CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, June 24, 2026
City Hall Council Chambers 6360 Fountain Square Drive, Citrus Heights, CA
Teleconference Location – The Westin Rancho Mirage, 71333 Dinah Shore Dr., Rancho Mirage, CA 92270
5:00 PM SPECIAL MEETING
6:00 PM REGULAR MEETING

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953, Teleconferencing. Any member of the public may attend this meeting either at the Council Chambers or at the teleconference location.

HOW TO PARTICIPATE:

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IN PERSON	ONLINE	ON TELEVISION
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LEVINE ACT:

The Levine Act (Government Code Section 84308) requires parties to a proceeding before the City of Citrus Heights involving a license, permit or other entitlement for use to disclose any contribution over $500 made to a City elected or appointed officer (including Council Members and Planning Commissioners) within the 12 months before and 12 months after the City decision, and are prohibited from making, participating in, or using their official position to influence the decision.

June 24, 2026 City Council Agenda Packet

Documents:

06-24- 26 SPECIAL AND REGULAR AGENDA PACKET (CORRECTED).PDF

CALL SPECIAL MEETING TO ORDER
1. Roll Call: Council Members: Karpinski - Costa, Nelson, Schaefer, Middleton, Lopez - Taff

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6
Agency designated representatives: Ashley Feeney, City Manager, Ryan Jones, City Attorney, and Patrick Clark, Negotiator
Employee Organization: Citrus Heights Police Officers Association, Citrus Heights Police Employees Association, and unrepresented employees

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

CALL REGULAR MEETING TO ORDER
1. Flag Salute

2. Roll Call: Council Members: Karpinski - Costa, Nelson, Schaefer, Middleton, Lopez - Taff

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation Of The City Of Citrus Heights Recognizing The "America The Entrepreneurial " Campaign

5. Proclamation Of The City Of Citrus Heights Recognizing Trust Barbershop As The 2026 Business Of Distinction Pride Of Place Award Recipient

6. Presentation By The Sacramento Municipal Utility District (SMUD) On Its Tree Maintenance Program

7. Presentation By The Economic Development And Community Engagement Department On The Youth Engagement Survey

PUBLIC COMMENT
Members of the public are entitled to address the City Council concerning any item within the City Council 's subject matter jurisdiction. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during " Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

8. SUBJECT: Approval Of Minutes

RECOMMENDATION: Approve the Minutes of the Regular Meeting of April 8, 2026

9. SUBJECT: Initiate Proceedings For Fiscal Year 2026/2027 Annual Update For Landscape Maintenance Assessment District 97- 01 (Zones 1, 2, 3, & 4)

STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

a. Resolution No. 2026- ___ , A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, & 4); and

b. Resolution No. 2026- ___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, and 4).

10. SUBJECT: Initiate Proceedings For Fiscal Year 2026/2027 Annual Update Landscape Maintenance Assessment Districts 98-01, 98 -02 (Zones 1, 2, 3 & 4) And 03 -01 (Zones 1, 2 & 3)

STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

a. Adopt Resolution No. 2026-___,A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98- 01; and

b. Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98 -02, Zones 1, 2, 3 and 4; and

c. Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 03 -01, Zones 1, 2 and 3; and

d. Adopt Resolution No. 2026-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98- 01; and

e. Adopt Resolution No. 2026-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98- 02, Zones 1, 2, 3 and 4; and

f. Adopt Resolution No. 2026 -___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.

11. SUBJECT: Citrus Heights Lighting Assessment District – Initiate Proceedings For Fiscal Year 2026/2027 Annual Update

STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

a. Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District; and

b. Adopt Resolution No. 2025-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for the Citrus Heights Lighting District.

12. SUBJECT: Review The Sacramento Stormwater Quality Partnership Program And Authorize Fiscal Year 2026/2027 Expenditures

STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Adopt Resolution No. 2026 -___, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager or Designee to Expend Stormwater Funds for the City of Citrus Heights' Shared Cost of Joint Implemented Municipal Separate Storm Sewer System Requirements with the Sacramento Stormwater Quality Partnership

13. SUBJECT: Approval Of Master Services Agreement With Hinderliter De Llamas And Associates (HdL) For Sales And Use Tax Analytics And Related Revenue Services

STAFF REPORT: S. Talwar
RECOMMENDATION: Adopt Resolution No. 2026 -___, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute the Agreement Between the City of Citrus Heights and Hinderliter de Llamas and Associates (HdL) for Sales and Use Tax Services

PUBLIC HEARINGS

14. SUBJECT: Compliance With Assembly Bill 2561/Government Code Section 3502.3 Regarding Vacancies, Recruitment And Retention Efforts

STAFF REPORT: S. Talwar / M. Rojas
RECOMMENDATION: Staff recommends the City Council Receive and File the Presentation.

REGULAR CALENDAR

15. SUBJECT: Fiscal Years 25/26 And 26/27 Mid-Cycle Budget Review, Financial Forecast Update And Appropriations Limit For Fiscal Year 26/27

STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Staff recommends the City Council:

a. Adopt Resolution No. 2026-____ , A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 2026/2027 Budget; and

b. Adopt Resolution No. 2026-____ , A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Appropriations Limit for Fiscal Year 2026/2027.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

CITY MANAGER ITEMS

ADJOURNMENT

AMERICANS WITH DISABILITIES ACT:

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CITRUS HEIGHTS
CALIFORNIA
Solid roots. New growth.

MariJane Lopez-Taff, *Mayor*
Porsche Middleton, *Vice Mayor*
Dr. Jayna Karpinski-Costa, *Council Member*
Kelsey Nelson, *Council Member*
Tim Schaefer, *Council Member*

CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, June 24, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA 95621
Teleconference Location – The Westin Rancho Mirage, 71333 Dinah Shore Dr., Rancho Mirage, CA 92270
Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953, Teleconferencing. Any member of the public may attend this meeting either at the Council Chambers or at the teleconference location.

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June 19, 2026

Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
5:00 PM

CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LABOR NEGOTIATORS
   Pursuant to California Government Code Section 54957.6
   Agency designated representatives: Ashley Feeney, City Manager, Ryan Jones, City Attorney, and Patrick Clark, Negotiator
   Employee Organization: Citrus Heights Police Officers Association, Citrus Heights Police Employees Association, and unrepresented employees

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

REGULAR CITY COUNCIL MEETING
6:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute

2. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation of the City of Citrus Heights Recognizing the “America the Entrepreneurial” Campaign

5. Proclamation of the City of Citrus Heights Recognizing Trust Barbershop as the 2026 Business of Distinction Pride of Place Award Recipient

6. Presentation by the Sacramento Municipal Utility District (SMUD) on its Tree Maintenance Program

7. Presentation by the Economic Development and Community Engagement Department on the Youth Engagement Survey

PUBLIC COMMENT
This is an opportunity to make a public comment on non-agenda items. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR (Estimated Start Time 7:00 p.m.)
It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

8. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of April 8, 2026

9. **SUBJECT:** Initiate Proceedings for Fiscal Year 2026/2027 Annual Update for Landscape Maintenance Assessment District 97-01 (Zones 1, 2, 3, & 4)
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

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STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

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   b. Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4; and

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e. Adopt Resolution No. 2026-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4; and

f. Adopt Resolution No. 2026-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.

11. **SUBJECT:** Citrus Heights Lighting Assessment District – Initiate Proceedings for Fiscal Year 2026/2027 Annual Update
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions in the order listed:

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12. **SUBJECT:** Review the Sacramento Stormwater Quality Partnership Program and Authorize Fiscal Year 2026/2027 Expenditures
STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Adopt Resolution No. 2026-___**,** A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager or Designee to Expend Stormwater Funds for the City of Citrus Heights' Shared Cost of Joint Implemented Municipal Separate Storm Sewer System Requirements with the Sacramento Stormwater Quality Partnership

13. **SUBJECT:** Approval of Master Services Agreement with Hinderliter de Llamas and Associates (HdL) for Sales and Use Tax Analytics and Related Revenue Services
STAFF REPORT: S. Talwar
RECOMMENDATION: Adopt Resolution No. 2026-___**,** A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute the Agreement Between the City of Citrus Heights and Hinderliter de Llamas and Associates (HdL) for Sales and Use Tax Services

PUBLIC HEARINGS (Estimated Start Time 7:05 p.m.)

14. **SUBJECT:** Compliance with Assembly Bill 2561/Government Code Section 3502.3 regarding Vacancies, Recruitment and Retention Efforts

STAFF REPORT: S. Talwar / M. Rojas
RECOMMENDATION: Staff recommends the City Council Receive and File the Presentation.

REGULAR CALENDAR (Estimated Start Time 7:20 p.m.)

15. **SUBJECT:** Fiscal Years 25/26 and 26/27 Mid-Cycle Budget Review, Financial Forecast Update and Appropriations Limit for Fiscal Year 26/27
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Staff recommends the City Council:

    a. Adopt Resolution No. 2026-____ , A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 2026/2027 Budget; and

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ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

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CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Regular Meeting of Wednesday, April 8, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA 95621
Teleconference Location – 6412 Oakcreek Way, Citrus Heights, CA 95621

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:03 p.m. by Mayor Lopez-Taff.

1. The Flag Salute was led by Vice Mayor Middleton.

2. Roll Call:

Council Members present:	Karpinski-Costa, Nelson, *Schaefer, Middleton, Lopez-Taff
Council Members absent:	None
Staff Members present:	Blomquist, Feeney, Huber, Jones, Kempenaar, Van and department directors.

*Note: Council Member Schaefer participated via teleconferencing, pursuant to Government Code Section 54953. All votes taken during this teleconferenced meeting were conducted by roll call.

3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

ACTION: On a motion by Council Member Schaefer, seconded by Vice Mayor Middleton, the City Council approved the agenda.

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

PRESENTATIONS

4. Proclamation of the City of Citrus Heights Proclaiming April 19-25, 2026 as National Volunteer Week

Communications Officer Brown invited all volunteers to the podium who participated in the Volunteer Reception that immediately preceded the City Council meeting. Mayor Lopez-Taff read and presented the proclamation to City volunteers, Neighborhood Area board members, and representatives from community organizations. Volunteers introduced themselves and discussed their roles.

5. Proclamation of the City of Citrus Heights Proclaiming April 19-25, 2026 as National Library Week

Council Member Nelson read and presented the proclamation to Sacramento Public Library Director and CEO Peter Coyl, Chief Operations Officer Jarrid Keller, Chief Public Services Officer Selwa Shamy, and Sylvan Oaks Library Branch Supervisor Suzanne Clerkin.

6. Proclamation of the City of Citrus Heights Proclaiming April 12-18, 2026 as National Public Safety Telecommunicators Week

Vice Mayor Middleton read and presented the proclamation to members of the Citrus Heights Police Department 9-1-1 Communications Center Team.

7. Proclamation of the City of Citrus Heights Proclaiming April 12-18, 2026 as National Animal Care & Control Appreciation Week

Council Member Karpinski-Costa read and presented the proclamation to members of the Citrus Heights Police Department Animal Services Division.

8. Police Department Annual Report

Chief of Police Turcotte presented the 2025 Police Department Annual Report. He noted some of the promotions, retirements and awards recognition that have occurred over the last twelve months. He provided Police Department statistics, which were down in every major category of crime. He noted that 2025 represents the lowest year for crime in the City's entire police history, decreasing by 54.5% since 2007. He reported that traffic citations and DUI arrests decreased and the department received over 84,000 calls for service. He highlighted additional statistics and unit accomplishments.

Mayor Lopez-Taff thanked department staff and commended them for all they do. City Council questions and comments followed. City Manager Feeney expressed his gratitude for the department's work and thanked Chief Turcotte for his leadership.

9. Presentation by the General Services Department – Capital Improvement Projects Update

City Engineer Blomquist presented an update on projects including the Auburn Boulevard Complete Streets Phase 2, which is on track to be completed in August 2026. She discussed the 3-year Pavement Preservation Plan: the 2025 Accessibility & Drainage project is complete, and the 2025 Road Resurfacing project is underway. The 2026/2027 Accessibility and Drainage project construction is anticipated to begin in September 2026. The Old Auburn Road Complete Streets project is in final design. The Roseville/Butternut & Systemic Intersection Improvements is anticipated to be completed in Fall 2026. The Arcade Cripple Creek Trail Extensions are in the design phase and the San Juan Complete Streets project has been broken up into three phases. She reviewed other upcoming projects, including the Gateway Activation Project.

City Council comments and questions followed. City Manager Feeney expressed appreciation for Engineer Blomquist and team's hard work.

PUBLIC COMMENT

Zeena Khan spoke about the Shadowbrook Post Acute facility and encouraged its opening.

Elena Thomason spoke about the Citrus Heights Low Vision Support Group and distributed flyers.

Mayor Lopez-Taff invited the students in the audience to the podium to introduce themselves. All of the students represented the CIVITAS program at Rio Americano High School.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Schaefer expressed his gratitude to the City and his fellow Council members for their support and filling in for him during his health challenges. He highlighted the need for blood donations and announced an upcoming blood drive.

Council Member Nelson attended the Food and Agriculture policy team meeting for the Capitol-to-Capitol (Cap-to-Cap) trip with the Sacramento Metropolitan Chamber of Commerce. She participated in the annual Strategic Planning Session with the City Council and Executive Team.

Council Member Karpinski-Costa attended a Sacramento-Yolo Mosquito & Vector Control District Board meeting. She attended the annual Strategic Planning Session. She went to the San Juan Education Foundation's celebration of raising $1 Million. She went to the Citrus Heights Community Marching Band's spaghetti feed. She attended the American Mosquito Control Association's convention in Portland, Oregon. She participated the Lunch & Learn and tour of the Sacramento Food Bank with Vice Mayor Middleton. She attended a Sacramento Local Agency Formation Commission (LAFCo) meeting and a comedy night fundraiser for FieldHaven Feline Center. She attended a Sacramento Area Sewer District meeting; however, she reported that there was not a quorum, so important business could not be conducted. She encouraged the Neighborhood Areas to register for the Neighborhoods USA (NUSA) virtual conference and announced some of the session topics.

Vice Mayor Middleton discussed Sacramento Food Bank's Lunch & Learn. She went to the Kiwanis Easter Egg Hunt and Career Day at Mesa Verde High School.

Mayor Lopez-Taff reported on attending the monthly briefing with the Sacramento Regional Transit District (SacRT) executive team. She attended a tour of West Sacramento with the Sacramento Area Council of Governments (SACOG), which was followed by their regular meeting. She attended Assemblymember Hoover's community meeting. She went to the SacRT Board meeting and discussed the district's preparations for transportation advocacy on the Cap-to-Cap trip. She attended the Sacramento Metropolitan Air Quality Management District (SMAQMD) Board meeting. She participated in a meeting and policy briefing of the League of California Cities' (Cal Cities) Environmental Quality Policy Committee. She went to the ribbon cutting ceremony for Grocery Outlet. She attended the Cap-to-Cap Workforce and Education Committee planning meeting and the comedy night fundraiser for FieldHaven Feline Center. She thanked Communications Officer Brown for planning and emceeing the Volunteer Appreciation Reception.

CONSENT CALENDAR

10. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of February 11, 2026

11. Pulled for a separate vote.

12. **SUBJECT:** Primrose Drive and Various Repairs Project Award of Construction Contract
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Adopt Resolution No. 2026-018, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with

All-American Construction, Inc. for Construction of the Primrose Drive and Various Repairs Project and Finding the Project is Exempt from the California Environmental Quality Act (CEQA) Under Section 15301

13. **SUBJECT:** Resolution Authorizing Applications for Grant Funding from the Sacramento Area Council of Governments (SACOG) 2026 Federal Funding Programs
STAFF REPORT: R. Cave / L. Blomquist / M. Poole
RECOMMENDATION: Adopt Resolution No. 2026-019, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Submittal of Applications for Grant Funding from the Sacramento Area Council of Governments (SACOG) 2026 Federal Funding Programs and Identifying Priority Projects for the Various Funding Programs

14. **SUBJECT:** Sunrise Tomorrow Frontage Improvement Project (Sunrise Boulevard & Greenback Lane) Project GS 25-15 Professional Engineering Services Agreement
STAFF REPORT: C. Kempenaar / R. Cave / M. Poole
RECOMMENDATION: Adopt Resolution No. 2026-020, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Mark Thomas & Company, Inc. for the Sunrise Tomorrow Frontage Improvement Project (Sunrise Boulevard & Greenback Lane)

15. **SUBJECT:** Annual Comprehensive Financial Report, Single Audit Report, and Audited Financial Statements and Compliance Report for Transportation Development Act Funds
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Receive and file the City of Citrus Heights Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025, the City of Citrus Heights Popular Annual Financial Report for the Fiscal Year Ended June 30, 2025, the Audit Communication Letter, the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters, the Single Audit Report for the fiscal year ended June 30, 2025, and the City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report for the fiscal year ended June 30, 2025

16. **SUBJECT:** Approval of Investment Policy Updates
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Adopt Resolution No. 2026-021, A Resolution of the City Council of the City of Citrus Heights, California, Approving the Investment Policy and Delegating Authority to the Administrative Services Director to Invest Funds in Accordance with the Investment Policy

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Nelson, the City Council adopted Consent Calendar Items 10, 12, 13, 14, 15 and 16.

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

CONSENT CALENDAR ITEMS PULLED FOR SEPARATE VOTE

11. **SUBJECT:** Adoption of Annual Strategic Planning Objectives
STAFF REPORT: A. Feeney

RECOMMENDATION: Adopt Resolution No. 2026-017, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Strategic Objectives for April 2026 to June 2027

Council Member Schaefer commented on Strategic Objective #15 and requested an annual budget for business recruitment along with incentive contributions from all entities that will benefit from the resulting economic expansion.

Mayor Lopez-Taff thanked the City Council, City Manager Feeney and staff teams for their hard work on the Strategic Planning Session.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Nelson, the City Council adopted Consent Calendar Item 11.

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

REGULAR CALENDAR

17. **SUBJECT:** Approval of Sunrise MarketPlace Property-Based Improvement District 2025 Annual Report
STAFF REPORT: M. Huber
RECOMMENDATION: Adopt Resolution No. 2026-022, A Resolution of the City Council of the City of Citrus Heights, California, Approving the Sunrise MarketPlace 2025 Annual Report

Director Huber introduced the item and Sunrise MarketPlace Executive Director Kathilynn Carpenter presented an overview of the annual report. She discussed efforts to mitigate trespassing, vandalism and illegal dumping. She reviewed the district's community outreach, work to promote economic development and its financials.

City Council comments and questions followed.

ACTION: On a motion by Council Member Nelson, seconded by Vice Mayor Middleton, the City Council adopted Resolution No. 2026-022, A Resolution of the City Council of the City of Citrus Heights, California, Approving the Sunrise MarketPlace 2025 Annual Report.

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

18. **SUBJECT:** Consider Policy Adoption for Public Meeting Disruption Procedures under Brown Act Amendments (SB 707)
STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2026-023, A Resolution of the City Council of the City of Citrus Heights, California, Adopting a City Council Policy on Disruption of Telephonic or Internet Service during Public Meetings

City Clerk Van presented a summary of the significant changes to open meeting laws due to Senate Bill 707, which will become effective July 1, 2026. These include providing remote public participation via a two-way audio-visual or two-way telephonic platform; allowing remote public comment; and adopting a disruption policy in case of telephonic or internet disruption during public meetings. She provided an overview of the proposed policy, with the actions to be taken if there is a disruption and how to proceed, whether service is or is not restored.

