

INDIAN WELLS CITY COUNCIL

April 3, 2025



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, City Finance Director
Subject: **Annual Levy and Engineer's Report for the Indian Wells Street Lighting District No. 2000-1**

RECOMMENDED ACTIONS:

Council **OPENS** the Public Hearing, takes any public testimony, **CLOSES** the Public Hearing; and

ADOPTS Resolution approving the annual levy and ordering the levy and collection of assessments of the Indian Wells Street Lighting District No. 2000-1 for Fiscal Year 2025-26; and

ORDERS the Indian Wells Street Lighting District No. 2000-1 levy to be placed on the Fiscal Year 2025-26 Riverside County tax roll; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

BACKGROUND:

Each year, the City Council conducts a public hearing to review and take action on the costs associated with operating and maintaining the Indian Wells Street Lighting District No. 2001-01. This hearing ensures transparency, fiscal accountability, and compliance with applicable legal and regulatory requirements. The Engineer's Report, attached to this staff report, provides a detailed budget outlining the total projected expenditures, anticipated revenues, and the scope of maintenance services required to sustain the District's street lighting infrastructure at optimal levels.

The City is responsible for levying the annual lighting and maintenance assessment in accordance with the Landscape and Lighting Act of 1972 and the procedural requirements established under Proposition 218. These assessments ensure that property owners within the District contribute proportionally to the costs of maintaining street lighting services that enhance public safety, visibility, and overall neighborhood aesthetics.

The Indian Wells Street Lighting District No. 2001-01 encompasses a defined geographic area, extending from the southwest corner of Fred Waring Drive and Warner Trail, continuing through Blackfoot Drive, Dakota Trail, Arapahoe Vista, and Elkhorn Trail. The District was originally part of Riverside County's County Service Area 121 (CSA 121), which was established to provide street lighting services to a portion of the Village area. Following the City's annexation of this area, CSA 121 was detached, and the Indian Wells Street Lighting District No. 2001-01 was formally created to ensure continued management and funding for street lighting services within the annexed region. The City remains responsible for administering and collecting the annual assessments necessary to sustain these operations, ensuring compliance with state-mandated assessment district requirements.

FISCAL IMPACT:

There is no direct fiscal impact on the City's General Fund, as the revenues generated from the annual levy are designated exclusively for the operation and maintenance of the Indian Wells Street Lighting District No. 2001-01. These funds are segregated from the City's discretionary revenues and are recorded in a dedicated Special Revenue Fund to ensure compliance with governmental accounting standards and assessment district regulations.

The annual levy for the District is \$47.74 per assessed parcel, an amount that remains unchanged from the prior fiscal year. The City anticipates collecting a total of \$2,339 in revenue from forty-nine assessed parcels within the District. These funds are restricted for use solely within the District and are allocated to cover essential expenses, including street lighting maintenance, electricity costs, and operational expenditures necessary to ensure the continued functionality and reliability of the District's lighting infrastructure. By maintaining a self-sustaining funding structure, the District is able to operate without placing any financial burden on the City's General Fund while preserving public safety and visibility within the assessed area.

OPTIONS:

1. Approve the annual levy for the Indian Wells Street Lighting District No. 2000-01 for Fiscal Year 2025-26: Approving the annual levy ensures that the District continues to receive dedicated funding for the maintenance and operation of its street lighting infrastructure. This funding covers essential services such as electricity costs, routine maintenance, and necessary repairs, ensuring that streetlights remain functional and provide adequate illumination for public safety, vehicular traffic, and pedestrian accessibility. The levy remains unchanged from the prior fiscal year, meaning there is no increased financial burden on property owners within the District. Approval of the levy also ensures compliance with the Landscape and Lighting Act of 1972 and Proposition 218, maintaining the City's

obligation to properly administer the assessment and sustain District operations without impacting on the City's General Fund.

2. Decide against approving the annual levy: If the annual levy is not approved, the District will be unable to generate the necessary revenue to fund ongoing street lighting operations. This could result in the City being unable to cover essential expenses, such as electricity costs and maintenance services, potentially leading to service reductions or outages. Diminished lighting could compromise public safety, increasing the risk of traffic accidents, crime, and reduced visibility for pedestrians. Additionally, without an approved levy, the City may need to explore alternative funding sources or reallocate limited resources, which could place an unforeseen financial strain on other municipal operations. Failure to levy the assessment may also create non-compliance with legal and regulatory obligations under state law, potentially exposing the City to administrative challenges or legal risks.
3. Provide alternative instructions for staff: The City Council may choose to direct staff to explore alternative funding mechanisms, reassess the assessment structure, or propose modifications to the District's operational framework. Alternative instructions could include conducting a financial review to evaluate long-term sustainability, exploring cost-saving measures, or revising the assessment methodology to ensure equitable distribution of costs among property owners. Additionally, staff could be directed to engage with property owners within the District to gather input on service levels, potential adjustments to the levy, or alternative approaches to funding street lighting maintenance. Any alternative approach should aim to maintain service continuity, uphold financial responsibility, and ensure compliance with regulatory requirements while addressing community needs.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Resolution