



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/16/2015
Agenda Placement: 9A
Set Time: 9:00 AM PUBLIC HEARING
Estimated Report Time: 10 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

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

SUBJECT: Public Hearing and adoption of a resolution authorizing and levying assessments for County Service Area No. 3 and Budget Hearings

RECOMMENDATION

Director of Public Works requests the following actions relating to County Service Area No. 3 (CSA No. 3) - Fire Protection and Street Maintenance Assessment District:

1. Open Public Hearing to consider any objections or protests with respect to the assessments for adoption;
2. Close Public Hearing and adopt a resolution authorizing and levying assessments for Fiscal Year 2015-2016;
3. Open Public Hearing to accept testimony on the Fiscal Year 2015-2016 budget for a total appropriation of \$492,519 and total designations in the amount of \$368,623; and
4. Continue for consideration to June 23, 2015 at 9:00 a.m. for adoption of the recommended budget.

EXECUTIVE SUMMARY

Government Code Section 25210.77(a) requires an annual written report for each County Service Area be submitted to the Clerk of the Board. The report must identify each parcel of real property receiving extended services and the assessment for each parcel. After the report has been filed, a public hearing is to be scheduled to hear and consider all objection or protests, if any, to the proposed annual assessments.

On May 19, 2015, an "Engineer's Report" was submitted to the Board in compliance with the requirements of Government Code Section 25210.77(a) and Proposition 218. After receiving the report, the Board, by resolution, declared the County's intent to levy assessments for CSA No. 3, set a time for a public hearing at 9:00 a.m., June 16, 2015, to consider any protests to the proposed assessments, and designated the Napa County Airport Manager as the person to answer questions regarding the assessments.

Upon conclusion of today's public hearing, the Board may adopt, revise, change, reduce, or modify any proposed assessment by resolution.

Today's second Public Hearing will provide the opportunity for public comment on the recommended Fiscal Year 2015-2016 budget for County Service Area No. 3. Please refer to the Recommended Budget Book under the Special Districts and Other Agencies tab. Schedules 12, 13 and 14 can be found on pages 521-523. Division detail can be found on page 532.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing for levying of Assessments
2. Staff Reports
3. Public Comments
4. Close Public Hearing
5. Motion, Second, Discussion and Vote to accept the resolution levying assessments
6. Open Budget Public Hearing for Fiscal Year 2015-2016 Budget
7. Staff Reports
8. Public Comments
9. Continue Public Hearing to June 23, 2015 for adoption of a recommended budget.

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:	None. The budget is for Fiscal Year 2015-2016 only.
Consequences if not approved:	If the requested action is not approved, the County Service Area #3 will not have appropriate spending authority to provide services for Fiscal Year 2015-2016.

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 XIIC of the California Constitution because it is an assessment or property related fee imposed in accordance with the provisions of Article XIID.

In 1994 the Board adopted Resolution No. 94-29 adding structural fire protection, streetside landscaping, street and highway lighting and street sweeping as extended services to CSA No. 3. These services are funded by assessments levied in accordance with Proposition 218, which requires that the County levy assessments according to the special benefit each parcel receives.

In 1997, an election was held pursuant to Proposition 218, and 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 based upon the use of the Engineering News Record Construction Cost Index (ENR) for the San Francisco area on an annual basis as the mechanism for the CSA to keep up with cost of living increases for fire protection services.

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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 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, and with the retirement of the Certificate of Participation debt for the Greenwood Fire Station. There is also the provision for annual rate increases based upon the Construction Cost Index. The Engineering News Record Construction Cost (ENR) index for the San Francisco area, which was based on an annual time period of March 2014 through March 2015 was 2.55%. Since the approval of last year's report, CSA No. 3 has added an additional 225,861 square feet of warehouse use.

The annual subsidies from the Fire Fund to CSA No. 3 are tracked in the Engineer's Report. The Engineer's Report estimates a Fire Fund Subsidy of \$81,871 for next fiscal year and a cumulative subsidy of \$1,984,891. When compared to last year's Engineer's Report, there is a 5.9% increase in fire fee assessments.

Upon conclusion of the public hearing, the Board may adopt, revise, change, reduce, or modify any proposed assessment by resolution. Two public notices were published in advance of this hearing. There was also a CSA No. 3 meeting held on June 10 at the Airport to provide feedback for any interested party in the CSA No. 3. Property owners were notified by mail regarding this meeting.

After adoption of a resolution authorizing and levying assessments for CSA No. 3, a second public hearing will be held to consider the recommended budget for Fiscal Year 2015-2016 for CSA No. 3. Revenue is estimated at \$492,519. Total appropriations are \$492,519 consisting of:

- | \$75,542 for Services and Supplies
- | \$416,977 for an operating transfer out to the Fire Protection Fund

SUPPORTING DOCUMENTS

A . CSA 3 Resolution Levy Assessments 2015-2016

CEO Recommendation: Approve

Reviewed By: Molly Rattigan