City Council comments and questions followed.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Vice Mayor Middleton, the City Council adopted Resolution No. 2026-023, A Resolution of the City Council of the City of Citrus Heights, California, Adopting a City Council Policy on Disruption of Telephonic or Internet Service during Public Meetings

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

CITY MANAGER ITEMS

City Manager Feeney announced the community blood drive in support of Council Member Schaefer will take place on May 15, 2026. He announced the "Postcards from Citrus Heights" community photo contest. He discussed the Canopy Over Our Lots (COOL) grant program, an opportunity for commercial properties to receive matching funds to support increasing shade in parking areas. He announced that the free, guided Community Bike Ride celebrating May is Bike Month will be on May 7. He provided updates on locations offering free compost, including City Hall, and information on an upcoming composting workshop offered by Republic Services on April 25. He announced that an Earth Day Chip-in event is on April 22 at City Hall. The Citrus Heights Event Center will host a Volunteer Open House on April 28. The April 22nd City Council meeting has been cancelled due to attendance at Cap-to-Cap.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

19. **SUBJECT:** Discussion of City's Regulations for Temporary Signs Placed in the Public Right-of-Way
STAFF REPORT: A. Van

City Clerk Van presented an overview of the City's current regulations for temporary signs within the public right-of-way. Any sign unlawfully placed is subject to confiscation and the City has the right to recover the full costs related to removal and disposal. The current enforcement practices include routine removal; response to complaints; administrative citations for repeat or egregious violations; and education and outreach to community groups, campaigns and businesses. A surge of unlawfully placed signs tends to happen during election years. Options for City Council consideration included adjusting current regulations and enforcement measures or maintaining existing regulations and increasing public education and outreach during peak election seasons.

Council comments and questions followed. By consensus, staff was directed to maintain existing regulations and increase public education and awareness regarding all signs and placement within the public right-of-way.

Council Member Karpinski-Costa requested an agenda item for a policy stating that written public comments will be distributed but not read aloud at Council meetings. Seconded by Mayor Lopez-Taff.

Council Member Schaefer requested an agenda item for a letter of support asking the Department of Public Health for a timely review of licensing for Shadowbrook Post Acute. By consensus, the Council agreed that City Manager Feeney could draft the letter himself, without having an agenda item, as the intent is consistent with the Council's general direction.

ADJOURNMENT

Mayor Lopez-Taff adjourned the regular meeting at 8:51 p.m.

Respectfully submitted,

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Initiate Proceedings for Fiscal Year 2026/2027 Annual Update for Landscape Maintenance Assessment District 97-01 (Zones 1, 2, 3, & 4)**

Recommendation

Each year, the City is required to update the assessments for its various Landscape Maintenance Assessment Districts (LMADs). In order to accomplish this, the City Council must first adopt a Resolution Initiating Proceedings for the Fiscal Year 2026/2027 update. Next, City Council must adopt a Resolution of Intention setting the time and date for a public hearing on the proposed assessments and directing staff to publish the appropriate notice of the hearing. An Engineer's Report, prepared by the City Engineer, is attached hereto and describes the levels of maintenance, outlines the proposed financial summary, and includes the Assessment Diagram for each zone in the District.

Staff recommends the City Council adopt the resolutions below, in order:

1. Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, & 4); and

2. Resolution No. 2026-___, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, and 4)

The second resolution above also sets July 8, 2026, at 6:00 p.m., as the date and time of the Public Hearing for the proposed assessments and directs staff to give the required notice.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: "Maintain Public Infrastructure and Enhance All Modes of Transportation."

Fiscal Impact

Assessment District 97-01, Zones 1 (Table No.1) and 2 (Table No. 2) are currently fully funded by their annual assessments as well as use of fund reserves as necessary; therefore, there is no fiscal impact to the General Fund for these zones.

Table No. 1
97-01, Zone 1 (Bridgemont)

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$10,450.00	$10,523.00
Interest on Fund Balance (1)	$1,074.53	$0.00
Total Estimated Revenues	**$11,524.53**	**$10,523.00**
EXPENDITURES:		
Total Estimated Expenditures	**$11,350.35**	$10382.00
Annual Operating Balance	**$174.18**	**$141.20**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Balance transferred to Assessment Fund reserve.
(3) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 2
97-01, Zone 2 (Heather Downs)

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$13,338.92	$13,833.40
Interest on Fund Balance (1)	$879.57	$0.00
Total Estimated Revenues	**$14,218.49**	**$13,833.00**
EXPENDITURES:		
Total Expenditures	**$15,658.15**	$11,100.00
Annual Operating Balance (2)	**-$1,439.66**	**$2,733.40**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Assessment Fund reserves available to balance the annual operating shortfall.

Historically, Zone 3 has had adequate funding to cover the annual expenditures. However, beginning in FY 19/20, Zone 3 began operating under a shortfall with insufficient revenues to offset these costs. For FY 25/26, Zone 3 has a projected shortfall of $9,874.64. Staff's recommendation is to utilize Gas Tax revenues (Fund 205) to cover this shortfall. For FY 26/27, the fund shortfall is expected to be approximately $4,749.60, pending the city's cost allocation update. As costs for maintaining landscape and appurtenance continue to increase, it will be necessary to seek additional revenue

through assessment increases. These efforts are expected to be initiated following completion of the city's cost allocation update in FY 26/27.

Table No. 3
97-01, Zone 3 (Verner Glen)

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$6,459.20	$6,550.40
Interest on Fund Balance	$0.00	$0.00
Total Estimated Revenues	**$6,549.20**	**$6,550.40**
EXPENDITURES:		
Total Estimated Expenditures	**$16,333.84**	**$11,300.00**
Annual Operating Shortfall (1)	**-$9,874.64**	**-$4,749.60**

(1) Gas Tax (Fund 205) revenue recommended to balance the annual operating shortfall.

The funding for Zone 4 does not adequately cover the maintenance costs. Historically, this Zone has had a shortfall and the city has implemented cost saving measures to try and reduce the shortfall to the greatest extent possible. However, aging irrigation systems, and increases in utility costs as well as maintenance costs continue to affect the districts operating budget. In past years, contributions from the City's Gas Tax and General Fund revenues were used to balance Zone 4. For FY 25/26, Zone 4 has a projected shortfall of $19,637.03. Staff's recommendation is to utilize Gas Tax revenues (Fund 205) to cover this shortfall. For FY 26/27, the fund shortfall is expected to be $14,732.50. Efforts to seek additional revenues through assessments for this district are expected to be initiated following completion of the city's cost allocation update in FY 26/27.

Table No. 4
97-01, Zone 4 (Creekridge)

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$4,645.86	$4,717.50
Interest on Fund Balance	$0.00	$0.00
Total Estimated Revenues	$4,645.86	$4,717.50
EXPENDITURES:		
Total Estimated Expenditures	**$24,282.89**	**$19,450.00**
Annual Operating Shortfall (1)	**-$19,637.03**	**-$14,732.50**

(1) Gas Tax (Fund 205) revenue recommended to balance the annual operating shortfall.

Since the City first took over the LMAD 97-01 from Sacramento County in 1997, the revenues have not been adequate to cover the costs in each of the zones. Over the years, many efforts have been made to reduce costs and in some cases the city has been required to increase assessment. However, continually increasing utility rates and monthly maintenance costs as well as updated methods for allocation of the City's overhead costs have all contributed to the increasing shortfall in Zones 3 and 4. The underlying problem is that the assessment rates (outlined in Fiscal Impact, above) have remained largely unchanged since 1996 when Proposition 218 was passed by California voters, requiring a vote of those assessed to approve an increase.

In 2000, the property owners in Zone 2 approved an immediate assessment increase and the addition of a cost-of-living increase provision to the zone. Annual expenditures in this zone have since exceeded the additional annual revenues and the cost-of-living provision will need to be implemented to ensure sufficient funding in the future.

In 2005, the property owners in Zone 3 approved a one-time assessment increase, but annual expenditures in this zone have now exceeded the additional annual revenues.

Background and Analysis

The Sacramento County Landscape Maintenance Assessment District (SCLMAD) was created in 1994 by Sacramento County to consolidate eighteen separate landscape maintenance districts into a single district with five zones. Upon incorporation, the City of Citrus Heights assumed responsibility for Zone 1, and parts of Zones 2 and 4, which fell within city limits. Assessment District 97-01 (AD 97-01) was created to incorporate these maintenance areas. Zone 3 was created in Fiscal Year 2004/2005 by the city when the original Zone 4 was split.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council in order to initiate the update of the LMAD 97-01.

An Engineer's Report has been prepared for the proposed assessments and is available for review, by the public, in the City Clerk's Office. The Engineer's Report summarizes the maintenance efforts and recommends levying assessments at the same level as in Fiscal Year 2024/2025 for Zones 1, 3, and 4. A 2% cost of living increase in the annual assessment per parcel is proposed for Zone 2 to maintain current levels of service and sustain existing reserves.

City Council approval of a Resolution to Initiate Proceedings is the required first step in the update process. By the Resolution of Intention, the City Council approves the Engineer's Report for the Landscape Maintenance Assessment District 97-01, Annual Update for Fiscal Year 2026/2027, sets the date for a public hearing on the assessments and directs staff to give the required notice.

Staff recommends that July 8, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, be set as the date for the public hearing. At that time, public comment will be received and the Council will consider and adopt a resolution adopting the assessments. Notice of this meeting will be mailed and published in accordance with State Code.

Since the City took over AD 97-01 from the County, Zones 3 and 4 have been underfunded and as a result the City has used various funds, including General Fund and Gas Tax revenues, to cover the operating shortfall.

To eliminate the funding gap in Zone 3, an assessment increase was approved by the owners of the assessed properties in 2005 and the assessment increased from $42.50 to $80.00 per parcel. Until FY 2017/2018 the increase provided enough funds to cover the costs for maintenance and utilities leaving an account balance of a few hundred dollars each year to build reserves. However, irrigation repairs, tree maintenance, the continuing increase in utility rates, and updated methods for allocation of the City's overhead costs have all contributed to the depletion of the existing reserves. Zone 3 continues to see a projected shortfall for FY 2026/2027.

To balance the Zone 4 budget, the City twice proposed to increase the annual assessment. In 2005 and again in 2009, the owners of properties within Zone 4 voted against a proposed increase in the annual assessment. In 2010, to reduce future subsidies, the City incorporated a xeriscaping (low-water and maintenance) plan to eliminate some of the more labor intensive and water consuming landscape features, such as turf, and reduced the level of service on the remaining landscaping to a minimum. This shortfall was subsidized by the City's General Fund. To eliminate future subsidies, the City reduced the frequency of maintenance as a pilot project (i.e., every 6 or 8 weeks instead of monthly). The budget for Zone 4 was balanced with a reduced maintenance schedule. However, after numerous complaints from the public of its poor appearance, a higher level of maintenance was reinstated during the FY 2011/2012 year and Zone 4 continues to see a projected shortfall in FY 2026/2027.

City Council has provided direction to staff to explore options for increasing assessment revenues for Zones 3 and 4. Upon completion of the City's cost allocation study, expected to be finalized in 2026, staff will perform outreach to the effected property owners to advise of the ongoing shortfalls, provide details of maintenance, replacement and administrative costs, and will work to develop options with the residents to help eliminate or minimize ongoing subsidies.

Attachments

1) Resolution No. 2026-_____: A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3 and 4).

2) Resolution No. 2026-_____: A Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3 and 4).

3) Engineer's Report.

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 97-01 (Zones 1, 2, 3 & 4)

WHEREAS, in order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscaping and Lighting Maintenance Assessment District 97-01 Zones 1, 2, 3, and 4; and to equitably distribute the costs among benefited landowners, the City Council (the "City Council") of the City of Citrus Heights (the "City") has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the "Act"), to levy assessments for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby approve the following:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2026/2027 for Assessment District 97-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01 consist of street corridor landscape and open space vegetation maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; and irrigation system inspections and repairs.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the "Engineer") for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2026/2027 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June 2026, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

RESOLUTION 2026-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/2027 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 97-01 (ZONES 1, 2, 3 & 4)

WHEREAS, on June 24, 2026, the City Council (the "Council") of the City of Citrus Heights (the "City") adopted Resolution No. 2026-____ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the "Act"), to levy and collect assessments for Fiscal Year 2026/2027 for the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01; and

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2026/2027 (the "Engineer's Report") in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights hereby approves the following:

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer's Report. This Council hereby approves the Engineer's Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01 consist of street corridor landscape and open space vegetation maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; and irrigation system inspections and repairs.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 97-01 includes the territories described in Figures 1.1, 2.1, 3.1, and 4.1 of the Engineer's Report.

Section 6. Reference to Engineer's Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer's Report. The Engineer's Report is on file in the City Clerk's office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 8, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Citrus Heights City Hall Council Chambers, 6360 Fountain Square Drive, Citrus Heights, California, 95621 the City Council shall hold a public hearing on the levy of the proposed assessments. The City does not propose to increase the assessments above last year's amounts for Zones 1, 2, and 4 of Landscape Maintenance Assessment District 97-01, however, the City does propose to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 97-01, Zone 2 to support adequate and sustainable maintenance services.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City does not propose to increase the assessment above last year's amount for Zones 1, 3, and 4. However, the City does to propose to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 97-01, Zone 2 to support adequate and sustainable maintenance services.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June 2026, by the following vote to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSENT: **Council Members:**
ABSTAIN: **Council Members:**

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

SACRAMENTO COUNTY

CALIFORNIA

CITRUS HEIGHTS
Solid roots. New growth.

ENGINEER'S REPORT
for
Landscape Maintenance Districts

Assessment District No. 97-01(Zones 1, 2, 3, & 4)
Annual Update for Fiscal Year 2026/2027

Prepared by:

Leslie Blomquist

City Engineer

June 24, 2026

CERTIFICATIONS

LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 97-01, Zones 1, 2, 3 & 4

(Pursuant to the Landscaping and Lighting Act of 1972)

Engineer's Report for Fiscal Year 2026/2027

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: June 18, 2026

CITY OF CITRUS HEIGHTS

By _____
Leslie Blomquist, P.E.
CITY ENGINEER

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Citrus Heights, California, on the _____ day of _____,2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sacramento on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

ENGINEER'S REPORT

LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 97-01, Zones 1, 2, 3, & 4

LEVY of FISCAL YEAR 2026/2027 ASSESSMENTS

INTRODUCTION

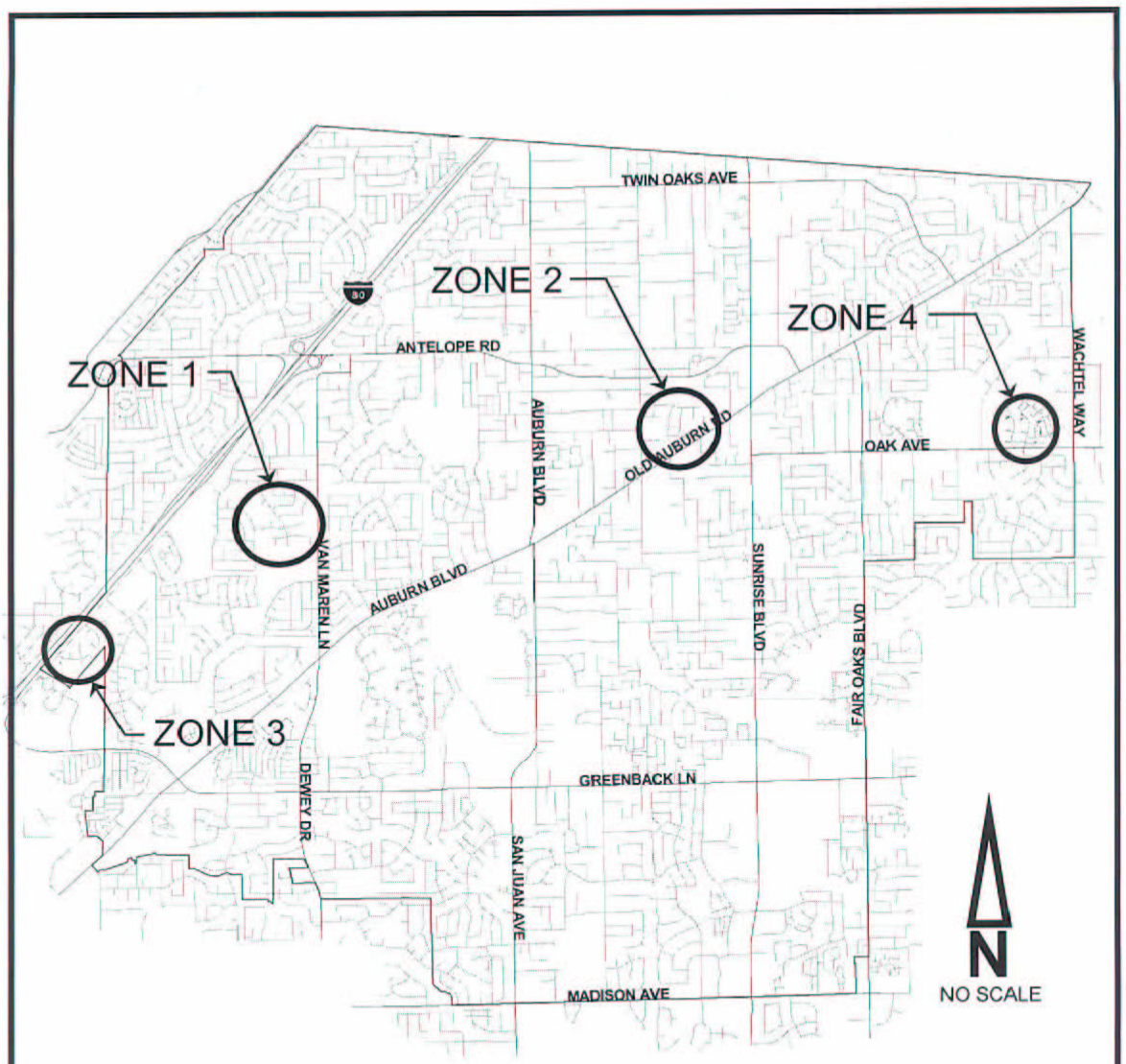
The City of Citrus Heights has four (4) separate Landscape Maintenance Assessment Districts (LMADs), which provide for maintenance of common areas within nine (9) distinct communities around the City. This report addresses only LMAD 97-01, which contains four (4) separate zones. The general locations for Zones 1, 2, 3, & 4 are shown on the maps on the following pages.

The Sacramento County Landscape Maintenance Assessment District (SCLMAD) was created in 1994 by Sacramento County to consolidate eighteen separate landscape maintenance districts into a single district with five zones. Zones were established based on the type of landscaping, the frequency and level of service required and geographical location.

Upon incorporation, all of Zone 1, and part of Zones 2 and 4 of the SCLMAD fell within the boundaries of the City of Citrus Heights. As a result, the City created Assessment District 97-01 (AD 97-01) on August 13, 1997 to take over responsibility for the maintenance of the zones or portions of zones located within Citrus Heights. Subsequently, in 2004, the City split the existing Zone 4 into two separate zones, Zone 3 and Zone 4.

Funding for the District will be from annual assessments levied on property in the four zones. The annual assessment levied on each property is related to the maintenance costs for the zone in which the parcel is located.

The following sections provide detailed explanations of each Zone. The corresponding Budget Assessment tables list the 2025/2026 sources of funds (revenues), uses of funds (direct and indirect expenditures), and the proposed assessment for each. Prior year expenditures and assessments are shown for comparison. The City has separated the accounting for each of the four zones; therefore, any noticing and balloting requirements for each of the zones will be treated independently.



City of Citrus Heights

ASSESSMENT DISTRICT 97-01

3

ZONE 1

General:

Known as the Bridgemont Landscape Maintenance Zone, the limits of Zone 1 are defined by Van Maren Lane on the east; north and south of Bridgemont Way, and by Cripple Creek on the west. There are 80 parcels in this Zone, whose boundaries are particularly shown on the Assessment Diagram in Figure 1.1.

