

**Meeting Date:** 5/14/2013

**Report Type:** Consent

**Report ID:** 2013-00143



**Title:** Neighborhood Lighting District - Initiate Annual Proceedings

**Location:** District 2, 5, 6

**Issue:** State law requires maintenance districts, formed under the Landscaping and Lighting Act of 1972, file an annual report describing the required maintenance work and associated costs.

**Recommendation:** Pass 1) a Resolution directing filing of Annual Report for Fiscal Year (FY) 2013-14 for the Neighborhood Lighting District; and 2) a Resolution approving Engineer's Annual Report and Intention to Order Maintenance of Improvements for FY 2013-14 for the Neighborhood Lighting District and setting a time and place for a Public Hearing on June 11, 2013.

**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 FY 2013-14

5-Resolution, Approving Engineer's Report for FY 2013-14

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### **City Attorney Review**

Approved as to Form  
Michael W. Voss  
5/7/2013 4:29:17 PM

### **City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
4/25/2013 11:00:12 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 5/6/2013 11:58:43 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 the District for FY 2013-14. 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 Sacramento Municipal Utilities District (SMUD) wood poles.

**Economic Impacts:** This report does not have direct economic impacts.

### 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 recommended actions in the attached 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 FY 2013-14 is projected at \$39,624 as compared to a total District expenditure budget of \$46,380 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 the 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.

## BACKGROUND

On October 22, 1996, City Council approved formation of the 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.

District services include the annual energy cost and maintenance of neighborhood lights, 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 in any year. The change in the February 2013 CPI index was 2.44% over the prior year, and as such, the annual assessments will be increased by 2.44%.

Surplus fund balance in the Youngs Heights subdivision allows the assessment for FY 2013-14 to remain the same as FY 2012-13. To maintain a prudent fund balance in the other two subdivisions, the FY 2013-14 assessment for the Colonial Heights subdivision increased by 4.3% which remains under the maximum allowed. The Swanston Estates subdivision's assessment for FY 2013-14 increased by the 2.44% CPI index. The maximum assessment allowed, prior year assessment, and FY 2013-14 annual assessments for each subdivision are as follows:

Neighborhood	Maximum Authorized in FY 2013-14	FY 2012-13 Assessment	FY 2013-14 Assessment
Swanston Estates	\$26.72	\$26.10	\$26.72
Youngs Heights	\$25.52	\$12.00	\$12.00
Colonial Heights	\$26.74	\$23.00	\$24.00

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 11, 2013. At the conclusion of the public hearing, staff will recommend that Council adopt the budget and levy the assessments.

The total cost to property owners in FY 2013-14 is projected to be \$39,624.

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



**SCHEDULE OF PROCEEDINGS**  
**NEIGHBORHOOD LIGHTING DISTRICT**  
**FY 2013-14 SCHEDULE**

<b>May 14, 2013</b>	<b>Council Considers Resolution of Intention and Sets Date for Public Hearing</b>
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June 01, 2013      Publish Notice of Meeting and Hearing

June 11, 2013      City Council – Public Hearing  
Council Orders Annual Levy

August 2013      Assessments to County for Placement on Tax Roll

## RESOLUTION NO.

Adopted by the Sacramento City Council

### **DIRECTING FILING OF ANNUAL REPORT FOR THE NEIGHBORHOOD LIGHTING DISTRICT FISCAL YEAR 2013-14 (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.

#### **Table of Contents:**

Exhibit A: District Map – 1 Page





## **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) 2013-14 (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.** Surplus fund balance in the Youngs Heights subdivision allows the assessment for FY 2013-14 to remain the same as FY 2012-13. To maintain a prudent fund balance the FY 2013-14 assessment for the Colonial Heights subdivision increased by 4.3% which remains under the maximum allowed. The Swanston Estates subdivision's assessment for FY 2013-14 increased by the maximum allowed Consumer Price Index change of 2.44%.
- D.** 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.
- E.** 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 E are true and correct.
- Section 2.** The City Council hereby approves the Engineer's Annual Report for FY 2013-14 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 Manager is authorized to make any necessary budgetary adjustments associated with the approval of the Engineer's Annual Report for FY 2013-14.
- Section 4.** The City Council intends to levy and collect assessments within the District during FY 2013-14. The area of land to be assessed is located in the City of Sacramento, Sacramento County.

**Section 5.** 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 6.** 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 7.** At the hour of 6:00 pm on Tuesday, June 11, 2013, 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 8.** Assessments for all subdivisions within the District are at or below the highest authorized amount for this district shown on Exhibit B.

