



# Staff Report

## City Council

Item No. {{section.number}}.A

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**Meeting Date:** June 26, 2024

**From:** Kevin Biersack, Financial Services Director

**Title:** Annual Renewal of the Lighting & Landscaping District (LLD) Budget

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### **RECOMMENDATION:**

To hold a public hearing, adopt resolutions approving the final engineer's report, and order the levy and collection of annual assessments for the sixteen (16) existing benefit zones for the annual renewal of the Lighting and Landscaping District budget for fiscal year (FY) 2024/2025.

### **BACKGROUND:**

In August 2001, City Council adopted Res. 2001-57 which approved 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 (6) 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, for a total of sixteen (16) current zones. The 1972 Act provides assessments may be levied annually. Proposition 218 laws provide assessment increase limitations not to exceed the annual Consumer Price Index (CPI) annual percentage adjustment. Assessments for labor, material and utility increases cannot exceed the maximum assessment rate for each zone. If the City would pursue increasing rates beyond the CPI limitations or if the scope of work accomplished by the LLD zone were to change, re-balloting would be required.

### **DISCUSSION:**

Under the final engineer's report, to be approved with this agenda item, there are no LLD Zone levy increases exceeding the CPI limitation as currently proposed. The prescribed process included the City Council previously adopting resolutions on May 8, 2024 which included scheduling a public hearing date for June 26, 2024. The public hearing was duly published and made available on or prior to June 16, 2024. The final engineer's report and levy for LLD Zones 1 through 54 is presented in the attached report. After the public hearing is closed, the Council may pass a resolution approving the engineer's report and a resolution

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regarding the establishment of the maximum assessment and ordering the levy and collection of the assessment. Final acceptance of the engineer's report and the resolution ordering the levy and collection of assessment will allow the County to assess the appropriate levies on the FY 2024/2025 tax bills.

**FISCAL IMPACT:**

Final acceptance of the engineer's report and the resolution ordering the levy and collection of assessment will allow the City to collect the appropriate levies from the parcel owners for these 16 LLD zones. Two of these LLD zones provide for a 100% contribution from the City's General Fund in the amount of \$350,381.07 for the maintenance of public parks (Century Park and Panorama Park). In addition, the arterial streetlights in the LLD zones are funded with a 50% contribution from the City's General Fund in the amount of \$15,803.32.

**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. FY 2425 Cathedral City Public Hearing & Ordering the Levy Resolution
2. FY 2425 Cathedral City Final Engineer's Report Resolution
3. FY 2425 Cathedral City-Engineers Report\_Final