The landscape is a natural open space re-vegetation area along Cripple Creek and adjacent to Van Maren Lane. It consists of naturalized and mitigated oak tree stands and other California native plantings. An automatic drip irrigation system is no longer providing water to the re-vegetation plantings, because the plantings are already well established. Routine maintenance includes tree and shrub care, pruning, fertilization, and tree and shrub well maintenance. A minimum of two times per year, in the spring and summer, weed abatement is performed along the open space perimeter, adjacent to the homes within the district.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 1.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

Development of the single family Bridgemont subdivision was conditioned upon establishing a funding source to provide for ongoing landscape maintenance to the re-vegetation planting and open space area. The funding for Zone 1 is from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 1.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located in Zone 1 that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 1 upon formation in 1997 was $131.54.

This Zone does not have a cost of living increase provision.

Annual Assessment:

The annual costs for maintenance in Zone 1 have historically exceed total revenues from the assessments and the Zone's cash reserves have been used to balance the annual budget. However, this past year, adjustments have been made to preserve the districts reserves while still maintaining a level of service. This zone does not have a provision to increase the annual assessment levied on each parcel. Therefore, as shown in Figure 1.3. "Summary Analysis", the Fiscal Year 2025/2026 assessments for District 97-01 Zone 1 are proposed to remain the same as the previous fiscal year, at $131.54 per parcel per year for a total annual assessment of $10,523.20. In the future it may be necessary to use other funding sources to cover anticipated shortfalls and/or seek approval of a cost-of-living increase provision through a property owner vote.

The FY 2025/2026 Assessment Roll for Zone 1 is shown in Figure 1.4.

Zone 1 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 1 in Figure 1.1.

Area Description:

All that real property included in the map of Bridgemont, as recorded in the office of the recorder of Sacramento County in Book 195 of Maps, Map number 10 on July 12, 1989.

FIGURE 1.1

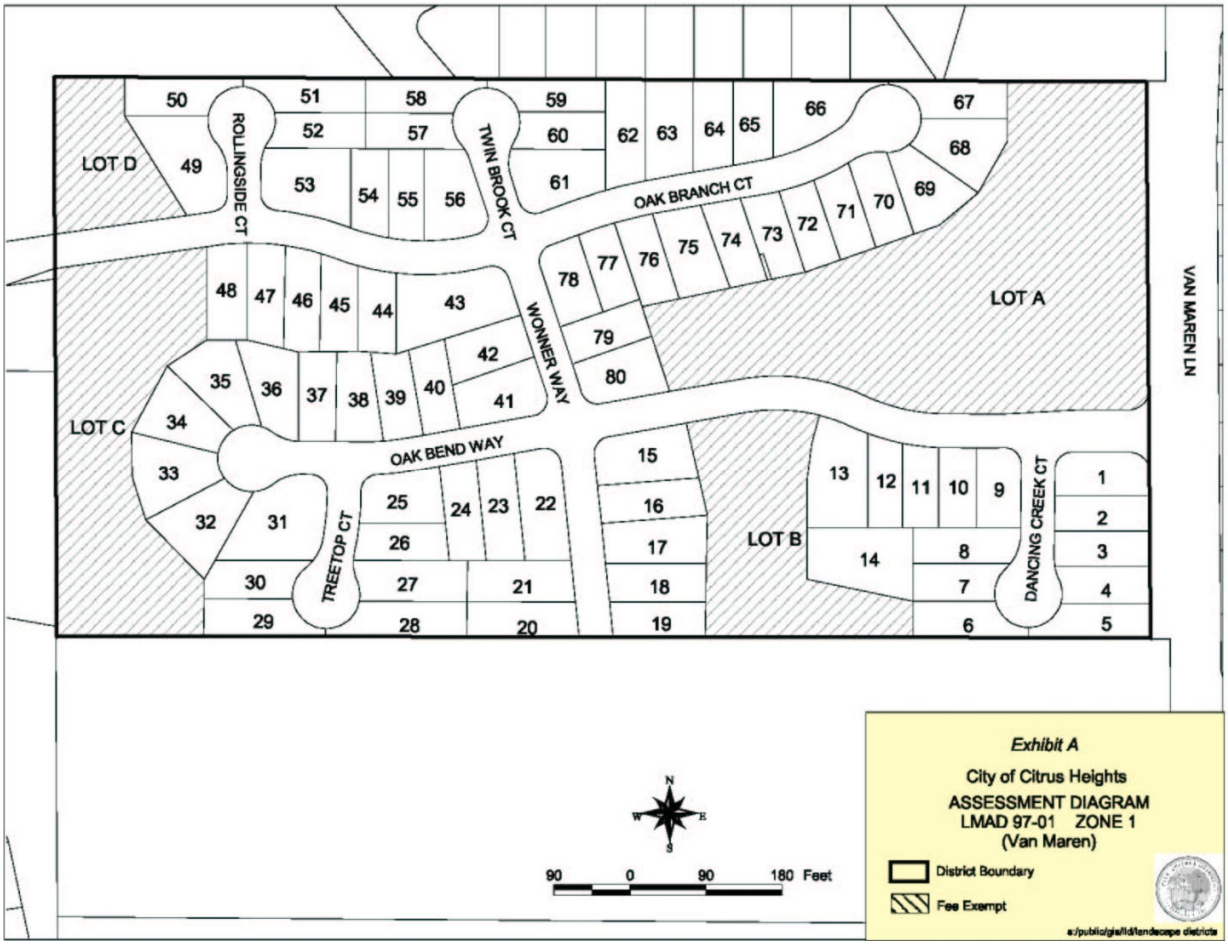


FIGURE 1.2

AD 97-01
Zone 1
City of Citrus Heights Landscape Maintenance District

Task Sheet	Van Maren / Riparian Area
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	
2. Fertilize lawn areas.	
3. Aerate lawn areas.	
4. Weed Control of all lawn areas.	
5. Control infestation of fungus, diseases and/or insects.	
6. Manage irrigation. Adjust controllers as needed.	
Hard/Tall Fescue Maintenance:	
7. Weed control of fescue. ***Fescue to be as weed free as ornamental turf.***	
8. Weedeat fescue seed-heads.	
9. Weedeat fescue to 4" heights.	
10. Fertilize fescue.	
11. Control infestation of fungus, diseases and/or insects.	
12. Manage irrigation. Adjust controllers as needed.	
Trees, Shrubs and Planting Area Maintenance:	
13. Complete weeding of all planting areas.	**X**
14. Fertilize planting areas.	
15. Fertilize trees.	
16. Prune trees.	**X**
17. Prune shrubs.	**X**
18. Control infestation of fungus, diseases and/or insects.	**X**
19. Maintain adequate staking of all trees.	
20. Manage irrigation. Adjust controllers as needed.	
Groundcover and Vine Maintenance:	
21. Complete weeding of groundcovers.	
22. Fertilize all groundcovers and vines.	
23. Control infestation of fungus, diseases and/or insects.	
24. Prune groundcovers and vines.	**X**
25. Edge groundcovers.	
26. Manage irrigation. Adjust controllers as needed.	
Grounds Maintenance:	
27. Complete litter pick up of landscape areas.	**X**
28. Remove all cuttings, trimmings, and leaf debris from site.	**X**
29. Remove weeds in paved and D.G. areas, fence lines.	**X**
30. Remove litter and debris (sidewalk and gutter).	**X**
Weed Abatement:	
31. Complete weed abatement.	
32. Tree/shrub well clearing.	

FIGURE 1.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-01 - ZONE 1

280-75-290; County DL 0270

	DESCRIPTION	FY 25/26 ACTUAL**	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 131.54	$ 131.54
	Total Number of Parcels	80	80
	Total Special Assessments	**$ 10,523.20**	**$ 10,523.20**
REVENUE:			
	Interest on Fund Balance	$ 1,074.53	$ -
	Special Assessments	$ 10,450.00	$ 10,523.20
	Total Revenue:	**$ 11,524.53**	**$ 10,523.20**
EXPENDITURES:			
	Advertising & Mail	$ -	$ 382.00
	Professional Services	$ -	$ -
	Contract - Landscape/Tree Maintenance/Vegetation Clearing	$ 5,742.00	$ 10,000.00
	Cost Allocation (Overhead)	$ 5,608.35	$ -
	Total Expenditures:	**$ 11,350.35**	**$ 10,382.00**
Annual Operating Balance		**$ 174.18**	**$ 141.20**
	Transfer to/from Operating Reserve	**$ (174.18)**	**$ (141.20)**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 43,236.00	$ 43,410.18
	Operating Reserve Set-a-side	$ -	$ -
	Transfer from (to) Annual Operating Balance	$ 174.18	$ 141.20
	Ending Operating Reserve Balance (June 30th)	$ 43,410.18	$ 43,551.38

** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 1.4

ASSESSMENT DISTRICT 97-01 - ZONE 1

A.D. 97-01 (Zone 1) Assessment Roll

Assessor's Number	Assessment
211 0820 001 0000	131.54
211 0820 002 0000	131.54
211 0820 003 0000	131.54
211 0820 004 0000	131.54
211 0820 005 0000	131.54
211 0820 006 0000	131.54
211 0820 007 0000	131.54
211 0820 008 0000	131.54
211 0820 009 0000	131.54
211 0820 010 0000	131.54
211 0820 011 0000	131.54
211 0820 012 0000	131.54
211 0820 013 0000	131.54
211 0820 014 0000	131.54
211 0820 015 0000	131.54
211 0820 016 0000	131.54
211 0820 017 0000	131.54
211 0820 018 0000	131.54
211 0820 019 0000	131.54
211 0820 020 0000	131.54
211 0820 021 0000	131.54
211 0820 022 0000	131.54
211 0820 023 0000	131.54
211 0820 024 0000	131.54
211 0820 025 0000	131.54
211 0820 026 0000	131.54
211 0820 027 0000	131.54
211 0820 028 0000	131.54
211 0820 029 0000	131.54
211 0820 030 0000	131.54
211 0820 031 0000	131.54
211 0820 032 0000	131.54
211 0820 033 0000	131.54
211 0820 034 0000	131.54
211 0820 035 0000	131.54
211 0820 036 0000	131.54
211 0820 037 0000	131.54
211 0820 038 0000	131.54
211 0820 039 0000	131.54
211 0820 040 0000	131.54
211 0820 041 0000	131.54
211 0820 042 0000	131.54
211 0820 043 0000	131.54

Assessor's Number	Assessment
211 0820 044 0000	131.54
211 0820 045 0000	131.54
211 0820 046 0000	131.54
211 0820 047 0000	131.54
211 0820 048 0000	131.54
211 0820 049 0000	131.54
211 0820 050 0000	131.54
211 0820 051 0000	131.54
211 0820 052 0000	131.54
211 0820 053 0000	131.54
211 0820 054 0000	131.54
211 0820 055 0000	131.54
211 0820 056 0000	131.54
211 0820 057 0000	131.54
211 0820 058 0000	131.54
211 0820 059 0000	131.54
211 0820 060 0000	131.54
211 0820 061 0000	131.54
211 0820 062 0000	131.54
211 0820 063 0000	131.54
211 0820 064 0000	131.54
211 0820 065 0000	131.54
211 0820 066 0000	131.54
211 0820 067 0000	131.54
211 0820 068 0000	131.54
211 0820 069 0000	131.54
211 0820 070 0000	131.54
211 0820 071 0000	131.54
211 0820 072 0000	131.54
211 0820 074 0000	131.54
211 0820 075 0000	131.54
211 0820 076 0000	131.54
211 0820 077 0000	131.54
211 0820 078 0000	131.54
211 0820 079 0000	131.54
211 0820 080 0000	131.54
211 0820 085 0000	131.54

80 Parcels; Total Zone 1 Assessment is $10,523.20

ZONE 2

General:

Known as the Heather Downs Landscape Maintenance Zone, the Zone 2 limits are defined by Old Auburn Road on the south, east and west of Wickham Drive; and Mariposa Avenue on the west, north and south of Heredia Way. There are 82 parcels in this Zone, whose boundaries are more particularly shown on the Assessment Diagram in Figure 2.1.

The maintained area in Zone 2 consists of two landscape types, a natural, open space, re-vegetation area, and a street frontage (corridor). It consists of naturalized and mitigated oak tree stands, other California native plantings and an automatic drip irrigation system providing water to the re-vegetation plantings. Routine maintenance includes tree and shrub care, pruning, fertilization, and tree and shrub well maintenance. A minimum of three times per year, weed abatement mowing is performed in the open space.

The street frontage landscape includes lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 2.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of this single family subdivision was required to establish a funding source to provide ongoing landscape maintenance. The funding for Zone 2 is from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 2.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located in Zone 2 that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 2 upon formation was $122.74.

The original assessment amount per parcel was insufficient to fund the Zone 2 services after just a few years, so General Fund money was used to supplement this zone. However, in Fiscal Year 2000/2001 the property owners within this zone voted to approve an assessment increase from $122.74 to $151.38 per parcel.

Concurrent with the approval of the assessment increase in FY 2000/2001, the property owners also voted to include a cost of living adjustment provision for Zone 2. This provision allows for an increase in the annual assessment with the percent of increase over the previous annual assessment being less than or equal to the cost of living increase based on the Bay Area Consumer Price Index for all urban consumers. In FY 2023/2024, the City began to exercise the option to adjust the assessments to inflation.

Annual Assessment:

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. Maintenance and replacement costs for Zone 2 have continued to increase beyond the amount of revenue generated by the previous annual assessment. As a result, the City of Citrus Heights must increase the annual assessment on each assessed parcel. As shown in Figure 2.3. "Summary Analysis", the Fiscal Year 2026/2027 assessments for District 97-01 Zone 2 are proposed to increase by 3% (rounded) to an amount of $168.70 per residential parcel. These additional revenues are necessary to support the Zone's operations and maintenance as well as help to restore an appropriate operating reserve.

The FY 2026/2027 Assessment Roll for Zone 2 is shown in Figure 2.4.

Zone 2 Boundary:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 2 in Figure 2.1.

Area Description:

All that real property included in the revised map of Heather Downs Two, as recorded in the office of the recorder of Sacramento County in Book 206 of Maps, Map number 2; July, 1991.

FIGURE 2.1

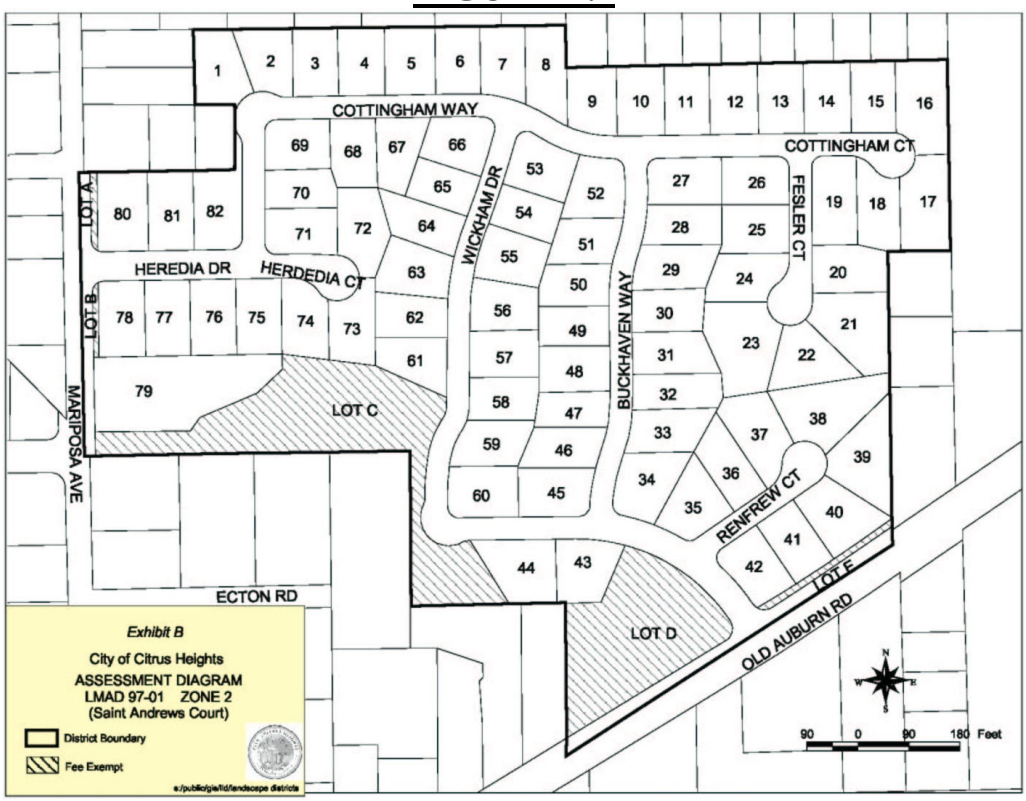


FIGURE 2.2

AD 97-01
Zone 2
City of Citrus Heights Landscape Maintenance District

Task Sheet	22100 Heather Downs Frontage	22101 Heather Downs Revegatation
Lawn Maintenance:		
1. Mowing, trimming, edging all lawn areas.	X	
2. Fertilize/weed control of all lawn areas.	X	
3. Aerate lawn areas.	X	
4. Control infestation of fungus, diseases and/or insects.	X	
5. Manage irrigation. Adjust controllers.	X	
Hard/Tall Fescue Maintenance:		
6. Weed control of fescue. ***Fescue to be as weed free as ornamental turf.***		
7. Weedeat fescue seed-heads.		
8. Weedeat fescue to 4" heights.		
9. Control infestation of fungus, diseases and/or insects.		
10. Manage irrigation. Adjust controllers.		
Trees, Shrubs and Planting Area Maintenance:		
11. Complete weeding of all planting areas.	X	
12. Fertilize planting areas.	X	
13. Fertilize trees.	X	
14. Prune trees and remove all trimmings.	X	X
15. Prune shrubs and remove all trimmings.	X	
16. Control infestation of fungus, diseases and/or insects.	X	X
17. Maintain adequate staking of all trees.	X	X
18. Manage irrigation. Adjust controllers.	X	
Groundcover and Vine Maintenance:		
19. Complete weeding of groundcovers.	X	
20. Fertilize all groundcovers and vines.	X	
21. Control infestation of fungus, diseases and/or insects.	X	
22. Prune groundcovers.	X	
23. Edge groundcovers.	X	
24. Manage irrigation. Adjust controllers.	X	
Grounds Maintenance:		
25. Complete litter pick up of landscape areas every visit.	X	
26. Remove all cuttings, trimmings, and leaf debris from site.	X	
27. Remove weeds in paved and D.G. areas, fence lines.	X	
28. Remove litter and debris every visit (sidewalk and gutter).	X	
Weed Abatement:		
29. Complete initial weed abatement.		X
30. Tree/shrub well clearing.		X
31. Mow tall grasses as required by fire protection services.		X

FIGURE 2.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-02 – ZONE 2

281-75-291; County DL 0271

DESCRIPTION		FY 25/26 ACTUAL**	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 163.80	$ 168.70
	Total Number of Parcels	82	82
	Total Special Assessments	**$ 13,431.60**	**$ 13,833.40**
REVENUE:			
	Interest on Fund Balance	$ 879.57	$ -
	Special Assessments	$ 13,338.92	$ 13,833.40
	Total Revenue:	**$ 14,218.49**	**$ 13,833.40**
EXPENDITURES:			
	Advertising & Mail	$ -	$ 400.00
	Utilities	$ 3,446.97	$ 2,200.00
	Professional Services	$ -	$ 1,000.00
	Contract - Landscape/Tree Maintenance	$ 6,540.00	$ 7,500.00
	Contract - Construction, Repairs & Extra Work	$ -	$ -
	Cost Allocation (Overhead)	$ 5,671.18	$ -
	Total Expenditures:	**$ 15,658.15**	**$ 11,100.00**
Annual Operating Balance		**$ (1,439.66)**	**$ 2,733.40**
	Transfer to/from Operating Reserve	**$ 1,439.66**	**$ (2,733.40)**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 22,936.00	$ 21,496.34
	Operating Reserve Set-a-side	$ -	$ -
	Transfer from (to) Annual Operating Balance	$ (1,439.66)	$ 2,733.40
	Ending Operating Reserve Balance (June 30th)	$ 21,496.34	$ 24,229.74
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.		
$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 2.4

