City of Sacramento
City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: **5/15/2012** **Report Type:** Consent

Title: Neighborhood Lighting District - Initiate Annual Proceedings

Report ID: 2012-00140

Location: District 2, 5, 6

Recommendation: Pass 1) a Resolution directing Filing of Annual Report for Fiscal Year (FY) 2012/13 for the Neighborhood Lighting District; and 2) a Resolution approving Engineer's Annual Report and Intention to Order Maintenance of Improvements for FY2012/13 for the Neighborhood Lighting District and setting a time and place for a Public Hearing on June 12, 2012.

Contact: Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, Program Manager, (916) 808-8788, Finance Department

Presenter: None

Department: Finance
Division: Public Improvement Finance
Dept ID: 06001321

Attachments:

1-Description/Analysis
2-Background
3-Schedule of Proceedings
4-Resolution, Directing Filing of Annual Report for FY2012-13
5-Resolution, Approving Engineer's Report for FY2012-13

City Attorney Review
Approved as to Form
Jeffrey Heeren
5/3/2012 2:27:19 PM

City Treasurer Review
Reviewed for Impact on Cash and Debt
Russell Fehr
4/30/2012 11:07:20 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/2/2012 2:24:48 PM

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Description/Analysis

Issue: The Neighborhood Lighting District (District) is required by the California Streets and Highways Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for maintenance of the neighborhood lighting in the District for FY2012/13. Additional information on this District is provided in the Background section of this report.

Policy Considerations: The recommended action will ensure the continuation of an affordable means of providing for neighborhood lights by placing lights on SMUD wood poles.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

Sustainability: There are no sustainability considerations applicable to the formation process and administration of a special district.

Commission/Committee Action: None

Rationale for Recommendation: The actions in the recommended Resolutions are required by the California Streets and Highways Code, as set forth in Section 22500 of the 1972 Act, for annual proceedings of an existing district.

Financial Considerations: The District assessment budget for FY2012/13 is projected at $38,478, as compared to a total District expenditure budget of $48,329 as shown on Exhibit B, page 10, and detailed in the Engineer's Report on file with the Public Improvement Financing Division, designated by the City Clerk's Office to be repository of documents associated with special districts. Such deficit spending is intentional in order to reduce excess fund balance.

The District consists of three subdivisions. Details of the assessment and cost for each subdivision, as well as a breakdown per single family lot, are provided in Exhibit B (pages 10 and 11, respectively). The District is self-supporting and has no impact on the General Fund.

Emerging Small Business Development (ESBD): City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

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BACKGROUND

On October 22, 1996, City Council approved formation of the Neighborhood Lighting District No. 96-07 (District) (Resolution No. 96-577) for the Swanston Estates neighborhood. The District provides an affordable means of providing for neighborhood lights by placing lights on SMUD wood poles. Two other neighborhoods, Youngs Heights and Colonial Heights, have since annexed to the District.

The District services include the annual energy cost and maintenance of neighborhood lights installed on wood poles, and the district administration and billing costs. A provision was included to mitigate cost increases based on the Consumer Price Index (CPI), San Francisco area, all items, provided that this increase does not exceed three percent (3%) in any year. Since the change in the February 2012 CPI index was 3% over the prior year, the annual assessments will be increased by 3%.

Surplus fund balance allowed FY2011/12 assessments to be reduced by 19.4 – 27.4% as compared to FY2010/11. Next year, significant increases in energy and maintenance costs will require increases in FY2012/13 assessments in two of the three subdivisions. The assessment in the Swanston Estates and Colonial Heights subdivisions will be increased by 30% and 27%, or $26 and $23 respectively. The Youngs Heights assessment, which has excess fund balance given its small size of 125 parcels or units, will decrease by 35% to $12. The FY2012/13 annual assessment and the prior two years assessments for all three subdivisions are as follows:

Neighborhood	FY2010/11 Assessment	FY2011/12 Assessment	FY2012/13 Assessment
Swanston Estates	$24.80	$20.00	$26.10
Youngs Heights	$24.80	$18.50	$12.00
Colonial Heights	$24.80	$18.00	$23.00

Each year the City must adopt a new Engineer's Report and budget. The recommended Council action is necessary to allow staff to notify the public of the proposed hearing, which has been set for June 12, 2012. At the conclusion of the public hearing, staff will recommend Council adopt the budget and levy the assessments.

The total cost to property owners in FY2012/13 is projected to be $38,478.

A map of the District is included as Exhibit A to the resolutions.

