



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 6/12/2012

Report Type: Public Hearing

Title: Neighborhood Lighting District (Noticed on 5-24-12)

Report ID: 2012-00134

Location: District 2, 5, 6

Recommendation: Conduct a public hearing and upon conclusion, pass a Resolution confirming diagram and assessment, and levying an assessment for Fiscal Year 2012/13 for the Neighborhood Lighting District.

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

Presenter: Diane Morrison, Program Specialist, (916) 808-7535, Finance Department

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution, Confirming Diagram and Assessment and Levying Assessment

City Attorney Review

Approved as to Form
Jeffrey Heeren
5/31/2012 3:36:54 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
5/29/2012 9:19:39 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/31/2012 11:36:12 AM



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 this District for Fiscal Year (FY) 2012/13.

Policy Considerations: The recommended action will ensure the continuation of an affordable means of providing for neighborhood lights by funding the installation and maintenance of 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 or administration of a special district.

Commission/Committee Action: None

Rationale for Recommendation: The actions in the recommended resolution 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: Each year the District budget is developed taking into consideration several factors including the cost of services, the projected number of parcels in each assessment category, and the amount of projected surplus/deficit in the District fund balance at the end of the current fiscal year. The proposed budget is shown on Exhibit B.

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 and detailed in the Engineer's Report on file with Public Improvement Financing. 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. The District is self-supporting and has no impact on the General Fund.

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

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 to provide 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

At the conclusion of the public hearing, staff will recommend Council adopt the District 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 resolution.



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	Hold Public Hearing Council Orders Annual Levy
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August 2012 Assessments to County for Placement on Tax Roll



RESOLUTION NO.

Adopted by the Sacramento City Council

CONFIRMING DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENT FOR THE NEIGHBORHOOD LIGHTING DISTRICT FOR 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 (Council) and approved by the property owners on October 22, 1996.
- B.** The 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.** Pursuant to Chapter 3 of the 1972 Act, Council directed the Supervising Engineer of the Department of Transportation, as the Engineer of Work for the District, to prepare and file an Annual Report for FY2012/13.
- D.** The Engineer of Work filed the Annual Report on May 15, 2012, and Council adopted a Resolution approving the Engineer's Annual Report and Intention to levy and collect assessments within the assessment district for FY2012/13 and set a public hearing for June 12, 2012, in the meeting place of City Council Chambers, City Hall, 915 I Street, First Floor, Sacramento, California. Notice of the hearing was given in the time and manner required by law.
- E.** The typical annual assessment in FY2012/13 for a single-family parcel will be as follows: \$26.10 per parcel in the Swanston Estates subdivision, \$12.00 per parcel in the Youngs Heights subdivision, and \$23.00 per parcel in the Colonial Heights subdivision.
- F.** The Council is fully advised in this matter.

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

- Section 1.** The Council:
 - a) Confirms the assessment diagram and the assessment roll set forth in the Engineer's Annual Report; and

b) Levies the assessment set forth in the Engineer's Annual Report.

Section 2. Exhibits A and B are part of this resolution.

