Meeting Date: **5/24/2016**

Report Type: Consent

Report ID: 2016-00567

City of SACRAMENTO 09

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Neighborhood Lighting District - Initiate Annual Proceedings

Location: Districts 2, 5, and 6

Recommendation: Pass 1) a Resolution directing filing of Annual Report for Fiscal Year (FY) 2016/17 for the Neighborhood Lighting District; and 2) a Resolution approving Engineer's Annual Report and Intention to Order Maintenance of Improvements for FY2016/17 for the Neighborhood Lighting District and setting a time and place for a Public Hearing on June 21, 2016.

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

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 Engineer's Report

5-Resolution, Approving Engineer's Report

City Attorney Review

Approved as to Form
Michael W. Voss
5/13/2016 3:22:07 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/6/2016 11:13:56 AM

Description/Analysis

Issue Detail: 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 and energy costs of neighborhood lighting in the District for FY2016/17. 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 neighborhood lights by placing lights on Sacramento Municipal Utilities District (SMUD) wood poles.

Economic Impacts: Not applicable.

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

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

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 for FY2016/17 is projected at $43,688 and District expenditures at $38,036. Both are as shown on Exhibit B and detailed in the Engineer's Report on file with the Public Improvement Financing Division of the Department of Finance designated by the City Clerk to be the repository of documents associated with special districts.

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 the Background section of the report and in Exhibit B. The District is self-supporting and has no impact on the General Fund.

Local Business Enterprise (LBE): Not applicable.

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 maintenance and energy cost 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 2016 CPI index was 3.02 percent over the prior year, and as such, the annual maximum assessments will be increased by 3.00 percent.

To cover expenditures and maintain a prudent fund balance, the FY2016/17 assessment for the Swanston Estates subdivision will remain at the FY2015/16 rate and the Colonial Heights subdivision will increase to the maximum assessment rate. The FY2016/17 Youngs Heights assessment will increase from the FY 2015/16 assessment by the allowable CIP index of 3.00 percent.

The maximum assessment allowed, prior year assessment, and FY 2016/17 annual assessments for each subdivision are as follows:

Neighborhood	Maximum Authorized in FY2016/17	FY2015/16 Assessment	FY2016/17 Assessment
Swanston Estates	$28.92	$28.08	$28.08
Youngs Heights	$27.60	$26.80	$27.60
Colonial Heights	$28.92	$25.26	$28.92

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 21, 2016. 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 FY2016/17 is projected to be $43,688.

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

SCHEDULE OF PROCEEDINGS

NEIGHBORHOOD LIGHTING DISTRICT
FY 2016/17 SCHEDULE

May 24, 2016	**Council Considers Resolution of Intention and Sets Date for Public Hearing**
June 10, 2016	Publish Notice of Meeting and Hearing
June 21, 2016	City Council – Public Hearing Council Orders Annual Levy
August 2016	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 2016/17
(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 maintenance of neighborhood street lights on wood poles and related services to be provided within the District, all in accordance with the 1972 Act.

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 and B are true and correct.

Section 2. The Supervising Engineer of the Department of Public Works, 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.

