

**CITY OF SEBASTOPOL  
CITY COUNCIL  
STAFF REPORT**

**Meeting Date:** June 5, 2017

**To:** Honorable Mayor and City Councilmembers

**From:** Ana Kwong - Finance Director

**Subject:** FY 2018/19 Street Lighting Assessment District

**Recommendation** Conduct a public hearing, Adopt a resolution approving the annual Engineer's Report, confirming the assessment diagram, and authorizing the levy of annual assessments for fiscal year 2018/19 for the City of Sebastopol Street Lighting Special Assessment District.

**Funding:** Currently Budgeted:  Yes  No  N/A  
 Net General Fund Cost: \$0  
 If Cost to Other Fund(s),  
 Fund:

**INTRODUCTION:** This item is to request that the City Council Conduct a public hearing, Approve and Adopt the Resolution Approving the annual Engineer's report, confirming the assessment diagram, and authorizing the levy of annual assessments for fiscal year 2018/19 for the City of Sebastopol Streets Lighting Special Assessment.

**BACKGROUND:**

The Sebastopol Street Lighting Special Assessment District was formed on May 18, 1981 by the City Council to cover the costs associated with the citywide streetlight system. The funding sources for the Assessment District costs are the parcels within the Assessment District. The parcels are assessed through an annual process typically requiring three separate City Council actions.

On March 6, 2018, the City Council adopted Resolution No. 6174 appointing Joseph G. Gaffney, City Engineer as the Engineer of Work, directing the preparation and filing of the annual Engineer's Report and describing the potential changes to the Assessment District for fiscal year 2018/19.

The annual Engineer's Report was subsequently prepared and filed with the City on April 17, 2018 by adopting Resolution No. 6181 indicating the intention to levy and collect annual assessments for fiscal year 2018/19.

The proposed annual assessment rate of \$36.44 per ESD Equivalent Single-family dwelling unit for fiscal year 2018/19, which is an increase of \$7.54 from the previous assessment in FY2017/18. As previously stated in April 17, 2018 staff report, the District had spent and depleted the accumulated reserve fund balance and had a deficit of (\$5,896) as of June 30, 2017. The estimated fund balance deficit of (\$14,531) is projected for fiscal year end of June 30, 2018. The proposed assessment rate will bring the estimated fund balance to a positive position at June 30, 2019.

**DISCUSSION:**

Tonight is the final City Council action for these annual proceedings. The City Council can adopt the attached resolution approving the fiscal year 2018/19 Engineer's Report, the assessment diagram and authorizing the levy and collect the annual assessments as described therein and any amendments incorporated at the City Council's direction for fiscal year 2018/19. With this action, the City Council is further authorizing the submittal of the assessment information as shown in the annual Engineer's Report to the County of Sonoma Auditor's Office for the levy and collection of assessments on a city-wide basis for street lighting. The annual assessment would appear on the fiscal year 2018/19 property tax bills as a separate line item for this Assessment District. If, however, the City Council decides not to adopt the attached resolution, all fiscal year 2018/19 costs associated with the maintenance and operation of the assessment district streetlights will have to come out of the General Fund. The proposed fiscal year 2018/19 assessment is \$36.44 per ESD Equivalent Single-family dwelling unit, which is an increase of \$7.54 from prior fiscal year assessment.

The total proposed budget for fiscal year 2018/19 Street Lighting Special Assessment District is \$144,066 expected from the annual assessments.

It should also be noted that the Sebastopol Street Lighting Special Assessment District is exempt from the procedural requirements of Proposition 218, and per Article XIID, Section 5(a), the public agency property that was not assessed in previous years does not need to be included in the Assessment District as long as the annual assessment is not increased. These annual proceedings are required by the Landscaping and Lighting Act of 1972 of the Streets and Highways Code.

The Engineer's Report is a document of 55 pages and available for review at City Hall.

The adoption of tonight's resolution is pursuant to Section 22631 of the Streets and Highway Code.

**RECOMMENDATION:**

That the City Council Conduct a public hearing, Approve and Adopt the Resolution Approving the annual Engineer's report, confirming the assessment diagram, and authorizing the levy of annual assessments for fiscal year 2018/19 for the City of Sebastopol Streets Lighting Special Assessment.

