year is the 12-month period from July 1<sup>st</sup> through June 30<sup>th</sup> of the following year. Special district assessments are received as property taxes are paid. The first installment of the annual assessment is not collected until December, creating a 6-month dry period in receiving the money necessary to maintain the various services provided. Therefore, it's necessary to carry forward fund balance to cover six months of expenses.

Districts that have experienced unusual circumstances that may have impacted the proposed assessment or service levels are detailed as follows:

On March 1, 2011, a Public Hearing was held to conduct a ballot procedure to change the assessment methodology in the North McHenry Lighting District to include the use of a formula. On March 8, 2011, ballot results were returned and accepted as the majority vote in opposition to the new formula. Therefore, the assessment cannot be changed from that of the previous year. The existing assessment does not provide sufficient revenue to operate the district at the historical service levels, creating a deficit. Due to the \$23,016 deficit in North McHenry Lighting District's fund balance, 51 lights (approximately 60%) were de-energized on or about April 1, 2011. The savings from the lowered utility costs will be applied to the fund balance deficit until the deficit is eliminated, at which time service levels will be reevaluated.

Beard Industrial and Denair Lighting Districts have repayment plans to reimburse Public Works for the costs incurred by the formation of the district (Beard) and the addition of five lights (Denair). The yearly repayment amounts have been added to the budget and are reflected in the assessment. The final year of repayment for the Beard Industrial Lighting District is Fiscal Year 2012-2013 and for the Denair Lighting District is Fiscal Year 2013-2014.

Gibbs Ranch, Golden State, Hillcrest, and Schwartz-Baize Lighting Districts suffered substantial damage due to vandalism and/or a greater number of repairs. The existing fund balance was not sufficient to cover all the expenses to repair the damage, therefore, the costs of those repairs were added to the Adopted Proposed Budget for Fiscal Year 2012-2013.

#### **POLICY ISSUES:**

The recommended actions are consistent with the Board's priorities of providing A Safe Community and A Well Planned Infrastructure System by ensuring lighting services to the respective districts.

Approval of the Fiscal Year 2012-2013 Benefit Assessment Rates for the for the following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club-Zone A, Country Club-Zone B, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Gibbs Ranch, Gilbert Road, Golden State, Hillcrest, Kenwood Park, Mancini Park Homes, Marshall, Monterey, North Oaks, North McHenry, North McHenry #2, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park

**STAFFING IMPACT:**

Public Works Department and Auditor-Controller's Office staff are involved in the processing of direct assessments. This requires less than 20 hours annually and costs are recovered from the respective districts.

**CONTACT PERSON:**

Diane Haugh, Public Works Assistant Director. Telephone: 209-525-4100.

DH:lc

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THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
STATE OF CALIFORNIA

Date: July 24, 2012

2012-388

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini  
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

Item # \*C-2

**A RESOLUTION ORDERING THE LEVY AND COLLECTION OF CHARGES WITHIN STANISLAUS  
COUNTY LIGHTING DISTRICTS AS LISTED ON THE ATTACHED SCHEDULE OF LIGHTING  
DISTRICT ASSESSMENTS, hereinafter referred as "Lighting Districts"**

The County of Stanislaus, California does resolve as follows:

WHEREAS, the Lighting Districts have by previous resolutions or other proceedings declared their intent to levy charges or assessments for the purpose of financing street light operation and maintenance under the provisions of the Code Section 19000 et seq. of the Streets and Highways Code.

WHEREAS, the charges against the real property are not levied with regard to property values but rather according to the benefit received by the service provided.

WHEREAS, the Lighting Districts have determined and certify that the charges are either exempt from or in compliance with all the provisions of Proposition 218, which was passed by the voters in November 1996. The Lighting Districts have further determined the charges are in compliance with all laws pertaining to the levy of such charges.

NOW, THEREFORE, BE IT RESOLVED that the Lighting Districts so order the levy and collection of such charges within the Stanislaus County Lighting Assessment Districts as listed in the attached Schedule of Lighting District Assessments for the 2012-2013 fiscal year, and that a certified copy of this resolution and attached documentation shall be delivered to the Auditor-Controller of the County of Stanislaus for the placement of such charges on the 2012-2013 County Tax Roll.

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk  
Stanislaus County Board of Supervisors,  
State of California

*Christine Ferraro*

File No.