**Section 9.** The City Clerk is authorized and directed to give the notice of hearing required by the 1972 Act.

**Section 10.** Exhibits A and B are part of the resolution.

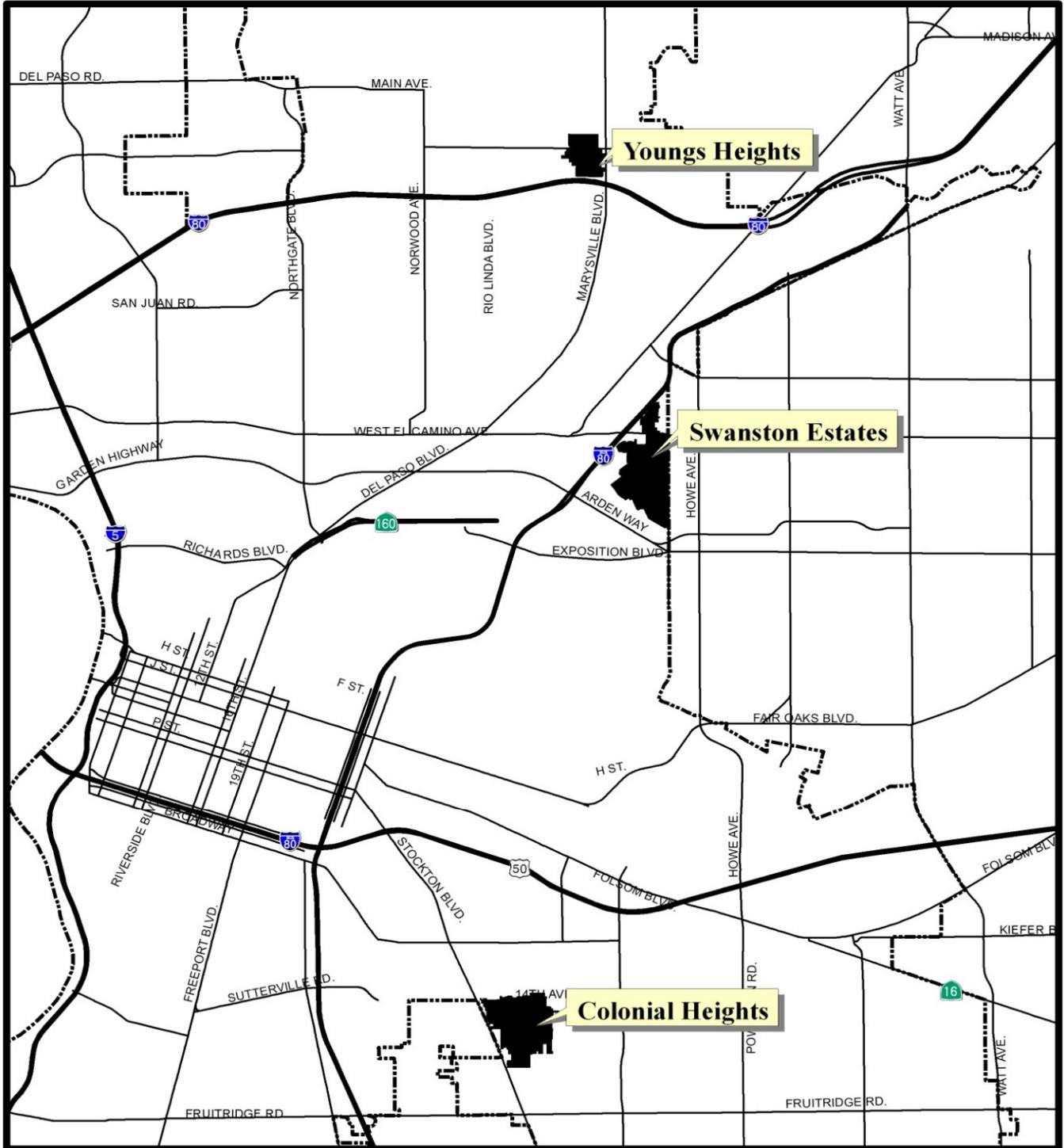
**Table of Contents:**

Exhibit A: District Map – 1 Page

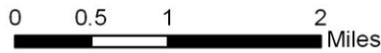
Exhibit B: FY 2013/14 District & Parcel Assessment – 2 Pages

EXHIBIT A

# Neighborhood Lighting District 96-07



 City Boundary  
 District Boundary



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## EXHIBIT B

### NEIGHBORHOOD LIGHTING DISTRICT DISTRICT BUDGET, NEIGHBORHOOD AND PARCEL ASSESSMENTS FUND 2202, FOR FY 2013-14

#### DISTRICT BUDGET

Estimated Beginning Fund Balance	\$	22,479
Total Assessed to Property Owners		<u>39,624</u>
<b>Total Resources</b>	<b>\$</b>	<b><u>62,103</u></b>
Department of Transportation (Streets)		
Street Lighting Maintenance		31,702
Administrative Costs		
Public Improvement Financing		
Administration		12,257
Parcel reporting		504
Accounting		
Administration		952
County Billing		965
<b>Total Expenditures</b>		<b><u>46,380</u></b>
Estimated Ending Fund Balance		<u>15,723</u>
Year-Over-Year Change in Fund Balance		<u>(6,756)</u>

#### 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	FY 2013-14 Budget	Surplus/ (deficit)	FY 2013-14 Assessed
Swanston Estates	\$20,633	(\$833)	\$19,800
Youngs Heights	2,095	( 295)	1,800
Colonial Heights	23,652	(5,628)	18,024
	46,380	(6,756)	39,624

## 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	FY 2013-14
Swanston Estates	698	\$26.72	\$26.72
Youngs Heights	125	25.52	12.00
Colonial Heights	718	26.72	24.00