



INTERFUND LOAN FOR LMD 84-2 ZONE 19



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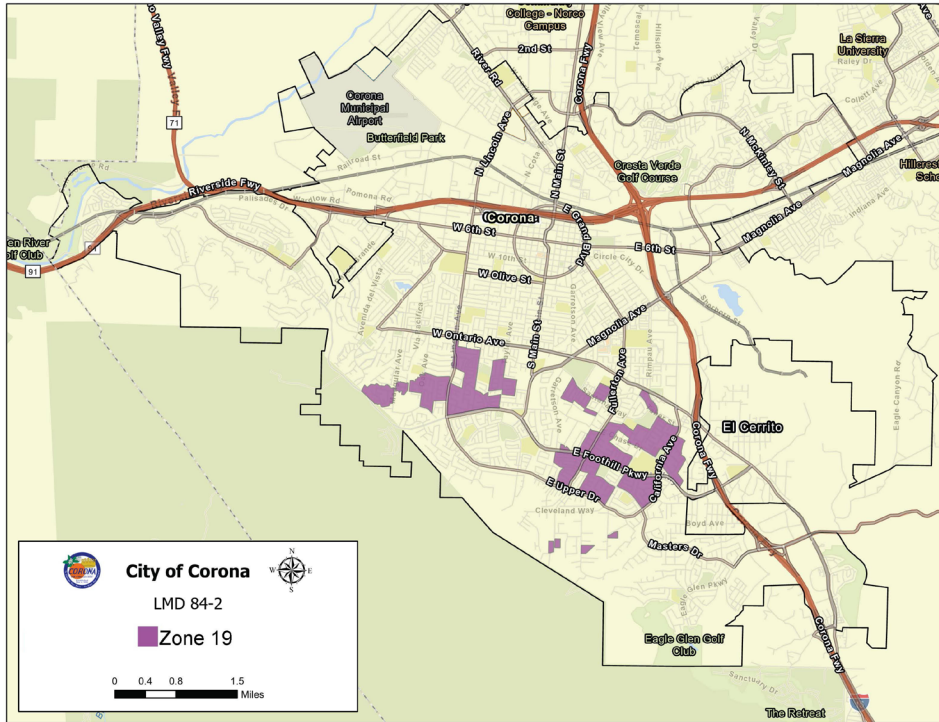
DECEMBER 7, 2022



The Ask

That the City Council approve an Interfund Loan Agreement for the City of Corona General Fund 110 to LMD 84-2 Zone 19 Fund 468 in the amount of \$166,548.

LMD 84-2 – Zone 19



- ▷ Established in 1986
- ▷ Provides landscape maintenance and operating services within Zone 19 boundaries
- ▷ Includes 36.78 acres and 3,692 benefit units
- ▷ Annual assessment of \$126.00 levied on each benefit unit to pay for landscaping services
- ▷ Levy has not increased since XX
- ▷ Prop 218 ballot measure required to increase levy

Challenges

- ▶ LMD operating at a deficit due to ongoing increases in labor and maintenance costs
- ▶ New regulations on weed abatement, mandated use of electrical equipment, and drought restrictions
- ▶ Significant areas of missing landscaping with no funds to replace it



Zone	Acres	Benefit Units (BU)	Max Levy per BU	FY22 Total Revenues	FY22 Total Costs	Deficit	FY22 Capital Reserve	FY22 Operating Reserve
19	36.78	3,692	\$126.00	\$466,151	\$555,102	(\$88,951)	\$0	(\$66,548)

Interfund Loan Agreement

\$166,548

**Current Fund Balance
(-\$66,548)**

+

**Estimated Need for FY23
up to \$100,000***

- ▶ Loan from General Fund to maintain current service level standards in the short term
- ▶ Interest rate equivalent to Local Agency Investment Fund (LAIF), but no greater than 3.0%
- ▶ Loan repaid annually over a 10-year period using available revenue in LMD 84-2 Fund 468
- ▶ If revenue is not available, any unpaid balance will be carried forward to the next due date

**Estimate based on FY22 Budget Actuals of \$88,951*

Next Steps

- **Begin outreach in Zone 19 to determine residents' desired level of service**
- **Present outreach findings to City Council and seek direction on a Prop 218 election to increase levy**
- **Ballots mailed to property owners in May/June and tabulated in July**
- **Assessments placed on County tax rolls in August 2023 and factored into FY24 budget**

Questions?



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