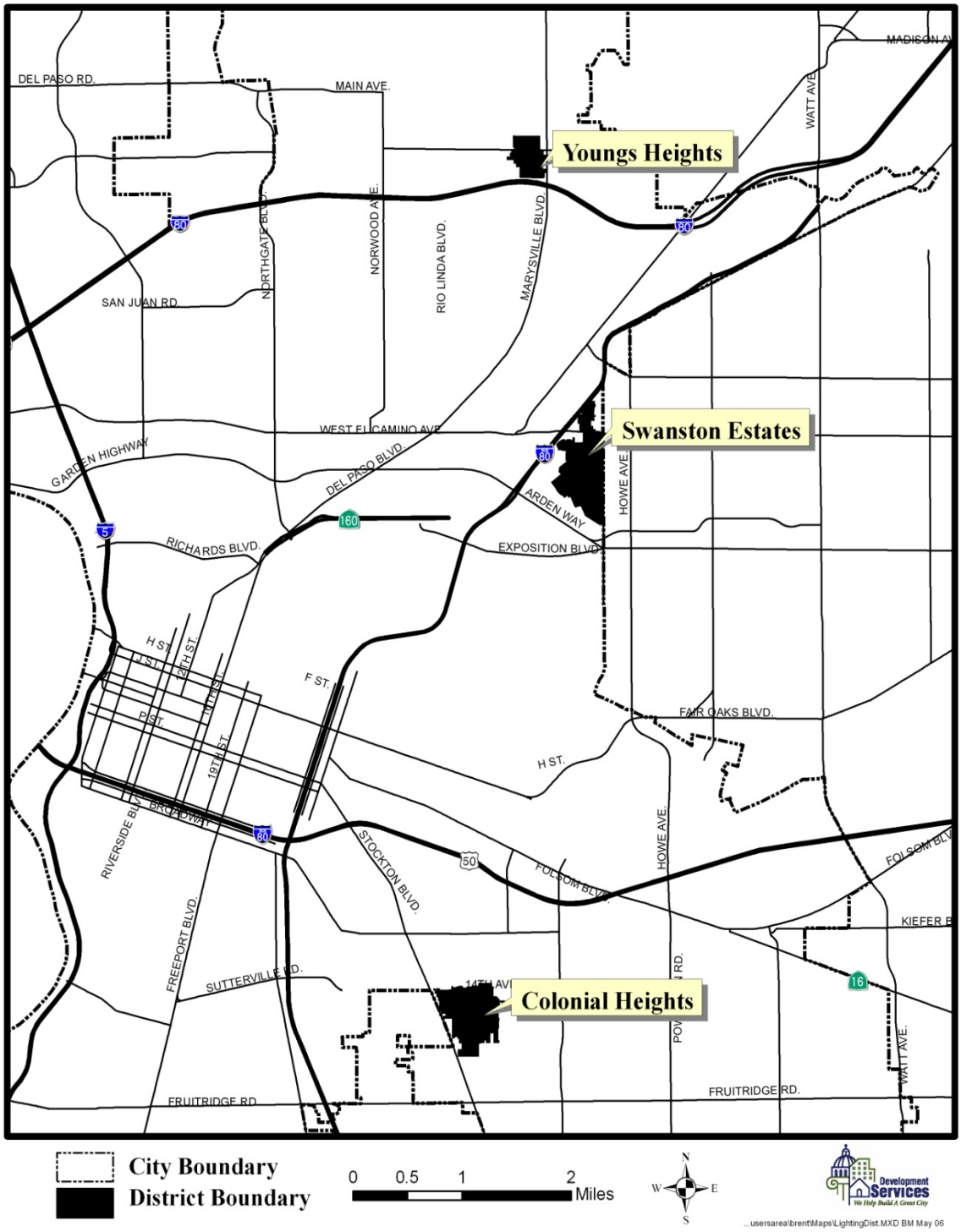
Section 4. Exhibit A is part of the resolution.

Table of Contents:

Exhibit A: District Map – 1 Page

EXHIBIT A

Neighborhood Lighting District 96-07



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 2016/17 (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 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. To cover expenditures and maintain a prudent fund balance, the Fiscal Year (FY)2016/17 assessment for the Swanston Estates subdivision will remain at the FY2015/16 rate and the Colonial Heights subdivision will increase to the maximum assessment rate. The FY2016/17 Youngs Heights assessment will increase from the FY2015/16 assessment by the allowable CIP index of 3.00 percent.

D. The Supervising Engineer of the Department of Public Works, 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.

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. The City Council hereby approves the Engineer's Annual Report for FY 2016/17 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 FY2016/17.

Section 4. The City Council intends to levy and collect assessments within the District during FY2016/17. 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 maintenance and energy costs 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 21, 2016, 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: FY2016/17 District & Parcel Assessment – 2 Pages

