



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: 6/7/2011
Placement: Administration
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Scott McGolpin, P.E. x3010
Director(s) Public Works Director
Contact Info: Mark A. Schleich, P.E. x3600
Public Works Deputy Director
SUBJECT: Establishing Benefit Assessments for the North County Lighting District for Fiscal Year 2011-2012, 3rd, 4th, and 5th Supervisorial Districts

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Establish a no charge benefit assessment rate for the North County Lighting District for fiscal year 2011-2012.

Summary Text:

The North County Lighting District provides streetlighting services to the communities of Los Alamos, Casmalia, Orcutt and the unincorporated areas of Lompoc and Santa Maria. Revenue to fund this service is collected from property tax distributions and benefit assessments. Currently, funding from property taxes alone is sufficient to cover streetlighting expenses. Therefore, this action recommends setting the benefit assessment and tract specific benefit assessment rates at \$0 for fiscal year 2011-2012.

Background:

The Board adopted Resolutions 94-307 and 94-308 to approve the consolidation and annexation of certain territories receiving streetlighting services in the north county to the Santa Barbara North County

Lighting District. The Santa Barbara Local Area Formation Commission (LAFCO) approved these actions pursuant to LAFCO Resolutions 94-7 and 94-8 respectively. These actions consolidated the Casmalia, Orcutt, and Los Alamos streetlighting districts as well as annexing the streetlighting functions of County Service Area (CSA) 4 (unincorporated Lompoc) and CSA 5 (unincorporated Santa Maria), all of which are served by PG&E. Streetlighting is the only service provided by this district. CSA 4 and CSA 5 also provide park and open space services (Parks Department).

The North County Lighting District currently provides for 2,812 streetlights. The Pacific Gas & Electric Company (PG&E) owns and maintains the poles and fixtures and provides electric service to the streetlights in the district. Maintenance accounts for 70% of the operating cost while electricity accounts for 30%. Streetlights are added to the district system through development (pursuant to Resolution 81-229) and must meet County Engineering Design Standards.

The North County Lighting District is funded with property taxes, benefit assessments from CSA 5 and tract specific benefit assessment zones. The property tax distribution varies with the tax rate area (TRA). The maximum allowable benefit assessment rate for CSA 5 is \$14.73 per year for residential properties. This amount was previously charged and can be legally restored to this level without undertaking the majority election procedure specified in Proposition 218. Tract specific benefit assessment rates have been established for newer tracts such that the rate can be used to supplement property taxes to fully fund the streetlighting costs associated with that tract. Currently, property tax revenues within the North County Lighting District approximate the annual costs, and for this reason staff recommends setting the CSA 5 and tract specific benefit assessment at \$0 for fiscal year 2011-2012.

Total property tax and interest revenue for fiscal year 2011-2012 is expected to be \$400,735. Operating and administrative costs are estimated to be \$417,685. \$16,950 from fund balance will make up the difference, leaving an anticipated year end fund balance of \$290,212. Future year projections show a sufficient fund balance for the North County Lighting District. See projections in Attachment A for further detail.

Performance Measure:

No change in programs or service level to the North County Lighting District is anticipated with the benefit assessment rates at \$0.

Fiscal and Facilities Impacts:

This action recommends maintaining the CSA 5 benefit assessment and tract specific fixed charges at \$0. The revenue and costs are shown in the table below. **Fiscal Analysis:**

| <u>CSA, District or Zone</u> | <u>Assessment Revenue</u> | <u>Property Tax and Int Revenue</u> | <u>Street Lighting and Admin Costs</u> |
|------------------------------|---------------------------|-------------------------------------|--|
| North Co Lighting | \$ - | \$ 400,735.00 | \$ 417,685.00 |
| Total | \$ - | \$ 400,735.00 | \$ 417,685.00 |

Staffing Impacts:

No new staffing positions are proposed in this budget.

Special Instructions:

- A. Request the Clerk of the Board to forward a certified copy of the minute order of this action to Christy Angkahan, Public Works Dept, Santa Maria; and Shannon Barcelona, Public Works Dept, RRWM, Santa Barbara.

Attachments: Attachment A

Authored by:

Martin Wilder, P.E., Utilities Engineer Manager, x8750

Copy:

Shannon Barcelona, Resource Recovery & Waste Management Division
Colleen Hankins, Resource Recovery & Waste Management Division Accountant
Mark Paul, Deputy Public Works Director of Finance and Administration