Attachment(s):

Resolution

Final Engineer's Report

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING THE ANNUAL ENGINEER'S REPORT, THE ASSESSMENT DIAGRAM AND ANNUAL ASSESSMENTS AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018/19 SEBASTOPOL LIGHTING SPECIAL ASSESSMENT DISTRICT (PURSUANT TO THE LIGHTING AND LANDSCAPING ACT OF 1972)**

**WHEREAS**, the City Council ordered the formation of the Assessment District on May 18, 1981 to levy and collect assessments pursuant to the Landscaping and Lighting Act of 1972; and

**WHEREAS**, the City Council intends to levy and collect annual assessments for the operation and maintenance of street lights along public rights-of-way within the Sebastopol Lighting Special Assessment District during fiscal year 2018/19. The area of land to be assessed is located in the City of Sebastopol, County of Sonoma; and

**WHEREAS**, the City Council must appoint an Engineer of Work and direct the preparation and filing of an Engineer's Report outlining the proposed budgets, the proposed improvements and/or changes to the Assessment District in order to levy and collect assessments in any following fiscal year; and

**WHEREAS**, pursuant to Section 22622 of the Streets and Highways Code, the City Council on March 6, 2018 appointed Joseph G. Gaffney, City Engineer as the Engineer of Work for the Sebastopol Lighting Special Assessment District, directed the preparation and filing of the annual Engineer's Report describing the potential changes to the Assessment District for fiscal year 2018/19; and

**WHEREAS**, the Engineer of Work subsequently prepared and filed with the City Clerk the annual Engineer's Report for fiscal year 2018/19 as required by the Landscaping and Lighting Act of 1972 on April 17, 2018; and

**WHEREAS**, the annual assessment of \$36.44 per Equivalent Single-Family Dwelling Unit (ESD) is proposed to levy and collect for fiscal year 2018/19; and

**WHEREAS**, notice of the public protest hearing was given by publication according to the Landscaping and Lighting Act of 1972; and

**WHEREAS**, on June 5, 2018, the City Council conducted a public hearing and gave every interested person an opportunity to make a protest to the annual Engineer's Report, either in writing or orally, and the City Council considered each protest; and

**WHEREAS**, the Sebastopol Lighting District is exempt from the procedural requirements of Proposition 218, and per Article XIID, Section 5(a), the public agency property that was not assessed in previous years does not need to be included in this Assessment District as long as the assessment is not increased.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Sebastopol hereby approves and adopts the annual Engineer's Report as prepared and filed, confirms the assessment diagram and annual assessments as set forth in the annual fiscal year 2018/19 Engineer's Report and any amendments incorporated at the City Council's direction and hereby

authorizes the levy and collection of the annual assessments set forth in such report for fiscal year 2018/19 and that this resolution is adopted pursuant to Section 22631 of the Streets and Highways Code.

PASSED, APPROVED AND ADOPTED this 5<sup>th</sup> day of June, 2018 by the following vote:

APPROVED: \_\_\_\_\_  
Patrick Slayter, Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
Mary Gourley, MMC, Assistant City Manager / City Clerk

**FY 2018-19**  
**ANNUAL ENGINEER'S REPORT**  
**SEBASTOPOL LIGHTING**  
**SPECIAL ASSESSMENT DISTRICT**

**CITY OF SEBASTOPOL**  
**COUNTY OF SONOMA**  
**STATE OF CALIFORNIA**

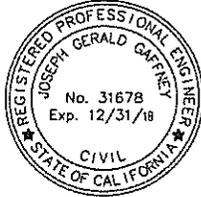
**FINAL**

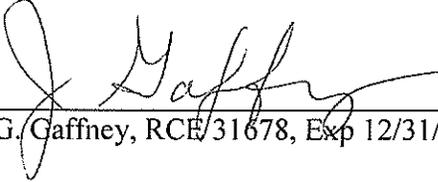
**JUNE 5, 2018**

**Prepared By:**  
**Joseph G. Gaffney**  
**City Engineer**

**FY 2018-19**  
**SEBASTOPOL LIGHTING SPECIAL ASSESSMENT DISTRICT**  
(Pursuant to the Landscaping and Lighting Act of 1972)

The undersigned respectfully submits, as directed by the City Council of the City of Sebastopol on March 6, 2018, the enclosed Engineer's Report on the 17th day of April, 2018.