ASSESSMENT DISTRICT 97-01 ZONE 2

Assessment Number				Assessment	Assessment Number				Assessment
224	0910	001	0000	$ 168.70	224	0910	042	0000	$ 168.70
224	0910	002	0000	$ 168.70	224	0910	043	0000	$ 168.70
224	0910	003	0000	$ 168.70	224	0910	044	0000	$ 168.70
224	0910	004	0000	$ 168.70	224	0910	045	0000	$ 168.70
224	0910	005	0000	$ 168.70	224	0910	046	0000	$ 168.70
224	0910	006	0000	$ 168.70	224	0910	047	0000	$ 168.70
224	0910	007	0000	$ 168.70	224	0910	048	0000	$ 168.70
224	0910	008	0000	$ 168.70	224	0910	049	0000	$ 168.70
224	0910	009	0000	$ 168.70	224	0910	050	0000	$ 168.70
224	0910	010	0000	$ 168.70	224	0910	051	0000	$ 168.70
224	0910	011	0000	$ 168.70	224	0910	052	0000	$ 168.70
224	0910	012	0000	$ 168.70	224	0910	053	0000	$ 168.70
224	0910	013	0000	$ 168.70	224	0910	054	0000	$ 168.70
224	0910	014	0000	$ 168.70	224	0910	055	0000	$ 168.70
224	0910	015	0000	$ 168.70	224	0910	056	0000	$ 168.70
224	0910	016	0000	$ 168.70	224	0910	057	0000	$ 168.70
224	0910	017	0000	$ 168.70	224	0910	058	0000	$ 168.70
224	0910	018	0000	$ 168.70	224	0910	059	0000	$ 168.70
224	0910	019	0000	$ 168.70	224	0910	062	0000	$ 168.70
224	0910	020	0000	$ 168.70	224	0910	063	0000	$ 168.70
224	0910	021	0000	$ 168.70	224	0910	064	0000	$ 168.70
224	0910	022	0000	$ 168.70	224	0910	065	0000	$ 168.70
224	0910	023	0000	$ 168.70	224	0920	001	0000	$ 168.70
224	0910	024	0000	$ 168.70	224	0920	002	0000	$ 168.70
224	0910	025	0000	$ 168.70	224	0920	003	0000	$ 168.70
224	0910	026	0000	$ 168.70	224	0920	006	0000	$ 168.70
224	0910	027	0000	$ 168.70	224	0920	007	0000	$ 168.70
224	0910	028	0000	$ 168.70	224	0920	008	0000	$ 168.70
224	0910	029	0000	$ 168.70	224	0920	009	0000	$ 168.70
224	0910	030	0000	$ 168.70	224	0920	010	0000	$ 168.70
224	0910	031	0000	$ 168.70	224	0920	011	0000	$ 168.70
224	0910	032	0000	$ 168.70	224	0920	012	0000	$ 168.70
224	0910	033	0000	$ 168.70	224	0920	013	0000	$ 168.70
224	0910	034	0000	$ 168.70	224	0920	014	0000	$ 168.70
224	0910	035	0000	$ 168.70	224	0920	015	0000	$ 168.70
224	0910	036	0000	$ 168.70	224	0920	016	0000	$ 168.70
224	0910	037	0000	$ 168.70	224	0920	017	0000	$ 168.70
224	0910	038	0000	$ 168.70	224	0920	019	0000	$ 168.70
224	0910	039	0000	$ 168.70	224	0920	023	0000	$ 168.70
224	0910	040	0000	$ 168.70	224	0920	024	0000	$ 168.70
224	0910	041	0000	$ 168.70	224	0920	027	0000	$ 168.70
			Subtotal =	$ 6,916.70				Subtotal =	$ 6,916.70
				82 Parcels; Total Zone 2 Assessment is					$ 13,833.40

ZONE 3

General:

Zone 4 of LMAD 97-01, as originally adopted by the City, consisted of two widely separated landscape areas with differing landscape types and maintenance responsibilities. In 2004, the City Council adopted a resolution dividing Zone 4 into two parts and thereby creating Zone 3 (previously non-existent). Zone 3 consists of the Verner Glen Subdivision (commonly known as Summerhill). There are 80 parcels in this Zone, whose boundaries are particularly shown on the Assessment Diagram in Figure 3.1.

The maintained area in Zone 3 consists of street frontage landscape including lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 3.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of two single family subdivisions comprising the original Zone 4 was required to establish a funding source to provide ongoing landscape maintenance. The funding was from annual assessments levied on residential parcels within the zone's assessment boundaries, pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located within the assessment boundaries that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 4 upon formation was $42.50. Upon separation in 2004, the original annual assessment of $42.50 was carried over to Zone 3.

General Fund money was used to supplement maintenance of landscaped areas in Zone 3 in the past. To eliminate the assessment revenue shortfall, an increase in assessment was proposed in Fiscal Year 98/99, but was unanimously opposed by the property owners in the required balloting process. In 2005 an increase in the annual assessment was again proposed and subsequently the property owners approved a one-time increase in the assessment from $42.50 to $81.88.

Concurrent with the assessment increase in 2005, a cost of living adjustment provision was proposed for Zone 3. However, during the property owner balloting process, this provision failed.

Annual Assessment:

The assessment increase approved in 2005 along with focused efforts to reduce overall maintenance costs kept Zone 3 expenditures below available revenues for several years. However, increased monthly utility costs and the implementation of updated cost allocation

procedures by the City have resulted in a shortfall of approximately $9,874.64 for FY 2025/2026. With no current reserves, this shortfall was subsidized by Gas Tax funds. A shortfall of approximately $4,749.60 is anticipated for FY 2026/2027, pending revisions to the city's cost allocations.

The Summary Analysis in Figure 3.3 shows details of the Fiscal Year 2026/2027 budget and assessments for Zone 3. The assessments for Zone 3 are proposed to remain the same as Fiscal Year 2025/2026 at $81.88 per parcel per year for a total annual assessment of $6,550.40, as this district does not allow for increasing the assessments without a vote of the effected property owners.

The FY 2026/2027 Assessment Roll for Zone 3 is shown in Figure 3.4.

Zone 3 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram in Figure 3.1.

Area Description:

All that real property included in the Plat of Verner Glen, as recorded in the office of the recorder of Sacramento County in Book 181 of Maps, Map number 21, on March 1988.

FIGURE 3.1

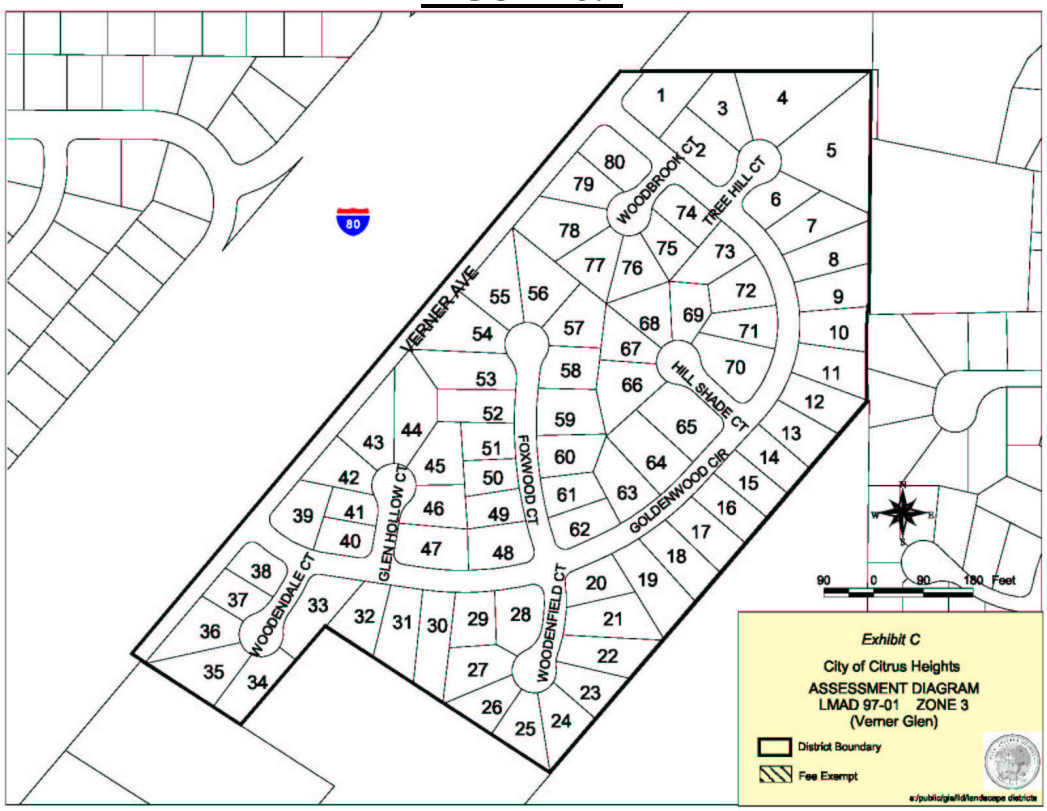


FIGURE 3.2

AD 97-01
Zone 3
City of Citrus Heights Landscape Maintenance District

Task Sheet	42005 Verner Glen
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	X
2. Fertilize/weed control lawn areas.	X
3. Aerate lawn areas.	X
4. Control infestation of fungus, diseases and/or insects.	X
5. Manage irrigation. Adjust controllers.	X
Hard/Tall Fescue Maintenance:	
6. Weed control of fescue. ***Fescue to be as weed free as ornamental turf.***	
7. Weedeat fescue seed-heads.	
8. Weedeat fescue to 4" heights.	
9. Fertilize fescue.	
10. Control infestation of fungus, diseases and/or insects.	
11. Manage irrigation. Adjust controllers.	
Trees, Shrubs and Planting Area Maintenance:	
12. Complete weeding of all planting areas.	X
13. Fertilize planting areas and trees.	X
14. Prune trees **one** time per year.	X
15. Prune shrubs.	X
16. Control infestation of fungus, diseases and/or insects.	X
17. Maintain adequate staking of all trees.	X
18. Manage irrigation. Adjust controllers.	X
Groundcover and Vine Maintenance:	
19. Complete weeding of groundcovers.	X
20. Fertilize all groundcovers and vines.	X
21. Control infestation of fungus, diseases and/or insects.	X
22. Prune groundcovers and vines.	
23. Edge groundcovers.	X
24. Manage irrigation. Adjust controllers.	X
Grounds Maintenance:	
25. Complete litter pick up of landscape areas each visit.	X
26. Remove all cuttings, trimmings, and leaf debris from site each visit.	X
27. Remove weeds in paved and D.G. areas, fence lines.	X
28. Remove litter and debris every visit (sidewalk and gutter).	X
29. Median(s): Remove weeds in paved and D.G. areas.	
30. Median(s): Remove litter and debris each visit (gutter to gutter and nosing).	

FIGURE 3.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-01 – ZONE 3

288-75-298; County DOL 0279

DESCRIPTION	FY 25/26 ACTUAL**	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:		
Rate Per Parcel	$ 81.88	$ 81.88
Total Number of Parcels	80	80
Total Special Assessments:	**$ 6,550.40**	**$ 6,550.40**
REVENUE:		
Interest on Fund Balance	$ -	$ -
Special Assessments	$ 6,459.20	$ 6,550.40
Total Revenue:	**$ 6,459.20**	**$ 6,550.40**
EXPENDITURES:		
Advertising & Mail	$ -	$ -
Utilities	$ 3,471.72	$ 3,600.00
Professional Services	$ -	$ -
Contract - Landscape Maintenance & Extra Work	$ 7,296.00	$ 7,700.00
Contract - Tree Maintenance	$ -	$ -
Contract -Materials & Supplies	$ -	$ -
Cost Allocation (Overhead)	$ 5,566.12	$ -
Total Expenditures:	**$ 16,333.84**	**$ 11,300.00**
Annual Operating Balance	**$ (9,874.64)**	**$ (4,749.60)**
Transfer to/from Operating Reserve	**$ 9,874.64**	**$ 4,749.60**
Annual Ending Balance	**$ -**	**$ -**
OPERATING RESERVE		
Beginning Fund Balance (July 1st)	$ -	$ -
Operating Reserve Set-a-side	$ -	$ -
Transfer from (to) Annual Operating Balance	$ (9,874.64)	$ (4,749.60)
Ending Operating Reserve Balance (June 30th)	**$ (9,874.64)**	**$ (4,749.60)**

** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.

FIGURE 3.4

ASSESSMENT DISTRICT 97-01
ZONE 3

A.D. 97-01 (Zone 3) Assessment Roll

Assessor's Number	Assessment
229 0970 001 0000	$81.88
229 0970 002 0000	$81.88
229 0970 003 0000	$81.88
229 0970 004 0000	$81.88
229 0970 005 0000	$81.88
229 0970 006 0000	$81.88
229 0970 007 0000	$81.88
229 0970 008 0000	$81.88
229 0970 009 0000	$81.88
229 0970 013 0000	$81.88
229 0970 014 0000	$81.88
229 0970 015 0000	$81.88
229 0970 016 0000	$81.88
229 0970 017 0000	$81.88
229 0970 018 0000	$81.88
229 0970 019 0000	$81.88
229 0970 020 0000	$81.88
229 0970 021 0000	$81.88
229 0970 022 0000	$81.88
229 0970 023 0000	$81.88
229 0970 024 0000	$81.88
229 0970 025 0000	$81.88
229 0970 026 0000	$81.88
229 0970 027 0000	$81.88
229 0970 028 0000	$81.88
229 0970 029 0000	$81.88
229 0970 030 0000	$81.88
229 0970 031 0000	$81.88
229 0970 032 0000	$81.88
229 0970 033 0000	$81.88
229 0970 034 0000	$81.88
229 0970 035 0000	$81.88
229 0970 036 0000	$81.88
229 0970 037 0000	$81.88
229 0970 038 0000	$81.88
229 0970 039 0000	$81.88
229 0970 040 0000	$81.88
229 0970 041 0000	$81.88
229 0970 042 0000	$81.88
229 0970 043 0000	$81.88
229 0970 044 0000	$81.88
229 0970 045 0000	$81.88
229 0970 046 0000	$81.88

Assessor's Number	Assessment
229 0970 047 0000	$81.88
229 0970 048 0000	$81.88
229 0970 049 0000	$81.88
229 0970 050 0000	$81.88
229 0970 051 0000	$81.88
229 0970 052 0000	$81.88
229 0970 053 0000	$81.88
229 0970 054 0000	$81.88
229 0970 055 0000	$81.88
229 0970 056 0000	$81.88
229 0970 057 0000	$81.88
229 0970 058 0000	$81.88
229 0970 059 0000	$81.88
229 0970 060 0000	$81.88
229 0970 061 0000	$81.88
229 0970 062 0000	$81.88
229 0970 063 0000	$81.88
229 0970 064 0000	$81.88
229 0970 065 0000	$81.88
229 0970 066 0000	$81.88
229 0970 067 0000	$81.88
229 0970 068 0000	$81.88
229 0970 069 0000	$81.88
229 0970 070 0000	$81.88
229 0970 071 0000	$81.88
229 0970 072 0000	$81.88
229 0970 073 0000	$81.88
229 0970 074 0000	$81.88
229 0970 075 0000	$81.88
229 0970 076 0000	$81.88
229 0970 077 0000	$81.88
229 0970 078 0000	$81.88
229 0970 079 0000	$81.88
229 0970 080 0000	$81.88
229 0970 081 0000	$81.88
229 0970 082 0000	$81.88
229 0970 083 0000	$81.88

80 Parcels; Total Zone 3 Assessment is $6,550.40

ZONE 4

General:

Zone 4 of LMAD 97-01 was originally adopted by the City in 1997. The original zone consisted of the Summerhill Subdivision and the Villa Creekridge Subdivision. These two single family subdivisions were on opposite sides of the City and had widely differing landscaping and maintenance responsibilities.

As a result of the different geographical locations and maintenance responsibilities, the City Council adopted a resolution in 2004 to divide Zone 4 into two parts. The Verner Glenn (Summerhill subdivision) was incorporated into the newly created Zone 3 and the 111 parcel Villa Creekridge Subdivision remained in Zone 4. Figure 4.1 shows the current boundaries of Zone 4.

Originally the maintained area in Zone 4 consisted of street frontage landscape including lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

Over the years General Fund money has been used to supplement maintenance in Zone 4. To reduce the assessment revenue shortfall, staff repeatedly re-evaluated and adjusted the maintenance effort to reduce costs. In July 2007, the City Council approved detaching a portion of the maintained area from Zone 4 (landscaping along Fireweed Circle). This detached area is now maintained by a neighboring Homeowner's Association under a special agreement. In 2010 the City implemented a xeriscaping (low-water and maintenance) plan to eliminate some of the more labor intensive and water consuming landscape features, such as turf, and reduced the level of service on the remaining landscaping to a minimum. In a further effort to reduce subsidies, in 2011, the City conducted a pilot project that reduced the frequency of maintenance (i.e. every 6 or 8 weeks instead of monthly). However, the monthly maintenance schedule was reinstated due to complaints on its appearance from the public.

Zone 4 now consists of street frontage landscape including trees, shrubs, and ground cover; all with monthly maintenance.

The City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 4.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of two single family subdivisions comprising the original Zone 4 was required to establish a funding source to provide ongoing landscape maintenance. The funding for Zone 4 is from annual assessments levied on residential parcels within the zone's assessment boundaries, pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located within the assessment boundaries that

currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 4 upon formation was $42.50. Upon separation in 2004, the annual assessment for Zone 4 remained at $42.50 per assessed parcel.

General Fund money has been used to supplement maintenance of landscaped areas in Zone 4 in the past. To eliminate the assessment revenue shortfall, assessment increases were proposed in Fiscal Years 98/99, 2005/2006 and 2009/2010, but all attempts failed under majority opposition by the property owners in the required balloting process.

This Zone does not have a cost of living increase provision.

Annual Assessment:

From the beginning, General Fund revenues have been used to subsidize Zone 4 maintenance. Efforts such as detaching part of the maintained area, replanting with low-water and low maintenance landscaping and even reducing the maintenance frequency have resulted in significant reductions in maintenance and utility costs, but the gap between maintenance expenditures and assessment revenues continues to widen.

The Summary Analysis in Figure 4.3 shows details of the Fiscal Year 2026/2027 budget and assessments for Zone 4. The assessments for Zone 4 are proposed to remain the same as Fiscal Year 2025/2026, at $42.50 per parcel per year for a total annual assessment of $4,717.50, as this district does not allow for increasing the assessments without a vote of the effected property owners. For FY 2025/2026 the projected budget shortfall is $19,637.03 and again Gas Tax revenues are being budgeted to cover the shortfall. A shortfall of approximately $14,732.50 is anticipated for FY 2026/2027, pending revisions to the city's cost allocations.

The FY 2024/2025 Assessment Roll for Zone 4 is shown in 4.4.

Zone 4 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 4 in Figure 4.1.

Area Description:

All that real property included in the Plat of Villa Creekridge, as recorded in the office of the recorder of Sacramento County Book 188 of Maps, Map number 3; December, 1988.

