

ENGINEER'S REPORT

DATE: JULY 18, 2017
TO: CITY COUNCIL
FROM: CITY ENGINEER
RE: STREET LIGHT ASSESSMENT DISTRICT - FISCAL YEAR 2017-18

This report has been prepared in accordance with the requirements of the Street Lighting Act of 1919 (Section 18091 of the Street and Highways Code).

HISTORICAL REVIEW

Prior to 1979, the year the City formed the Street Light Assessment District, all subdivisions were annexed to the City's Lighting District #1. This district became a Special District, which made it eligible for a small portion of the property tax as well as Special Augmentation Funds for special districts.

When the Assessment District was formed, primarily to pay for street lighting in residential areas with street lights, the City ceased annexing new subdivisions to Lighting District #1. While the City continues to receive moneys on Lighting District #1 as Special Augmentation Funds, the amounts are eventually expected to decrease. The Lighting District #1's expected income for FY 2017-18 is approximately \$34,500.

When the Street Light Assessment District was formed, it was the City Council's policy that residential street lighting expenses and operations be funded by the Assessment District separate from the arterial street lighting expenses of Lighting District #1.

PROPOSITION 218

In 2001, significant increases in electric charges from PG&E were anticipated and a large increase was proposed in the annual assessments. It was finally determined that any increases over the amounts being assessed when Proposition 218 was approved, were subject to the terms of Proposition 218. A ballot election was held and the proposed increases were rejected by almost 60% of the votes cast. Based upon that result, a public meeting and public hearing was held on the pre-218 assessments based upon the old majority protest procedures. Since there was not a majority protest, the pre-218 assessments were levied.

Due to the current fiscal climate and reserve status of this fund, I again do not recommend the City attempt another 218 election in order to increase the assessments this year.

DETERMINATION OF SPECIAL BENEFIT

For this district, being limited to street lighting, the finding of a special benefit is relatively simple. Those properties, occupied and located on a lighted public street,

receive a special benefit relative to those properties located on unlit streets. This benefit may be described as additional protection for residents from criminal activity and, to a lesser extent, vehicular traffic. It should be noted that I am saying that the lights protect the pedestrians from vehicular traffic by increasing the pedestrians' ability to see and not the other way around.

There may be some who would argue that since pedestrians benefit from the additional protection and that some of the pedestrians may be other than the actual residents, a general benefit exists. However, I consider the number of trips by non-residents would be minuscule compared to the residents' trips and impossible to reasonably quantify.

There are some publicly owned parcels (open space areas) that do have some frontage along lighted public streets. However, since these properties are not occupied, no benefit, either special or general, is received.

Therefore, I can only find that no "general" benefit exists.

DISTRICT IMPROVEMENTS

The district improvements consist of streetlights located on residential streets. The streetlights may be mounted on PG&E poles or on City-owned poles (either wood, metal, or concrete).

ESTIMATED COSTS

Actual PG&E costs during FY 2016-17 will be approximately \$115,200. Based upon expenditures to date, the City's labor, materials and overhead costs should be approximately \$26,250. This represents a decrease in anticipated costs of approximately \$1,800 due to less overtime than originally anticipated.

We are anticipating a small decrease in electrical costs to \$112,000 and are projecting increased costs for street light maintenance resulting in a maintenance and administrative budget of \$32,270.

METHOD OF ASSESSMENT

In detached, single family subdivisions with public streets, the special benefit received from street lights is equal to all the lots, regardless of size, and the assessment should, therefore, be equal for every lot and will be assigned an assessment unit of one.

In those subdivisions with private streets, but served or traversed by public, lit streets, the property owners already pay for a share of their private street lighting and the ratio of lots to the number of public lights is higher than those in subdivisions with all public streets. Therefore, in order to provide an equitable assessment, I have assigned assessment units of one-half to single family and duet subdivisions (Oak Hollow, Black Diamond, and Diablo Pointe) and one-quarter to multifamily subdivisions (Diablo Ridge, Chaparral Springs, Marsh Creek Villas).

See the chart on pages 4 and 5 for a complete breakdown on the assessment units.

STREETLIGHT REPLACEMENT FUNDS

The fund balance at the beginning of FY 2016/17 was approximately \$124,409.

We estimate that the final costs for FY 2016/17 should be approximately \$141,450 and the final income amount should be \$127,491, resulting in a deficit of \$13,959. This deficit will decrease the fund balance to \$110,450 for the beginning of FY 2017/18.