By:   
Joseph G. Gaffney, RCE/31678, Exp 12/31/18

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the 5th day of June, 2018.

Lawrence McLaughlin, City Manager, City of Sebastopol, Sonoma County, California

By: \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Sebastopol California, on the 5th day of June, 2018.

Lawrence McLaughlin, City Manager, City of Sebastopol, Sonoma County, California

By: \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sonoma on the 5th day of June, 2018.

Lawrence McLaughlin, City Manager, City of Sebastopol, Sonoma County, California

By: \_\_\_\_\_

## **FY 2018-19 ANNUAL ENGINEER'S REPORT**

### **SEBASTOPOL LIGHTING SPECIAL ASSESSMENT DISTRICT** (Pursuant to the Landscaping & Lighting Act of 1972)

#### **Annual Assessment**

Joseph G. Gaffney, City Engineer, Engineer of Work for the Sebastopol Lighting Special Assessment District, City of Sebastopol, Sonoma County, California, makes this annual Engineer's Report, as directed on March 6, 2018 by the City Council of the City of Sebastopol, pursuant to Sections 22565 and 22620 of the California Streets & Highways Code for the Sebastopol Lighting Special Assessment District for Fiscal Year 2018-19.

#### **Background**

The Sebastopol Lighting Special Assessment District was formed on May 18, 1981 by the City Council of the City of Sebastopol to cover the costs associated with the operation and maintenance of the citywide streetlight system. This action included adopting Resolution No. 3316 proposing the formation of the Assessment District pursuant to the Landscaping and Lighting Act of 1972. Subsequently, on June 29, 1981, the City Council adopted Resolution No. 3332 approving the formation of the Assessment District and authorizing the levy and collection of assessments. Assessments were levied for FY 1981-82 and FY 1982-83. From FY 1983-84 through FY 1995-96, the City Council elected not to levy and collect annual assessments. Since FY 1996-97 and through FY 2017-18, the assessments have been levied and collected on an annual basis.

Pursuant to the Landscaping and Lighting Act of 1972, an Engineer's Report must be annually prepared and filed for the Assessment District in order to levy and collect assessments on any following fiscal year. For this FY 2018-19 Engineer's Report, new cost estimates for the operation and maintenance of the citywide streetlight system have been developed. No annexations into the Assessment District are proposed for FY 2018-19. The total number of units for FY 2018-19 is the same as 2017-18, at 3,953.5 ESD's.

For FY 2018-19, the proposed annual assessment is \$36.44 per ESD, an increase from the 2017-18 assessment of \$28.90. The increase is necessary to restore the reserve fund in the District, which ran a negative balance in FY2017-18. The proposed total FY 2018-19 expenditure of \$129,440.00 will be totally funded from the annual assessments.

Effects of Proposition 218 (Right to Vote on Taxes Act) - The Sebastopol Lighting Special Assessment District is exempt from the procedural requirements of Article XIID of the California Constitution by virtue of Section 5(a) within Proposition 218. Section 5(a) exempts assessments for the maintenance expenses of streets. Maintenance expenses are defined to include the cost of electrical current. In as much as lights are an integral part of the street, the cost of maintenance of the lights is exempt. Therefore, Proposition 218 procedural requirements do not affect the Sebastopol Lighting Special Assessment District.

## **FY 2018-19 Engineer's Report Format**

This FY 2018-19 Engineer's Report consists of six (6) Parts as follows:

- PART A - Plans** - This portion of the Engineer's Report describes any plans and specifications that may be needed for the installation of streetlight improvements. If plans and specifications exist, they are filed with the City Clerk. Although separately bound, the plans and specifications are part of this Engineer's Report and are included in it by reference.
- PART B - Budget Cost Estimate (Page 6)** – Budget cost estimates associated with the operations and maintenance of the described citywide streetlight improvements. In addition to an overall budget summary, a detailed FY 2018-19 Budget sheet and a FY 2018-19 Summary of Fund Balance sheet are provided.
- PART C - Assessment Roll (Page 9)** – A spreadsheet listing of FY 2018-19 assessments on each benefited parcel of land within the Assessment District. The FY 2018-19 assessment amount is the estimated cost each parcel will contribute towards the operation and maintenance of the citywide streetlight system within the Assessment District for FY 2018-19.
- PART D - Method of Apportionment of Assessment (Page 50)** - A statement of the method used by the Engineer of Work to determine the proposed amount to be assessed against each parcel within the Assessment District.
- PART E - Property Owner's List (Page 52)** - A list of the names and addresses of the owners of real property within this Assessment District, as shown on the last equalized assessment roll for taxes. The Assessor Parcel Number (A.P.N.) for each parcel keys the list to the Assessment Roll shown in Part C.
- PART F - Assessment Diagram (Page 53)** – The Assessment Diagram (map) showing all of the parcels of real property within the Assessment District. The Assessor Parcel Number (A.P.N.) for each parcel keys the property to the Assessment Roll shown in Part C. The A.P.N.'s are shown in the Assessor's Maps available at the County of Sonoma Assessor's Office.