FIGURE 4.1

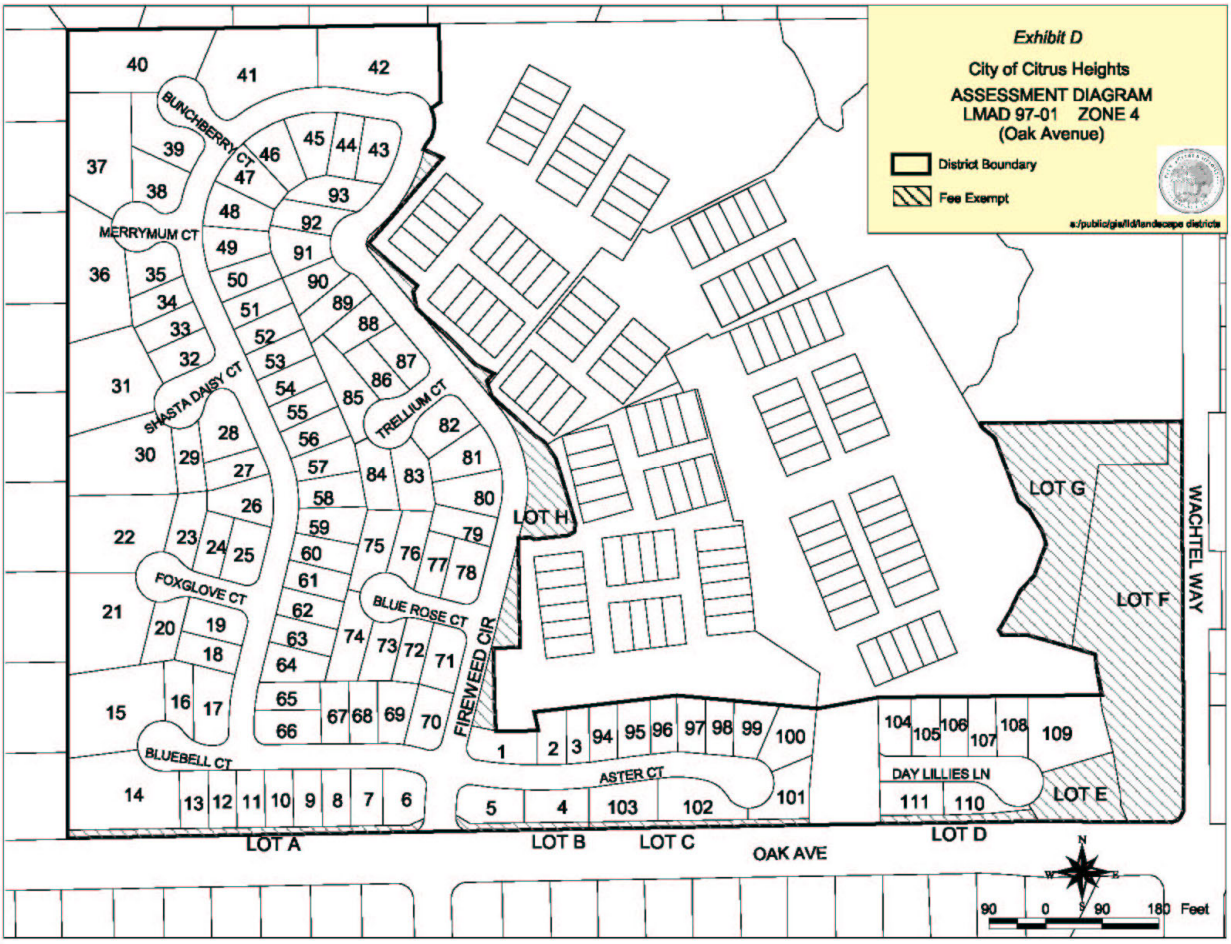

Exhibit D
City of Citrus Heights
ASSESSMENT DIAGRAM
LMAD 97-01 ZONE 4
(Oak Avenue)
District Boundary
Fee Exempt
a:/public/gis/lld/landscape districts
BUNCHBERRY CT
MERRYMUM CT
SHASTA DAISY CT
TRELLIUM CT
FOXGLOVE CT
BLUE ROSE CT
FIREWEED CIR
BLUEBELL CT
ASTER CT
DAY LILLIES LN
WACHTEL WAY
LOT A
LOT B
LOT C
LOT D
LOT E
LOT F
LOT G
LOT H
OAK AVE
90 0 90 180 Feet

FIGURE 4.2

AD 97-01
Zone 4
City of Citrus Heights Landscape Maintenance District

Task Sheet	42006 Villa Creekridge
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	
2. Fertilize/weed control lawn areas.	
3. Aerate lawn areas.	
4. Control infestation of fungus, diseases and/or insects.	
5. Manage irrigation. Adjust controllers.	
Hard/Tall Fescue Maintenance:	
6. Weed control of fescue. ***Fescue to be as weed free as ornamental turf.***	
7. Weedeat fescue seed-heads.	
8. Weedeat fescue to 4" heights.	
9. Fertilize fescue.	
10. Control infestation of fungus, diseases and/or insects.	
11. Manage irrigation. Adjust controllers.	
Trees, Shrubs and Planting Area Maintenance:	
12. Complete weeding of all planting areas.	X
13. Fertilize planting areas and trees.	X
14. Prune trees **one** time per year.	X
15. Prune shrubs.	X
16. Control infestation of fungus, diseases and/or insects.	X
17. Maintain adequate staking of all trees.	X
18. Manage irrigation. Adjust controllers.	X
Groundcover and Vine Maintenance:	
19. Complete weeding of groundcovers.	X
20. Fertilize all groundcovers and vines.	X
21. Control infestation of fungus, diseases and/or insects.	X
22. Prune groundcovers and vines.	X
23. Edge groundcovers.	X
24. Manage irrigation. Adjust controllers.	X
Grounds Maintenance:	
25. Complete litter pick up of landscape areas each visit.	X
26. Remove all cuttings, trimmings, and leaf debris from site each visit.	X
27. Remove weeds in paved and D.G. areas, fence lines.	X
28. Remove litter and debris every visit (sidewalk and gutter).	X
29. Median(s): Remove weeds in paved and D.G. areas.	
30. Median(s): Remove litter and debris each visit (gutter to gutter and nosing).	

FIGURE 4.3

ASSESSMENT DISTRICT 97-01 – ZONE 4

282-75-292; County DOL 0272

DESCRIPTION	FY 25/26 ACTUAL**	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:		
Rate Per Parcel	$ 42.50	$ 42.50
Total Number of Parcels	111	111
Total Special Assessments	**$ 4,717.50**	**$ 4,717.50**
REVENUE:		
Interest on Fund Balance	$ -	$ -
Special Assessments	$ 4,645.86	$ 4,717.50
Total Revenues:	**$ 4,645.86**	**$ 4,717.50**
EXPENDITURES:		
Advertising	$ -	
Utilities - Electric	$ 921.50	$ 950.00
Utilities - Water	$ 7,971.27	$ 8,200.00
Professional Services	$ -	$ -
Contract - Landscape Maintenance	$ 9,492.00	$ 9,800.00
Contract - Construction, Repairs & Extra Work	$ 332.00	$ 500.00
Contract - Materials & Supplies	$ -	$ -
Cost Allocation (Overhead)	$ 5,566.12	$ -
Total Expenditures:	**$ 24,282.89**	**$ 19,450.00**
Annual Operating Balance	**$ (19,637.03)**	**$ (14,732.50)**
Transfer to/from Operating Reserve	**$ 19,637.03**	**$ 14,732.50**
Annual Ending Balance	**$ -**	**$ -**
OPERATING RESERVE		
Beginning Fund Balance (July 1st)	$ -	$ -
Operating Reserve Set-a-side	$ -	$ -
Transfer from (to) Annual Operating Balance	$ (19,637.03)	$ (14,732.50)
Ending Operating Reserve Balance (June 30th)	**$ (19,637.03)**	**$ (14,732.50)**
FACILITY REPLACEMENT RESERVE		
Beginning Facility Replacement Balance (July 1st)	$ -	$ -
Facility Replacement Set-aside	$ -	$ -
Replacement Project Cost	$ -	$ -
Ending Facility Replacement Balance (June 30th)	$ -	$ -

** Recorded actual expenses for the first 3 quarters of Fiscal Year plus projection for the 4th quarter.

FIGURE 4.4

ASSESSMENT DISTRICT 97-01 - ZONE 4

A.D. 97-01 (Zone 4) Assessment Roll

Assessor's Number				Assessment
224	0890	001	0000	$42.50
224	0890	002	0000	$42.50
224	0890	003	0000	$42.50
224	0890	004	0000	$42.50
224	0890	005	0000	$42.50
224	0890	006	0000	$42.50
224	0890	007	0000	$42.50
224	0890	008	0000	$42.50
224	0890	009	0000	$42.50
224	0890	010	0000	$42.50
224	0890	011	0000	$42.50
224	0890	012	0000	$42.50
224	0890	013	0000	$42.50
224	0890	014	0000	$42.50
224	0890	015	0000	$42.50
224	0890	016	0000	$42.50
224	0890	017	0000	$42.50
224	0890	018	0000	$42.50
224	0890	019	0000	$42.50
224	0890	020	0000	$42.50
224	0890	021	0000	$42.50
224	0890	022	0000	$42.50
224	0890	023	0000	$42.50
224	0890	024	0000	$42.50
224	0890	025	0000	$42.50
224	0890	026	0000	$42.50
224	0890	027	0000	$42.50
224	0890	028	0000	$42.50
224	0890	029	0000	$42.50
224	0890	030	0000	$42.50
224	0890	031	0000	$42.50
224	0890	032	0000	$42.50
224	0890	033	0000	$42.50
224	0890	034	0000	$42.50
224	0890	035	0000	$42.50
224	0890	036	0000	$42.50
224	0890	037	0000	$42.50
224	0890	038	0000	$42.50
224	0890	039	0000	$42.50
224	0890	040	0000	$42.50
224	0890	041	0000	$42.50

Assessor's Number				Assessment
224	0890	042	0000	$42.50
224	0890	043	0000	$42.50
224	0890	044	0000	$42.50
224	0890	045	0000	$42.50
224	0890	046	0000	$42.50
224	0890	047	0000	$42.50
224	0890	048	0000	$42.50
224	0890	049	0000	$42.50
224	0890	050	0000	$42.50
224	0890	051	0000	$42.50
224	0890	052	0000	$42.50
224	0890	053	0000	$42.50
224	0890	054	0000	$42.50
224	0890	055	0000	$42.50
224	0890	056	0000	$42.50
224	0890	057	0000	$42.50
224	0890	058	0000	$42.50
224	0890	059	0000	$42.50
224	0890	060	0000	$42.50
224	0890	061	0000	$42.50
224	0890	062	0000	$42.50
224	0890	063	0000	$42.50
224	0890	064	0000	$42.50
224	0890	065	0000	$42.50
224	0890	066	0000	$42.50
224	0890	067	0000	$42.50
224	0890	068	0000	$42.50
224	0890	069	0000	$42.50
224	0890	070	0000	$42.50
224	0890	071	0000	$42.50
224	0890	072	0000	$42.50
224	0890	073	0000	$42.50
224	0890	074	0000	$42.50
224	0890	075	0000	$42.50
224	0890	076	0000	$42.50
224	0890	077	0000	$42.50
224	0890	078	0000	$42.50
224	0890	079	0000	$42.50
224	0890	080	0000	$42.50
224	0890	081	0000	$42.50
224	0890	082	0000	$42.50

ASSESSMENT DISTRICT 97-01 - ZONE 4

A.D. 97-01 (Zone 4) Assessment Roll

Assessor's Number				Assessment
224	0890	083	0000	$42.50
224	0890	084	0000	$42.50
224	0890	085	0000	$42.50
224	0890	086	0000	$42.50
224	0890	087	0000	$42.50
224	0890	088	0000	$42.50
224	0890	089	0000	$42.50
224	0890	090	0000	$42.50
224	0890	091	0000	$42.50
224	0890	092	0000	$42.50
224	0890	093	0000	$42.50
224	0900	001	0000	$42.50
224	0900	002	0000	$42.50
224	0900	003	0000	$42.50
224	0900	004	0000	$42.50
224	0900	010	0000	$42.50
224	0900	011	0000	$42.50
224	0900	013	0000	$42.50
224	0900	014	0000	$42.50
224	0900	015	0000	$42.50
224	0900	016	0000	$42.50
224	0900	017	0000	$42.50
224	0900	018	0000	$42.50
224	0900	019	0000	$42.50
224	0900	020	0000	$42.50
224	0900	021	0000	$42.50
224	0900	022	0000	$42.50
224	0900	026	0000	$42.50
224	0900	028	0000	$42.50

111 Parcels; Total Zone 4 Assessment is $4,717.50

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 26, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Initiate Proceedings for Fiscal Year 2026/2027 Annual Update Landscape Maintenance Assessment Districts 98-01, 98-02 (Zones 1, 2, 3 & 4) and 03-01 (Zones 1, 2 & 3)**

Recommendation

Each year, the City is required to update the assessments for its various Landscape Maintenance Assessment Districts (LMADs). This is the proposed Fiscal Year 2026/2027 update for LMADs No. 98-01; No. 98-02 (Zones 1, 2, 3 and 4); and No. 03-01 (Zones 1, 2 and 3). An Engineer's Report, which describes the proposed levels of maintenance, outlines the proposed financial summary, and includes the Assessment Diagram for each zone in each District, has been prepared by the City Engineer. A copy of the draft Engineer's Report is available for review, by the public, in the City Clerk's Office.

Staff recommends Council adopt the following resolutions in the order listed:

1. Resolution No. 2026- __, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-01.

2. Resolution No. 2026- __, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4.

3. Resolution No. 2026- __, A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.

By adopting the above Resolutions Initiating Proceedings, the City Council would be authorizing the annual update of the City of Citrus Heights LMADs No. 98-01, 98-02, and 03-01; and further authorizing the preparation of the required Engineer's Report.

4. Resolution No. 2026- __, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98-01.

5. Resolution No. 2026- __, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4.

6. Resolution No. 2026- __, A Resolution of Intention of the City Council of the City of Citrus Heights, California, to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.

Adopting resolutions 4, 5 & 6, above, sets July 8, 2026, at 6:00 p.m., as the date and time of the Public Hearing for the proposed assessments for each district and directs staff to give the required notice.

Fiscal Impact

Assessment Districts 98-01, 98-02 (Zones 1, 2, 3 and 4), and 03-01 (Zones 1, 2 and 3) are currently fully funded by their annual assessments and operating reserves as needed; therefore, there is no fiscal impact to the General Fund for these districts. The following tables (Nos. 1, 2, 3, 4, 5, 6, 7 and 8) summarize the revenues and expenditures for each of the districts/zones contained in the engineer's report:

Table No. 1
98-01 Stock Village

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$11,680.63	$12,209.40
Interest on Fund Balance (1)	$3,171.64	$0.00
Total Estimated Revenues	**$14,852.27**	**$12,209.40**
EXPENDITURES:		
Total Estimated Expenditures	**$27,050.74**	**$12,453.00**
Annual Operating Balance	**-$12,198.47**	**-$243.60**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Balance transferred to Assessment Fund reserve.
(3) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 2
98-02, Zone 1 – Sorenson Ranch

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$24,328.39	$25,481.16
Interest on Fund Balance (1)	$1,148.87	$0.00
Total Estimated Revenues	**$25,477.26**	**$25,481.16**
EXPENDITURES:		
Total Estimated Expenditures	**$27,910.16**	**$25,481.16**
Annual Operating Balance (2)	**-$2,432.90**	**$3,856.16**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Assessment Fund reserves available to balance the annual operating shortfall.
(3) Balance transferred to Assessment Fund reserve.

Table No. 3
98-02, Zone 2 - Autumnwood

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$18,086.48	$18,696.24
Interest on Fund Balance (1)	$1,090.67	$0.00
Total Estimated Revenues	**$19,177.15**	**$18,696.24**
EXPENDITURES:		
Total Estimated Expenditures	**$12,694.12**	**$11,425.00**
Annual Operating Balance	**-$6,483.03**	**-$7,271.24**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Assessment Fund reserves available to balance the annual operating shortfall.
(3) Balance transferred to Assessment Fund reserve.

Table No. 4
98-02, Zone 3 – Mariposa Creek

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$12,550.90	$12,971.70
Interest on Fund Balance (1)	$1,131.99	$0.00
Total Estimated Revenues	**$13,682.89**	**$12,971.70**
EXPENDITURES:		
Total Estimated Expenditures	**$17,034.43**	**$6,925.00**
Annual Operating Balance	**-$3,351.54**	**$6,046.70**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Assessment Fund reserves available to balance the annual operating shortfall.
(3) Balance transferred to Assessment Fund reserve.

Table No. 5
98-02, Zone 4 – Wyatt Ranch

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$9,736.82	$9,690.82
Interest on Fund Balance (1)	$317.59	$0.00
Total Estimated Revenues	**$10,054.41**	**$9,690.82**
EXPENDITURES:		
Total Estimated Expenditures	**$0.00**	**$3,725.00**
Annual Operating Balance (2)	**-$10,054.41**	**$5,965.82**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Balance transferred to Assessment Fund reserve.

Table No. 6
03-01, Zone 1 – Stock Ranch NORTH

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$98,820.45	$101,827.10
Interest on Fund Balance (1)	$20,749.31	$0.00
Total Estimated Revenues	**$119,569.76**	**$101,827.10**
EXPENDITURES:		
Total Estimated Expenditures	**$147,216.59**	**$119,600.00**
Annual Operating Balance (2)	**-$27,646.83**	**-$17,772.90**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 7
03-01, Zone 2 – Stock Ranch SOUTH

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$22,490.56	$23,299.38
Interest on Fund Balance (1)	$1,117.00	$0.00
Total Estimated Revenues	**$23,607.56**	**$23,299.38**
EXPENDITURES:		
Total Estimated Expenditures	**$21,265.74**	**$3,624.38**
Annual Operating Balance (2)	**$1,224.82**	**$3,624.38**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Balance transferred to Assessment Fund reserve.

Table No. 8
03-01, Zone 3 – Mitchell Farms

Description	FY 25/26 Actual*	FY 26/27 Proposed
REVENUE:		
Special Assessments Revenues	$92,765.55	$96,135.96
Interest on Fund Balance (1)	$5,980.56	$0.00
Total Estimated Revenues	**$98,746.11**	**$96,135.96**
EXPENDITURES:		
Total Estimated Expenditures (2)	**$75,461.77**	**$96,135.96**
Annual Operating Balance (3)	**$23,284.34**	**$0.00**

(1) Interest earnings estimated; will reflect actuals in final report.
(2) Expenditures include annual transfer to maintenance/repair reserve, and facility replacement reserve. See Engineers Report for detailed expenses.
(3) Balance transferred to Assessment Fund reserve.

Background and Analysis

Assessment District 98-01: First created in 1998, is for the maintenance of certain areas within the subdivision called Stock Village Unit No. 1 and Unit No. 2. Maintenance responsibilities include: [1] periodic trimming of mature oak trees and repair of, and graffiti removal from, a sound wall adjacent to the western side of the subdivision; and [2] landscape and irrigation system maintenance and repair of, and graffiti removal from, a sound wall adjacent to the eastern side of the subdivision, adjacent to Stock Ranch Road.

Assessment District 98-02: Zone 1, first created in 1998, is for the maintenance of certain areas within and adjacent to the subdivision called the Sorensen Ranch development located on the northwest corner of Van Maren Lane and Oak Lakes Lane. Zone 2, first created in 2014, is for the maintenance of certain areas within and adjacent to the subdivision called the Autumnwood development. Zone 3, first created in 2018, is for the maintenance of certain areas within and adjacent to the subdivision called the Mariposa Creek development. Zone 4, providing for the maintenance of certain areas within, and adjacent to the Wyatt Ranch development, was adopted by the City Council in November 2019. However, construction impacts brought about by the pandemic delayed construction and, as a result, the FY 22/23 levy was the first annual assessment for Zone 4, with no incurred maintenance costs to date. This development is still in final stages of construction with public improvements expected to be accepted by the City in FY 26/27.

All improvements maintained by the various zones of Assessment District 98-02 are on public property. Maintenance responsibilities for all zones in Assessment District 98-02 generally include: maintenance and repairs of corridor landscape; masonry walls; detention basins; pedestrian pathways; pathway lighting, trees, shrubs and ground-cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal.

Assessment District 03-01: Zone 1, first created in 2003, is for the maintenance of certain areas within, and adjacent to, the commercial portion of the Stock Ranch subdivision. Zone 2, first created in 2003, is for the maintenance of certain areas within, and adjacent to, the residential portion of the Stock Ranch subdivision. Zone 3, adopted by the City Council in April 2020 is for the maintenance of certain areas within, and adjacent to the Mitchell Farms development.

