



## **CITY OF MENIFEE**

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SUBJECT: Intention to set a Public Hearing to Establish Fiscal Year 2025/2026 County Service Area Charges Within the City

MEETING DATE: June 4, 2025

TO: Mayor and City Council

PREPARED BY: Lauri Lockwood, Financial Analyst

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Adopt a resolution declaring the City's intention to continue County Service Area charges within the City for Fiscal Year 2025/2026 and notice a public hearing for July 16, 2025.

### **DISCUSSION**

When the City of Meniffee (the "City") incorporated in October 2008, it assumed responsibility for the existing County Service Areas ("CSAs") within the City's jurisdictional boundaries. Since then, the City has been responsible for the services and charges provided by CSAs 33, 43, 84, 86, 138, and 145 within its boundaries. Additionally, during the formal incorporation on October 1, 2008, the City adopted all Riverside County Ordinances in effect, including Riverside County Ordinance No. 573.

Riverside County Ordinance No. 573 specifically requires that the City Council annually cause to be prepared and filed with it a report describing the services, parcels and charges provided by each CSA for the upcoming fiscal year. Additionally, a public hearing must be conducted to complete the process of establishing the CSA charges for the upcoming Fiscal Year.

Each of the six CSAs identified above has annual assessment charges levied against the parcels contained within its service area boundaries. The charges are set each year based on the formula specified within Riverside County Ordinance No. 573. The annual charges are assessed and included on the property tax bill for each affected parcel and are collected and transferred to the CSA/City on the same schedule as the normal property tax payments.

The CSAs provide several different services to portions of the City, primarily street lighting. However, some CSAs provide additional services. For example, CSA 86 provides funding for dedicated law enforcement service to the Quail Valley area, and CSA 145 provides for parks and recreation services

for most areas of the City west of Interstate 215. Attached as Exhibit A to the resolution is a report of the various CSAs describing the services provided, the cost of the services, and the assessment ranges.

The cost of services provided by five of the six CSAs is either covered entirely by their respective special assessments, or by a combination of special assessment revenue and the CSA's fund balance. Historically, the exception has been CSA 145, which maintains streetlights, landscaping and parks and provides recreation services to 7,746 properties in Sun City and western Menifee. When this CSA was formed, the assessment increases were limited to 2% annually, which has resulted in maintenance costs rising faster than revenues. To accommodate an expense for tree trimming, which has become necessary, maintenance personnel costs were reduced this year in order to balance the budget. In FY 2025/2026 CSA 145 has budgeted revenue of \$1,052,783 and budgeted expenditures of \$1,016,831.

If the resolution is adopted, a public hearing would be set to complete this process, which would be held during the July 16, 2025, City Council meeting.

### **STRATEGIC PLAN OBJECTIVE**

Regular City Business

### **FISCAL IMPACT**

If authorized, the total combined levy for all of the applicable CSAs will be approximately \$1,941,338 and will be included in the Fiscal Year 2025/2026 budget.

### **ATTACHMENTS**

1. Resolution of Intention CSAs
2. Prelim CSAs Annual Report for FY 25-26