## **PART A**

### **FY 2018-19 PLANS AND SPECIFICATIONS**

The Assessment District is proposing to operate and maintain the citywide streetlight system located in the public rights-of-way. Maintenance may include replacement of damaged facilities and other allowable items per Section 22531 of the California Streets and Highways Code for the life of the Assessment District. Since the Assessment District proposes to operate and maintain street lighting facilities (not to construct new lights), no plans and specifications are associated with FY 2018-19 Engineer's Report.

## PART B

### FY 2018-19 BUDGET COST ESTIMATE SUMMARY

Part B includes the detailed budget expenditures for FY 2018-19 for all the costs associated with the operation and maintenance of the streetlight system and a summary of the fund balance for the Assessment District. The total budget summary for FY 2018-19 for the Sebastopol Lighting Special Assessment District is as follows:

<u>As Filed With City</u>	<u>As Preliminarily Approved April 17, 2018</u>	<u>As Finally Approved At 2018 Public Hearing</u>
\$129,440.00	\$129,440.00	

The total proposed FY 2018-19 expenditure is \$129,440.00. The total estimated revenue generated from the proposed FY 2018-19 assessments is \$144,066.00. The proposed FY 2018-19 assessment to levy and collect is \$36.44 per ESD.

**SEBASTOPOL LIGHTING  
SPECIAL ASSESSMENT DISTRICT  
2018-19 Lighting Budget**

	<u>2017-18 BUDGET</u>	<u>2017-18 ESTIMATED</u>	<u>2018-19 BUDGET</u>
<b><u>EXPENSES</u></b>			
<b>Utilities</b>	<b>\$90,000</b>	<b>\$98,635</b>	<b>\$102,000</b>
<b>Personnel</b>			
Administration Costs			
City of Sebastopol	\$10,600	\$10,600	\$11,100
Engineering	\$1,000	\$1,000	\$1,000
Public Works	\$12,500	\$11,500	\$15,090
Auditor	\$250	\$250	\$250
<b>TOTAL EXPENSES</b>	<b>\$114,350</b>	<b>\$121,985</b>	<b>\$129,440</b>
<b><u>REVENUES</u></b>			
Contribution from General Fund	\$0	\$0	\$0
Contribution from Reserve Fund	\$0	\$0	\$0
Total Assessments	\$114,350	\$114,350	\$144,066
<b>TOTAL REVENUES</b>	<b>\$114,350</b>	<b>\$114,350</b>	<b>\$129,440</b>
Total Equivalent Single Family Dwelling Units (ESD)	3,953.5	3,956.0	3,953.5
<b>Total Assessment per ESD</b>	<b>\$28.90</b>	<b>\$28.90</b>	<b>\$36.44</b>

**SEBASTOPOL LIGHTING  
SPECIAL ASSESSMENT DISTRICT  
2018-19 Summary of Fund Balance**

	<b>Fiscal Year <u>2018-19</u></b>
<b>Estimated Reserve Fund as of June 30, 2018</b>	<b>(\$14,531)</b>
<b>Estimated Revenue</b>	<b>\$144,066</b>
<b>General Fund Contribution</b>	<b>\$0</b>
<b>Total Estimated Funds Available</b>	<b>\$129,535</b>
<b>Total Estimated Expenditures</b>	<b>\$129,440</b>
<b>Estimated Reserve Fund Balance at end of Fiscal Year, June 30, 2019</b>	<b>\$95</b>