All improvements maintained by the various zones of Assessment District 03-01 are on public property. The maintenance responsibilities generally include: Zone 1- landscaping and irrigation; bus stops on both sides of Auburn Boulevard adjacent to the Stock Ranch commercial properties; drainage basins; open space areas; pedestrian/bike trail and a pedestrian bridge along and across Arcade Creek; Zone 2 - open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median on Stock Ranch Road east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road; and Zone 3 - maintenance of the pedestrian pathway, bridges and creek open space (including inspection and pruning of trees) within Lot A (dedicated to the Sunrise Parks and Recreation District), and landscaping and irrigation within the roundabout and approach islands on Arcadia Drive.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council in order to initiate the update of the LMADs. Subsequent approval of the assessments to be levied and collected will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain landscape facilities for the districts.

An Engineer's Report has been prepared for the proposed assessments and is available for review, by the public, in the City Clerk's Office. The Engineer's Report summarizes maintenance efforts and recommends increasing assessments by 3% (up to 4% maximum allowed) for Fiscal Year 2026/2027 for Districts 98-01; 98-02 Zones 1, 2, 3 and 4; and 03-01 Zones 1, 2 and 3. The recommended increases are in an effort to help sustain existing reserves in each of the respected zones as well as maintain current levels of service.

By the Resolution of Intention, the City Council approves the Engineer's Report for the Landscape Maintenance Assessment District, Annual Update for Fiscal Year 2026/2027, sets the date for a public hearing on the assessments and directs staff to give the required notice.

Staff recommends July 8, 2026, at 6:00 p.m., or as soon thereafter, as the date and time for the public hearing. At that time, public comment will be received and the Council will consider and adopt a resolution adopting the assessments. Notice of this meeting will be published in accordance with State code.

Attachments

1. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 98-01.
2. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 98-02, Zones 1, 2, 3 and 4.

3. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 03-01, Zones 1, 2 and 3.
4. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98-01.
5. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4.
6. Resolution No. 2026-__: Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2026/2027 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.
7. Draft Engineer's Report.

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 98-01

WHEREAS, in order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 98-01 and to equitably distribute the costs among benefited landowners, the City Council (the "City Council") of the City of Citrus Heights (the "City") has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the "Act"), to levy assessments for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2026/2027 for Assessment District 98-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01 consist of street corridor landscape and sound wall maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; and sound wall repair. Detailed description is provided in the Engineer's Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the "Engineer") for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2026/2027 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026 by the following vote, to wit:

AYES:	**Council Members:**
NOES:	**Council Members:**
ABSTAIN:	**Council Members:**
ABSENT:	**Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 98-02 (ZONES 1, 2, 3 & 4)

WHEREAS, in order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 98-02 (Zones 1, 2, 3 & 4) and to equitably distribute the costs among benefited landowners, the City Council (the "City Council") of the City of Citrus Heights (the "City") has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the "Act"), to levy assessments for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2026/2027 for Assessment District 98-02.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 consist of street maintenance and repairs of corridor landscape, masonry walls, detention basins, and pedestrian pathways including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal. Detailed description is provided in the Engineer's Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the "Engineer") for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2026/2027 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026, by the following vote, to wit:

AYES:	**Council Members:**
NOES:	**Council Members:**
ABSTAIN:	**Council Members:**
ABSENT:	**Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 03-01 (ZONES 1, 2 & 3)

WHEREAS, in order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 03-01 (Zones 1, 2 & 3) and to equitably distribute the costs among benefited landowners, the City Council (the "City Council") of the City of Citrus Heights (the "City") has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the "Act"), to levy assessments for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2026/2027 for Assessment District 03-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 consist of maintenance and repairs of corridor landscape, sound walls, and open space including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; detention basins; wetlands; pedestrian bridge; pedestrian trail; trail lighting; bus stops; park trails; cable fencing; and lighting. Detailed description is provided in the Engineer's Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the "Engineer") for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2026/2027 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026, by the following vote, to wit:

AYES:	**Council Members:**
NOES:	**Council Members:**
ABSTAIN:	**Council Members:**
ABSENT:	**Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/2027 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 98-01

WHEREAS, on June 24, 2026, the City Council (the "Council") of the City of Citrus Heights (the "City") adopted Resolution No. 2026-_____ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the "Act"), to levy and collect assessments for Fiscal Year 2026/2027 for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01; and

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2026/2027 (the "Engineer's Report") in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer's Report. This Council hereby approves the Engineer's Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01 consist of street corridor landscape and sound wall maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; and sound wall repair. Detailed description is provided in the Engineer's Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 98-01 includes the territory described in Figure 1.1 of the Engineer's Report for 98-01, 98-02, and 03-01.

Section 6. Reference to Engineer's Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer's Report. The Engineer's Report is on file in the City Clerk's office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 8, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City proposes to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 98-01 to support adequate and sustainable maintenance services.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/2027 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 98-02 (ZONES 1, 2, 3 & 4)

WHEREAS, on June 24, 2026, the City Council (the "Council") of the City of Citrus Heights (the "City") adopted Resolution No. 2026 -_____ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the "Act"), to levy and collect assessments for Fiscal Year 2026/2027 for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 (Zones 1, 2, 3 & 4); and

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2026/2027 (the "Engineer's Report") in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer's Report. This Council hereby approves the Engineer's Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 consist of street maintenance and repairs of corridor landscape, masonry walls, detention basins, and pedestrian pathways including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal. Detailed description is provided in the Engineer's Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 98-02 includes the territories described in Figures 2.1, 3.1 and 4.1 of the Engineer's Report for LMADs 98-01, 98-02, and 03-01.

Section 6. Reference to Engineer's Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer's Report. The Engineer's Report is on file in the City Clerk's office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 8, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City proposes to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 98-02, Zones 1, 2, 3 and 4 to support adequate and sustainable maintenance services.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026 by the following vote, to wit:

AYES:	**Council Members:**
NOES:	**Council Members:**
ABSTAIN:	**Council Members:**
ABSENT:	**Council Members:**

_____

MariJane Lopez-Taff, Mayor

ATTEST:

_____

Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/2027 FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT No. 03-01 (ZONES 1, 2 & 3)

WHEREAS, on June 24, 2026, the City Council (the "Council") of the City of Citrus Heights (the "City") adopted Resolution No. 2026 -_____ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the "Act"), to levy and collect assessments for Fiscal Year 2026/2027 for the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 (Zones 1, 2 & 3); and

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2026/2027 (the "Engineer's Report") in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby approve the following:

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer's Report. This Council hereby approves the Engineer's Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01.

Section 4. Description of Improvements. The improvements to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 include street maintenance and repairs of corridor landscape, sound walls, and open space including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; detention basins; wetlands; pedestrian bridge; pedestrian trail; trail lighting; bus stops; park trails; cable fencing; and lighting. Detailed description is provided in the Engineer's Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 03-01 includes the territories described in Figures 5.1, 6.1 and 7.1 of the Engineer's Report for LMADs 98-01, 98-02 and 03-01.

Section 6. Reference to Engineer's Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer's Report. The Engineer's Report is on file in the City Clerk's office, 6360 Fountain Square Drive, Citrus Heights, CA

95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 8, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City proposes to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 03-01, Zones 1, 2 and 3 to support adequate and sustainable maintenance services for FY 2026/2027.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026 by the following vote, to wit:

AYES:	**Council Members:**
NOES:	**Council Members:**
ABSTAIN:	**Council Members:**
ABSENT:	**Council Members:**

_____

MariJane Lopez-Taff, Mayor

ATTEST:

_____

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

SACRAMENTO COUNTY

CALIFORNIA

ENGINEER'S REPORT
for
Landscape Maintenance Districts

Assessment District Numbers: 98-01, 98-02 and 03-01
Annual Update for Fiscal Year 2026/2027

Prepared by:

Leslie Blomquist

City Engineer

June 24, 2026

CERTIFICATIONS

LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT DISTRICTS NUMBERS: 98-01, 98-02 and 03-01
(Pursuant to the Landscaping and Lighting Act of 1972)

Engineer's Report for Fiscal Year 2026/2027

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: June 19, 2026

CITY OF CITRUS HEIGHTS

By _____
Leslie Blomquist, P.E.
CITY ENGINEER

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Citrus Heights, California, on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sacramento on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

ENGINEER'S REPORT

LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT DISTRICT NO. 98-01, Stock Village Unit Nos. 1 & 2
ASSESSMENT DISTRICT NO. 98-02, Zone 1, Sorensen Ranch
ASSESSMENT DISTRICT NO. 98-02, Zone 2, Autumnwood
ASSESSMENT DISTRICT NO. 98-02, Zone 3, Mariposa Creek
ASSESSMENT DISTRICT NO. 98-02, Zone 4, Wyatt Ranch
ASSESSMENT DISTRICT NO. 03-01, Zone 1, Stock Ranch NORTH
ASSESSMENT DISTRICT NO. 03-01, Zone 2, Stock Ranch SOUTH
ASSESSMENT DISTRICT NO. 03-01, Zone 3, Mitchell Farms

LEVY of FISCAL YEAR 2025/2026 ASSESSMENTS

INTRODUCTION

The City of Citrus Heights has four (4) separate landscape maintenance assessment districts, which provide for maintenance of common areas within nine (9) distinct communities around the City. This Engineer's Report addresses three of the Districts, 98-01, 98-02 (Zones 1, 2, 3 and 4), and 03-01 (Zones 1, 2 and 3). The general locations of these districts are shown on the maps on the following pages.

Assessment District 98-01, first created in 1998, is for the maintenance of certain areas within the subdivision called Stock Village Unit No. 1 and Unit No. 2. A Strip of land along the west edge of the subdivision and a strip of land along the east edge, adjacent to Stock Ranch Road are the areas to be maintained.

Assessment District 98-02 (Zone 1), first created in 1998, is for the maintenance of certain areas within and adjacent to the subdivisions called Sorensen Ranch Unit Nos. 1, 2, 3, and 4 development. All improvements are on public property. The improved parcels to be maintained are along the west side of Van Maren Lane (approximately 1500 feet); along the north side of Oak Lakes Lane (approximately 1300 feet); and shorter parcels along Campfire Way at Van Maren Lane (approximately 100 feet on the south side); Horseman Way at Van Maren Lane (approximately 100 feet on the north and south side); and the east side of Silversaddle Way at Oak Lake Lane (approximately 100 feet).

Assessment District 98-02 (Zone 2), first created in 2014, is for the maintenance of certain areas within and adjacent to the Autumnwood Subdivision development. All improvements are on public property. The improved parcels to be maintained are along the south side of Antelope Road (approximately 300 feet); along the east side of Live Oak Way (approximately 370 feet); and two (2) detention basins within the subdivision.

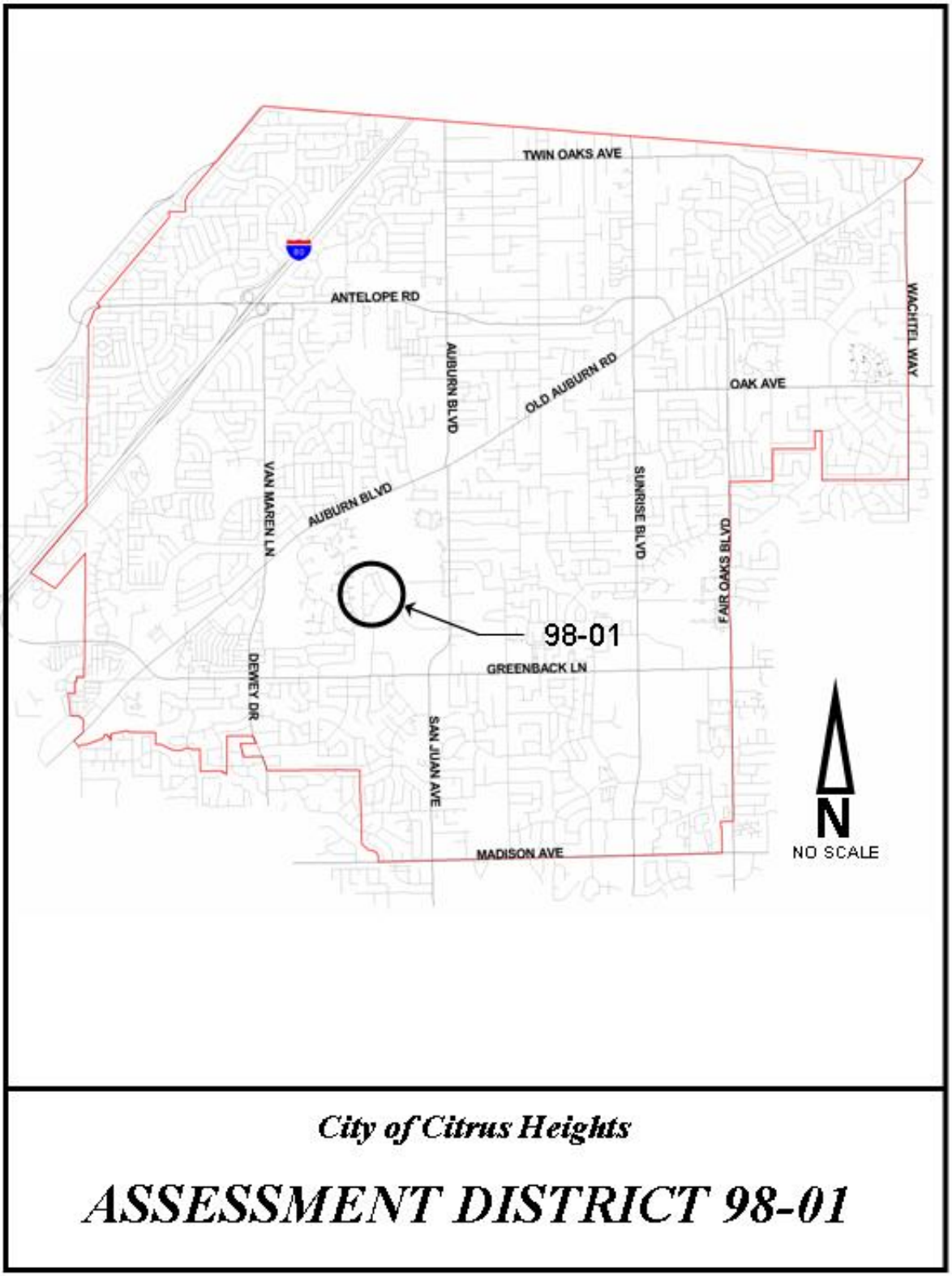
Assessment District 98-02 (Zone 3), first created in 2018, is for the maintenance of certain areas within and adjacent to the Mariposa Creek Subdivision development. All improvements are on public property. The improved parcels to be maintained are along the north side of Antelope Road

(approximately 436 feet); along Cripple Creek (approximately 185 lineal feet) located on the east side of the development; a pedestrian pathway with landscaping (Lot C) within the subdivision.

Assessment District 98-02, (Zone 4), provides for the maintenance of landscaping in certain dedicated public spaces within the Wyatt Ranch Subdivision. First annexed into Assessment District 98-02 by the City Council on November 14, 2019, the assessments for this 23 lot single-family parcel residential subdivision located on Lawrence Avenue on the west side of Sunrise Boulevard began in fiscal year 2022/2023. Completion of construction of the subdivision and acceptance of the public improvements was expected in 2024/2025. While construction is still in progress, the City will continue to levy funds to ensure a well-established replacement fund prior to taking on the maintenance of this zone.

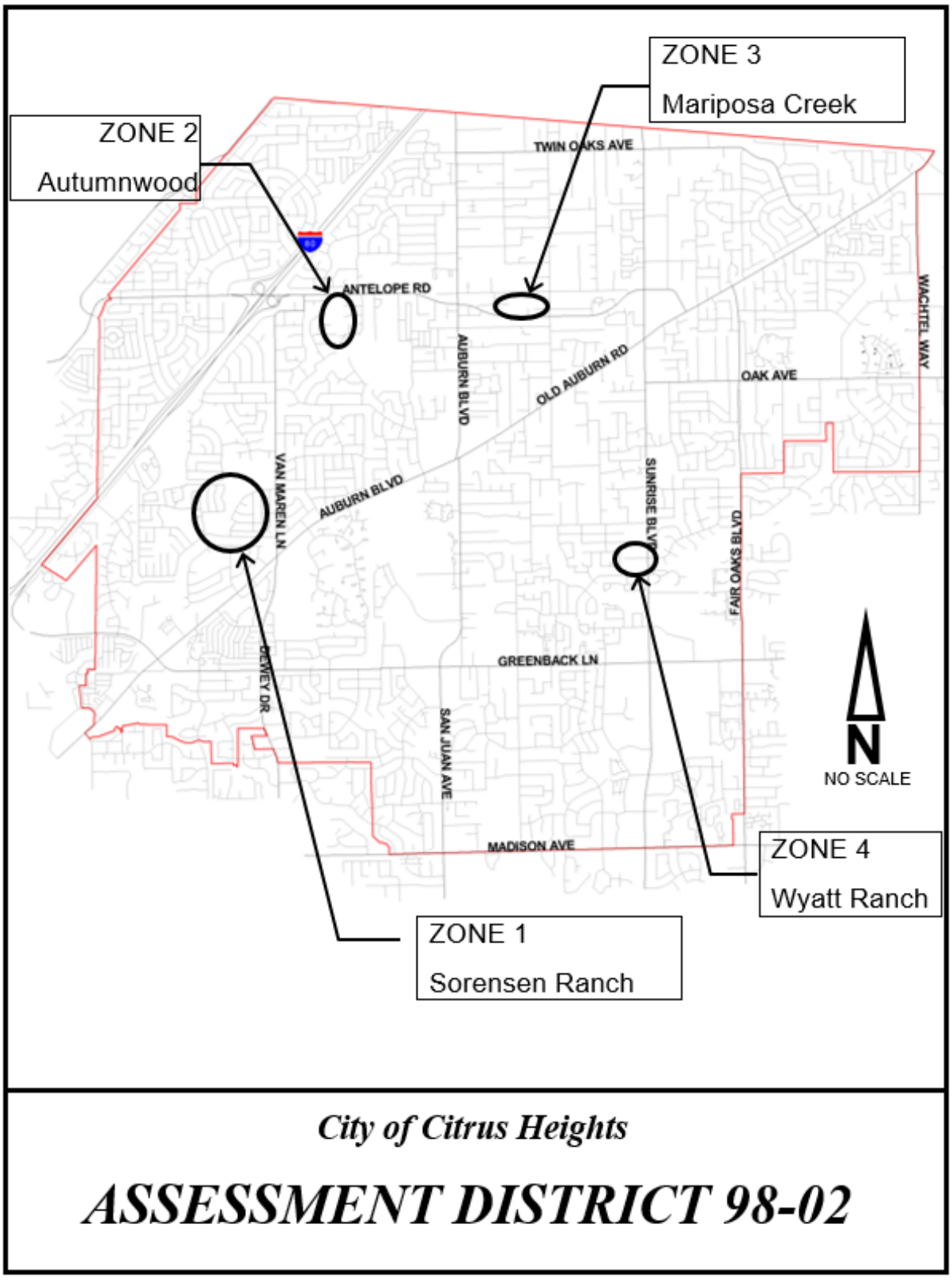
Assessment District 03-01 (Zones 1 & 2), first created in 2003, is for the maintenance of certain areas within the commercial and residential developments called Stock Ranch. Zone 1 (NORTH) consists of the landscaping along Auburn Boulevard between San Tomas Drive and Raintree Drive (north side of the street and within the medians) and the open space north of Arcade Creek. Zone 2 (SOUTH) consists of the open space on the south side of Arcade Creek and along the north side of Stock Ranch Road.

Assessment District 03-01 (Zone 3), first created in 2020, is for the maintenance of certain areas within and adjacent to the Mitchell Farms Subdivision development. All improvements are on public property. Zone 3 provides for the maintenance of a large open space area (Lot A) along Arcade Creek located in the center of the development (soon to be dedicated to the Sunrise Recreation and Parks District upon completion) and the landscaping within roundabout and three approach islands on Arcadia Drive.