This fund balance will cover the costs of the District until receipt of the first tax payment in December.

PER UNIT ALLOCATION

If we were able to spread the costs strictly by the number of assessment units in the District, we would have the following cost per assessment unit:

Estimated PG&E cost	\$112,000.00
City Maintenance Costs	21,230.00
City Administrative Costs	11,540.00
County Collection of Levy Fee	<u>3,700.00</u>
Total Budget	\$144,770.00
Less Interest Income	<u>(1,400.00)</u>
Net Assessment Required	\$143,370.00
Total Assessment Units	2908.5
Total Assessment Per Unit	<u>\$49.29</u>

However, since we are unable to increase assessments beyond their current level without a ballot election, we recommend that the current assessments remain the same for FY 2017-18 (see table on pages 4 and 5). Based upon the current assessment levels, the District will receive approximately \$125,991.08. Therefore, we are projecting a deficit of approximately \$17,379 in FY 2017-18 which will decrease the Streetlight Replacement Fund balance at the end of FY 2017-18 to \$93,071.

ASSESSMENT HISTORY

Proposed FY 17-18	between \$0 and \$43.54
FY 16-17	between \$0 and \$43.54
FY 15-16	between \$0 and \$43.54
FY 14-15	between \$0 and \$43.54
FY 13-14	between \$0 and \$43.54
FY 12-13	between \$0 and \$43.54
FY 11-12	between \$0 and \$43.54
FY 10-11	between \$0 and \$43.54
FY 09-10	between \$0 and \$43.54
FY 08-09	between \$0 and \$43.54
FY 07-08	between \$0 and \$43.54
FY 06-07	between \$0 and \$43.54
FY 05-06	between \$0 and \$43.54
FY 04-05	between \$0 and \$43.54
FY 03-04	between \$0 and \$43.54
FY 02-03	between \$0 and \$43.54
FY 01-02	between \$0 and \$43.54
FY 00-01	\$34.34
FY 99-00	\$33.38
FY 98-99	\$33.38
FY 97-98	\$33.38
FY 96-97	\$43.54

CITY OF CLAYTON								
STREETLIGHT ASSESSMENT DISTRICT FY 2017-18								
PROPOSED ASSESSMENTS								
Subd. Name	Subd. No.	No. of Lots	Type	Public Streets	A.U. per lot	Total A.U.	Assessment Per Lot	Total \$
Cardinet Glen I	2556	22	SF	Y	1.00	22.00	\$43.54	\$957.88
Cardinet Glen II	2572	30	SF	Y	1.00	30.00	\$43.54	\$1,306.20
Glen Almond	3434	23	SF	Y	1.00	23.00	\$43.54	\$1,001.42
Dana Hills I	3576	29	SF	Y	1.00	29.00	\$43.54	\$1,262.66
Mission Manor	3659	25	SF	Y	1.00	25.00	\$43.54	\$1,088.50
Dana Hills II	4011	55	SF	Y	1.00	55.00	\$43.54	\$2,394.70
Dana Hills III	4012	50	SF	Y	1.00	50.00	\$43.54	\$2,177.00
Dana Hills IV	4013	93	SF	Y	1.00	93.00	\$43.54	\$4,049.22
Dana Hills V	4014	50	SF	Y	1.00	50.00	\$43.54	\$2,177.00
Dana Hills VI	4015	30	SF	Y	1.00	30.00	\$43.54	\$1,306.20
Dana Hills VII	4016	65	SF	Y	1.00	65.00	\$43.54	\$2,830.10
Dana Hills VIII	4017	46	SF	Y	1.00	46.00	\$43.54	\$2,002.84
Dana Hills IX	4018	32	SF	Y	1.00	32.00	\$43.54	\$1,393.28
Dana Hills X	4019	52	SF	Y	1.00	52.00	\$43.54	\$2,264.08
Marsh Creek	4240	109	MF	N	0.25	27.25	\$15.64	\$1,704.76
Regency Woods I	4343	77	SF	Y	1.00	77.00	\$43.54	\$3,352.58
St. James Place	4403	16	SF	Y	1.00	16.00	\$43.54	\$696.64
Casey Glen	4449	24	SF	Y	1.00	24.00	\$43.54	\$1,044.96
Briarwood I	4451	19	SF	Y	1.00	19.00	\$43.54	\$827.26
Jeffry Ranch	4499	68	SF	Y	1.00	68.00	\$43.54	\$2,960.72
Dana Ridge	4504	86	MF	N	0.25	21.50	\$15.64	\$1,345.04
Clayton Greens	4515	78	SF	Y	1.00	78.00	\$43.54	\$3,396.12
Regency Woods II	4543	71	SF	Y	1.00	71.00	\$43.54	\$3,091.34
Regency Woods III	4643	37	SF	Y	1.00	37.00	\$43.54	\$1,610.98
Briarwood II	4654	40	SF	Y	1.00	40.00	\$43.54	\$1,741.60
Regency Woods IV	4798	145	SF	Y	1.00	145.00	\$43.54	\$6,313.30
Easley Estates I	4805	48	SF	Y	1.00	48.00	\$43.54	\$2,089.92
Silver Creek I	4827	26	SF	Y	1.00	26.00	\$43.54	\$1,132.04
Silver Creek II	4956	94	SF	Y	1.00	94.00	\$43.54	\$4,092.76
Easley Estates II	5048	51	SF	Y	1.00	51.00	\$43.54	\$2,220.54
Easley Estates III	5049	40	SF	Y	1.00	40.00	\$43.54	\$1,741.60
Easley Estates IV	5050	55	SF	Y	1.00	55.00	\$43.54	\$2,394.70
Douglas Court	5267	9	SF	Y	1.00	9.00	\$43.54	\$391.86