EXHIBIT A

Neighborhood Lighting District 96-07

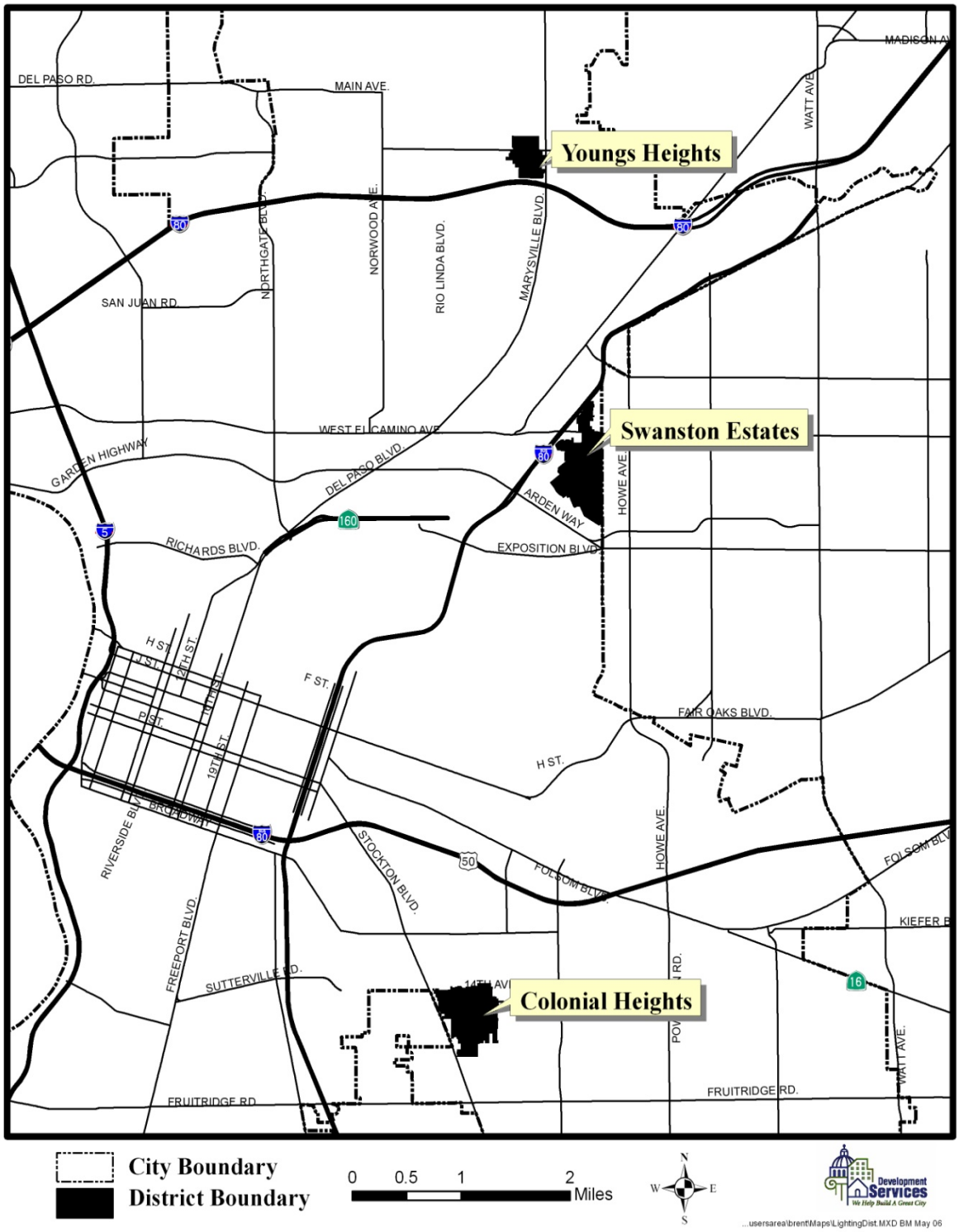


EXHIBIT B

NEIGHBORHOOD LIGHTING DISTRICT
DISTRICT BUDGET, NEIGHBORHOOD AND PARCEL ASSESSMENTS
FUND 2202, FOR FY2016/17

DISTRICT BUDGET

Estimated Beginning Fund Balance	19,509
Total Assessed to Property Owners	43,688
Total Resources	**$63,197**
Department of Public Works (Streets)	
Street Lighting Maintenance	24,408
Administrative Costs	
Public Improvement Financing	
Administration	12,001
Parcel reporting	0
Accounting	
Administration	986
County Billing	641
Total Expenditures	**$38,036**
Estimated Ending Fund Balance	25,161
Year-Over-Year Change in Fund Balance	5,652

NEIGHBORHOOD ASSESSMENTS

The cost for each individual neighborhood is as follows:

Neighborhood	FY2016/17 Budget	Surplus/ (deficit)	FY2016/17 Assessed
Swanston Estates	$16,054	$4,753	$20,807
Youngs Heights	826	278	1,104
Colonial Heights	21,156	621	21,777
Totals:	$38,036	$5,652	$43,688

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	FY2016/17
Swanston Estates	698	$28.92	$28.08
Youngs Heights	30	$27.60	$27.60
Colonial Heights	718	$28.92	$28.92