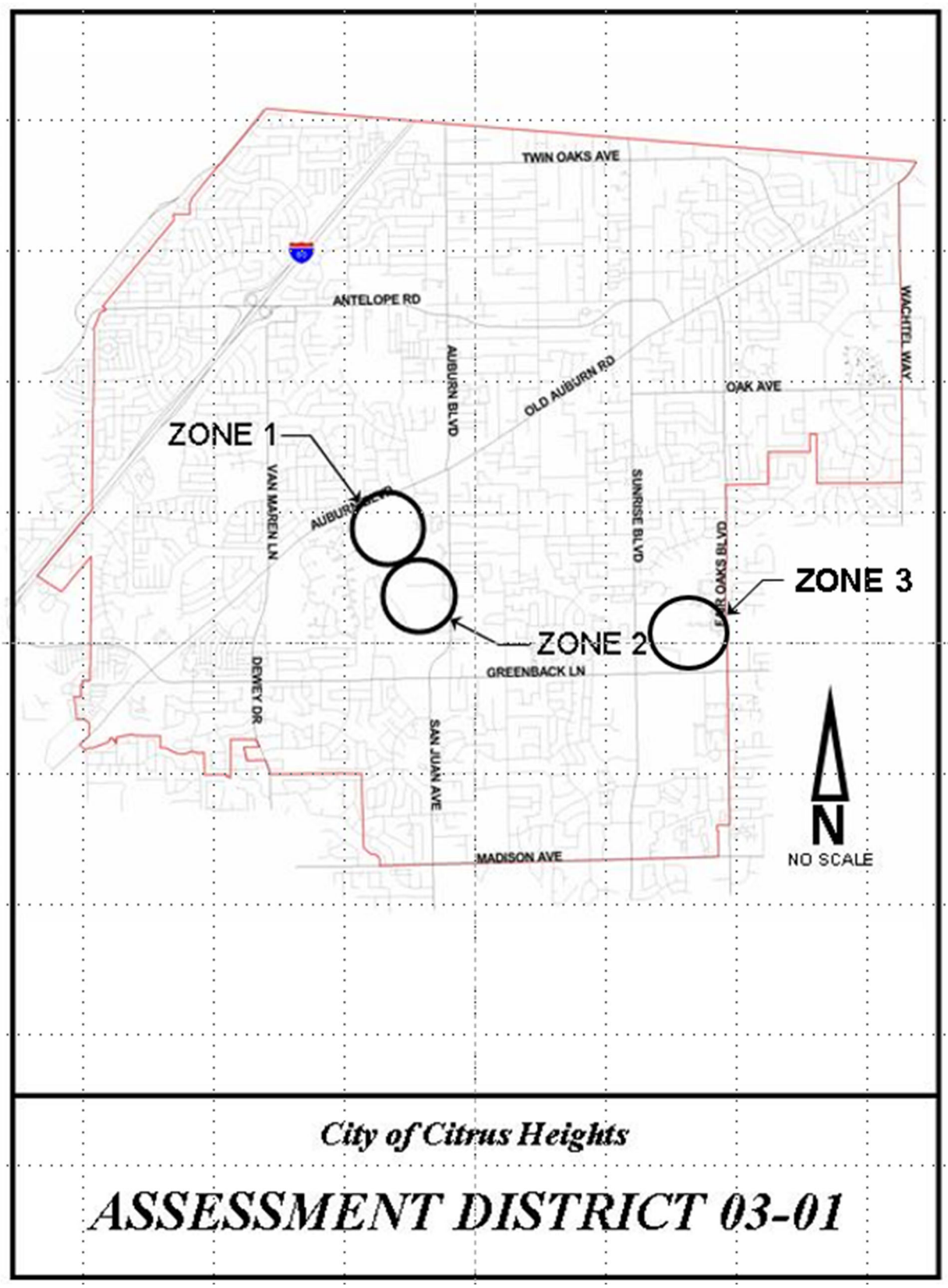
City of Citrus Heights

ASSESSMENT DISTRICT 98-01



City of Citrus Heights

ASSESSMENT DISTRICT 98-02


TWIN OAKS AVE
ANTELOPE RD
AUBURN BLVD
OLD AUBURN RD
OAK AVE
WACHTEL WAY
ZONE 1
VAN MAREN LN
SUNRISE BLVD
FAIR OAKS BLVD
ZONE 3
ZONE 2
GREENBACK LN
DEWEY DR
SAN JUAN AVE
MADISON AVE
N
NO SCALE
City of Citrus Heights
ASSESSMENT DISTRICT 03-01

ASSESSMENT DISTRICT 98-01

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-01, first created in 1998, is located along the west side of Stock Ranch Road north of the Stock Ranch Road / Fountain Square Drive intersection. This LMAD provides for the maintenance of certain areas in and adjacent to Units 1 & 2 of the Stock Village subdivision. There are 133 parcels within this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 1.1.

Specific features maintained along the western boundary of the subdivision include, a large group of mature oak trees, the west surface of the sound wall along that edge (but not the structural aspects of the wall) and the tree well areas on the west side of the sound wall. Initially the LMAD was responsible for maintaining 42 large Live and Blue oaks, however, through storm damage, disease, and age; that number has been reduced to 16. The City is committed to ensuring the health and viability of the remaining trees as well as the safety of the nearby residents. Therefore, the trees are regularly inspected by an arborist who specializes in oak tree care and maintenance (i.e. removal, pruning and/or cabling) is performed as recommended.

On the eastern boundary of the development, the LMAD maintains landscaping and irrigation in two planter areas adjacent to Stock Ranch Road (Parcels A and B) and the surface and structural aspects of the sound wall along the residential parcels abutting the two planter areas. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 1.2 describes the maintenance specifications for the district.

It is understood that should the assessment district be dissolved or not generate enough funds to provide the amount of maintenance described herein, the City may reduce the level of maintenance and reduce or discontinue the repair of the improvements on parcels A and B. Additionally, the City shall then have no obligation to maintain the oak trees and sound wall on the west side of the subdivision. The individual property owners could perform the work on the west edge of the subdivision. The individual property owners would not be a beneficiary of the access easement along the west edge of the subdivision.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Stock Village Unit No. 1 and Unit No. 2 subdivision was required to establish a funding source to provide for ongoing maintenance to the re-vegetation planting and the sound walls and the frontage landscaping and irrigation. The funding for the District is from annual assessments levied on properties within the assessment boundary (Figure 1.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-01 upon formation in 1998 was $158.00 per parcel.

The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, that exceeds the amount assessed to the property owners for the prior years shall not exceed the cost-of-living increase based on the Bay Area Consumer Price Index for all urban consumers.

ANNUAL ASSESSMENT

Initially LMAD 98-01 was fully funded by its assessments and accumulated operating reserves in excess of those needed to address unforeseen tree and soundwall maintenance needs. As a result, in Fiscal Year 2004-2005 the annual assessment was reduced from $158 to $80. Over time this reduced assessment rate permitted the District to gradually draw down the excessive operating reserve balance to an appropriate level. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. wall repairs, oak tree trimming and electrical system repairs). As a result, in FY 2023/2024, the City of Citrus Heights, for the first time, utilized the cost-of-living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. As shown in Figure 1.3. “Summary Analysis”, the Fiscal Year 2026/2027 annual assessments for District 98-01 are proposed to increase by 3% to approximately $91.80 per residential parcel, over the rates for FY 2025/2026. These additional revenues are necessary to support the District’s continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The District’s Assessment Roll is shown in Figure 1.4.

FIGURE 1.1

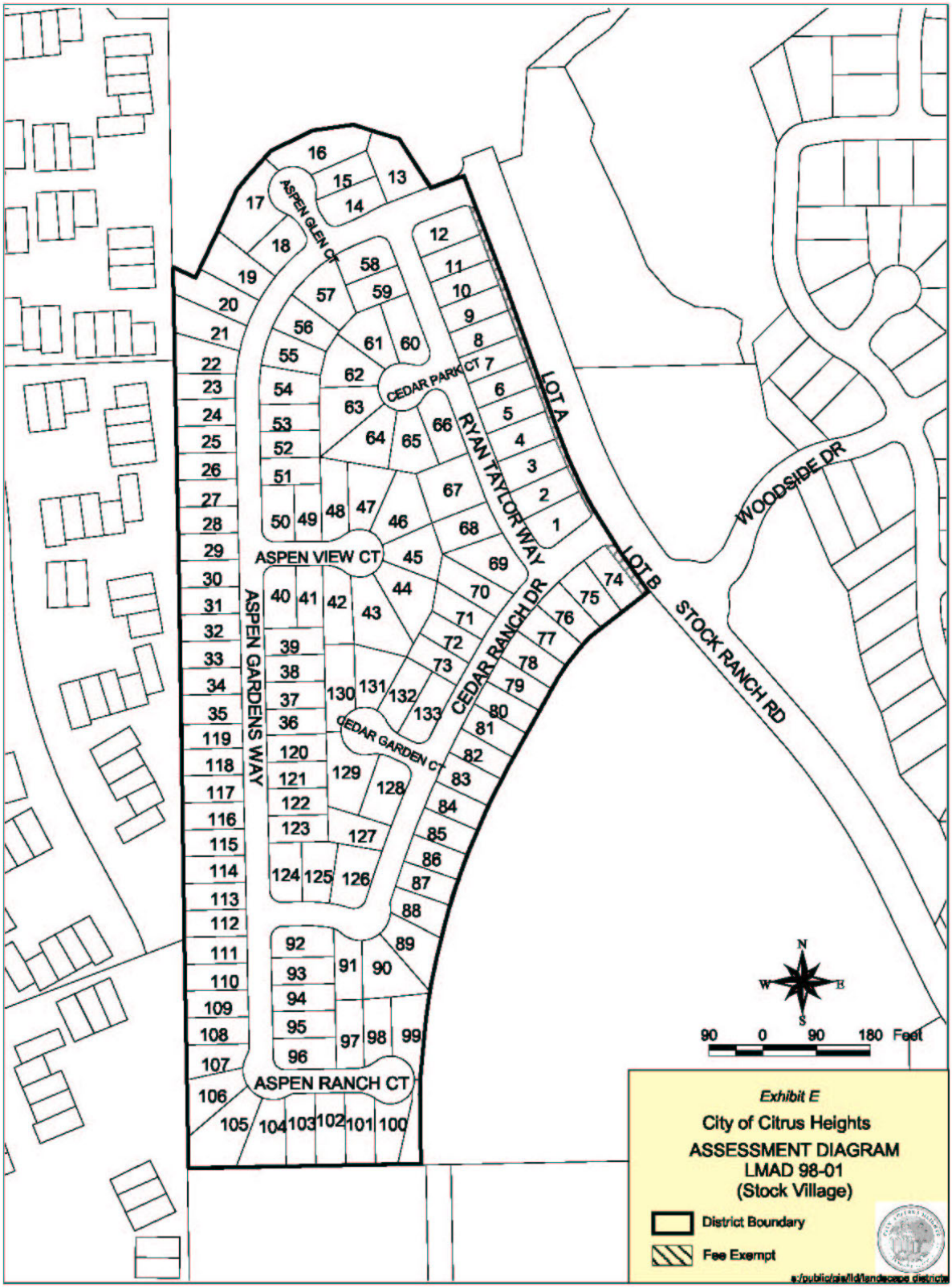

ASPEN GLEN CT
CEDAR PARK CT
RYAN TAYLOR WAY
LOT A
LOT B
WOODSIDE DR
STOCK RANCH RD
CEDAR RANCH DR
ASPEN VIEW CT
ASPEN GARDENS WAY
CEDAR GARDEN CT
ASPEN RANCH CT
N
W
E
S
90 0 90 180 Feet
Exhibit E
City of Citrus Heights
ASSESSMENT DIAGRAM
LMAD 98-01
(Stock Village)
District Boundary
Fee Exempt

FIGURE 1.2

ASSESSMENT DISTRICT NO. 98-01

MAINTENANCE SPECIFICATION

West edge of Subdivision

1) Maintain 16 Oak trees. Prune Oak trees once every 5 years or as recommended by an arborist. Supply material and apply insect and disease control chemicals to trees and shrubs. Irrigate Oak trees as necessary. Clean debris from around trees once per year. Annual Oak tree inspection and associated report.

2) Maintain west sound wall. Clean all graffiti from west surface of wall once every three months, if required.

East edge of Subdivision

1) Maintain trees and other plantings along east frontage of the subdivision, a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair and replanting as needed.

2) Maintain east sound wall. Clean all graffiti from east surface of wall once every three months, if required.

FIGURE 1.3

ASSESSMENT DISTRICT 98-01

28355289; County DL 0273

DESCRIPTION		FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 89.14	$ 91.80
	Total Number of Parcels	133	133
	Total Special Assessments	**$ 11,286.38**	**$ 12,209.40**
REVENUE:			
	Interest on Fund Balance	$ 3,171.64	$ -
	Special Assessments	$ 11,680.63	$ 12,209.40
	Total Revenues:	**$ 14,852.27**	**$ 12,209.40**
EXPENDITURES:			
	Advertising	$ -	$ 620.00
	Materials and Supplies (bark)	$ 3,668.89	$ -
	Utilities - Gas & Electric	$ 493.10	$ 303.00
	Utilities - Water	$ 2,097.01	$ 2,026.00
	Professional Services	$ -	$ 500.00
	Contract - Landscape Maintenance Services	$ 5,688.00	$ 9,004.00
	Contract - Tree Maintenance Services	$ 11,583.00	
	Contract - Construction, Repairs & Extra Work	$ 268.00	$ -
	Cost Allocation (Overhead)	$ 3,252.74	$ -
	Total Expenditures:	**$ 27,050.74**	**$ 12,453.00**
Annual Operating Balance		**$ (12,198.47)**	**$ (243.60)**
	Transfer to/from Operating Reserve	**$ 12,198.47**	**$ 243.60**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 138,627.00	$ 126,428.53
	Operating Reserve Set-a-side	$ -	$ -
	Transfer from (to) Annual Operating Balance	$ (12,198.47)	$ (243.60)
	Ending Operating Reserve Balance (June 30th)	$ 126,428.53	$ 126,184.93
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.		
$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 1.4

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0570	001	0000	1	$ 91.80
243	0570	002	0000	2	$ 91.80
243	0570	003	0000	3	$ 91.80
243	0570	004	0000	4	$ 91.80
243	0570	005	0000	5	$ 91.80
243	0570	006	0000	6	$ 91.80
243	0570	007	0000	7	$ 91.80
243	0570	008	0000	8	$ 91.80
243	0570	009	0000	9	$ 91.80
243	0570	010	0000	10	$ 91.80
243	0570	011	0000	11	$ 91.80
243	0570	012	0000	12	$ 91.80
243	0570	013	0000	13	$ 91.80
243	0570	014	0000	14	$ 91.80
243	0570	015	0000	15	$ 91.80
243	0570	016	0000	16	$ 91.80
243	0570	017	0000	17	$ 91.80
243	0570	018	0000	18	$ 91.80
243	0570	019	0000	19	$ 91.80
243	0570	020	0000	20	$ 91.80
243	0570	021	0000	21	$ 91.80
243	0570	022	0000	22	$ 91.80
243	0570	023	0000	23	$ 91.80
243	0570	024	0000	24	$ 91.80
243	0570	025	0000	25	$ 91.80
243	0570	026	0000	26	$ 91.80
243	0570	027	0000	27	$ 91.80
243	0570	028	0000	28	$ 91.80
243	0570	029	0000	29	$ 91.80
243	0570	030	0000	30	$ 91.80
243	0570	031	0000	31	$ 91.80
243	0570	032	0000	32	$ 91.80
243	0570	033	0000	33	$ 91.80
243	0570	034	0000	34	$ 91.80
243	0570	035	0000	35	$ 91.80
243	0570	036	0000	36	$ 91.80
243	0570	037	0000	37	$ 91.80
243	0570	038	0000	38	$ 91.80
243	0570	039	0000	39	$ 91.80
243	0570	040	0000	40	$ 91.80
243	0570	041	0000	41	$ 91.80
243	0570	042	0000	42	$ 91.80
243	0570	043	0000	43	$ 91.80
243	0570	044	0000	44	$ 91.80
243	0570	045	0000	45	$ 91.80
243	0570	046	0000	46	$ 91.80
243	0570	047	0000	47	$ 91.80
243	0570	048	0000	48	$ 91.80
				Subtotal =	$ 4,406.40

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0570	049	0000	49	$ 91.80
243	0570	050	0000	50	$ 91.80
243	0570	051	0000	51	$ 91.80
243	0570	052	0000	52	$ 91.80
243	0570	053	0000	53	$ 91.80
243	0570	054	0000	54	$ 91.80
243	0570	055	0000	55	$ 91.80
243	0570	056	0000	56	$ 91.80
243	0570	057	0000	57	$ 91.80
243	0570	058	0000	58	$ 91.80
243	0570	059	0000	59	$ 91.80
243	0570	060	0000	60	$ 91.80
243	0570	061	0000	61	$ 91.80
243	0570	062	0000	62	$ 91.80
243	0570	063	0000	63	$ 91.80
243	0570	064	0000	64	$ 91.80
243	0570	065	0000	65	$ 91.80
243	0570	066	0000	66	$ 91.80
243	0570	067	0000	67	$ 91.80
243	0570	068	0000	68	$ 91.80
243	0570	069	0000	69	$ 91.80
243	0570	070	0000	70	$ 91.80
243	0570	071	0000	71	$ 91.80
243	0570	072	0000	72	$ 91.80
243	0570	073	0000	73	$ 91.80
243	0570	074	0000	74	$ 91.80
243	0570	075	0000	75	$ 91.80
243	0570	076	0000	76	$ 91.80
243	0570	077	0000	77	$ 91.80
243	0570	078	0000	78	$ 91.80
243	0570	079	0000	79	$ 91.80
243	0570	080	0000	80	$ 91.80
243	0580	001	0000	81	$ 91.80
243	0580	002	0000	82	$ 91.80
243	0580	003	0000	83	$ 91.80
243	0580	004	0000	84	$ 91.80
243	0580	005	0000	85	$ 91.80
243	0580	006	0000	86	$ 91.80
243	0580	007	0000	87	$ 91.80
243	0580	008	0000	88	$ 91.80
243	0580	009	0000	89	$ 91.80
243	0580	010	0000	90	$ 91.80
243	0580	011	0000	91	$ 91.80
243	0580	012	0000	92	$ 91.80
243	0580	013	0000	93	$ 91.80
243	0580	014	0000	94	$ 91.80
243	0580	015	0000	95	$ 91.80
243	0580	016	0000	96	$ 91.80
				Subtotal =	$ 4,406.40

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2					
Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0580	017	0000	97	$ 91.80
243	0580	018	0000	98	$ 91.80
243	0580	019	0000	99	$ 91.80
243	0580	026	0000	105	$ 91.80
243	0580	027	0000	106	$ 91.80
243	0580	028	0000	107	$ 91.80
243	0580	029	0000	108	$ 91.80
243	0580	030	0000	109	$ 91.80
243	0580	031	0000	110	$ 91.80
243	0580	032	0000	111	$ 91.80
243	0580	033	0000	112	$ 91.80
243	0580	034	0000	113	$ 91.80
243	0580	035	0000	114	$ 91.80
243	0580	036	0000	115	$ 91.80
243	0580	037	0000	116	$ 91.80
243	0580	038	0000	117	$ 91.80
243	0580	039	0000	118	$ 91.80
243	0580	040	0000	119	$ 91.80
243	0580	041	0000	120	$ 91.80
243	0580	042	0000	121	$ 91.80
243	0580	043	0000	122	$ 91.80
243	0580	044	0000	123	$ 91.80
243	0580	045	0000	124	$ 91.80
243	0580	046	0000	125	$ 91.80
243	0580	047	0000	126	$ 91.80
243	0580	048	0000	127	$ 91.80
243	0580	049	0000	128	$ 91.80
243	0580	050	0000	129	$ 91.80
243	0580	051	0000	130	$ 91.80
243	0580	052	0000	131	$ 91.80
243	0580	053	0000	132	$ 91.80
243	0580	054	0000	133	$ 91.80
243	0580	056	0000	100	$ 91.80
243	0580	057	0000	101	$ 91.80
243	0580	058	0000	102	$ 91.80
243	0580	059	0000	103	$ 91.80
243	0580	060	0000	104	$ 91.80
				Subtotal =	$ 3,396.60
133 Parcels; Total 98-01 Assessments is					**$ 12,209.40**

ASSESSMENT DISTRICT 98-02 – Zone 1 (Sorensen Ranch)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 1 (Sorensen Ranch), first created in 1998, is located west of Van Maren Lane and north of Oak Lakes Lane. This LMAD provides for the maintenance of certain areas within and adjacent to Unit Nos. 1, 2, 3, and 4 of the Sorensen Ranch development. There are 222 parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 2.1.