Regency Meadows	5722	96	SF	Y	1.00	96.00	\$43.54	\$4,179.84
Westwood	6001	65	SF	Y	1.00	65.00	\$43.54	\$2,830.10
Westwood	6001	4	MF	Y	0.50	2.00	\$15.64	\$62.56
Windmill Canyon I	6990	92	SF	Y	1.00	92.00	\$43.54	\$4,005.68
Black Diamond I	7065	108	Duet	N	0.50	54.00	\$31.28	\$3,378.24
Chaparral Springs I	7066	117	MF	N	0.25	29.25	\$8.34	\$975.78
Peacock Creek I	7249	69	SF	Y	1.00	69.00	\$33.38	\$2,303.22
Peacock Creek II	7255	72	SF	Y	1.00	72.00	\$33.38	\$2,403.36
Eagle Peak I	7256	70	SF	Y	1.00	70.00	\$43.54	\$3,047.80
Eagle Peak II	7257	60	SF	Y	1.00	60.00	\$43.54	\$2,612.40
Falcon Ridge I	7260	75	SF	Y	1.00	75.00	\$33.38	\$2,503.50
Falcon Ridge II	7261	70	SF	Y	1.00	70.00	\$43.54	\$3,047.80
Windmill Canyon II	7262	99	SF	Y	1.00	99.00	\$43.54	\$4,310.46
Windmill Canyon III	7263	101	SF	Y	1.00	101.00	\$43.54	\$4,397.54
Windmill Canyon IV	7264	102	SF	Y	1.00	102.00	\$33.38	\$3,404.76
Chaparral Springs II	7303	52	MF	N	0.25	13.00	\$8.34	\$433.68
Black Diamond II	7311	118	Duet	N	0.50	59.00	\$31.28	\$3,691.04
Diablo Ridge I	7766	60	MF	N	0.25	15.00	\$8.34	\$500.40
Oak Hollow	7766	35	SF	N	0.50	17.50	\$16.68	\$583.80
Diablo Ridge II	7767	76	MF	N	0.25	19.00	\$8.34	\$633.84
Oak Hollow IIA	7768	55	SF	N	0.50	27.50	\$31.28	\$1,720.40
Oak Hollow IIB	7769	53	SF	N	0.50	26.50	\$31.28	\$1,657.84
Stranahan	7887	54	SF	Y	1.00	54.00	\$33.38	\$1,802.52
Diablo Village	8215	33	SF	Y	1.00	33.00	\$43.54	\$1,436.82
Rachel Ranch	8355	8	SF	Y	1.00	8.00	\$43.54	\$348.32
Bridlewood	8358	19	SF	Y	1.00	19.00	\$43.54	\$827.26
Diablo Pointe	8719	24	SF	N	0.50	12.00	\$22.18	\$532.32
TOTALS		3482				2908.5		\$125,991.08