

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

DEPT: Public Works

BOARD AGENDA #: *C-1

AGENDA DATE: August 2, 2016

SUBJECT:

Approval to Levy the Fiscal Year 2016-2017 Benefit Assessments for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Fruit Yard, 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

BOARD ACTION AS FOLLOWS:

No. 2016-397

On motion of Supervisor Withrow, Seconded by Supervisor Chiesa
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) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: Elizabeth A. King
ELIZABETH A. KING, Clerk of the Board of Supervisors

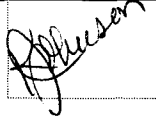
File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Public Works

Urgent

Routine



BOARD AGENDA #: *C-1

AGENDA DATE: August 2, 2016

CEO CONCURRENCE:

4/5 Vote Required: Yes No

SUBJECT:

Approval to Levy the Fiscal Year 2016-2017 Benefit Assessments for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Fruit Yard, 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 the Fiscal Year 2016-2017 benefit assessments 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, Fruit Yard, 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. Direct the Auditor-Controller to add the assessments to the 2016-2017 tax roll.

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: Amount of Annual Assessment = (Estimated Operation & Maintenance Costs – Fund Balance from Previous Year – Estimated Property Tax Revenue) / 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

Approval to Levy the Fiscal Year 2016-2017 Benefit Assessments for the Following Lighting Districts: Airport Neighborhood, Almond Wood, Beard Industrial, Country Club, Crows Landing, Deo Gloria, Denair, Empire, Fairview, Fruit Yard, 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

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 in Exhibit "A" Schedule of Lighting District Assessments. There are no changes in the lighting districts' assessments from the prior year. The attached schedule provides information on the projected fund balance as of June 30, 2016, annual budget, and the Fiscal Year 2016-2017 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 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 in 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 a fund balance forward 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 \$9,620 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 re-evaluated.

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On May 3, 2016, a Public Hearing was held to conduct a ballot procedure to consider the formation of the Fruit Yard Lighting District and levy of an Annual Assessment. On May 4, 2016, ballot results were returned and accepted as the majority vote in support of the formation of the lighting district. Beginning balance for Fiscal Year 2016-2017 is \$525, which is the initial start-up costs paid by the property owner. The Assessment methodology and balance to levy in the amount of \$350 was approved by Board of Supervisors.

POLICY ISSUE:

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.

FISCAL IMPACT:

Total funding expected to be generated from the Fiscal Year 2016-2017 Lighting District assessments is approximately \$339,186. The assessment revenue will provide sufficient funding for all projected energy and maintenance costs of streetlights for each of the individual lighting districts.

Cost of recommended action:	\$ 339,186
Source(s) of Funding:	
Lighting Districts Assessment	\$ 339,186
Funding Total:	339,186
Net Cost to County General Fund	\$ -

Fiscal Year:	2016-2017
Budget Adjustment/Appropriations needed:	No

Fund Balance as of

BOARD OF SUPERVISORS' PRIORITY:

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:

Existing Public Works and Parks Department staff will provide maintenance and administrative services to the special districts.

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CONTACT PERSON:

Matt Machado, Public Works Director

Telephone: (209) 525-4153

ATTACHMENT(S):

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

ATTACHMENT 1

EXHIBIT "A" SCHEDULE OF LIGHTING DISTRICTS ASSESSMENTS

Stanislaus County
SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS
 Fiscal Year 2016-2017

