



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/20/2014

Agenda Placement: 7N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Airport

REPORT BY: Kathy Wagenknecht, Staff Services Analyst II - 259-8683

SUBJECT: Adoption of a resolution approving a service plan and adoption of a resolution declaring intent to levy assessments within County Service Area No. 3

RECOMMENDATION

Director of Public Works requests the following actions concerning County Service Area No. 3:

1. Adoption of a resolution approving a service plan in accordance with Chapter 3.10 of the Napa County Code;
2. Adoption of a resolution providing for the following:
 - a. Accepting Engineer's Report relating to the assessments to provide services;
 - b. Declaring the Board's intent to levy assessments for streetside landscaping, street and highway lighting, street sweeping, and structural fire protection services pursuant to the Engineer's Report;
 - c. Setting a public hearing for June 17, 2014 at 9:00 a.m. to hear protests to the proposed assessments;
 - d. Directing the Clerk of the Board to comply with applicable notice requirements for the proposed assessments; and
 - e. Designating Martin Pehl, Airport Manager, to answer questions regarding the assessments and protest proceedings.

EXECUTIVE SUMMARY

Pursuant to Proposition 218 an Engineer's Report is being submitted which includes the methodology for determining the assessments and an estimated budget for the extended services which provide fire protection services, street lighting, street sweeping, and median landscaping.

Other actions related to the CSA No. 3 budget and assessments for Fiscal Year 2014-2015, requiring Board approval are noted below:

- I Adoption of a Resolution identifying the extended services provided in the service plan within each zone of benefit for Fiscal Year 2014-2015: structural fire protection, streetside landscaping, street and highway lighting and street sweeping;
- I Adoption of a resolution declaring the County's intent to levy the assessments for Fiscal Year 2014-2015, setting a time to hold a public hearing to consider any protests, and designating the Napa County Airport Manager as the person to answer questions regarding the assessments.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	County Service Area No. 3
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	These actions are necessary to collect from the benefited properties the funds needed to provide these extended services within County Service Area No. 3 without having to either discontinue these services or use General Fund revenues to pay the cost. Authorization and budget are approved each fiscal year.
Consequences if not approved:	County Service Area No. 3 will have neither spending authority nor assessment revenue raising authority to provide the specified miscellaneous extended services during Fiscal Year 2014-2015.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

This item is specifically exempt from the voting requirements of Article XIII C of the California Constitution because it is an assessment or property related fee imposed in accordance with the provisions of Article XIID.

In March 1979, the Napa County Board of Supervisors adopted Resolution of Formation No. 79-28, by which County Service Area No. 3 (CSA No. 3) was formed. CSA No. 3, which is located within the Napa County Airport Industrial Area, was formed in response to a property owners' petition seeking the delivery of County services not otherwise provided to residents in the unincorporated areas of the County. Currently, CSA No. 3 provides structural fire protection, streetside landscaping, street and highway lighting and street sweeping within the district.

Funding for the delivery of services to CSA No. 3 derives from assessments levied upon property within the district

in proportion to the level of benefits provided for each property. In 1997 voting was conducted pursuant to the requirements of Proposition 218, wherein property owners within the service area were asked to vote on the methodology used to determine assessments. The property owners approved the assessment methodology, set assessments for Fiscal Year 1997-1998, and approved the concept of cost of living increases for future years. Thereafter, the budget and assessments for CSA No. 3 have been approved by the Board of Supervisors each fiscal year in conformance with the requirements of Proposition 218, County Service Area Law, and the methodology approved by the voters of CSA No. 3 in 1997.

CSA No. 3 was formed with the knowledge that the initial assessment revenue would not be sufficient to cover the CSA No. 3 cost responsibility for fire protection. This has resulted in the Countywide Fire Fund subsidizing the shortfall. It is anticipated that ultimately sufficient revenue will be available to pay for CSA No. 3 expenses and retire the Fire Fund subsidy as more commercial square footage is developed within the CSA No. 3. There is also the provision for annual rate increases based upon the *'Engineering News Record'* Construction Cost Index. The percentage change in the CCI from March 2013 to March 2014 was 5.1%. Increasing each member's contribution to 5.1% for Fiscal Year 2014/15 fire protection assessments will increase the amount collected by \$27,944. Minor increases in fees associated with landscaping, lighting and street sweeping service will increase the amount collected for these services by a total of \$580.00. The annual fire service subsidy is tracked in the Engineer's Report so that when assessment levels exceed the CSA No. 3 allocable costs, such excess revenues will reimburse the Countywide Fire Fund when permissible by law.

In 2009, the County Fire Department added three additional engineers. This increase in staffing was in response to recommendations from the Insurance Services Organization (ISO) for minimum staffing and response levels. CSA No. 3 is charged only for those costs which are over and above what the Countywide Fire Fund is currently paying to serve the southern Napa County area. Over the long term, it is expected the same 66.7% - 33.33% cost sharing between Countywide Fire Fund and CSA No.3.

The following actions, which are related to the CSA No. 3 budget and assessments for Fiscal Year 2014-2015, require Board approval:

1. Adoption of a resolution approving a service plan for County Service Area No. 3 in accordance with Chapter 3.10 of the Napa County Code. Napa County Code requires the Board to approve by resolution on or before June 30 of each fiscal year a service plan that indicates all of the authorized services that the Board proposes to provide within each zone of benefit of CSA No. 3 in the succeeding year. CSA No. 3 plans to continue to provide (a) structural fire protection, (b) streetside landscaping, (c) street and highway lighting, and (d) street sweeping services in Fiscal Year 2014-2015 as outlined in Exhibit "A" of the Resolution. These services are the same services as provided in Fiscal Year 2013-2014.
2. Adoption of a resolution declaring the Board's intent to levy assessments for County Service Area No. 3 for streetside landscaping, street and highway lighting, street sweeping, and structural fire protection services pursuant to the Engineer's Report and setting a public hearing to consider any protests with respect to the assessments and the Engineer's Report.
3. Set Public Hearing for June 17, 2014 at 9:00 A.M. to hear protests to the proposed assessments.
4. Direct the Clerk of the Board to comply with the requirements of Article XIII D of the California Constitution with respect to the public notice requirements for the proposed assessments within County Service Area No. 3.
5. Designate Martin Pehl, Airport Manager, as the person to answer questions regarding the assessments and protest proceedings.

These actions express the intent of the Board to consider adopting structural fire protection, streetside landscaping, street and highway lighting and street sweeping assessments in CSA No. 3 for Fiscal Year 2014-15, to set a public hearing on those assessments and to authorize public notice of the hearing. The public protest hearing will be held on June 17, 2014, at 9:00 a.m., and the resolution approving and imposing the assessments

will be considered for action by the Board at the conclusion of the protest hearing.

A printed copy of the Engineer's report will be provided to the Board of Supervisors, Clerk of the Board, and the County Executive Officer in advance of this agenda date and will be available to the public. There will be two public notices published in advance of the hearings on the assessment scheduled for June 17. There will also be a CSA No. 3 meeting held on June 11, 2014 at the Airport to provide feedback for any interested party in the CSA No. 3. Property owners are notified by mail regarding this meeting.

SUPPORTING DOCUMENTS

A . CSA 3 Service Plan Resolution FY14-15

B . CSA 3 Resolution of Intent

CEO Recommendation: Approve

Reviewed By: Pamela Kindig