

City of Elk Grove
Revised Engineer's Report
Lighting Maintenance District No. 1
(CSA 1 Conversion)

Initial Submittal: May 27, 2005
Revised Submittal: July 1, 2005



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SECTION I. OVERVIEW

A. Introduction and Background

According to the County of Sacramento's, Municipal Services Agency, Department of Transportation, CSA 1 Engineer's Report for Fiscal Year 2005/2006 ("County's Engineer's Report"), in 1987, the County of Sacramento Board of Supervisors formed County Service Area No. 1 ("CSA 1") by reorganizing five existing street lighting maintenance districts. CSA 1 provides street lighting services to unincorporated areas of Sacramento County. These services are funded through a service charge that appears as a direct assessment charge on the property tax bill of the property owners located within the boundaries of CSA 1.

The City of Elk Grove ("City") was incorporated on July 1, 2000. Effective December 15, 2003 the Laguna West territory was added to the City's boundaries through the Sacramento Local Agency Formation Commission's (LAFCo) Resolution No. 1261. The City is now initiating the procedures for transfer of the street lighting and highway safety lighting maintenance responsibility and the assessments from CSA 1 to the City.

As a result of these actions the City is proposing to form the City of Elk Grove Lighting Maintenance District No. 1 ("District") pursuant to the *Benefit Assessment Act of 1982, Part 1 of Division 2 of the California Government Code §54703* (1982 Act). This District will allow the City to continue to levy the direct assessment charges previously authorized under CSA 1.

Due to the timing of the transfer as it relates to the County's tax roll deadlines, the assessment will be levied by the County for Fiscal Year 2005/2006. The County has designated the City as Zone 4 in the County's Engineer's Report. The City and County are in the process of negotiating an agreement for the sharing of revenue and maintenance responsibility for Fiscal Year 2005/2006.

This Fiscal Year 2005/2006 Engineer's Report ("Report") describes the District and the proposed assessments as it transitions from CSA 1 to the City. This Report has been prepared pursuant to the 1982 Act (*Part 1 of Division 2 Sections 54703 through 54720 of the Government Code*), in accordance with the Resolution of Initiation adopted by the City Council of the City of Elk Grove, State of California. The proposed assessments are based on the County's methodology and historical cost to maintain the improvements that provide a special benefit to properties assessed within the District. Each parcel within the District is required to be assessed proportionately for the special benefits provided to the parcel from the improvements.

B. Contents of Engineer's Report

This Report describes the District boundaries and the proposed improvements to be assessed to the property owners located within the District. The Report is made up of the following sections.

Section I. Introduction and Background – Provides a general introduction into the Report and provides background on the assessment.

Section II. Plans and Specifications – Contains a general description of the improvements that are maintained and serviced by the District.

Section III. Estimate of Costs – Identifies the cost of the maintenance and services to be provided by the District including incidental costs and expenses.

Section IV. Method of Apportionment – Describes the basis in which costs have been apportioned to lots and parcels within the District, in proportion to the special benefit received by each lot and parcel.

Section V. Assessment Roll – The assessment roll identifies the maximum assessment to be levied to each lot or parcel within the District.

Section VI. Assessment Diagram – Displays a diagram of the District showing the boundaries of the District.

For this report, each lot or parcel to be assessed, refers to an individual property assigned its own Assessment Parcel Number by the Sacramento County (“County”) Assessor’s Office as shown on the last equalized roll of the assessor.

The City will hold a public hearing on the matter of transferring the assessment and maintenance responsibility from CSA 1 to the City. Following consideration of all public comments and written protests after the conclusion of the Public Hearing, the City Council will determine if a majority protest exists and may order amendments to the Report or confirm the Report as submitted.

SECTION II. PLANS AND SPECIFICATION

A. General Description of the District

The boundaries of the City of Elk Grove Lighting Maintenance District No. 1 are coterminous with the boundaries of the City of Elk Grove. Elk Grove is located approximately four miles south of the City of Sacramento between Interstate 5 and both east and west of Highway 99. The City covers approximately 42 square miles in the southern portion of Sacramento County.