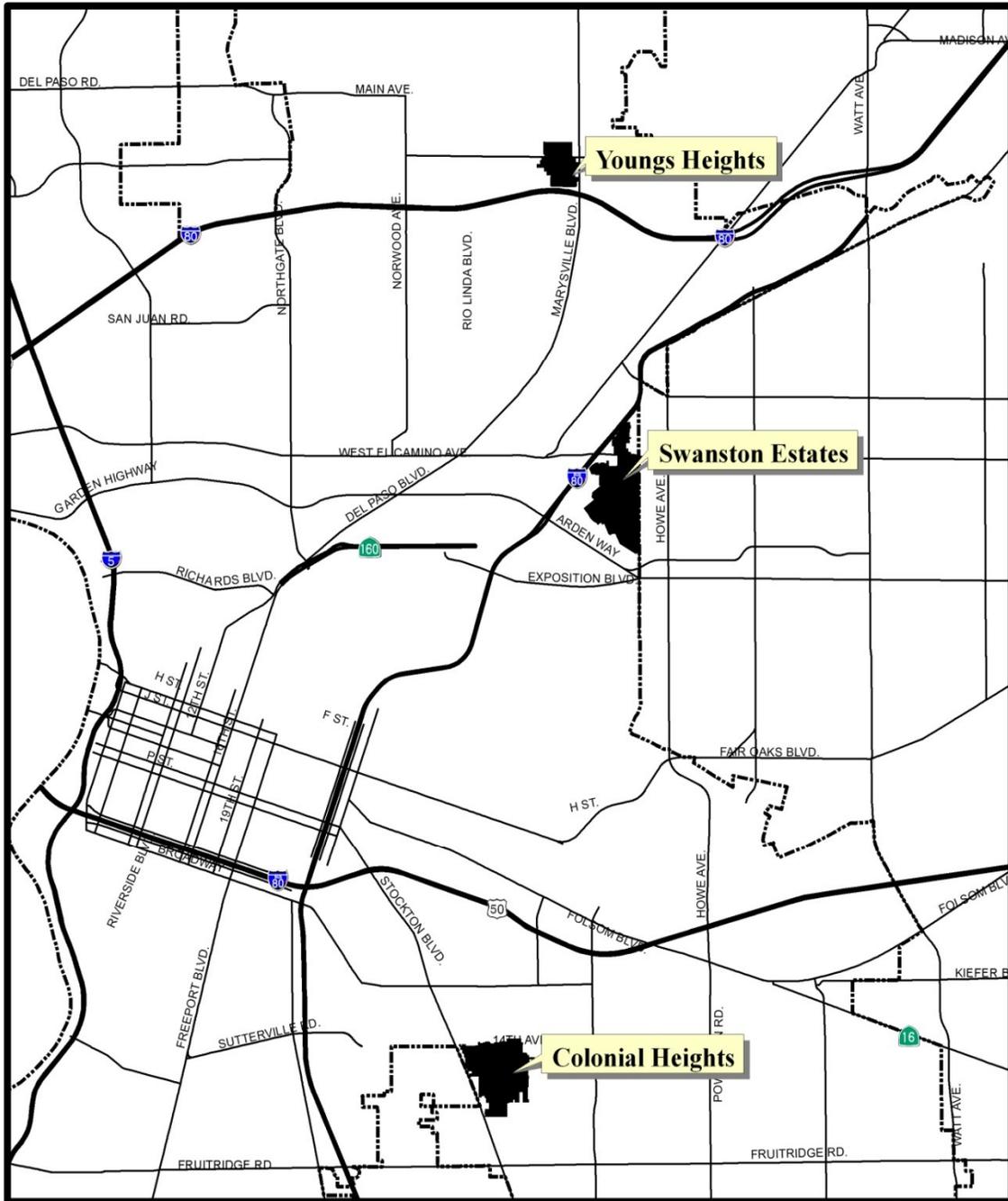
Table of Contents:

Exhibit A: District Map

Exhibit B: Fiscal Year 2012/13 District Budget, Parcel, and Neighborhood Assessment

EXHIBIT A

Neighborhood Lighting District 96-07



 City Boundary
 District Boundary

0 0.5 1 2 Miles



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EXHIBIT B

NEIGHBORHOOD LIGHTING DISTRICT DISTRICT BUDGET, NEIGHBORHOOD AND PARCEL ASSESSMENTS FY2012/13

DISTRICT BUDGET

Estimated Beginning Fund Balance	\$	30,192
Total Assessed to Property Owners		38,478
Total Resources	\$	<u>68,670</u>
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		<u>48,329</u>
Estimated Ending Fund Balance		<u>20,341</u>
Year-Over-Year Change in Fund Balance		<u>(9,851)</u>

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

NEIGHBORHOOD ASSESSMENTS

The following is a breakdown of the average cost per single-family parcel 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