



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 4, 2025

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: RESOLUTION INITIATING PROCEEDINGS TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2025/26 IN THE STREET LIGHTING ASSESSMENT DISTRICT NO.1, APPOINTING WEBB MUNICIPAL FINANCE, LLC AS ENGINEER OF RECORD, AND ORDERING PREPARATION OF AN ENGINEER'S REPORT

ISSUE:

Adopt a resolution to initiate proceedings to levy and collect assessments for Fiscal Year 2025/26 in Street Lighting Assessment District No. 1, appoint Webb Municipal Finance, LLC as the Engineer of Record, and order the preparation of an Engineer's Report.

RECOMMENDATIONS:

That the City Council:

1. Adopt a resolution to initiate proceedings to levy and collect assessments for Fiscal Year 2025/26 in the Street Lighting Assessment District No. 1;
2. Appoint Webb Municipal Finance, LLC as the Engineer of Record; and
3. Order the preparation of an Engineer's Report.

BACKGROUND:

The Street Lighting Assessment District No. 1 was formed in July 1988 under the provisions of the Landscaping and Lighting Act of 1972. Approved by the voters in June 1997, Measure EE approved the continuation of the assessments at their originally established rates. The Engineer's Report allocates a portion of the annual cost of maintaining and operating city streetlights to the parcels within the various lighting zones (including residential, rural, and nonresidential zones) through annual assessments.

DISCUSSION:

The annual process for the Street Lighting Assessment District No. 1 requires the City Council to adopt a Resolution ordering the preparation of the Annual Engineer's Report. The Engineer's Report outlines the street lighting expenses and apportions proposed assessments to offset the cost of maintenance per parcel for the upcoming fiscal year. Due to the rates which were set at the time of district formation, it is estimated the street light assessments will recover approximately 75% of the street lighting costs within the district this year, with the remaining cost subsidized by the General Fund. After the report is complete, Finance staff will schedule a public hearing and present the report to City Council.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The preparation of an annual engineer's report and levy process complies with the Landscaping and Lighting Act of 1972, under which the Street Lighting Assessment District No. 1 was formed. This process provides transparency for community members to whom the assessments are levied each year.
2. **Equity** – In order to maintain improvements within the Street Lighting Assessment District, the annual maintenance cost is funded through an annual levy calculated based on the special benefit shared by each parcel within the District.
3. **Fiscal Responsibility** – The assessments are levied annually to pay the costs associated with maintaining enhanced improvements within the District. This ensures that the additional cost of maintaining enhanced street light improvements is borne primarily by the property owners that benefit from them.
4. **Innovation** – Utilizing a Street Lighting Assessment District is an innovative way to offset the cost to maintain street light improvements within the City and assess property owners who receive the benefit.
5. **Sustainability & Resiliency** – The formation of a Street Lighting Maintenance District provides a transparent and equitable way to fund and report on maintenance of enhanced street light improvements within the City. The annual engineer's report and levy process helps to ensure transparent reporting to all members of the community and within the District.

FISCAL IMPACT:

The cost of preparing the Engineering Report, estimated at \$13,000, is factored into the total anticipated expenses for the Street Lighting District. Approximately 75% will be recouped through the levy and the remainder is budgeted in the General Fund subsidy for FY 2025/26.

Prepared by: Meline Carranza, Debt & Treasury Manager
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Attachment: Resolution