

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

DEPT: Public Works

BOARD AGENDA # \*C-1

Urgent  Routine

AGENDA DATE July 23, 2013

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of the Fiscal Year 2013-2014 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 2013-2014 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 2013-2014 tax roll.

FISCAL IMPACT:

Total funding expected to be generated from the Fiscal Year 2013-2014 Lighting District assessments is approximately \$319,709. 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. 2013-375

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien

and approved by the following vote,

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

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 2013-2014 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). Sixteen of the lighting districts have decreased assessments from the prior year; eight have increased assessments, and six 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 lower assessments.

The attached schedule provides information on projected fund balance as of June 30, 2013, annual budget, and the Fiscal Year 2013-2014 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 2013-2014 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

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 parcels that the added cost is distributed over. 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 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 \$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.

Airport Lighting District and Salida Lighting district parcel counts both decreased by one parcel. This was due to the fact that the parcels were shown to have no special benefit from the Lighting District, and therefore, under the conditions of Proposition 218, should not be assessed.

Beard Industrial Lighting District 2010 assessment has been reduced by 66.4% for Fiscal Year 2013-2014. This is due to the vandalism costs incurred in 2010 having been fully repaid in Fiscal Year 2012-2013.

Denair Lighting District has a repayment plan to reimburse Public Works for the costs incurred by the addition of five lights. The yearly repayment amounts have been added to the budget and are reflected in the assessment. The final year of repayment for the Denair Lighting District is Fiscal Year 2013-2014.

Approval of the Fiscal Year 2013-2014 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

Golden State Lighting District has been split into two zones; three parcels in the industrial zone A and four parcels in the residential zone B. This was done to more accurately reflect the special benefit received by each area. The split assessment for each respective zone reflects the percentage of anticipated utility and maintenance costs for Fiscal Year 2013-2014.

**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:**

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

SA:lc

H:\SERVICES\Districts\Fiscal Year Files CSA-LD-LLD\_LAD\FY 2013-14 CSA-LD-LLD-LAD\LD's FY2013-2014\Agenda LD Assessments FY1314\_BOS 7.23.13

**Stanislaus County**  
**SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS**  
**Fiscal Year 2013-2014**

**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 2013-2014 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	22,563	29,387	14,694	(16,694)	(6,496)	20,890.50	513	40.72	48.41	41.70
1851	Almond Wood	57025	72	7,676	9,907	4,954	(4,954)	0	9,907.00	285	34.76	37.68	33.95
1852	Country Club A	57350	15	4,119	4,402	2,201	(2,543)	(1,452)	2,608.00	133	19.61	19.61	13.18
1853	Country Club B	57325	4	640	958	479	(479)	0	958.00	38	25.21	42.90	21.45
1854	Crows Landing	57375	18	4,209	3,857	1,929	(2,543)	(1,453)	1,789.50	159	11.25	11.25	6.69
1855	Deo Gloria	57400	27	5,308	5,171	2,586	(2,887)	0	4,869.50	103	47.28	47.28	37.75
1856	Denair	57450	197	22,336	55,465	16,733	(18,032)	(4,415)	49,751.00	1,341	37.10	37.10	35.65
1857	Empire	57475	126	27,240	29,854	14,927	(18,203)	(10,637)	15,941.00	970	16.43	18.50	18.71
1858	Fairview	57500	38	10,930	9,450	4,725	(4,725)	(3,533)	5,917.00	250	23.67	27.80	20.89
1859	Gilbert	57550	2	178	462	231	(178)	0	515.00	8	64.38	56.88	56.64
1860	Gibbs Ranch	57525	14	5,048	3,203	1,602	(1,602)	0	3,203.00	17	188.41	322.21	207.27
1861	Golden State Zone A	57575	5	551	2,026	1,013	(551)	0	2,488.00	3	829.33	584.36	469.38
1861	Golden State Zone B	57575	3	331	475	238	(238)	0	475.19	4	118.80	584.36	178.20
1862	Hilcrest	57625	81	13,056	15,743	7,872	(7,872)	0	15,742.50	262	60.09	81.59	72.51
1863	Mancini Park	57700	40	6,018	7,940	3,970	(5,018)	(308)	6,584.00	199	33.09	25.84	31.06
1864	Monterey	57725	11	2,252	3,115	1,558	(1,752)	(773)	2,147.50	75	28.63	19.56	16.60
1865	North McHenry*	57750	28	(22,667)	3,426	1,713	1,862	0	7,001.20	230	30.44	30.44	30.44
1866	North Oaks	57775	23	4,073	4,373	2,187	(2,187)	0	4,373.00	120	36.44	36.69	29.30
1867	Olympic	57800	53	16,477	16,490	8,245	(10,691)	(3,934)	10,110.00	328	30.82	36.92	34.75
1869	Peach Blossom	57050	5	764	1,202	601	(685)	0	1,118.00	12	93.17	93.17	78.52
1871	Richland	57875	21	5,944	7,431	3,716	(4,562)	(2,291)	4,293.50	155	27.70	24.04	25.18
1872	Salida	57950	718	98,663	123,359	61,680	(61,680)	(8,904)	114,455.00	4,292	26.67	27.99	27.28
1873	Sunset Oaks	58025	86	10,698	17,369	8,685	(10,198)	(5,390)	10,465.50	360	29.07	25.39	21.25
1874	Sylvan Village	58050	10	6,139	6,038	3,019	(3,019)	(1,951)	4,087.00	66	61.92	62.20	86.94
1875	Tempo Park	58075	62	10,258	10,250	5,125	(5,125)	(3,155)	7,095.00	329	21.57	26.45	24.33
1876	Schwartz-Baize	57975	1	384	376	188	(188)	0	376.00	4	94.00	143.75	123.01
1970	Beard Industrial	57320	24	7,379	6,099	3,050	(3,050)	0	6,099.00	92.61	65.86	195.90	276.21
1971	North McHenry #2	57752	8	1,403	1,850	925	(1,403)	0	1,372.00	1	1,372.00	1,267.00	1,293.45
1972	Marshall	57710	5	2,223	2,712	1,356	(2,223)	0	1,845.00	34.51	53.46	39.22	55.05
1973	Kenwood Park	57680	14	2,136	3,232	1,616	(1,616)	0	3,232.00	51.00	63.37	70.47	49.97
				385,622	(193,033)			319,708.89					
* 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

No. 2013-375

Date: July 23, 2013

On motion of Supervisor Withrow Seconded by Supervisor O'Brien  
and approved by the following vote,  
Ayes: Supervisors: O'Brien, Withrow, Monteith, De Martini, and Chairman Chiesa  
Noes: Supervisors: None  
Excused or Absent: Supervisors: None  
Abstaining: Supervisor: None  
Item # \*C-1

**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 Fiscal Year 2013-2014, 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 2013-2014 County Tax Roll

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

*Christine Ferraro*

File No.