



CITY OF MENIFEE

SUBJECT: Intention to set a Public Hearing and Proceedings for the Landscape and Lighting Maintenance District 89-1-C Levy and Collection of Assessments for Fiscal Year 2025/2026

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

RECOMMENDED ACTION

1. Adopt a resolution initiating proceedings for the levy and collection of assessments for the Landscape and Lighting Maintenance District No. 89-1 Consolidated ("LMD No. 89-1-C" or "District") for Fiscal Year 2025/2026; and
2. Adopt a resolution for approval of the annual Engineer's Report regarding the proposed levy and collection of assessments for LMD No. 89-1-C for Fiscal Year 2025/2026; and
3. Adopt a resolution declaring the City's intention to levy and collect assessments for LMD No. 89-1-C for Fiscal Year 2025/2026 and setting the date of the Public Hearing for July 16, 2025.

DISCUSSION

Pursuant to the Landscape and Lighting Act of 1972 and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of an improvement shall be identified, and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of improvements. Only parcels that receive special benefit are assessed a special tax, and each parcel is assessed in proportion to the estimated benefit received.

LMD No. 89-1-C maintains and services 23 separate zones of benefit (composed of 54 locations) and 19 street lighting zones of benefit as described in the attached Engineer's Reports. The primary improvements provided within the District may include but are not limited to: maintenance and servicing of landscape, multi-purpose trails, fencing, coordination of irrigation schedules,

backflow devices and fossil filter improvements within public right-of-way, and electricity for streetlights. Services provided include maintenance and administration required to keep the improvements in satisfactory condition.

Two zones within LMD No. 89-1-C have had budgeted expenses exceed budgeted revenues this year: Zone 3 and Zone 38.

While the assessment for most zones within the District adjusts annually at a rate equal to the greater of the change in the Consumer Price Index (CPI) or 2%, Zone 3 does not have the ability to increase rates. This zone is the largest in the City, covering 3,548 parcels on the west side of Menifee. It includes more than 1,620 mature trees and has more water-intensive landscape and older irrigation fixtures. The water budget for this zone represents 80% of the total special assessments levied. Staff has recommended a turf conversion project be included in the City's Capital Improvement Program, with a goal of reducing water use and associated expense within this zone. For now, to maintain the landscaping and ensure trees are trimmed when necessary for safety, the proposed budget for General Fund would be contributing \$100,000 in FY 2025/2026 to balance the budget for this zone.

Zone 38 is composed of 239 parcels and is responsible for the maintenance of landscaping, trails, fencing and bioswale improvements. Although this zone will increase taxes by CPI this year, it still has a tight overall budget. In order to balance the proposed budget, the General Fund would be contributing \$35,000 in FY 2025/2026 to pay for the necessary trimming of more than 270 trees.

With the exception of Zone 3, the revenues for zones within LMD No. 89-1-C are proposed to increase for FY 2025/2026 by 2.52%, which is the change in the CPI for the Riverside-San Bernardino-Ontario California Standard Metropolitan Statistical area. The annual proposed budget for all zones within the District for FY 2025/2026 totals \$907,860.

The City Council is required to approve an Engineer's Report each year before placing the levy on the tax rolls. Failure to place the levy on the tax rolls would require decreasing service levels, up to and including the closure or abandonment of LMD No. 89-1-C itself.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

Adoption of these resolutions would allow the City of Menifee to collect approximately \$907,860, which would allow for the maintenance of the parcels within this Landscaping and Lighting Maintenance District. Additionally, there would be a cost of \$135,000 to the General Fund for Zone 3 and Zone 38, which is already accounted for within the proposed FY 2025/2026 budget. LMD No. 89-1-C is being levied at the maximum eligible assessment rate and all available fund balances for zones requiring a General Fund transfer have been used.

ATTACHMENTS

1. Resolution Initiating Proceedings
2. Resolution Approving Engineer's Report
3. Engineer's Report Vol. 1
4. Engineer's Report Vol. 2
5. Resolution Declaring Intention
6. LMD 89-1-C Zone 3 Map
7. LMD 89-1-C Zone 38 Map