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SCHEDULE OF PROCEEDINGS

NEIGHBORHOOD LIGHTING DISTRICT
FY2012/13 SCHEDULE

May 15, 2012	**Council Considers Resolution of Intention and Sets Date for Public Hearing**
June 02, 2012	Publish Notice of Meeting and Hearing
June 12, 2012	City Council – Public Hearing Council Orders Annual Levy
August 2012	Assessments to County for Placement on Tax Roll

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RESOLUTION NO.

Adopted by the Sacramento City Council

DIRECTING FILING OF ANNUAL REPORT
FOR THE NEIGHBORHOOD LIGHTING DISTRICT FISCAL YEAR 2012/13
(Pursuant to Landscaping and Lighting Act of 1972)

BACKGROUND:

A. The Neighborhood Lighting District (District), as depicted in Exhibit A, was established by the City Council and approved by the property owners on October 22, 1996.

B. The City Council established the District under the Landscaping and Lighting Act of 1972 (part 2 of division 15 in the Streets and Highways Code, beginning with section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for operation and maintenance of neighborhood street lights on wood poles and related services to be provided within the District, all in accordance with the 1972 Act.

C. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the background statements A through C are true and correct.

Section 2. The Supervising Engineer of the Department of Transportation, the person designated by this Council as the Engineer of Work for the District, is hereby directed to file an annual report in accordance with the provisions of the 1972 Act.

Section 3. This resolution is adopted pursuant to Section 22622 of the Streets and Highways Code.

Section 4. Exhibit A is part of the resolution.

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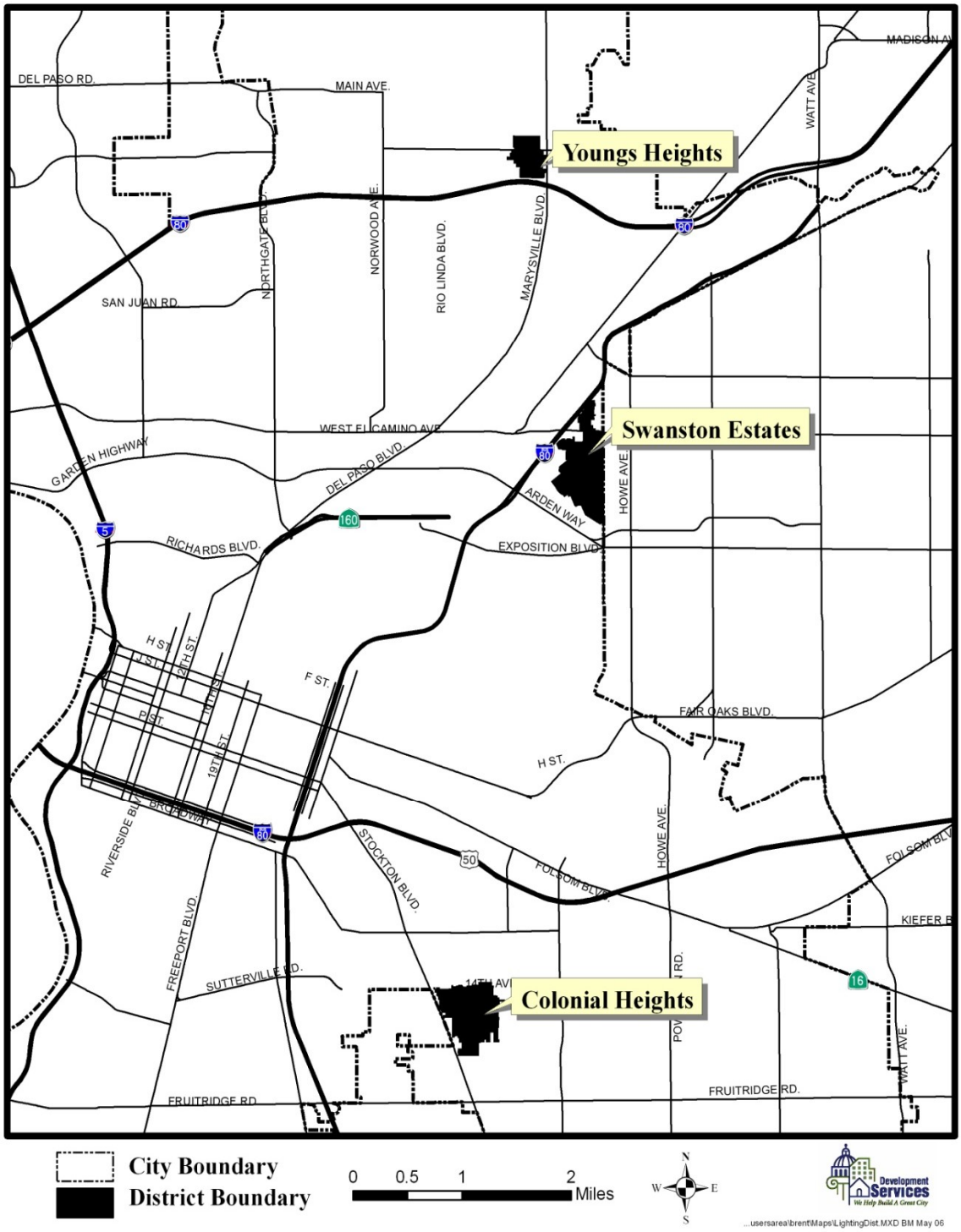
Exhibit A: District Map – 1 Page