**Stanislaus County**  
**SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS**  
**Fiscal Year 2012-2013**

**Exhibit A**

Fund	Lighting District Name	Tax Code	# of Lights	Fund Balance*	Budget	6-Month "Dry Period" Funding	Use of Fund Balance	Property Tax Revenue	Total Assessment Revenue Needed	EBU/Parcels	Budget Year 2012-2013 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	12,366	29,162	14,581	(12,366)	(6,496)	24,881.00	514	48.41	45.89	24.50
1851	Almond Wood	57025	72	4,008	9,807	4,904	(4,008)	0	10,702.50	284	37.68	31.60	32.59
1852	Country Club A	57350	15	2,279	4,252	2,126	(2,279)	(1,452)	2,647.00	135	19.61	10.29	7.88
1853	Country Club B	57325	4	(371)	868	434	371	0	1,673.00	39	42.90	0.00	13.15
1854	Crows Landing	57375	18	2,543	3,857	1,929	(2,543)	(1,453)	1,789.50	159	11.25	4.25	2.03
1855	Deo Gloria	57400	27	2,962	5,221	2,611	(2,962)	0	4,869.50	103	47.28	35.28	57.18
1856	Denair	57450	197	22,160	51,465	20,222	(22,160)	(4,415)	45,111.50	1,216	37.10	38.23	29.25
1857	Empire	57475	126	16,203	29,854	14,927	(16,203)	(10,637)	17,941.00	970	18.50	17.20	13.96
1858	Fairview	57500	38	3,692	9,450	4,725	(3,692)	(3,533)	6,950.00	250	27.80	15.09	14.36
1859	Gilbert	57550	2	223	452	226	(223)	0	455.00	8	56.88	63.88	40.50
1860	Gibbs Ranch	57525	14	827	4,203	2,102	(827)	0	5,477.50	17	322.21	147.50	139.34
1861	Golden State	57575	8	(2,214)	1,251	626	2,214	0	4,090.50	7	584.36	179.14	173.69
1862	Hillcrest	57625	81	4,575	14,745	7,373	(4,575)	0	17,542.50	215	81.59	33.00	46.65
1863	Mancini Park	57700	40	5,950	7,600	3,800	(5,950)	(308)	5,142.00	199	25.84	25.21	26.73
1864	Monterey	57725	11	1,663	2,615	1,308	(1,663)	(773)	1,486.50	76	19.56	21.11	20.98
1865	North McHenry*	57750	28	(23,016)	2,846	1,423	23,016	0	7,001.20	230	30.44	30.44	30.44
1866	North Oaks	57775	23	2,042	4,223	2,112	(2,042)	0	4,292.50	117	36.69	34.94	40.44
1867	Olympic	57800	53	8,691	16,490	8,245	(8,691)	(3,934)	12,110.00	328	36.92	33.73	32.74
1869	Peach Blossom	57050	5	460	1,052	526	(460)	0	1,118.00	12	93.17	83.13	82.04
1871	Richland	57875	21	3,479	6,331	3,166	(3,479)	(2,291)	3,726.50	155	24.04	29.36	24.02
1872	Salida	57950	718	55,964	123,359	61,680	(55,964)	(8,904)	120,170.50	4,293	27.99	23.47	23.69
1873	Sunset Oaks	58025	86	7,980	14,719	7,360	(7,980)	(5,390)	8,708.50	343	25.39	20.73	16.04
1874	Sylvan Village	58050	10	2,551	5,738	2,869	(2,551)	(1,951)	4,105.00	66	62.20	47.64	63.71
1875	Tempo Park	58075	62	3,357	8,750	4,375	(3,357)	(3,155)	6,613.00	250	26.45	22.57	17.98
1876	Schwartz-Baize	57975	1	(71)	336	168	71	0	575.00	4	143.75	68.25	47.17
1970	Beard Industrial	57320	24	2,725	17,718	3,150	(2,725)	0	18,142.50	92.61	195.90	192.14	156.25
1971	North McHenry #2	57752	8	758	1,350	675	(758)	0	1,267.00	1	1,267.00	1,299.00	1,223.76
1972	Marshall	57710	5	1,160	2,412	1,206	(1,160)	0	2,458.00	35.51	69.22	42.87	40.83
1973	Kenwood Park			1,104	3,132	1,566	(1,104)	0	3,594.00	51.00	70.47	58.94	
									(54,692)	344,640.70			
* No formula in place for N. McHenry Lighting District-Assessment limited to \$30.44													