



## Legislation Text

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**File #:** 23-0613, **Version:** 1

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**TO:** Board of Supervisors  
**FROM:** Steven E. Lederer, Director of Public Works  
**REPORT BY:** Michael Karath, Staff Services Analyst II  
**SUBJECT:** County Service Area No. 3 Fiscal Year 2023-24 - Engineer's Report and Initiate Proposition 218 Election

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### **RECOMMENDATION**

Director of Public Works requests adoption of a Resolution regarding the assessment for County Service Area No. 3 (CSA No. 3) for Fiscal Year 2023-24:

1. Approve the Service Plan;
2. Accept Engineer's Report;
3. Initiate Proposition 218 Ballot Process seeking Property Owners' Approval; and
4. Set a Public Hearing for July 18, 2023 at 9:00 a.m. for Proposed Assessment Changes.

### **EXECUTIVE SUMMARY**

CSA No. 3's authority to collect assessments for enhanced firefighter coverage by the Greenwood Ranch Fire Station (Station No. 27) and street services for 25 years beginning in Fiscal Year 1997-98 expired on June 30, 2022. After all CSA No. 3 property owners were contacted in April 2023, Public Works found little or no interest in continuing "enhanced" fire service, which requires an assessment, but gauged sufficient interest in continuing street services that include street lighting, street sweeping, landscaping, and other related services. Staff is not recommending the continuation of enhanced fire service but directed its engineering consultant to include enhanced fire in the Engineer's Report for the Board's review. Staff recommends to pursue only street services assessments in anticipation of the Board's approval of a Proposition 218 election and property owners' ballot approval of the assessment. Beginning in Fiscal Year 2023-24, Station No. 27 will provide CSA No. 3 with basic fire service (which is enhanced when compared to 2022 service level), which does not require an assessment.

A Proposition 218 ballot process and public hearing are needed to determine whether property owners want to continue street services and grant the County the authority to assess them for these services. The Resolution includes a service plan that identifies the services in the event the Board approves the election to take place and property owners approve the assessment change.

#### PROCEDURAL REQUIREMENTS:

1. Open Public Hearing
2. Staff Reports
3. Public Comments
4. Close Public Hearing
5. Motion, second, discussion and vote on the item.

#### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Where is it budgeted?	A CSA No. 3 budget will be ready for Board review and approval if the Board approves a Proposition 218 election and property owners approve the assessment on election day.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	If the property owners reject a Proposition 218 election for the assessment, enhanced street services will not be provided.
Is the general fund affected?	No
Future fiscal impact:	The County will no longer collect roughly \$650,000 per year from CSA No. 3 property owners for enhanced fire service, but this will be offset by providing only basic fire service and no longer providing County funds to backfill funding for enhanced fire service.
Consequences if not approved:	The County will no longer provide street services, and property owners will be responsible for providing them.
County Strategic Plan pillar addressed:	Effective and Open Government

**Additional Information**

The County will be required to refund property owners the total assessments collected for enhanced fire service in Fiscal Year 2022-23, which total \$636,869, as of May 1, 2023. However, the available fund balance for enhanced fire services, which totals \$689,860, as of May 1, 2023, will be sufficient to pay these refunds.

**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**

In 1979, CSA No. 3 was formed, following an affirmative vote by the property owners within the boundaries of the area and a Board of Supervisors resolution (79-56).

In 1997, CSA No. 3 property owners passed a Proposition 218 vote that set an assessment methodology to provide certain services within CSA No. 3. These services, which remain today, included enhanced fire protection, street lighting, street sweeping, and median landscaping (of seven roadway medians). Each property is assessed a proportional amount based on the cost of the service and the proportional benefit the property owner receives from the service. In Fiscal Year 2022-23, CSA No. 3 property owners were assessed \$636,869 for enhanced fire protection services (91% of total assessment) and \$60,000 (9% of total assessment) for street services, including \$14,000 for street light maintenance and repair; \$10,000 for sweeping; \$10,000 for median landscaping; and \$26,000 for administration costs.

Recently, Napa County Fire reevaluated the appropriate level of staffing at all its fire stations. Since 2009, CSA No. 3 property owners have been paying (in part) for 11.5 Full Time Equivalent (FTE) staff at the Greenwood Ranch Fire Station, providing four firefighters on shift around the clock. Napa County Fire has determined, based on today's equipment, as well as the introduction of new nearby firefighting resources from the cities of American Canyon and Napa, that the station can provide an equivalent level of service at 9.0 staffing, providing three firefighters on shift around the clock. The 9.0 staffing will be considered the baseline level of service, or "basic service," to be provided by the County. This means there is no longer a need for CSA No. 3 property owners to be assessed for enhanced service.

On June 30, 2022, CSA No. 3's authority to collect assessments for enhanced firefighter coverage and street services for 25 years beginning in Fiscal Year 1997-98 expired. This means that the assessments the County collected for Fiscal Year 2022-23 must be refunded to property owners. The CSA No. 3 fund balance, consisting of funds collected prior to the expiration date, will be used to refund property owners. As of May 1, 2023, the County has collected \$636,869 in Fiscal Year 2022-23 for enhanced fire assessments and has an enhanced fire service available fund balance of \$689,860, which will be sufficient to pay these refunds.

In April 2023, Public Works contacted all CSA No. 3 property owners to gauge their interest in continuing County services. There appeared to be insufficient support to continue enhanced fire service, but sufficient interest to continue street services. The 1997 assessment methodology included expenditure ceilings for street services that have never been adjusted. Over time, with inflation and supply chain issues, CSA No. 3 has been

unable to attract vendors for some of these services and unable to pay present vendors to perform these services at an appropriate level. The ceilings also do not allow for the periodic repair, replacement, and upgrades of aging streetlights, trees, and vegetation. If owners want to continue street services, these ceilings will be removed. Staff has recommended a budget of \$140,000, adjusted yearly by the consumer price index, to provide an appropriate level of street services going forward.

A Proposition 218 election is needed to officially determine whether property owners want to continue street services and grant the County the authority to assess them for this service. Staff is requesting the Board to set July 18, 2023, as the deadline to return ballots and to hold a public hearing during the Board's scheduled meeting, and to direct the Clerk of the Board to comply with applicable notice requirements, oversee the collection of completed ballots and the ballot box, and tabulate the results. Further, staff requests the assignment of Michael Karath, staff services analyst II, who is the Department of Public Works Director's designee for CSA No. 3, as the person to answer questions from the public regarding the public hearing and election. The CSA No. 3's engineering consultant will print and mail the ballots and election information to property owners. If a majority of property owners submit weighted ballots in opposition to the assessment, the County cannot impose the proposed assessment.