



Staff Report

City Council

Item No. 5.C

Meeting Date: May 8, 2024

From: Kevin Biersack, Financial Services Director

Title: Annual Renewal of the Lighting and Landscaping District Budget for Fiscal Year 2024/2025

RECOMMENDATION:

To adopt three Resolutions to renew the annual assessments with Street Lighting and Landscape Maintenance District No. 1 (Zones 1 through 54, non-sequential)

BACKGROUND:

In August 2001, City Council adopted Resolution 2001-57 approving the formation of an assessment district created under the Street Landscaping and Lighting Maintenance District Act of 1972. The original district was initiated with six proposed benefit zones, but after the required Proposition 218 ballot process, only four benefit zones were approved. Since the initial formation, annexations of additional zones have been approved by City Council and passed by property owners through the Proposition 218 ballot process, making a total of sixteen (16) current zones (Zones 1 thru 54, non-sequential).

The 1972 Act provides that assessments may be levied annually. Proposition 218 laws provide assessment increase limitations. Assessments for labor, material and utility increases cannot exceed an amount greater than the Consumer Price Index (CPI) for the previous year. Re-balloting is required if increases exceed the CPI limitations or if the scope of work accomplished by the LLD Zone were to change. Under the preliminary engineer's report, there are no LLD zone levy increases exceeding the CPI limitation nor are there any scope changes as currently proposed.

DISCUSSION:

As stated in the recommendation above, the prescribed process includes the City Council adopting resolutions. To meet the time requirements to levy the parcels for the FY 2024-2025 tax year, the resolutions need to be approved by May 8, 2024. A public hearing will be scheduled on June 26, 2024, duly published and made available at least 10 days prior to the public hearing. The final engineer's report and levy for LLD Zones 1 through 54 (non-sequential) will be presented at the June 26th meeting. At that time, the council shall consider passing a resolution approving the engineer's report and a resolution regarding the establishment of the maximum assessment and ordering the levy and collection of the assessment.

In the most recent biennial budget, the Fiscal Year 2024-2025 budget for the Landscape and Lighting Fund (261) identified budget revenues of \$695,000 and budgeted expenditures of \$679,137. The attached preliminary engineer's report has identified FY 2024-2025 revenues totaling \$721,180 and associated expenditures totaling \$714,714 resulting in the proposed budget adjustments listed below.

	FY 2024-25 Adopted Budget	FY2024-25 Engineers Estimate	FY 2024-25 Budget Adjustment
Revenues	\$ 695,000	\$ 721,180	\$ 26,180
Expenditures	\$ 679,137	\$ 714,714	\$ 35,577

Regarding the individual LLDs, zone 20 (Cimarron) is the only one with a negative balance of \$4,015 at the end of the fiscal year, down from \$6,147 at the beginning of the fiscal year.

FISCAL IMPACT:

FISCAL YEAR	DESCRIPTION	GENERAL LEDGER ACCOUNT CODES	PROJECT CODE	AMOUNT	ONE TIME or ONGOING
2024-2025	LLD Budget	261-6500-6571	All non-park LLDs	\$26,180	One time for revenue
2024-2025	LLD Budget	261-8300-8301	All non-park LLDs	\$35,577	One time for expenditures

FIVE-YEAR STRATEGIC PLAN:

This action will further Goal C – Fiscal Stability and Sustainability

Objective - Cathedral City has economically prospered by facilitating the investment of private dollars in high quality development which benefits the community. We remain financially solvent by instituting prudent fiscal policies and transparent financial practices.

ATTACHMENTS:

1. Initiate Proceedings Resolution
2. Intention to Levy Resolution
3. Preliminary Engineers Report Resolution
4. Preliminary Engineers Report