EXHIBIT A

Neighborhood Lighting District 96-07



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RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING ENGINEER'S ANNUAL REPORT AND INTENTION TO ORDER MAINTENANCE OF IMPROVEMENTS FOR THE NEIGHBORHOOD LIGHTING DISTRICT FISCAL YEAR (FY) 2012/13 (Pursuant to Landscaping and Lighting Act of 1972)

BACKGROUND:

A. The Neighborhood Lighting District (District), as depicted in Exhibit A, was established by the City Council and approved by the property owners on October 22, 1996.

B. The City Council established the District under the Landscaping and Lighting Act of 1972 (part 2 of division 15 in the Streets and Highways Code, beginning with section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for operation and maintenance of neighborhood street lights on wood poles and related services to be provided within the District, all in accordance with the 1972 Act.

C. The Supervising Engineer of the Department of Transportation, the person designated by this Council as the Engineer of Work for the District, was directed to file an annual report in accordance with the provisions of the 1972 Act.

D. The Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the background statements A through D are true and correct.

Section 2. City Council hereby approves the Engineer's Annual Report for FY2012/13 on file with the Public Improvement Financing Division, designated by the City Clerk's Office to be the repository of documents associated with special districts.

Section 3. The City Council intends to levy and collect assessments within the District during FY2012/13. The area of land to be assessed is located in the City of Sacramento, Sacramento County.

Section 4. The maintenance of improvements to be made in this assessment district is generally described as follows:

The improvements consist of operation and maintenance of neighborhood street lights on wood poles fed by overhead electrical lines, and the engineering, administrative, and miscellaneous costs related to the district.

Section 5. In accordance with this Council's resolution directing the filing of an annual report, the Engineer of Work has filed with the Public Improvement

Financing Division, designated by the City Clerk to be the repository of documents associated with special districts, the report required by the 1972 Act. All interested parties are referred to that report for a full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the assessment district.

Section 6. At the hour of 6:00 pm on Tuesday, June 12, 2012, the City Council will conduct a public hearing on the questions of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the City Hall, 915 I Street, First Floor, Sacramento, California.

Section 7. Assessments for all subdivisions within the District are at or below the highest authorized amount for this district shown on Exhibit B.

Section 8. The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.

Section 9. Exhibits A and B are part of the resolution.

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Exhibit A: District Map – 1 Page

