



Finance Department  
Keith Sawdon, Finance Director

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From: **Keith Sawdon, Finance Director**

To: **Public Safety and Infrastructure Technical Review Committee**

Date: **March 26, 2015**

Re: **Street Light Policy**

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At the last meeting the Public Safety and Infrastructure Technical Review Committee, the Committee was discussing several possible projects to suggest to City Council for initiatives the Committee could under take in the coming year.

One of the initiatives discussed was developing a **Street Lighting Policy**. The Finance Department has one item that we would like the Committee to consider as they develop a Street Lighting policy and it is related to the agreements the City enters into with Home Owner Associations for subdivision street lighting.

From time to time Home Owner Associations approach DTE to have street lights installed in their subdivision and are informed by DTE, that DTE will only contract with the City to provide those lights. The Home Owner Associations will then approach the City to contract with DTE to provide those street lights. The City currently has several such agreements where the City contracts with DTE on behalf of a Home Owner Association, get billed monthly by DTE, the City bills the Home Owner Association (quarterly), collects the quarter payment and applies the Home Owner Association payment against the payments the City has made to DTE. As part of this bill and collect process the City applies an administration fee to cover the costs of billing and collecting as it acts as the Home Owner Association's agent with DTE.

If given the task of developing a Street Lighting Policy, the Finance Department would like the Committee to review and discuss changing the current quarterly billing and collection process to a once a year Special Assessment billing. Under this approach a once a year assessment would be placed on the tax bills of each parcel in the street lighting district i.e. Home Owner Association and collected through the City tax collection process.

The annual amount that would be applied as an assessment would be determined by the City every year based on an estimate of the amount expected to be billed by DTE. That estimated amount would be divided equally among the effected parcels. At the end of the billing cycle, the City will reconcile the amount billed by DTE against the amount received from the billed parcels and make the necessary adjustment for the next billing cycle. The use of a Special Assessment billing process will lower the amount of paperwork that the City and Home Owner Association is currently doing and will avoid the administration fee currently being paid by Home Owner Associations.