B. Description of Services and Improvements to be Maintained

All lighting improvements and facilities maintained and serviced through District assessments will be owned or operated by the City of Elk Grove or Sacramento Municipal Utility District (“SMUD”) after the transfer from CSA 1. For purposes of this Report, charges are separated into two categories by type of light. Highway Safety Lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street Lights are all lights not designated as Highway Safety Lights, primarily, local street lighting. Maintenance services will be provided by City personnel, private contractors, and SMUD. The District provides funding for all Street and Highway Safety Lighting services within the City of Elk Grove including but not limited to the following activities:

- Maintenance, repair and replacement of street light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage caused by automobile accidents, vandalism, time, and weather.
- Electrical conduit and pullbox repair and replacement due to damage by construction and weather.
- Service-call maintenance, repair and replacement including painting, replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Payment of the electrical bill for the existing street lighting system.
- Responding to constituent and business inquiries and complaints regarding street lighting.
- Remedial projects for major repairs or upgrading of facilities. Engineering services are provided by the Public Works Department or by private consultant.

- Installation of Highway Safety Street Lights for highway safety purposes only along major streets at intersections. These Safety Lights are normally installed by SMUD, if they meet SMUD’s strict criteria for installation. They are installed on SMUD facilities and maintained by SMUD, but are paid for by the District.
- Street light inventory database creation and maintenance, pole numbering, and mapping to establish and keep current the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of street light electrical conduits, and marking the location of those underground conduits in the field to prevent them from excavation damage.
- Acquisition of land, easements, and rights-of-way necessary to maintain the Street and Highway Safety Lighting system.

Maintenance means the furnishing of services and materials for the ordinary and usual operation of the public lighting facilities. This includes repair, removal, or replacement of all or part of any of the improvements or appurtenant facilities necessary for the operation of the lighting improvements.

Servicing means the furnishing of all labor, materials, equipment, and utilities necessary to maintain and operate all public lighting facilities provided by the City.

The Street and Highway Safety Lights were installed in accordance with the County’s standards. The City adopted County Standards upon incorporation. The charges reflect the historical costs to maintain the improvements.

The Table below provides the estimated inventory of Street and Highway Safety Lights as provided by SMUD and Sacramento County. This inventory is being verified by a citywide inventory of the existing street and highway safety light system.

Estimated Number of Lights by Wattage/Type of Light

Description	100	150	175	200	250	400	Total
High Eff HP Ballast	2,681	0	0	0	8	0	2,689
High Pressure Sodium	3,778	1,179	0	56	725	0	5,738
Mercury Vapor	0	0	475	0	0	43	518
Rate 52	47	0	3	1	0	5	56
Rate 53	282	0	137	55	0	2	476
Total Lights	6,788	1,179	615	112	733	50	9,477

Source: SMUD, City of Elk Grove, and Sacramento County

Please note the definitions for each description listed above:

- **High Efficacy HP Ballast** – A high pressure sodium light with a high efficiency ballast.
- **High Pressure Sodium** – is a high intensity discharge lamp in which light is produced by radiation from sodium vapor under pressure. The light produces a yellow-orange white light.
- **Mercury Vapor** – is a high intensity discharge lamp which the major portion of the light is produced by radiation from mercury vapor. The fixture produces a blue-white light.
- **Rate 52** – Represents agency owned lights but SMUD maintained (Rate Category SL_CODM on the SMUD Street Lighting Service Rate Schedule.)
- **Rate 53** – Represent SMUD owned and maintained lights (Rate Category SL_DOM on the SMUD Street Lighting Service Rate Schedule.)

Estimated Number of Lights by Non-Safety and Safety Light

Description	Total
Non-Safety	8,392
Safety	1,085
Total Lights	9,477

Source: SMUD, City of Elk Grove, and Sacramento County

SECTION III. PROPOSED FISCAL YEAR 2005/06 BUDGET

A. Estimated Fiscal Year 2005/06 Budget

For Fiscal Year 2005/2006, the Street and Highway Safety Light activities of the City will be funded through the assessments. The funds collected through District assessments will be used to cover the operation and maintenance costs of street and highway safety lights.

A summary of the proposed District budget is summarized in the following table, including the estimated costs to provide the improvements, the collection of administrative costs and the special benefit assessment (Balance to Levy).