ASSESSMENT DISTRICT – ASSESSMENT ROLL  
2018-19 FISCAL YEAR

ASSESSMENT ROLL LISTING IS NOT INCLUDED DUE TO  
THE CONFIDENTIAL NATURE OF EACH PARCEL

## PART D

### METHOD OF APPORTIONMENT OF ASSESSMENT FOR FY 2018-19

The following is a brief description of the manner that the annual assessment has been apportioned (spread) to each parcel in the Assessment District:

The method of spread utilized equates all parcels within the City of Sebastopol Area to an Equivalent Single Family Dwelling (ESD) unit use, or portion thereof. Each and every property receives a special benefit from the street lights being maintained and energized nightly; by increased driving safety within the City limits, by increased pedestrian safety when traveling at night and by increased personal property safety from the presence of lit areas. The following basic ESD units reflect the relative benefit accruing to parcels of land within the Sebastopol Lighting Special Assessment District:

1.	Vacant parcel	½ unit
2.	Single dwelling parcel	1 unit
3.	Multiple dwelling units parcels	1 unit per dwelling
4.	Commercial parcel with no dwelling units	1 unit
5.	Commercial parcels with dwelling units per dwelling unit	1 unit + 1 unit
6.	Industrial parcel with no dwelling units	1 unit
7.	Industrial parcel with dwelling unit per dwelling unit	1 unit + 1 unit

Once the total number of ESD units is determined for the entire Assessment District, the total number of use units shall be divided into the City's street lighting maintenance budget for FY 2018-19 (see Part B). This will result in the proposed annual assessment per ESD unit for the upcoming fiscal year. The annual assessment per use unit shall be multiplied by the total ESD units established for each parcel, or portion thereof, to determine the proposed total annual assessment for each parcel within the Assessment District (see Part C).

No charges shall be imposed upon a federal, state or local government agency property that does not receive a benefit from street lights, upon a parcel without a dwelling used exclusively for greenbelt or open space, or upon the common area of any planned unit development. By virtue of the fact that this existing Lighting District is exempt from the operation of Proposition 218, Article XIID, Section 5(a), public agency property that was not assessed in previous years shall not require any action to be included in the Assessment District as long as the assessment is not increased. Future increases of assessments would be cause to assess the public properties that would be included in a re-spread of the District. In addition, whenever a railroad, gas, water, or electric utility right-of-way or electric line right-of-way is included within the assessment district, the railroad, gas, water, or electric utility right-of-way or electric line right-of-way shall be subject to charges within the assessment district only if, and to the extent that, it is found that it will benefit from the provision of street lights, and the railroad, gas, water, or electric utility right-of-way or electric line right-of-way shall be subject to the same penalties, and the same procedures and sale, in case of delinquency as other properties within the Assessment District.

In assessing vacant, commercial and industrial properties, the typical method of assessing these parcels within other assessment districts is to assess the land for its highest and best use. Because no dwelling units or industrial commercial developments exist on vacant land, it was felt that the assessment should be reduced to ½ a unit (see "Vacant Parcels" mentioned above).

**PART E**

**FY 2018-19 PROPERTY OWNER'S LIST**

The names and addresses of each of the property owners as shown on the County of Sonoma Assessor's Tax Assessment Roll have been keyed to the special assessment number (Assessor Parcel Number) as shown in Part C, FY 2018-19 Assessment Roll of this Engineer's Report.

**PART F**

**FY 2018-19 ASSESSMENT DIAGRAM**

Attached is the Assessment Diagram (Map) for the Assessment District. Please note that the lines and dimensions of each parcel, as well as the distinctive assessment number, are shown on the Assessor's Maps for the City of Sebastopol available at the County of Sonoma Assessor's Office.

# SEBASTOPOL

## LIGHTING SPECIAL ASSESSMENT DISTRICT

### DISTRICT BOUNDARY



————— DISTRICT BOUNDARY LINE

NOTE:  
FOR THE DISTINCTIVE ASSESSMENT NUMBER AND  
DETAILED DESCRIPTION OF THE LINES AND  
DIMENSIONS OF EACH PARCEL REFER TO THE  
ASSESSOR'S PARCEL MAPS FOR THE CITY OF  
SEBASTOPOL, AVAILABLE AT THE COUNTY OF  
SONOMA, ASSESSOR'S OFFICE.

CITY OF SEBASTOPOL  
SEBASTOPOL CALIFORNIA

2018-2019 FISCAL YEAR