

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

DEPT: Public Works

BOARD AGENDA # *C-1

Urgent Routine

AGENDA DATE July 21, 2015

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Fiscal Year 2015-2016 Benefit Assessment Rates for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, 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, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park

STAFF RECOMMENDATIONS:

1. Approve a resolution to levy Fiscal Year 2015-2016 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-Zone A, Golden State-Zone B, 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 2015-2016 tax roll.

FISCAL IMPACT:

Total funding expected to be generated from the Fiscal Year 2015-2016 Lighting District assessments is approximately \$340,394. The assessment revenue will provide sufficient funding for all projected energy and maintenance costs of streetlights for each of the individual lighting districts.

BOARD ACTION AS FOLLOWS:

No. 2015-346

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien,
and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of the Fiscal Year 2015-2016 Benefit Assessment Rates for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, 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, 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 Lighting Districts except North McHenry have 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. Seventeen of the lighting districts have increased assessments from the prior year, and thirteen districts remain the same. The primary reasons for the increases are increased utility costs, and the absence of additional fund balance to offset operations and maintenance costs. When available, fund balance has been used to preserve assessments at the 2014-2015 rate.

The attached schedule provides information on projected fund balance as of June 30, 2015, annual budget, and the Fiscal Year 2015-2016 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.

Approval of the Fiscal Year 2015-2016 Benefit Assessment Rates for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, 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, Olympic, Peach Blossom, Richland, Salida, Schwartz Baize, Sunset Oaks, Sylvan Village, and Tempo Park

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 individual parcels varies in conjunction with distribution of cost to the number of parcels being charged. For example, Golden State Lighting District has only 7 parcels, but in the past has 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 1st through December 10th. The fiscal year is the 12-month period from July 1st through June 30th 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 is necessary to carry forward fund balance to cover six months of expenses.

The threat to stormwater quality comes from the urbanized areas within the County, which the Lighting Districts encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The Lighting Districts receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2015-2016. An estimated annual fee of \$1 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

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 \$22,667 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.

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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.

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:

Joann Schmidt, Public Works Accountant II. Telephone: 209-525-4190.

ATTACHMENTS:

1. Exhibit "A" Schedule of Lighting Districts Assessments
2. Lighting District Resolution

Stanislaus County
SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS
Fiscal Year 2015-2016

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 2015-2016 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	34,437	29,900	14,950	(15,450)	(6,496)	22,904	513	44.65	42.22	39.78
1851	Almond Wood	57025	72	12,969	11,142	5,571	(5,821)	0	10,892	285	38.22	35.76	33.22
1970	Beard Industrial	57320	24	8,643	6,244	3,122	(3,122)	0	6,244	92.61	67.42	67.42	143.56
1852	Country Club A	57350	15	8,277	4,581	2,291	(2,291)	(1,452)	3,129	133	23.53	21.63	14.34
1853	Country Club B	57325	4	1,468	1,046	523	(523)	0	1,046	38	27.53	26.53	17.03
1854	Crows Landing	57375	18	8,254	4,091	2,046	(2,346)	(1,453)	2,338	163	14.34	12.44	7.65
1856	Denair	57450	197	87,138	45,443	22,722	(12,662)	(4,415)	51,088	1,344	38.01	38.01	36.45
1855	Deo Gloria	57400	27	9,672	5,274	2,637	(2,856)	0	5,055	103	49.08	48.78	40.03
1857	Empire	57475	126	40,766	31,024	15,512	(16,262)	(10,637)	19,637	970	20.24	18.24	18.20
1858	Fairview	57500	38	22,703	9,825	4,913	(4,913)	(3,533)	6,292	250	25.17	25.17	19.86
1860	Gibbs Ranch	57525	14	10,434	3,220	1,610	(1,610)	0	3,220	17	189.41	189.41	198.01
1859	Gilbert	57550	2	1,300	470	235	(235)	0	470	9	52.22	52.22	56.64
1861	Golden State Zone A	57575	4	3,771	2,529	1,265	(1,265)	0	2,529	5	505.80	505.80	436.86
1861	Golden State Zone B	57575	4	1,917	479	240	(240)	0	479	4	119.80	119.80	259.22
1862	Hilcrest	57625	81	30,752	16,135	8,068	(8,068)	0	16,135	262	61.58	61.59	65.64
1973	Kenwood Park	57680	14	3,063	3,283	1,642	(1,542)	0	3,383	51.00	66.33	64.37	66.92
1863	Mancini Park	57700	40	4,798	8,139	4,070	(4,720)	(308)	7,181	199	36.09	34.59	31.71
1972	Marshall	57710	5	4,231	2,747	1,374	(2,124)	0	1,997	34.51	57.87	54.96	43.59
1864	Monterey	57725	11	5,713	3,190	1,595	(1,678)	(773)	2,334	74	31.54	30.54	19.69
1971	North McHenry #2	57752	8	2,172	1,851	926	(1,396)	0	1,381	1	1,381.00	1,373.50	1,265.33
1865	North McHenry*	57750	28	(13,629)	3,656	1,828	13,174	0	7,031	231	30.44	30.44	30.44
1866	North Oaks	57775	23	7,989	4,493	2,247	(2,247)	0	4,493	120	37.44	37.44	32.28
1867	Olympic	57800	53	25,754	16,818	8,409	(9,409)	(3,934)	11,884	328	36.23	32.32	33.23
1869	Peach Blossom	57050	5	2,321	1,214	607	(657)	0	1,164	12	97.00	94.67	86.33
1871	Richland	57875	21	10,390	7,586	3,793	(4,193)	(2,291)	4,895	155	31.58	29.20	25.98
1872	Salida	57950	718	170,877	127,651	63,826	(63,826)	(8,904)	118,747	4,357	27.25	27.25	26.94
1876	Schwartz-Baize	57975	1	886	380	190	(190)	0	380	4	95.00	95.00	94.61
1873	Sunset Oaks	58025	86	23,353	17,729	8,865	(9,365)	(5,390)	11,839	360	32.89	30.57	22.55
1874	Sylvan Village	58050	10	13,126	6,104	3,052	(3,052)	(1,951)	4,153	66	62.92	62.92	86.87
1875	Tempo Park	58075	62	12,753	10,579	5,290	(4,640)	(3,155)	8,074	329	24.54	22.57	23.11
					386,823		(173,522)	(54,692)	340,394				
* No formula in place for N. McHenry Lighting District-Assessment limited to \$30.44													

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

Date: July 21, 2015

2015-346

On motion of Supervisor Chiesa Seconded by Supervisor O'Brien
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Monteith, De Martini and Chairman Withrow
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

Item # *C-1

THE FOLLOWING RESOLUTION WAS ADOPTED:

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 Board of Supervisors 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 2015-2016 fiscal year, and in each subsequent fiscal year in which the charges may validly be levied; 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 2015-2016 County Tax Roll, and in each subsequent fiscal year in which the charges may validly be levied.

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



File No.