



AGENDA STAFF REPORT

DATE: May 12, 2025

TO: Honorable Mayor and City Council

THRU: Patrick Gallegos, Interim City Manager

FROM: Barbara Arenado, Director of Finance/City Treasurer

SUBJECT: **Street Lighting Assessment District**

SUMMARY OF REQUEST:

That the City Council adopt:

1. Resolution 7641 Initiating the annual levy of the street lighting assessment; and,
2. Resolution 7642 Setting the date for the public hearing for June 9, 2025; and,
3. Resolution 7643 Approving the Engineer's Report. No increase in assessments is projected for Fiscal Year 2025-2026.

BACKGROUND AND ANALYSIS:

Similar to previous years, the City contracted with Willdan Financial Services to develop a proposal to initiate an annual levy of assessments for the Street Lighting Assessment District for Fiscal Year 2025-2026. Under the provisions of the "Landscaping and Lighting Act of 1972," (Part 2 of Division 15 of the Streets and Highways Code of the State of California), the three resolutions included on this agenda are required to initiate the levy process and must be passed in order to schedule the date for the public hearing. The Engineer's Report (prepared by Willdan Financial Services) includes: 1) the plans and specifications for the lighting improvements, 2) an estimate of the cost for the improvements, 3) a diagram of the assessment district, and 4) an assessment of the estimated cost of the improvements.

Upon conclusion of the public hearing, Council may adopt a resolution confirming the diagram and assessment either as originally proposed or as modified by Council. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the assessment.

The assessment for each parcel of property in the district is based upon the benefit derived from street lighting. Total estimated costs for providing street lighting for 2025-2026 are \$266,500, which includes utility costs of \$257,000 and assessment engineer costs of \$9,500. The Reserve Fund is estimated to be \$0.00 as of June 30, 2026.

In order to cover the estimated Fiscal Year 2025-2026 expenditures of \$266,500, total revenues required are \$140,988 in assessments plus a General Fund contribution of \$125,512.

A comparison of the last two years' assessments to the proposed 2025-2026 assessment for certain parcels is summarized in the following table:

	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
<u>Zone 1</u> Single family homes in College Park East & West, the Hill & Cove Areas	\$21.86	\$21.86	\$21.86
<u>Zone 2</u> Single family homes in Old Town	\$11.26	\$11.26	\$11.26
<u>Zone 3</u> Leisure World Condominiums	\$1.21	\$1.21	\$1.21
<u>Zone 4</u> Surfside	\$4.15	\$4.15	\$4.15

Exhibit B of the Engineer's Report gives additional examples of assessment amounts by land use and zone for Fiscal Year 2025-2026. A copy of the Engineer's Report is not included with the resolutions due to the large size of the document. However, a copy is available for review in the City Clerk's office.

If the resolutions initiating the proceedings, setting the public hearing and approving the Engineer's Report are adopted, the following schedule of events must occur in order to establish the assessments for Fiscal Year 2025-2026:

DATES

- May 12** City Council adopts resolutions initiating proceedings, approving Engineer's Report, and setting the date for public hearing on June 9, 2025.
- June 10** Hold public hearing, consider protests, and adopt resolution confirming diagram and assessment.
- August 10** File assessment with County Auditor.
- August 17** Make necessary corrections to assessment roll for County Assessor.

ENVIRONMENTAL IMPACT:

There is no environmental impact related to this item.

LEGAL ANALYSIS:

No legal analysis is required for this item.

FINANCIAL IMPACT:

The General Fund will need to make a contribution to the Street Lighting Fund estimated to be \$125,512. In the proposed budget for Fiscal Year 2025-2026, approved by the Director of Finance, a transfer into the Street Lighting Fund of \$125,512 has been budgeted and should be adequate to bridge the gap between revenues generated by Street Lighting District No. 1 and expenditures expected to be paid.

RECOMMENDATION:

That the City Council adopt:

1. Resolution 7641 Initiating the annual levy of the street lighting assessment;
and,
2. Resolution 7642 Setting the date for the public hearing for June 9, 2025;
and,
3. Resolution 7643 Approving the Engineer's Report. No increase in assessments is projected for Fiscal Year 2025-2026.

SUBMITTED BY:

NOTED AND APPROVED:

Barbara Arenado

Barbara Arenado, Director of
Finance/City Treasurer

Patrick Gallegos

Patrick Gallegos, Interim City Manager

ATTACHMENTS:

- A. Resolution 7641
- B. Resolution 7642
- C. Resolution 7643
- D. Engineer's Report
- E. Preliminary Assessment Roll