Proposed Fiscal Year 2005/06 Budget

Description	Budget
Direct Costs	
Electrical Costs (Estimated) ⁽¹⁾	\$404,678.74
Maintenance Costs ⁽²⁾	272,190.24
Administration Costs	
City Administration	48,000.00
Engineering Labor	52,400.00
Contribution from Other Sources	(98,895.64)
Balance to Levy	\$678,373.34

1. SMUD Rates as of March 30, 2005 on estimated inventory.

2. Maintenance costs reflect \$2.52 per light, per month for City maintained lights. SMUD Rate 53 lights are not included because they are maintained by SMUD.

B. Description of Budget Items

The following is a brief description of the costs of maintenance and services for the District included in the table above.

Direct Cost Items – This includes the costs of maintaining and servicing lighting improvements. This may include, but is not limited to, the costs for labor, utilities, equipment, supplies, repairs, replacements and upgrades that are required to properly maintain the items that provide a direct benefit to the District.

- **Electrical Costs** – Includes the cost of providing electricity to the lights. Additionally, some lights are maintained by SMUD, the cost for maintenance of these lights is also included on the utility bill.
- **Maintenance Costs** – Includes the contract labor associated with the maintenance of the street lights and the cost of the preparing and maintaining the light inventory.

Administration Costs – This includes the indirect costs not included above that are necessary to properly maintain the District on an annual basis.

- **City Administration** – This includes the estimated cost to coordinate District services including responding to property owner inquiries relating to the assessments and services and contracting with professionals to provide administration, legal, and engineering services to the District that are required on an annual basis. This also includes the costs for the City to account for the funds, calculate the assessments, prepare the annual Report, and place the assessment on the property tax bills.
- **Engineering Labor** – This includes the cost or a portion of the costs to coordinate District services including contracting with professionals to provide maintenance services to the District that are required on an annual basis.
- **Contribution from other sources** – Represents the difference between the cost of providing Street and Highway Safety Light maintenance services and the assessments available for collection. This contribution may come from deferring collection of administrative costs, the General Fund, or any other available sources.

SECTION IV. METHOD OF APPORTIONMENT

A. General

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of street lights, street maintenance, flood control and drainage facilities.

Section 54711 requires that maintenance assessments be levied according to benefit rather than the assessed value.

“The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of service”

“The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service...” and

“The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.”

Section 54715 of the 1982 Act also allows the designation of zones of benefit within an assessment district.

In addition, Article XIID and the Implementation Act require new or increased assessments be voted on by property owners that benefit from the improvements. Since this assessment is a conversion of an existing assessment that was established prior to the passage of Article XIID it is not subject to the provisions until an increase is proposed. However, should the City propose an increased assessment, the increased assessment will be subject to Article XIID and the Implementation Act.

B. Special Benefit Analysis

For the purpose of determining special benefit the light fixtures maintained by the District are defined as either Street Lights or Highway Safety Lights. Highway Safety Lights are lights located at intersections on major streets, and along the rear of properties that abut major streets. All other lights are designated as Street Lights.

All properties within the District benefit equally from Highway Safety Lights as major intersections are illuminated. This lighting assists drivers traveling to or from a property in seeing traffic controls (stop signs, yield signs), and in reading street name signs, after dark. The lights illuminate intersections on major streets, and these are locations where pedestrians are expected to cross the street when traveling to or from a property after dark. In addition to the above, the lights illuminate the intersections, traffic controls, and the street name signs for service providers responding to police, fire, and flood emergencies, and utility problems, at properties located within the District.

In addition to the Highway Safety Light special benefit, the City determines if a property receives a special benefit from the presence of a Street Light. For a parcel to benefit from street lighting, fifty percent or more of the property's frontage must be illuminated (based on the road width and spacing of the lights found in the County of Sacramento Improvement Standards). The Street Lighting service charge is apportioned only to those parcels that benefit directly from Street Lighting. A distinction is made between residential benefit parcels and non-residential benefit parcels based on the zoning of the parcel. This results in a flat rate service charge on each residential benefit parcel and a service charge per front foot on each non-residential benefit parcel. The service charge per residential benefit parcel is equal to the quotient obtained by taking the product of the total estimated Street Lighting operating and maintenance expenses plus any provisions for reserves less the estimated fund balance, interest, other income, and the reserve release multiplied by the percentage of total lights that are residential lights and dividing by the total number of residential benefit parcels.

