



Legislation Text

File #: 20-0078, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Henry Mitzner, Controller

SUBJECT:

Consideration of Approving Assessment Engineer's Report for Annual Levy of Street Lighting Assessments for Fiscal Year 2020-2021 (Finance Director Charelian).

ADOPT RESOLUTION NO. 20-0053

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 20-0053 approving the Assessment Engineer's report for the annual levy of Street Lighting Assessments for the Fiscal Year 2020-2021.

FISCAL IMPLICATIONS:

The assessment rates remain unchanged from fiscal year 2019-2020. The total assessment for fiscal year 2020-2021 in accordance with the Assessment Engineer's Report is \$377,688 and is reflected in the proposed fiscal year 2020-2021 budget.

BACKGROUND:

At the April 10, 2020 City Council meeting, Resolution No. 20-0045 was adopted, ordering 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 2019-2020, is discussed in Part D of the attached Engineer's Report.

Two separate Resolutions and reports regarding the annual levy and collection of street lighting assessments are presented for City Council consideration. Resolution No. 20-0053 requests City Council approval of the Assessment Engineer's report, which is a required step in the process. Resolution No. 20-0054 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 \$377,688 is based on the property tax roll as of March 2020. Upon receipt of the final roll for fiscal year 2020-2021, 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 is typically 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% (\$12,230) of the Streetscape expenditure. Each zone is in a deficit position and is subsidized by a General Fund transfer. Please refer to Estimate of Cost Schedule of the Engineer's Report.

In the report to City Council of April 10, 2020, staff indicated that there is no opening balance for the Street Lighting and Landscaping Fund and that subsidies for all zones (zones 1-9 for street lighting and zone 10 for downtown streetscape) will be required. For fiscal year 2020-2021, total revenues are \$389,918 and total expenditures are \$575,720 leaving a deficit of \$185,802. This amount is subsidized by the General Fund as follows: \$183,235 for zones 1-9 and \$2,567 for zone 10 (Downtown Streetscape) for a total of \$185,802. 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 through a Proposition 218 vote.

PUBLIC OUTREACH:

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 Resolution Nos. 20-0053 and 20-0054, a public hearing will be held on June 16, 2020, 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 with the consolidated property tax bills issued in October of each year.

ATTACHMENTS:

1. Resolution No. 20-0053
2. Engineers Report LLMD FY20-21
3. Lighting and Landscape Assessment Districts Map