

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

DEPT: Public Works

BOARD AGENDA # \*C-2

Urgent  Routine

AGENDA DATE March 8, 2011

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Adopt the Results of the Assessment Ballot Procedure Proposing a New Assessment Methodology for the North McHenry No.1 Lighting District

STAFF RECOMMENDATIONS:

- 1) Adopt the results of the assessment ballot procedure (weighted Supporting votes: 102.153; weighted Protest votes: 149.149; and weighted Incomplete ballots: 28.298) that proposed a new assessment methodology for the North McHenry No.1 Lighting District.
- 2) Declare that a simple majority of the assessment ballots received protested the proposed method for calculating the annual assessment.
- 3) Authorize the Public Works Department to implement a 5-year plan effective March 9, 2011, to recover the District's deficit by turning off streetlights within the District to lower expenses below assessment revenue and to leave the streetlights off until the deficit is eliminated.

FISCAL IMPACT:

No alternative source of financing has been identified to generate the required revenue to continue with the current level of services provided to the District. In the absence of sufficient funding, a 5-year plan will be implemented to recover the District's deficit by turning off streetlights within the District to lower expenses below assessment revenue and to leave the streetlights off until the deficit is eliminated.

BOARD ACTION AS FOLLOWS:

No. 2011-142

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

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

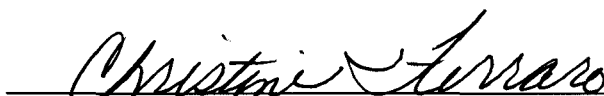
1) X Approved as recommended

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

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

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

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. DL-29-A-10

## Approval to Adopt the Results of the Assessment Ballot Procedure Proposing a New Assessment Methodology for the North McHenry No.1 Lighting District

### **DISCUSSION:**

On December 14, 2010, the Board of Supervisors passed a resolution initiating proceedings to consider changes in the methodology for calculating assessments, and to conduct an assessment ballot procedure for the North McHenry No.1 Lighting District. On January 11, 2011, the Board set a date for the matter to be considered at a public hearing and on March 1, 2011 the Board held the public hearing. Prior to, and in conjunction with the public hearing, a Proposition 218 assessment ballot procedure was conducted to determine if the new assessment methodology would be supported by the District's property owners.

Because the number of ballots cast was expected to be too large to quickly and efficiently count at the conclusion of the March 1, 2011 public hearing, the Board of Supervisors authorized the Clerk of the Board to oversee the opening of the sealed assessment ballots prior to the next scheduled Board meeting on March 8, 2011, summarize the results of the count, and submit the results at the next scheduled Board meeting on March 8, 2011.

A simple majority of the assessment ballots received protested the new methodology and increased assessment necessary to operate and maintain the District at the current level. In summary, there were 102.153 weighted votes cast in support; 149.149 weighted votes cast in protest, and 28.298 weighted incomplete ballots (see attachment "A", memo from the Clerk of the Board of Supervisors to the Chairman of the Board). As a result, the District will continue with its present method of assessment of a fixed amount, per parcel basis.

Because the assessment rate is frozen at a fixed amount of \$30.44 per parcel, annual revenue from assessments is limited to \$6,971 and the District's annual deficit continues to grow as expenditures surpass revenue. An approved budget and assessment is currently in place for Fiscal Year 2010-2011. Budgeted expenditures were estimated to be \$11,921 for the current fiscal year. With funding from assessments of \$6,971, this results in a shortfall of approximately -\$4,950. However, at the writing of this report, expenses are now estimated at \$21,235, bringing the year's shortfall to -\$14,264. The additional amount can be attributed to major unexpected expenses incurred replacing wiring thefts (\$6,000) and the cost of the ballot measure (\$3,416) proposed by this report. Closing fund balances for the last four years were as follows: Fiscal Year 2006-2007 = -\$1,121; Fiscal Year 2007-2008 = -\$2,891; Fiscal Year 2008-2009 = -\$5,513; and Fiscal Year 2009-2010 = -\$10,897. A cumulative deficit of -\$25,161 is anticipated for the close of Fiscal Year 2010-2011.

To avoid further growth in the deficit, the only recourse will be to reduce expenditures by reducing lighting services and turning off streetlights. The Board of Supervisors may act in their capacity as the governing body for the North McHenry No.1 Lighting District and direct the Public Works Department to implement a plan to recover the District's deficit by reducing lighting services and turning off streetlights within the District to lower expenses below assessment revenue. The sequence to turn off streetlights will commence on March 9, 2011 with mid-block lights, followed by cul-de-sac streetlights, and lastly streetlights at intersections. The lights will need to remain off until the deficit is recovered. Barring major unexpected expenses it is estimated that the deficit is fully recoverable within 5 years by turning off 2/3's of the District's

## Approval to Adopt the Results of the Assessment Ballot Procedure Proposing a New Assessment Methodology for the North McHenry No.1 Lighting District

streetlights. Once the deficit is recovered, revenues and expenses will be re-evaluated and if sustainable, some of the lights may be turned back on.

### **POLICY ISSUES:**

The State of California Streets and Highways Code Section 19130 authorizes the Board of Supervisors to be the governing body for Lighting Districts within their county.

This action is consistent with the Board's priority of providing A Safe Community, A Healthy Community, and A Well Planned Infrastructure System. The County has a fiscal responsibility to provide the level of service for a Lighting District based and consistent with the assessment level approved by District property owners.

### **STAFFING IMPACT:**

Existing Public Works staff provides administrative support to the County Lighting Districts. Staffing impact will be minimal and is limited to the time required to work with the utility company to turn off streetlights.

### **CONTACT PERSON:**

Mike Wilson, Senior Engineering Technician, Stanislaus County Public Works. Telephone 525-4190.

MW:lc

H:/Services/Districts/LD/LD North McHenry #1/Ballot Initiative 2011/Action Agendas/Adopt Results Protesting N McHenry LD



**CLERK OF THE BOARD OF SUPERVISORS**

**STANISLAUS COUNTY**

1010 10th Street, Suite 6700, Modesto, CA 95354  
Phone: 209.525.4494 Fax: 209.525.4420

March 1, 2011

MEMO TO: Dick Monteith, Chairman

FROM: Christine Ferraro Tallman, Clerk of the Board

**RE: ASSESSMENT BALLOT FOR THE NORTH MCHENRY NO. 1  
LIGHTING DISTRICT FISCAL YEAR 2011-12**

We have completed our count of the North McHenry No. 1 Lighting District Assessment ballot procedures. On March 8, 2011, the results will be presented to the Board of Supervisors. These votes have been counted and verified by staff.

We present the results from the ballot process for your certification.

Weighted ballots cast in support of the assessment	102.153
Weighted ballots cast in protest of the assessment	149.149
Weighted incomplete ballots	<u>28.298</u>
<b>Total Weighted Ballots Received</b>	<b>279.600</b>

Certified by:

*Christine Ferraro Tallman*  
Clerk of the Board of Supervisors

03/01/2011

Date