Maintenance Costs * % of Residential Lights/Residential Parcels=Levy per Residential Unit

The service charge per front foot per non-residential benefit parcel is equal to the quotient obtained by taking the product of the total estimated Street Lighting operating and maintenance expenses plus any provision for reserves less the estimated fund balance, interest, other income, and the reserve release multiplied by the percentage of total lights that are non-residential lights and dividing by the total front footage of all non-residential benefit parcels. The service charge per front foot is then multiplied by the front footage of each non-residential parcel to give the service charge for that particular parcel.

Maintenance Costs * % of Non-Residential Lights/Non-Residential Front Footage=Levy per Non-Residential Front Footage

Levy per Non-Residential Front Footage * Non-Residential Parcel Front Footage=Levy per Parcel

The formula used for calculating the District assessment reflects the composition of the parcels, the improvements and services provided, and fairly proportions the costs based on special benefit to each parcel. Pursuant to Proposition 218 the cost of improvements may be classified as exempt, special and general, but properties may only be assessed for assessments that are identified as either exempt assessments or assessments that provide a special benefit to the property.

General Benefits

There are no general benefits related to Highway Safety Lights or Street Lights.

C. Assessment Methodology

Highway Safety Lights

All properties are considered to benefit equally from Safety Lights and are therefore levied a flat rate calculated by the following formula.

$$\text{Safety Light Maintenance Cost/ Total Parcels} = \text{Levy per Parcel}$$

Street Lights

Only properties that benefit from Street Lighting are charged for Street Lights. Typically, rural residential parcels do not have street lights therefore are not charged for street lights. Parcels are classified based on zoning into two categories; Residential and Non-Residential. Residential parcels are levied equally. Non-Residential are levied on a front footage basis. Formulas for both Non-Residential and Residential parcels are illustrated below.

Residential Parcels

$$\text{Maintenance Costs} * \% \text{ of Residential Lights/Residential Parcels} = \text{Levy per Residential Unit}$$

Non-Residential Parcels

$$\text{Maintenance Costs} * \% \text{ of Non-Residential Lights/Non-Residential Front Footage} = \text{Levy per Non-Residential Front Footage}$$

$$\text{Levy per Non-Residential Front Footage} * \text{Non-Residential Parcel Front Footage} = \text{Levy per Parcel}$$

Exempt

Excepted from the assessment would be the areas of public streets and other roadways (typically not assigned an APN by the County), dedicated public easements, open space areas and rights-of-ways including public greenbelts and parkways. Also excepted from assessment would be utility rights-of-ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that can not be developed. These types of parcels have little or no value and therefore do not benefit from the improvements.

The land use classification for each parcel has been based on the Sacramento County Assessor's Roll.

D. Rates

The following Table shows the assessments in place under CSA 1 proposed to be levied in Fiscal Year 2005/2006. It is important to note that these rates have not increased since the passage of Proposition 218 in 1996.

Proposed Fiscal Year 2005/2006 Assessments

Annual Assessment	Fiscal Year 2005/2006
Street Light (Residential)	\$15.32 per parcel
Street Light (Non-Residential)	\$0.2519 per front foot
Safety Light	\$2.56 per parcel

