

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

DEPT: Public Works *mdal*

BOARD AGENDA # *C-1

Urgent Routine

AGENDA DATE July 29, 2014

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval of the Fiscal Year 2014-2015 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

STAFF RECOMMENDATIONS:

1. Approve a resolution to levy Fiscal Year 2014-2015 (FY 14-15) 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 2014-2015 tax roll.

FISCAL IMPACT:

Total funding expected to be generated from the Fiscal Year 2014-2015 Lighting District assessments is approximately \$332,109.27. 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. 2014-402

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

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

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 2014-2015 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

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, which resulted in a 55% reduction in revenue, causing 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 the 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 of the Lighting Districts, with the exception of 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 with the approved formula in place can adequately provide uninterrupted operation and maintenance of the streetlights.

The proposed assessments are provided on "Exhibit A" (Schedule of Lighting District Assessments). One of the lighting districts has decreased assessments from the prior year; twenty-eight have increased assessments, and one district remains the same. The primary reasons for the increases are the addition of the Water Quality Order permit fees, increased utility costs, and the absence of additional fund balance to offset operations and maintenance costs. When available, fund balance is used to lower assessments.

The attached schedule provides information on the projected fund balance as of June 30, 2014, annual budget, and the Fiscal Year 2014-2015 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 2014-2015 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

A small district consisting of 6 lights may have a reserve of \$500, whereas a larger district consisting 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 additional cost is distributed over. For example, Golden State Lighting District has only 7 parcels, but in the past has experienced over \$3,000 in 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 funding necessary to maintain the various services provided. Therefore, it's necessary to carry forward fund balance to cover six months of expenses.

In addition, 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 threat to stormwater quality comes from the urbanized areas within the County, which the Lighting Districts encompass. The Lighting Districts receive additional services 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 FY14-15. An estimated annual fee of \$1 per parcel is included in this year's budget for the State requirements. Any surplus or shortfall will be adjusted in future calculations.

Districts experiencing undesirable impacts due to proposed assessments 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 returned reflected a 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 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 reduced utility costs will be applied to the fund balance deficit until the deficit is eliminated, at which time service levels will be reevaluated.

Approval of the Fiscal Year 2014-2015 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

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:

The 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:

Matt Machado, Director of Public Works. Telephone: 209-525-4190.

Stanislaus County
SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS
 Fiscal Year 2014-2015

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 2014-2015 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	29,139	29,900	14,950	(16,694)	(6,496)	21,660.00	513	42.22	40.72	39.78
1851	Almond Wood	57025	72	9,259	10,192	5,096	(5,096)	0	10,192.00	285	35.76	34.76	33.22
1970	Beard Industrial	57320	24	9,014	6,244	3,122	(3,122)	0	6,243.61	92.61	67.42	65.86	143.56
1852	Country Club A	57350	15	5,229	4,581	2,291	(2,543)	(1,452)	2,876.50	133	21.63	19.61	14.34
1853	Country Club B	57325	4	1,140	1,008	504	(504)	0	1,008.00	38	26.53	25.21	17.03
1854	Crows Landing	57375	18	5,992	4,016	2,008	(2,543)	(1,453)	2,028.00	159	12.75	11.25	7.65
1856	Denair	57450	197	42,053	56,806	16,733	(18,032)	(4,415)	51,092.00	1,341	38.10	37.10	36.45
1855	Deo Gloria	57400	27	6,636	5,274	2,637	(2,887)	0	5,024.00	103	48.78	47.28	40.03
1857	Empire	57475	126	30,908	31,024	15,512	(18,203)	(10,637)	17,696.00	970	18.24	16.43	18.20
1858	Fairview	57500	38	16,883	9,700	4,850	(4,725)	(3,533)	6,292.00	250	25.17	23.67	19.86
1860	Gibbs Ranch	57525	14	7,876	3,220	1,610	(1,610)	0	3,220.00	17	189.41	188.41	198.01
1859	Gilbert	57550	2	910	470	235	(235)	0	470.00	8	58.75	64.38	56.64
1861	Golden State Zone A	57575	4	1,728	2,529	1,265	(1,265)	0	2,529.00	3	843.00	829.33	436.86
1861	Golden State Zone B	57575	4	879	479	240	(240)	0	479.19	4	119.80	118.80	259.22
1862	Hillcrest	57625	81	25,009	16,005	8,003	(7,872)	0	16,135.50	262	61.59	60.09	65.64
1973	Kenwood Park	57680	14	3,063	3,283	1,642	(1,642)	0	3,283.00	51.00	64.37	63.37	66.92
1863	Mancini Park	57700	40	8,441	8,139	4,070	(5,018)	(308)	6,882.50	199	34.59	33.09	31.71
1972	Marshall	57710	5	3,140	2,747	1,373	(2,223)	0	1,896.77	34.51	54.96	53.46	43.59
1864	Monterey	57725	11	3,687	3,190	1,595	(1,752)	(773)	2,260.00	75	30.13	28.63	19.69
1971	North McHenry #2	57752	8	1,807	1,851	926	(1,403)	0	1,373.50	1	1,373.50	1,372.00	1,265.33
1865	North McHenry*	57750	28	(15,393)	3,656	1,828	1,862	0	7,001.20	230	30.44	30.44	30.44
1866	North Oaks	57775	23	5,973	4,493	2,247	(2,247)	0	4,493.00	120	37.44	36.44	32.28
1867	Olympic	57800	53	21,987	16,818	8,409	(10,691)	(3,934)	10,602.00	328	32.32	30.82	33.23
1869	Peach Blossom	57050	5	1,469	1,214	607	(685)	0	1,136.00	12	94.67	93.17	86.33
1871	Richland	57875	21	8,321	7,586	3,793	(4,562)	(2,291)	4,526.00	155	29.20	27.70	25.98
1872	Salida	57950	718	147,251	127,651	63,826	(63,826)	(8,904)	118,747.00	4,292	27.67	26.67	26.94
1876	Schwartz-Baize	57975	1	678	380	190	(190)	0	380.00	4	95.00	94.00	94.61
1873	Sunset Oaks	58025	86	17,217	17,729	8,865	(10,198)	(5,390)	11,005.50	360	30.57	29.07	22.55
1874	Sylvan Village	58050	10	9,373	6,104	3,052	(3,052)	(1,951)	4,153.00	66	62.92	61.92	86.87
1875	Tempo Park	58075	62	14,016	10,579	5,290	(5,290)	(3,155)	7,424.00	329	22.57	21.57	23.11
				396,867		(196,485)			332,109.27				
	* 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 29, 2014

2014-402

On motion of Supervisor Chiesa Seconded by Supervisor Withrow
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini
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 Fiscal Year 2014-2015, 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 2014-2015 County Tax Roll.

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



File No.