



Legislation Text

File #: RES 18-0063, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Interim Finance Director
Henry Mitzner, Controller

SUBJECT:

Resolution No. 18-0063 Declaring City Council's Intention to Provide for Annual Levy and Collection of Assessments for Street Lighting Maintenance and Setting of Public Hearing for June 19, 2018 (Interim Finance Director Charelian).

ADOPT RESOLUTION NO. 18-0063

RECOMMENDATION:

Staff recommends that the City Council: a) adopt Resolution 18-0063 declaring City Council's intention to provide for the annual levy and collection of assessments for the Street Lighting and Landscaping Fund, and b) set June 19, 2018 for the public hearing.

FISCAL IMPLICATIONS:

The assessment rates remain unchanged from fiscal year 2017-2018. The total assessment for fiscal year 2018-2019 in accordance with the Assessment Engineer's report is \$377,837 and is reflected in the fiscal year 2018-2019 budget.

BACKGROUND:

At the April 3, 2018 meeting, City Council adopted Resolution 18-0030, which ordered the preparation of the Assessment Engineer's Report. This report, submitted by the firm of Harris & Associates, has been prepared in accordance with the Street Lighting and Landscaping Act of 1972. The method for the allocation of assessments, which remains unchanged from fiscal year 2017-2018, is discussed in Part D of the Engineer's Report (Attachment 2).

Two separate Resolutions (and reports) regarding the annual levy and collection of street lighting assessments are presented for City Council consideration. Resolution 18-0065 requests City Council approval of the Assessment Engineer's report, which is a required step in the process. Resolution 18-0063 declares the City's intention to levy and collect assessments and sets a public hearing in order for the City Council to provide final direction on the matter. Both Resolutions must be adopted in

order to proceed with the process.

DISCUSSION:

Assessments are levied on the basis of benefit. The basic unit for allocation of benefit is the single family home which is equal to one Equivalent Dwelling Unit (EDU). All other land use is converted into this measure based on dwelling units or lot size of the parcel.

The Engineer has established six zones of benefit to allocate assessments, five of which employ the EDU method of benefit measure. For zone 10, which includes certain downtown business properties, the Assessment Engineer has determined that frontal footage is the best measure of benefit and uses the Adjusted Front Footage (AFF) basis.

The Assessment Engineer was supplied with revenue, cost estimates and estimated opening fund balance. The preliminary total assessment of \$377,837 is based on the property tax roll as of March 2018. Upon receipt of the final roll for fiscal year 2018-2019, which will reflect final parcel changes for the new fiscal year, Harris & Associates will recalculate the total assessment using the rates as shown in the report. Based on history, the difference between the total assessment for the prior year and current year should be less than \$1,000.

The report includes assessment and corresponding operation and maintenance for each zone. Since approximately 10% of the Zone 10 Streetscape area is bounded by City Hall, the City assesses itself 10% of the Streetscape expenditure - \$16,592. Each zone is in a deficit position and is subsidized by a General Fund transfer. Please refer to Estimate of Cost Schedule on page 7 of the Engineer's Report.

In the report to City Council of April 3, 2018, staff indicated that the opening balance for the Street Lighting and Landscaping Fund is \$-0- and that subsidies for all zones (zones 1-9 for street lighting and zone 10 for downtown streetscape) will be required. For fiscal year 2018-2019 total revenues are \$394,429 and total expenditures are \$582,062 leaving a deficit of \$187,633. This amount is subsidized by the General Fund as follows: \$145,811 for zones 1-9 and \$41,822 for zone 10 (for a total of \$187,633). This subsidy will be ongoing and will increase in future years if assessments remain fixed while costs continue to rise. Assessments, which were last adjusted in 1996, can only be increased by a Proposition 218 vote.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of

the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

CONCLUSION:

Subject to City Council approval of Resolutions 18-0063 and 18-0065, a public hearing will be held on June 19, 2018, after which City Council will be asked to adopt a resolution providing for the levy and collection of street lighting assessments. The assessments are collected via the consolidated property tax bills issued in October of each year.

Attachments:

1. Resolution No. 18-0063
2. Engineer's Report 2018-2019
3. Lighting and Landscaping Assessment Districts Map