

January 4, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
January 11, 2005

REDUCTION IN STREET LIGHTING CITYWIDE

Recommendation:

It is recommended that the City Council:

1. Receive public comment concerning the reduction of street lighting in the test area north of 27th Street and west of Valley Drive and determine if this test should be terminated and lights turned back on or to leave lights off and continue this lighting reduction program citywide; and
2. Consider directing staff to begin the process of balloting residents for approval to increase their Lighting/Landscaping District assessment by an amount less than \$10 per year.

Summary:

OPTION 1 – REDUCED STREET LIGHTING

At its regularly scheduled meeting held on August 10, 2004, Council approved a test project to remove 50% of the streetlights within an area north of 27th Street and west of Valley Drive. This was undertaken as an option to balance the deficit in the Lighting /Landscaping District budget.

With the help of the Council subcommittee (Reviczky and Tucker), the area was walked at night and 52 out of a total of 161 lights were selected for elimination (a 32% reduction). See the attached area map showing all of the lights to remain and to be removed (Attachment 1). During the month of October, 2004, Edison turned off their lights and placed burlap bags over the luminaries and City maintenance personnel similarly turned off the City lights on Hermosa Avenue.

Staff has received 29 letters in opposition to the light reduction and 4 letters in favor (Attachment 2). The main concerns expressed were that residents felt more vulnerable to crime and difficulties when walking at night. There are 680 properties in the test area.

After reviewing the impacts of this test staff made the following findings:

- It may be very difficult to achieve greater than a 25% reduction citywide.
- Anticipated annual savings is between \$50,000 to \$60,000. This alone would not be enough to balance the District's budget.

- While the number of residents complaining is a small percentage overall, the opponents have very strong feelings regarding personal safety issues that are difficult to appease.
- Turning off streetlights is a very time consuming effort for staff in dealing with the unhappy residents.

It is always possible to remove individual lights that residents consider un-necessary on a case-by-case basis. Staff suggests a policy requiring that a petition from the neighborhood affected be submitted with a super-majority in support of its removal. Glare shields are also available upon request for a \$150 charge when an Edison light is involved. The actual cost savings from spot removals requested by residents would not remedy the budgetary needs of the District. Therefore, staff suggests the following option be considered for a long-term solution.

OPTION 2 - INCREASED ASSESSMENTS FOR LIGHTING/LANDSCAPING DISTRICT

If Council determines that turning off streetlights is not a desired option for balancing the District's budget, then another option to consider is increasing the assessment to property owners. The Lighting/Landscaping District is funded by a tax levy of \$455,000 per year. The assessment amount to each dwelling unit is \$41.45 per year. There is a total of 10,982 dwelling units in the city. This assessment has not changed since FY 97-98, when park landscaping was eliminated from the District budget. The assessment prior to this was set at \$54.82 per year in FY 95-96.

The District's budget for FY 04-05 and 05-06 was balanced utilizing an estimated transfer of \$141,738 from the General Fund. Staff has reviewed all expenditures charged to the District and determined that we could reduce personnel allocations in FY 05-06 so that the estimated fund balance on June 30, 2006 (including the General Fund transfer) will be approximately \$1,000. After that the District will be running a deficit of approximately \$100,000 per year, plus any cost increases in water and electric.

It is recommended that ballot proceedings be held to approve an increase in the assessment amount for FY 05-06 by an amount less than \$10 per year. This would create a fund balance at the end of FY 05-06 of approximately \$100,000, which would cover the costs of assessment proceedings and balloting which is estimated to be \$50,000 (mailing costs alone are over \$20,000), plus provide a small contingency amount for unanticipated expenses.

Under Proposition 218 guidelines, the new District may include an annual CPI adjustment, which will provide for future increases in the cost of utilities. The annual assessment is set based upon actual expenditures but the "allowable assessment amount", which includes the annual CPI adjustment, is tracked each year. When expenditures justify the need, you can increase the assessment up to this "allowable amount" without re-balloting.

With Council's approval, staff will bring back contracts for assessment engineering services to begin proceedings to increase assessments.

The District is supposed to be self-sustaining, with the tax levy equaling expenditures. If residents vote down this increase in assessment, then staff would recommend revisiting the option of reduced services.

Attachments:

1. Location Map
2. Resident correspondence packet

Respectfully submitted,

Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted for fiscal impact:

Concur:

Viki Copeland
Finance Director

Stephen R. Burrell
City Manager