



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Ann Marie Loconte, Associate Engineer  
Art Vela, Director of Public Works

**MEETING DATE:** May 14, 2024

**SUBJECT:** Consideration of Resolution 2024-74, Confirming the Levy and Collection of Assessments within the City of Banning's Landscape Maintenance District No. 1 for Fiscal Year 2024/2025, Pursuant to the Provisions of Part 2 of Division 15 of the California Streets and Highways Code

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### **RECOMMENDATION:**

Conduct the public hearing and if no objections to the levy and collection of the proposed assessments are received, adopt Resolution 2024-74.

### **BACKGROUND:**

In accordance with the "Landscaping and Lighting Act of 1972" ("1972 Act") of the Streets and Highways Code, the City Council adopted a resolution on August 14, 1990 ordering the formation of LMD No. 1, ("the District"). An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution 2005-36 on May 10, 2005. Tract No. 32370 was annexed into the LMD on November 14, 2023 when the City Council approved Annexation No. 2. A map displaying the District and its' Zones is shown as Attachment 2.

On February 13, 2024 the City Council approved Resolution 2024-21, initiating proceedings for the fiscal year update of LMD No. 1 and ordering the City Engineer to prepare and to file a Report in accordance with the 1972 Act. The District, by special benefit assessments, provides funding for the operation and maintenance of certain landscape areas within the City of Banning, all of which were constructed as part of private development projects and all of which are located in the public right-of-way. The 1972 Act requires that assessments be levied according to benefit rather than according to assessed value.

Subsequently, on March 26, 2024, the City Council adopted Resolution 2024-51, approving the Engineer's Report. Resolution 2024-XXX, if approved, will confirm the assessments for the Fiscal Year 2024/2025. The schedule updating LMD No. 1 is shown as Attachment 3, and the Notice of Public Hearing advertised in the Record Gazette on April 26, 2024 is shown on Attachment 4.

For Fiscal Year 2024/2025, the Engineer's Report does reflect a Consumer Price Index (CPI) percentage increase of 2.88% on the assessments over the last fiscal year applied only to those tracts annexed into the District in 2005 and 2023, respectively: Tracts 28252, 30793, 31833, 31834, 31835, 30906, and 32370, zones six through eleven. The annual Engineer's Report approved as part of Resolution 2024-51 lists the Assessment Unit (AU) rates and costs to be levied to the property owners within LMD No. 1 for FY 2024/2025 and a summary is shown as Attachment 5.

**JUSTIFICATION:**

The City Council approved the formation of LMD No. 1 by adopting Resolution No. 1990-59 on August 14, 1990. The adoption of this Resolution will enable the City of Banning to assess the property owners located within the District to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners

**FISCAL IMPACT:**

Based on the proposed assessments in the Engineer's Report, the estimated revenues for Fiscal Year 2024/25 for LMD No. 1 will be approximately \$159,169.91, with the 2.88% CPI increase applied to the existing tracts annexed into the District in 2005 and 2023, respectively: Tracts 28252, 30793, 31833, 31834, 31835 and 30906, Zones six through ten and Tract 32370, Zone 11 of Annexation No. 2. If approved, the annual assessment for a single-family dwelling in zones six through ten would increase from the current rate of \$252.63 to \$259.91 and for Zone 11 from \$392.64 to \$403.95.

The estimated expenses for FY 24/25 are \$155,028.11 (based on FY 2023/2024 actual costs), a surplus of approximately \$4,141.80 for the overall District. It should be noted that each zone within the District has its own fund balance separate from other zones.

Attachment 6 identifies funding reserve balances in each zone. Many of the zones (Zones 1,3,4, and 5) do not have sufficient reserves to cover the projected expenses in future years; therefore, a further reduction in maintenance services is imminent to reduce costs.

**ALTERNATIVES:**

1. Adopt Resolution 2024-74 as recommended.
2. Adopt Resolution 2024-74 with modifications.
3. Do not approve Resolution 2024-74 and provide alternative direction to staff.

**ATTACHMENTS:**

1. [Resolution 2024-74, LMD No. 1 Levy.doc](#)
2. [Attach. 2- LMD No.1 Map.pdf](#)
3. [Attach. 3- Tentative Schedule for Updating LMD No. 1.doc](#)
4. [Attach. 4 Proof of Publication.pdf](#)
5. [Attach. 5 LMD No. 1 Tracts, Zones and Assessments for FY 24-25.docx](#)
6. [Attach. 6 Zone Funding.docx](#)
7. [Attach. 7 CC Resolution No. 2024-021.pdf](#)
8. [Attach. 8 CC Resolution No. 2024-051.pdf](#)
9. [Exhibit A to Reso LMD No.1 Map and Zones.pdf](#)