

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

DEPT: Public Works

BOARD AGENDA:5.C.1
AGENDA DATE: July 17, 2018

SUBJECT:

Approval to Levy the Fiscal Year 2018-2019 Benefit Assessments for the Various Lighting Districts

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0368

On motion of Supervisor Chiesa _____, Seconded by Supervisor Withrow _____
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini _____
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, Clerk of the Board of Supervisors

File No

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

DEPT: Public Works

BOARD AGENDA:5.C.1
AGENDA DATE: July 17, 2018

CONSENT:

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Approval to Levy the Fiscal Year 2018-2019 Benefit Assessments for the Various Lighting Districts

STAFF RECOMMENDATION:

1. Approve a resolution to levy Fiscal Year 2018-2019 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, Fruit Yard, Gibbs Ranch, Gilbert Road, Golden State Zone A and 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. Direct the Auditor-Controller to add the assessments to the 2018-2019 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 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 is a change in the proposed assessment for the Country Club B Lighting District. The existing assessment does not provide sufficient revenue to operate the district at the current service levels, making it necessary to increase the assessment rate. The assessment for Fiscal Year 2018-2019 is \$33.53 per parcel, a \$6 increase compared to the \$27.53 assessment of Fiscal Year 2017-2018. There is a decrease in the total assessment revenue for Fiscal Year 2018-2019 for the Fruit Yard Lighting District and the North McHenry I Lighting District. The decrease is due to the property re-assessment and parcels split /combine from the previous year respectively. The attached schedule provides information on the projected fund balance as of June 30, 2018, annual budget, and the Fiscal Year 2018-2019 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 \$25,161 deficit in North McHenry Lighting District's fund balance, 51 lights (approximately 60%) were de-energized on or about April 1, 2011. In the last four fiscal years, the fund balance deficit was reduced by \$13,861. The deficit of the fund balance for the end of the Fiscal Year 2017-2018 is expected to be \$2,703. The savings from the lowered utility costs will be applied to the fund balance deficit until the deficit is eliminated, which is anticipated for the end of the Fiscal Year 2019-2020, at which time service levels will be re-evaluated, and some street lights are anticipated to be re-energized.

The operating budget for the Country Club B Lighting District was increased to \$1,409 for Fiscal Year 2018-2019 compared to Fiscal Year 2017-2018 budget of \$1,046. The annual budget reflects increased costs in labor, materials, and utilities due to increased number of repairs and substantial damaged caused by a vehicle accident. For the last three years, it has been necessary to use fund balance to offset the operations and maintenance costs which has exceeded the annual assessment. The existing assessment does not provide sufficient revenue to operate the district at the current service levels, making it necessary to use fund balance. The fund balance is not sufficient to cover the increase in costs; therefore, the annual assessment for the district was increased for Fiscal Year 2018-2019 from \$27.53 per parcel to \$33.53 per parcel. Country Club B Lighting District has an approved methodology in place to annually adjust the assessment rate based on projected cost of services. The proposed increase to the existing assessment is in compliance with Proposition 218.

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 revenue expected from the Fiscal Year 2018-2019 Lighting District assessments is approximately \$339,595. The assessment revenue will provide sufficient funding for all projected energy and maintenance costs of streetlights for each of the individual lighting districts.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by ensuring lighting services to the respective districts.

STAFFING IMPACT:

Existing Public Works staff will provide maintenance and administrative services to the Lighting Districts.

CONTACT PERSON:

David Leamon, Interim Director, Public Works

Telephone: 209-525-4151

ATTACHMENT(S):

1. Schedule of Lighting Districts Assessments Fiscal Year 2018-2019
2. Lighting Districts Assessments Summary Fiscal Year 2018-2019
3. Lighting Districts Resolution Fiscal Year 2018-2019

Stanislaus County
SCHEDULE OF LIGHTING DISTRICT ASSESSMENTS
 Fiscal Year 2018-2019

