

STAFF REPORT
City of Lancaster

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MVB

Date: February 10, 2009

To: Mayor Parris and City Council Members

From: James R. Williams, Director of Public Works

Subject: **Appropriation of Funds from the Lancaster Lighting Maintenance District**

Recommendation:

Appropriate \$50,000.00 from Fund Balance in the Lancaster Lighting Maintenance District into Expense Account No. 483-4725-301, and authorize the City Manager to enter into a Professional Services Agreement with Bartle Wells Associates to conduct an Economic Feasibility Study.

Fiscal Impact:

Appropriate \$50,000.00 from Fund Balance to Account No. 483-4725-301.

Background:

The City's streetlight, traffic signal, highway safety, and other public lighting programs, as allowed by the Landscaping and Lighting Act of 1972, are funded through the collection of assessments levied on property within Lancaster Lighting Maintenance District (LLMD) No.1. These funds provide for the annual maintenance of street lights, traffic signals, highway safety lights, and public parking lot lights, including the energy required for their illumination. However, the level of funds available through the current assessments collected from those properties annexed into the LLMD is unable to meet the current expenses.

One option to reduce the expense that is incurred through payments to Southern California Edison (SCE) would be to return ownership of street lights from SCE to the City. This could result in the reduced payments to SCE totaling more than \$1 million annually. The proposed economic feasibility study would guide the City through this complicated process. In an effort to reduce operational costs, both in energy consumption and maintenance the proposed economic feasibility study will assist aligning expenditures with current revenues.

Services would be on a time and materials basis, estimated not to exceed \$50,000.00 with a duration of 120 days, as outlined in the proposal. As such, staff recommends that the City Council appropriate the funds and authorize staff to expend the funds according to the Consultant Agreement.

CJL:lcs