Exhibit B: FY2012/13 District & Parcel Assessment – 2 Pages

EXHIBIT A

Neighborhood Lighting District 96-07

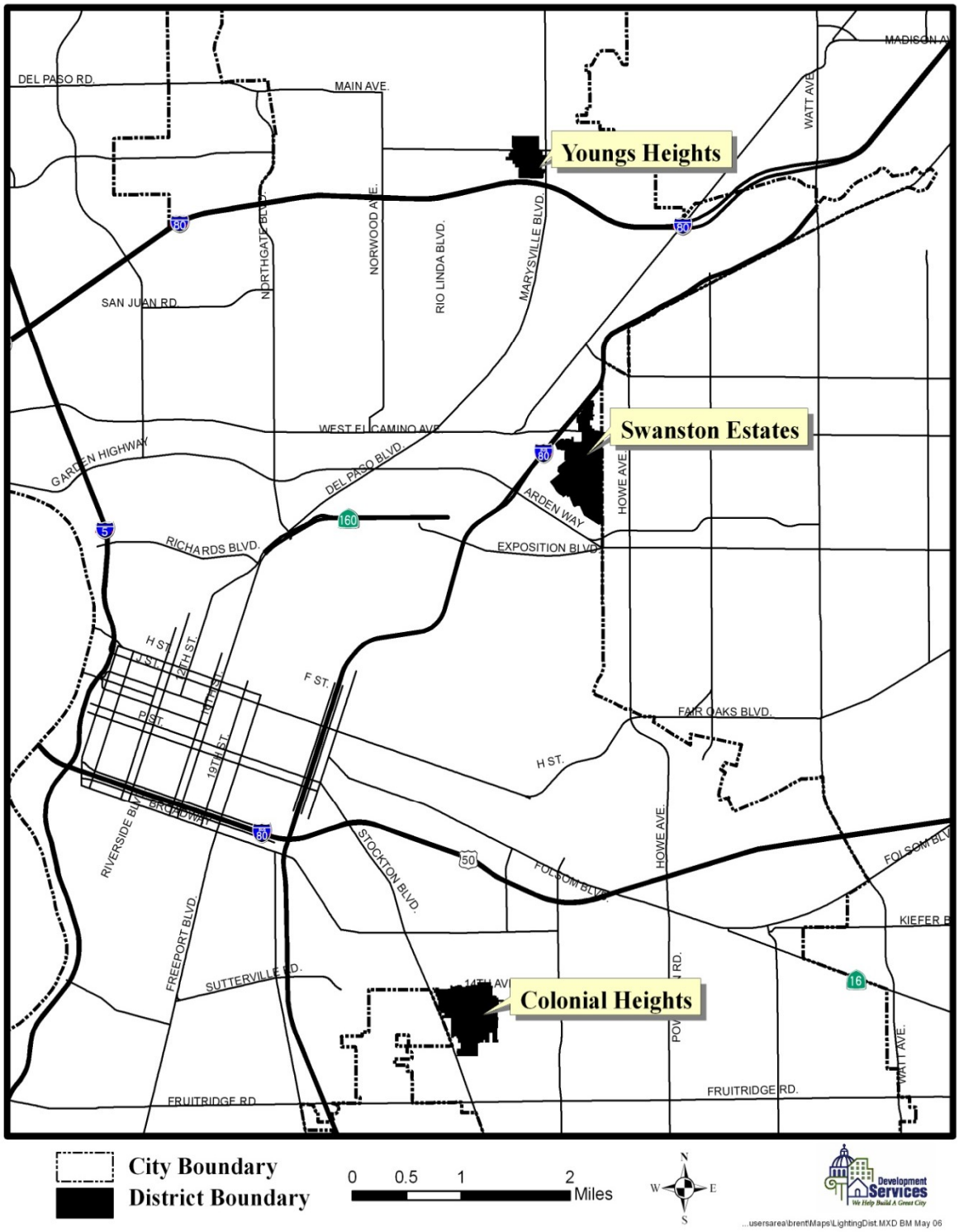

EXHIBIT B

NEIGHBORHOOD LIGHTING DISTRICT
DISTRICT BUDGET, NEIGHBORHOOD AND PARCEL ASSESSMENTS

DISTRICT BUDGET

Estimated Beginning Fund Balance	$	30,192
Total Assessed to Property Owners		38,478
Total Resources	**$**	**68,670**
Department of Transportation (Streets)		
Street Lighting Maintenance		38,574
Administrative Costs		
Public Improvement Financing		
Administration		7,396
Parcel reporting		504
Accounting		
Administration		966
County Billing		889
Total Expenditures		**48,329**
Estimated Ending Fund Balance		20,341
Year-Over-Year Change in Fund Balance		(9,851)

NEIGHBORHOOD ASSESSMENTS

The following is a breakdown of the average cost per single-family lot in each neighborhood with less than 100 feet of frontage.

The cost for each individual neighborhood is as follows:

Neighborhood	FY2012/13 Budget	Surplus/ (deficit)	FY2012/13 Assessed
Swanston Estates	$25,133	($5,797)	$19,336
Youngs Heights	1,704	96	1,800
Colonial Heights	21,492	(4,150)	17,342
	48,329	(9,851)	38,478

PARCEL ASSESSMENTS

The following is a breakdown of the average cost per single-family lot in each neighborhood with less than 100 feet of frontage.

Neighborhood	# of Lots	Maximum Authorized	FY2012/13
Swanston Estates	698	$26.10	$26.10
Youngs Heights	125	24.92	12.00
Colonial Heights	720	26.10	23.00