EXHIBIT A

Fund	Lighting District Name	Tax Code	# of Lights	Fund Balance	Budget FY 2018-2019	6-Month "Dry Period" Funding	Use of Fund Balance	Property Tax Revenue	Total Assessment Revenue Needed	EBU/Parcels	Budget Year 2018-2019 Assessment	Prior Year Assessment	4-Year Average
1850	Airport Neighborhood	57000	108	50,879	30,797	15,399	(18,045)	(6,496)	21,655	485	44.65	44.65	44.54
1851	Almond Wood	57025	72	24,445	11,476	5,738	(6,398)	-	10,816	283	38.22	38.22	38.22
1970	Beard Industrial	57320	24	19,303	6,715	3,358	(3,829)	-	6,244	92.61	67.42	67.42	67.42
1852	Country Club A	57350	15	16,555	4,718	2,359	(2,496)	(1,452)	3,129	133	23.53	23.53	23.06
1853	Country Club B	57325	4	1,082	1,409	705	(839)	-	1,274	38	33.53	27.53	27.28
1854	Crows Landing	57375	18	16,138	4,214	2,107	(2,559)	(1,453)	2,309	161	14.34	14.34	13.87
1856	Denair	57450	200	176,495	47,348	23,674	(15,401)	(4,415)	51,206	1,344	38.10	38.10	38.06
1855	Deo Gloria	57400	27	13,302	5,895	2,948	(3,787)	-	5,055	103	49.08	49.08	49.01
1857	Empire	57475	126	59,752	31,955	15,978	(17,622)	(10,637)	19,673	972	20.24	20.24	19.74
1858	Fairview	57500	38	32,837	10,233	5,117	(5,524)	(3,533)	6,293	250	25.17	25.17	25.17
1974	Fruit Yard	57515	2	878	530	265	(482)	-	313	109	2.87	2.87	2.15
1860	Gibbs Ranch	57525	14	14,728	3,317	1,659	(1,755)	-	3,220	17	189.42	189.41	189.41
1859	Gilbert	57550	2	2,379	484	242	(256)	-	470	9	52.22	52.22	52.22
1861	Golden State Zone A	57575	4	4,113	2,612	1,306	(1,894)	-	2,023	4	505.85	505.85	505.83
1861	Golden State Zone B	57575	4	2,090	497	249	(266)	-	480	4	119.80	119.80	119.80
1862	Hillcrest	57625	81	55,447	16,619	8,310	(8,795)	-	16,134	262	61.58	61.58	61.58
1973	Kenwood Park	57680	14	6,713	3,381	1,691	(1,689)	-	3,383	51	66.33	66.33	65.84
1863	Mancini Park	57700	40	18,760	8,383	4,192	(5,085)	(308)	7,182	199	36.09	36.09	35.72
1972	Marshall	57710	5	5,381	2,829	1,415	(2,247)	-	1,997	34.51	57.87	57.87	57.14
1864	Monterey	57725	11	8,540	3,405	1,703	(2,032)	(773)	2,302	73	31.54	31.54	31.29
1971	North McHenry #2	57752	10	4,359	1,907	954	(1,480)	-	1,381	1	1,381.02	1,381.00	1,379.13
1865	North McHenry*	57750	28	(2,703)	3,766	1,883	1,596	-	7,245	233	30.44	30.44	30.44
1866	North Oaks	57775	23	11,761	4,628	2,314	(2,449)	-	4,493	120	37.44	37.44	37.44
1867	Olympic	57800	53	37,896	17,363	8,682	(10,191)	(3,934)	11,920	329	36.23	36.23	35.25
1869	Peach Blossom	57050	5	4,791	1,250	625	(711)	-	1,164	12	97.00	97.00	96.42
1871	Richland	57875	21	16,379	7,814	3,907	(4,535)	(2,291)	4,895	155	31.58	31.58	30.99
1872	Salida	57950	718	282,924	131,481	65,741	(69,426)	(8,904)	118,892	4,363	27.25	27.25	27.25
1876	Schwartz-Baize	57975	1	1,871	391	196	(207)	-	380	4	95.00	95.00	95.00
1873	Sunset Oaks	58025	86	29,191	18,851	9,426	(11,046)	(5,390)	11,840	360	32.89	32.89	32.31
1874	Sylvan Village	58050	10	22,912	6,293	3,147	(3,336)	(1,951)	4,153	66	62.92	62.92	62.92
1875	Tempo Park	58075	62	22,943	10,896	5,448	(5,115)	(3,155)	8,074	329	24.54	24.54	24.05
				962,141	401,457		(207,898)	(54,692)	339,595			3,328.14	3,318.52
* No formula in place for N. McHenry Lighting District-Assessment limited to \$30.44													

**THE FOLLOWING IS A SUMMARY STATEMENT FOR THE ASSESSMENTS
FOR THE 2018-2019 FISCAL YEAR SPECIAL DISTRICTS**

DISTRICT NAME	TAX CODE	TOTAL PARCELS	TOTAL CHARGE
Lighting Districts			
AIRPORT NEIGHBORHOOD	57000	485	\$ 21,655.25
ALMOND WOOD	57025	283	\$ 10,816.26
PEACH BLOSSOM	57050	12	\$ 1,164.00
BEARD INDUSTRIAL	57320	18	\$ 6,243.84
COUNTRY CLUB B	57325	38	\$ 1,274.14
COUNTRY CLUB A	57350	133	\$ 3,129.49
CROWSLANDING	57375	161	\$ 2,308.74
DEO GLORIA	57400	103	\$ 5,055.24
DENAIR	57450	1344	\$ 51,206.40
EMPIRE	57475	972	\$ 19,673.28
FAIRVIEW	57500	250	\$ 6,292.50
FRUIT YARD	57515	1	\$ 312.92
GIBBS RANCH	57525	17	\$ 3,220.14
GILBERT ROAD	57550	9	\$ 469.98
GOLDEN STATE	57575	8	\$ 2,502.60
HILLCREST	57625	262	\$ 16,133.96
KENWOOD PARK	57680	51	\$ 3,382.83
MANCINI	57700	199	\$ 7,181.91
MARSHALL AVENUE	57710	34	\$ 1,997.00
MONTEREY	57725	73	\$ 2,302.42
NORTH MCHENRY	57750	233	\$ 7,245.22
NORTH MCHENRY 2	57752	1	\$ 1,381.02
NORTH OAKS	57775	120	\$ 4,492.80
OLYMPIC	57800	329	\$ 11,919.67
RICHLAND	57875	155	\$ 4,894.90
SALIDA	57950	4363	\$ 118,891.75
SCHWARTZ-BAIZE	57975	4	\$ 380.00
SUNSET OAKS	58025	360	\$ 11,840.40
SYLVAN VILLAGE 2	58050	66	\$ 4,152.72
TEMPO PARK	58075	329	\$ 8,073.66
TOTAL			\$ 339,595.04

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

Date: July 17, 2018

2018-0368

On motion of Supervisor Chiesa Seconded by Supervisor Withrow
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

Item # 5.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 2018-2019 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 2018-2019 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.