Non-Residential parcels include commercial and multi-family properties

SECTION V. ASSESSMENT ROLL

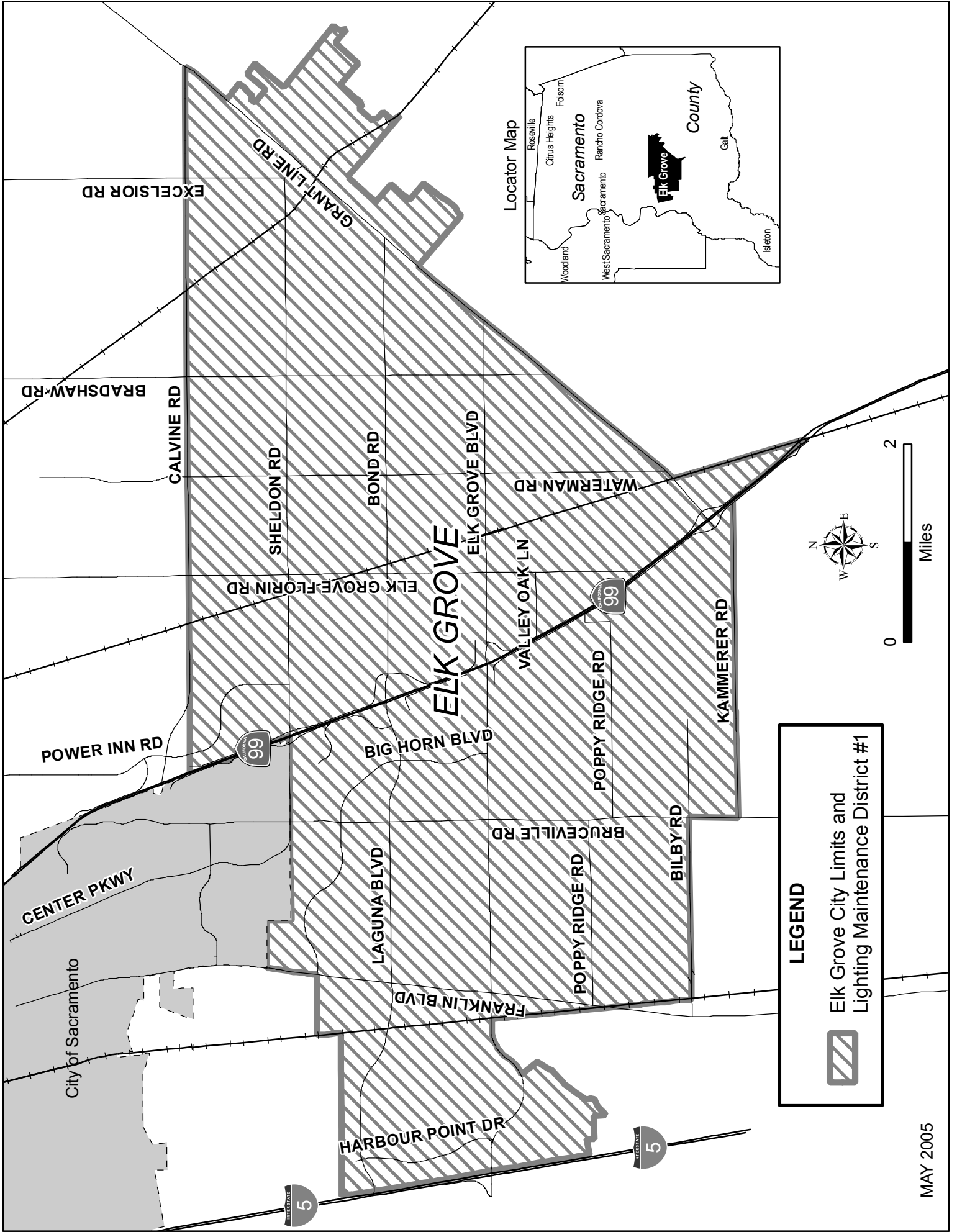
Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Sacramento County Assessor's map for the year in which this Report is prepared.

Non-assessable lots or parcels include all developed non-residential parcels, vacant parcels, government-owned and public utility-owned parcels, land principally encumbered with public rights-of-way and other tax exempt parcels such as common areas or open space for which the county does not generate a tax bill. These parcels will not be assessed for the District improvements.

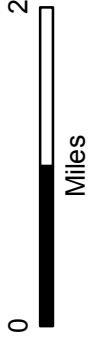
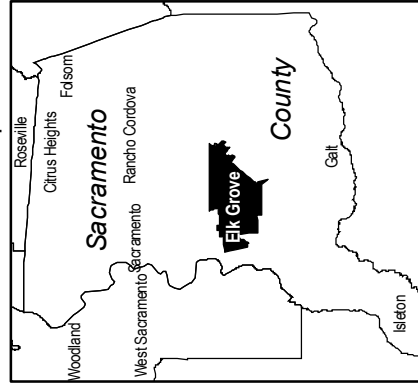
A listing of parcels assessed within this District, along with the proposed assessment amounts, has been submitted to the City Clerk, under a separate cover, and by reference is made part of this Report. Said listing of parcels to be assessed shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in Fiscal Year 2005/2006. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

SECTION VI. ASSESSEMENT DIAGRAM

The boundary of the City of Elk Grove established by LAFCo and is coterminous with the City of Elk Grove Lighting Maintenance District No. 1 boundary.



Locator Map



LEGEND

 Elk Grove City Limits and Lighting Maintenance District #1

CITY OF ELK GROVE

City of Elk Grove Lighting District

Engineer's Report
Fiscal Year 2005-2006

Report Prepared

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