



## **CITY OF MENIFEE**

---

SUBJECT: Acceptance of County Service Area 145 Quimby Fees

MEETING DATE: December 6, 2023

TO: Mayor and City Council

PREPARED BY: Margarita Cornejo, Deputy Finance Director

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Rebekah Kramer, Acting City Manager

---

### **RECOMMENDED ACTION**

1. Adopt budget amendment resolutions to accept, approve and authorize the Finance Department to transfer \$1,585,460 of County of Riverside County Service Area 145 ("CSA 145") Quimby Fees to a General Fund Assigned Fund Balance, DIF Citywide Park Improvements (Fund 522) and CSA 145 Assigned Fund Balance; and
2. Adopt budget adoption resolutions transferring \$557,000 from CSA 145 Assigned Fund Balance to Unassigned Fund Balance and appropriating \$557,000 in expenditures from Fund 480 (CSA 145) to CIP 24-12: La Ladera Park Improvements Project and reducing Fiscal Year (FY) 2023/24 and FY24/25 budget appropriations from DIF Fund by a combined \$557,000.

### **DISCUSSION**

Prior to the City incorporating, the County of Riverside formed County Service Area (CSA) 145 within a portion of what would become the City of Menifee, with the purpose to provide enhanced service levels to the designated particular geographic area representing the CSA. Specifically, CSA 145 was established to provide park, recreation services and streetlight services. While CSAs typically do not have capital improvements plans, CSA 145 was established with a Master Plan for the provision of parks, thereby allowing the establishment of Quimby Act Fees.

Once the City incorporated, County CSA 145 was formally dissolved, and the City of Menifee assumed the annual CSA assessments and facilities maintained as a CSA managed and controlled by the City of Menifee directly. The County of Riverside recently notified the City of Menifee that in the dissolution/transfer of CSA 145 responsibilities, CSA 145 Quimby Fees in the amount of \$1,585,460 were inadvertently not transferred over to the City of Menifee. At the August 29, 2023 County of Riverside Board of Supervisors Meeting, the County Board approved the transfer of \$1,521,526 in CSA 145 Quimby Fees to the City of Menifee. Since then, an additional

\$63,934 in interest earnings, for a total of \$1,585,460 will be transferred by the County of Riverside to the City of Menifee.

Generally CSA 145 includes associated maintenance costs for various park sites (La Ladera Park, Nova Park, Lyle Marsh Park, Lazy Creek Park, E.L. Pete Peterson Park), right-of-way landscape maintenance of 3 sites, streetlighting costs within the CSA, and recreation services. One of the eligible park facility sites included as part of CSA 145 is Lazy Creek Park. In 2022, the City of Menifee completed CIP 19-16: Lazy Creek Recreation Center Project, more than doubling its blueprint and significantly expanding its programming capacity. Unaware of the existence of the CSA 145 Quimby fees balance held at the County, the City funded this high priority project with several funding sources including General Fund/Capital Project fund in the amount of \$809,372. Additionally, a total of \$219,088 in DIF Citywide Parks (Fund 522) funds were used for completion of the Lazy Creek project. As the project would have been an eligible capital project within CSA 145, staff is recommending reimbursement/transfer in the amount \$809,372 to the General Fund and \$219,088 to DIF Citywide Parks (Fund 522) for costs associated with the Lazy Creek Recreation Center Project.

Additionally, as part of the approved CIP Program, FY23/24 and 24/25 included appropriations of \$700,000 from DIF Funds (Fund 522 Citywide Parks) towards CIP 24-12: La Ladera Park Improvements Project. La Ladera Park is CSA 145 eligible park facility. With the receipt of the CSA 145 Quimby revenue, staff recommend allocating \$557,000 from the CSA 145 Quimby Fees towards the CIP 24-12 in place of DIF Funds. This will allow for the DIF funds to be reprogrammed for other high priority capital projects. The overall project cost for CIP 24-12 would remain the same as approved during the budget adoption process.

### **STRATEGIC PLAN OBJECTIVE**

Regular City Business

### **FISCAL IMPACT**

The fiscal impact of the recommended action results in a one-time revenue increase of \$1,585,460 with the acceptance of County of Riverside CSA 145 Quimby Fees and authorizing the Finance Department to transfer and/or use these funds in Table 1 on the following page.

**TABLE 1: Funds to Transfer and/or Use**

<b>Amount</b>	<b>Fund</b>	<b>Purpose</b>
\$809,372	General Fund (Transfer from Fund 480 to Fund 100)	Reimbursement for Lazy Creek Recreation Center (CIP 19-16)
\$219,088	DIF Citywide Parks (Transfer from Fund 480 to Fund 522)	Reimbursement for Lazy Creek Recreation Center (CIP 19-16)
\$557,000	CSA 145 (Fund 480)	La Ladera Park Improvements Project (CIP 24-12)

**ATTACHMENTS**

1. Budget Amendment Resolution - General Fund (Fund 100)
2. Budget Amendment Resolution - CSA 145 Fund (Fund 480)
3. Budget Amendment Resolution - DIF Citywide Park (Fund 522)
4. County of Riverside Form 11 (CSA 145 Quimby Fees)