



Legislation Text

File #: 22-0102, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Libby Bretthauer, Financial Services Manager

SUBJECT:

Consideration of Approving Assessment Engineer's Report for Annual Levy of Street Lighting Assessments for Fiscal Year 2022-2023 (Finance Director Charelian).

ADOPT RESOLUTION NO. 22-0066

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 22-0066 approving the Assessment Engineer's report for the annual levy of Street Lighting Assessments for the Fiscal Year (FY) 2022-2023.

FISCAL IMPLICATIONS:

The assessment rates remain unchanged from fiscal year 2021-2022. The Assessment Engineer's Report includes calculated assessments totaling \$377,088 for FY 2022-2023. As the Proposed Budget included a preliminary estimate of \$377,688, the FY 2022-2023 Budget presented for adoption on June 7, 2022, will be updated to reflect the updated estimate in the attached Assessment Report.

BACKGROUND:

At the April 5, 2022, City Council meeting, Resolution No. 22-0040 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 2021-2022, is discussed in Part IV 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. 22-0066 requests City Council approval of the Assessment Engineer's report, which is a required step in the process. Resolution No. 22-0067 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 and cost estimates, as well as the estimated opening fund balance. The preliminary total assessment of \$377,088 is based on the property tax roll as of March 2022. Upon receipt of the final roll for fiscal year 2022-2023, 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 assessments 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% (\$13,134) of the Streetscape expenditure. Each zone is in a deficit position and is subsidized by a General Fund transfer. Please refer to the Cost Estimate Table in Part III of the Engineer's Report.

In the report to City Council on April 5, 2022, 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 2022-2023, total assessment revenues (including the City's portion) are estimated at \$390,222 and total expenditures are \$612,022, leaving a deficit of \$221,800. This amount is subsidized by the General Fund as follows: \$211,096 for zones 1-9 and \$10,704 for zone 10 (Downtown Streetscape). This subsidy is 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.

With City Council approval of Resolution No. 22-0066, the Assessment Engineer's report for the annual levy of Street Lighting Assessments for the Fiscal Year (FY) 2022-2023 will be approved.

Subject to City Council approval of Resolution No. 22-0067, a public hearing will be held on June 21, 2022, after which City Council will be asked to adopt a resolution providing for the levy and collection of street lighting assessments. The assessments are then collected with the consolidated property tax bills issued in October.

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.

ATTACHMENTS:

1. Resolution No. 22-0066
2. Engineers Report LLMD FY 2022-2023
3. Lighting and Landscape Assessment District Map