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 2016-2017 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	44,986	29,900	14,950	(15,450)	(6,496)	21,655	485	44.65	44.65	46.42
1851	Almond Wood	57025	72	14,901	11,142	5,571	(5,821)	0	10,778	282	38.22	38.22	37.95
1970	Beard Industrial	57320	24	13,013	6,244	3,122	(3,122)	0	6,244	92.61	67.42	67.42	107.38
1852	Country Club A	57350	15	12,364	4,581	2,291	(2,291)	(1,452)	3,129	133	23.53	23.53	21.10
1853	Country Club B	57325	4	1,836	1,046	523	(523)	0	1,046	38	27.53	27.53	33.45
1854	Crows Landing	57375	18	12,324	4,091	2,046	(2,346)	(1,453)	2,309	161	14.34	14.34	12.32
1856	Denair	57450	197	114,636	45,443	22,722	(12,662)	(4,415)	51,168	1,343	38.10	38.01	37.62
1855	Deo Gloria	57400	27	11,509	5,274	2,637	(2,856)	0	5,055	103	49.08	49.08	48.11
1857	Empire	57475	126	52,154	31,024	15,512	(16,262)	(10,637)	19,653	971	20.24	20.24	18.87
1858	Fairview	57500	38	25,380	9,825	4,913	(4,913)	(3,533)	6,292	250	25.17	25.17	26.49
1974	Fruit Yard	57515	2	525	450	225	(100)	0	350	122	2.87	0.00	0.00
1860	Gibbs Ranch	57525	14	12,766	3,220	1,610	(1,610)	0	3,220	17	189.41	189.41	245.91
1859	Gilbert	57550	2	1,556	470	235	(235)	0	470	9	52.22	52.22	56.43
1861	Golden State Zone A	57575	4	3,595	2,529	1,265	(1,265)	0	2,023	4	505.85	505.80	606.32
1861	Golden State Zone B	57575	4	1,827	479	240	(239)	0	479	4	119.80	119.80	235.69
1862	Hillcrest	57625	81	48,905	16,135	8,068	(8,068)	0	16,134	262	61.58	61.58	71.59
1973	Kenwood Park	57680	14	4,977	3,283	1,642	(1,542)	0	3,383	51	66.33	66.33	67.91
1863	Mancini Park	57700	40	12,791	8,139	4,070	(4,720)	(308)	7,181	199	36.09	36.09	31.15
1972	Marshall	57710	5	4,372	2,747	1,374	(2,124)	0	1,997	34.51	57.87	57.87	62.82
1864	Monterey	57725	11	7,062	3,190	1,595	(1,678)	(773)	2,334	74	31.54	31.54	25.83
1971	North McHenry #2	57752	8	2,729	1,851	926	(1,396)	0	1,381	1	1,381.00	1,381.00	1,348.38
1865	North McHenry*	57750	28	(9,620)	3,656	1,828	9,165	0	7,184	231	30.44	30.44	30.44
1866	North Oaks	57775	23	8,159	4,493	2,247	(2,247)	0	4,493	120	37.44	37.44	37.07
1867	Olympic	57800	53	28,480	16,818	8,409	(9,409)	(3,934)	11,884	328	36.23	36.23	35.60
1869	Peach Blossom	57050	5	2,690	1,214	607	(657)	0	1,164	12	97.00	97.00	94.50
1871	Richland	57875	21	12,907	7,586	3,793	(4,193)	(2,291)	4,895	155	31.58	31.58	28.13
1872	Salida	57950	718	214,740	127,651	63,826	(63,826)	(8,904)	118,837	4,361	27.25	27.25	27.62
1876	Schwartz-Baize	57975	1	1,188	380	190	(190)	0	380	4	95.00	95.00	118.69
1873	Sunset Oaks	58025	86	26,844	17,729	8,865	(9,365)	(5,390)	11,840	360	32.89	32.89	29.48
1874	Sylvan Village	58050	10	16,983	6,104	3,052	(3,052)	(1,951)	4,153	66	62.92	62.92	62.56
1875	Tempo Park	58075	62	17,394	10,579	5,290	(4,640)	(3,155)	8,074	329	24.54	24.54	24.03
				723,973	387,273		(177,630)	(54,692)	339,186				3,629.86
	* No formula in place for N. McHenry Lighting District-Assessment limited to \$30.44												

ATTACHMENT 2
LIGHTING DISTRICT RESOLUTION

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

Date: August 2, 2016

2016-397

On motion of Supervisor Withrow Seconded by Supervisor Chiesa
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

Item # *C-1

THE FOLLOWING RESOLUTION WAS ADOPTED:

**A RESOLUTION ORDERING THE LEVY AND COLLECTION OF CHARGES WITHIN STANISLAUS
COUNTY LIGHTING DISTRICTS**

WHEREAS, the Stanislaus County Lighting Assessment Districts as listed on the attached schedule of Lighting District Assessments, hereinafter referred as "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; and,

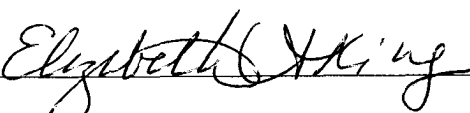
WHEREAS, the charges against the real property are not levied with regard to property values but rather according to the benefit received by the service provided; and,

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; and,

WHEREAS, 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 of the County of Stanislaus does hereby 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 2016-2017 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 2016-2017 County Tax Roll, and in each subsequent fiscal year in which the charges may validly be levied.

ATTEST: **ELIZABETH A. KING, Clerk**
Stanislaus County Board of Supervisors,
State of California



File No.