All improvements are on public property. The improved parcels to be maintained are along the west side of Van Maren Lane (approximately 1500 feet); along the north side of Oak Lakes Lane (approximately 1300 feet); and shorter parcels along Campfire Way at Van Maren Lane (approximately 100 feet on the south side); Horseman Way at Van Maren Lane (approximately 100 feet on the north and south side); and the east side of Silversaddle Way at Oak Lakes Lane (approximately 100 feet).

The improvements to be maintained include 81 Oak trees and various conifer trees and accent trees. Shrubs, groundcover, lawn planting, irrigation, sound walls, sign walls with lighting, planters and mow strips are also included. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

The City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 2.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single-family Sorensen Ranch Unit Nos. 1, 2, 3, and 4 subdivisions was required to establish a funding source to provide for ongoing maintenance of the re-vegetation planting and the sound walls and the frontage landscaping and irrigation. Funding for the LMAD 98-02, Zone 1 is from annual assessments levied on properties within the assessment boundary (Figure 2.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 1 upon formation in 1998 was $200.00 per parcel.

The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, that exceeds the amount assessed to the property owners for the prior years shall not exceed the cost-of-living increase based on the Bay Area Consumer Price Index for all urban consumers.

ANNUAL ASSESSMENT

Initially LMAD 98-02, Zone 1, was fully funded by its assessments and accumulated operating reserves in excess of those needed to address unforeseen maintenance/repair needs. As a result, in Fiscal Year 2003-2004 the annual assessment was reduced from $200 to $100. Over time this reduced assessment rate permitted the District to gradually draw down the excessive operating reserve balance to an appropriate level. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs, oak tree trimming and irrigation/electrical system repairs). As a result, in FY 2023/2024, the City of Citrus Heights, for the first time, utilized the cost-of-living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. As shown in Figure 2.3. "Summary Analysis", the Fiscal Year 2026/2027 annual assessments for District 98-02, Zone 1, are proposed to increase by 3% over the rates for FY 2025/2026, to approximately $114.78 per residential parcel. These additional revenues are necessary to support the District's continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Parcel 1, Parcel 2, and Parcel 3 as shown on that certain parcel map entitled "A Portion of the Southwest One-Quarter of Section 27, Township 10 North, Range 6 East, M.D.M.", filed for record in the office of the Recorder of Sacramento County, on May 28, 1998, in Book 151 of Parcel Maps, at Page 3, and more particularly described on the Assessment Diagram contained in Figure 2.1.

The District's Assessment Roll is contained in Figure 2.4.

FIGURE 2.1

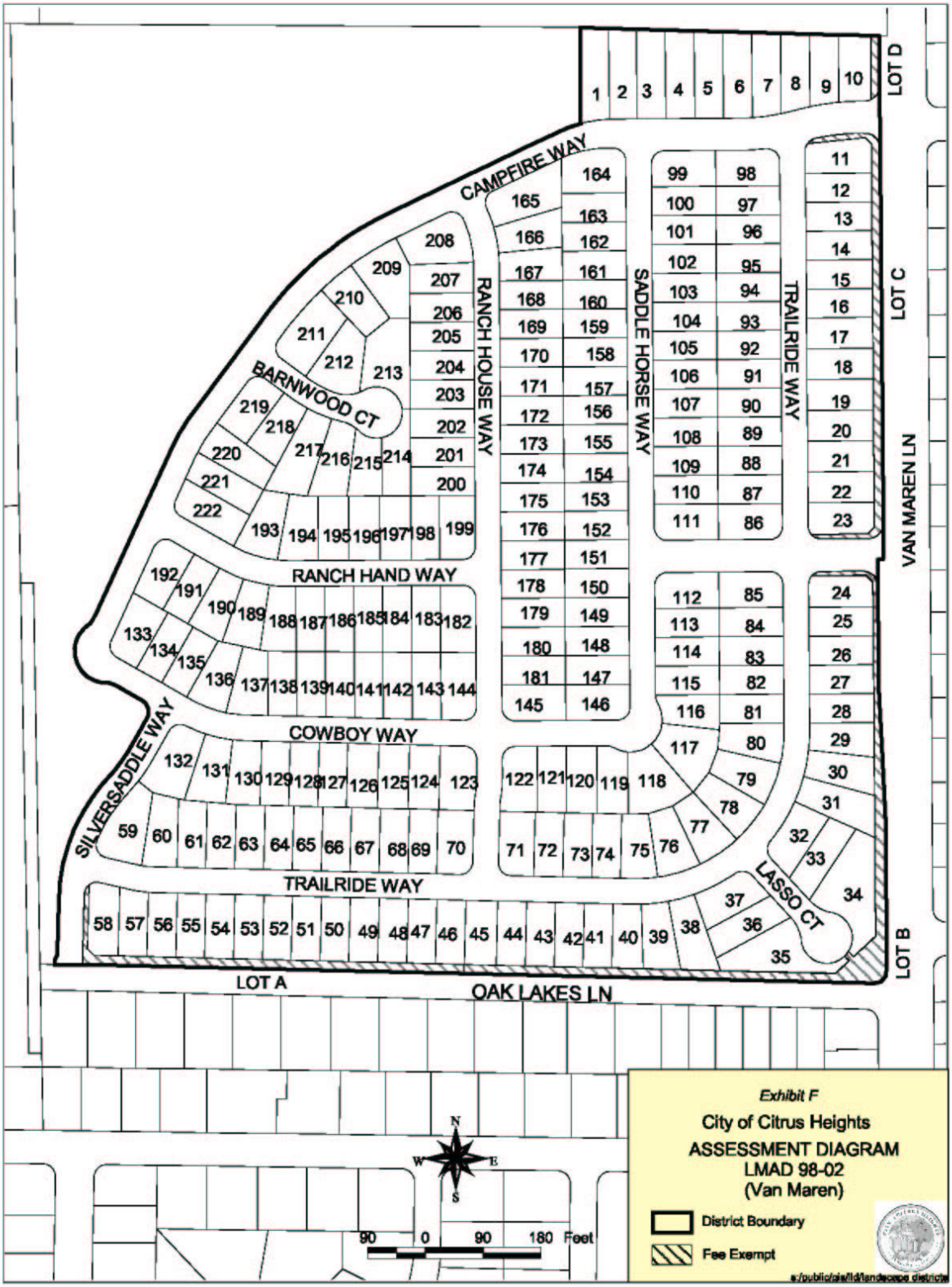

CAMPFIRE WAY
LOT D
LOT C
VAN MAREN LN
LOT B
LOT A
OAK LAKES LN
RANCH HOUSE WAY
SADDLE HORSE WAY
TRAILRIDE WAY
BARNWOOD CT
RANCH HAND WAY
COWBOY WAY
SILVERSADDLE WAY
LASSO CT
Exhibit F
City of Citrus Heights
ASSESSMENT DIAGRAM
LMAD 98-02
(Van Maren)
District Boundary
Fee Exempt
N
S
E
W
90 0 90 180 Feet

FIGURE 2.2

ASSESSMENT DISTRICT NO. 98-02
Zone 1 (Sorensen Ranch)

MAINTENANCE SPECIFICATION

East and South edge of Subdivision

1) Maintain 81 Oak (mitigation requirement), and various conifer and accent trees. Prune Oak trees once every 5 years. Supply material and apply insect and disease control chemicals to trees and shrubs. Annual Oak tree inspection and associated report.

2) Maintain sound wall. Clean all graffiti from street side of wall as needed. Perform structural repairs/replacement as needed.

3) Maintain trees, turf and other plantings along frontage of the subdivision, a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair and replanting as needed.

FIGURE 2.3

ASSESSMENT DISTRICT 98-02 ZONE 1

28455289; County DL 0275

DESCRIPTION		FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 111.44	$ 114.78
	Total Number of Parcels	222	222
	Total Special Assessments	**$ 24,739.68**	**$ 25,481.16**
REVENUE			
	Interest on Fund Balance	$ 1,148.87	$ -
	Special Assessments	$ 24,328.39	$ 25,481.16
	Total Sources of Funds:	**$ 25,477.26**	**$ 25,481.16**
EXPENDITURES			
	Advertising & Mail	$ -	$ 425.00
	Utilities	$ 11,092.91	$ 11,200.00
	Professional Services	$ -	
	Contract - Landscape Maintenance	$ 6,288.00	$ 7,500.00
	Contract - Construction, Repairs & Extra Work	$ 615.50	$ 2,500.00
	Contract - Tree Maintenance Services		$ -
	Contract - Materials & Supplies	$ -	$ -
	Cost Allocation (Overhead)	$ 9,913.75	$ -
	Total Expenditures:	**$ 27,910.16**	**$ 21,625.00**
Annual Operating Balance		**$ (2,432.90)**	**$ 3,856.16**
	Transfer to/from Operating Reserve	**$ 2,432.90**	**$ (3,856.16)**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 57,795.00	$ 55,362.10
	Operating Reserve Set-a-side	$ -	$ -
	Transfer from (to) Annual Operating Balance	$ (2,432.90)	$ 3,856.16
	Ending Operating Reserve Balance (June 30th)	$ 55,362.10	$ 59,218.26
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.		
$xx.xx	Audited Fund Balance from previous Fiscal Year		

Figure 2.4

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4

UNIT 1

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	001	0000	11	$ 114.78
211	0830	002	0000	12	$ 114.78
211	0830	003	0000	13	$ 114.78
211	0830	004	0000	14	$ 114.78
211	0830	005	0000	15	$ 114.78
211	0830	006	0000	16	$ 114.78
211	0830	007	0000	17	$ 114.78
211	0830	008	0000	18	$ 114.78
211	0830	009	0000	19	$ 114.78
211	0830	010	0000	20	$ 114.78
211	0830	011	0000	21	$ 114.78
211	0830	012	0000	22	$ 114.78
211	0830	013	0000	23	$ 114.78
211	0830	014	0000	86	$ 114.78
211	0830	015	0000	87	$ 114.78
211	0830	016	0000	88	$ 114.78
211	0830	017	0000	89	$ 114.78
211	0830	018	0000	90	$ 114.78
211	0830	019	0000	91	$ 114.78
211	0830	020	0000	92	$ 114.78
211	0830	021	0000	93	$ 114.78
211	0830	022	0000	94	$ 114.78
211	0830	023	0000	95	$ 114.78
211	0830	024	0000	96	$ 114.78
211	0830	025	0000	97	$ 114.78
211	0830	026	0000	98	$ 114.78
211	0830	027	0000	99	$ 114.78
211	0830	028	0000	100	$ 114.78
211	0830	029	0000	101	$ 114.78
211	0830	030	0000	102	$ 114.78
211	0830	031	0000	103	$ 114.78
211	0830	032	0000	104	$ 114.78
211	0830	033	0000	105	$ 114.78
211	0830	034	0000	106	$ 114.78
211	0830	035	0000	107	$ 114.78
211	0830	036	0000	108	$ 114.78
211	0830	037	0000	109	$ 114.78
				Subtotal =	$ 4,246.86

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	038	0000	110	$ 114.78
211	0830	039	0000	111	$ 114.78
211	0830	040	0000	149	$ 114.78
211	0830	041	0000	150	$ 114.78
211	0830	042	0000	151	$ 114.78
211	0830	043	0000	152	$ 114.78
211	0830	044	0000	153	$ 114.78
211	0830	045	0000	154	$ 114.78
211	0830	046	0000	155	$ 114.78
211	0830	047	0000	156	$ 114.78
211	0830	048	0000	157	$ 114.78
211	0830	049	0000	158	$ 114.78
211	0830	050	0000	159	$ 114.78
211	0830	051	0000	160	$ 114.78
211	0830	052	0000	161	$ 114.78
211	0830	053	0000	162	$ 114.78
211	0830	054	0000	163	$ 114.78
211	0830	055	0000	164	$ 114.78
211	0830	056	0000	2	$ 114.78
211	0830	057	0000	3	$ 114.78
211	0830	058	0000	4	$ 114.78
211	0830	059	0000	5	$ 114.78
211	0830	060	0000	6	$ 114.78
211	0830	061	0000	7	$ 114.78
211	0830	062	0000	8	$ 114.78
211	0830	063	0000	9	$ 114.78
211	0830	064	0000	10	$ 114.78
				Subtotal =	$ 3,099.06

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4 UNIT 2

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	067	0000	24	$ 114.78
211	0830	068	0000	25	$ 114.78
211	0830	069	0000	26	$ 114.78
211	0830	070	0000	27	$ 114.78
211	0830	071	0000	28	$ 114.78
211	0830	072	0000	29	$ 114.78
211	0830	073	0000	30	$ 114.78
211	0830	074	0000	31	$ 114.78
211	0830	075	0000	32	$ 114.78
211	0830	076	0000	33	$ 114.78
211	0830	077	0000	34	$ 114.78
211	0830	078	0000	35	$ 114.78
211	0830	079	0000	36	$ 114.78
211	0830	080	0000	37	$ 114.78
211	0830	081	0000	38	$ 114.78
211	0830	082	0000	39	$ 114.78
211	0830	083	0000	40	$ 114.78
211	0830	084	0000	41	$ 114.78
211	0830	085	0000	42	$ 114.78
211	0830	086	0000	43	$ 114.78
211	0830	087	0000	44	$ 114.78
211	0830	088	0000	45	$ 114.78
211	0830	089	0000	71	$ 114.78
211	0830	090	0000	72	$ 114.78
211	0830	091	0000	73	$ 114.78
211	0830	092	0000	74	$ 114.78
211	0830	093	0000	75	$ 114.78
211	0830	094	0000	76	$ 114.78
211	0830	095	0000	77	$ 114.78
211	0830	096	0000	78	$ 114.78
211	0830	097	0000	79	$ 114.78
211	0830	098	0000	80	$ 114.78
211	0830	099	0000	81	$ 114.78
211	0830	100	0000	82	$ 114.78
211	0830	101	0000	83	$ 114.78
211	0830	102	0000	84	$ 114.78
211	0830	103	0000	85	$ 114.78
211	0830	104	0000	112	$ 114.78

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	105	0000	113	$ 114.78
211	0830	106	0000	114	$ 114.78
211	0830	107	0000	115	$ 114.78
211	0830	108	0000	116	$ 114.78
211	0830	109	0000	117	$ 114.78
211	0830	110	0000	118	$ 114.78
211	0830	111	0000	119	$ 114.78
211	0830	112	0000	120	$ 114.78
211	0830	113	0000	122	$ 114.78
211	0830	114	0000	123	$ 114.78
211	0830	115	0000	145	$ 114.78
211	0830	116	0000	181	$ 114.78
211	0830	117	0000	180	$ 114.78
211	0830	118	0000	148	$ 114.78
211	0830	119	0000	147	$ 114.78
211	0830	120	0000	146	$ 114.78
				Subtotal =	$ 1,836.48

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4 UNIT 3

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	048	0000	221	$ 114.78
211	0840	049	0000	222	$ 114.78
211	0840	050	0000	193	$ 114.78
211	0840	051	0000	194	$ 114.78
211	0840	052	0000	187	$ 114.78
211	0840	053	0000	188	$ 114.78
211	0840	054	0000	189	$ 114.78
211	0840	055	0000	190	$ 114.78
211	0840	056	0000	191	$ 114.78
211	0840	057	0000	192	$ 114.78
211	0840	058	0000	133	$ 114.78
211	0840	059	0000	134	$ 114.78
211	0840	060	0000	135	$ 114.78
211	0840	061	0000	136	$ 114.78
211	0840	062	0000	137	$ 114.78
211	0840	063	0000	138	$ 114.78
211	0840	064	0000	139	$ 114.78
211	0840	065	0000	140	$ 114.78
211	0840	066	0000	141	$ 114.78
211	0840	067	0000	142	$ 114.78
211	0840	068	0000	143	$ 114.78
211	0840	069	0000	144	$ 114.78
211	0840	070	0000	123	$ 114.78
211	0840	071	0000	124	$ 114.78
211	0840	072	0000	125	$ 114.78
211	0840	073	0000	126	$ 114.78
211	0840	074	0000	127	$ 114.78
211	0840	075	0000	128	$ 114.78
211	0840	076	0000	129	$ 114.78
211	0840	077	0000	130	$ 114.78
211	0840	078	0000	131	$ 114.78
211	0840	079	0000	132	$ 114.78
211	0840	080	0000	59	$ 114.78
211	0840	081	0000	60	$ 114.78
211	0840	082	0000	61	$ 114.78
211	0840	083	0000	62	$ 114.78
				Subtotal =	$ 4,132.08

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	084	0000	63	$ 114.78
211	0840	085	0000	64	$ 114.78
211	0840	086	0000	65	$ 114.78
211	0840	087	0000	66	$ 114.78
211	0840	088	0000	67	$ 114.78
211	0840	089	0000	68	$ 114.78
211	0840	090	0000	69	$ 114.78
211	0840	091	0000	70	$ 114.78
211	0840	092	0000	46	$ 114.78
211	0840	093	0000	47	$ 114.78
211	0840	094	0000	48	$ 114.78
211	0840	095	0000	49	$ 114.78
211	0840	096	0000	50	$ 114.78
211	0840	097	0000	51	$ 114.78
211	0840	098	0000	52	$ 114.78
211	0840	099	0000	53	$ 114.78
211	0840	100	0000	54	$ 114.78
211	0840	101	0000	55	$ 114.78
211	0840	102	0000	56	$ 114.78
211	0840	103	0000	57	$ 114.78
211	0840	104	0000	58	$ 114.78
				Subtotal =	$ 2,410.38

ASSESSMENT DISTRICT 98-02 ZONE 1 for SORENSON RANCH UNITS NO. 1, 2, 3 and 4

UNIT 4

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	001	0000	165	$ 114.78
211	0840	002	0000	166	$ 114.78
211	0840	003	0000	167	$ 114.78
211	0840	004	0000	168	$ 114.78
211	0840	005	0000	169	$ 114.78
211	0840	006	0000	170	$ 114.78
211	0840	007	0000	171	$ 114.78
211	0840	008	0000	172	$ 114.78
211	0840	009	0000	173	$ 114.78
211	0840	010	0000	174	$ 114.78
211	0840	011	0000	175	$ 114.78
211	0840	012	0000	176	$ 114.78
211	0840	013	0000	177	$ 114.78
211	0840	014	0000	178	$ 114.78
211	0840	015	0000	179	$ 114.78
211	0840	016	0000	182	$ 114.78
211	0840	017	0000	183	$ 114.78
211	0840	018	0000	184	$ 114.78
211	0840	019	0000	185	$ 114.78
211	0840	020	0000	186	$ 114.78
211	0840	021	0000	195	$ 114.78
211	0840	022	0000	196	$ 114.78
211	0840	023	0000	197	$ 114.78
211	0840	024	0000	198	$ 114.78
211	0840	025	0000	199	$ 114.78
211	0840	026	0000	200	$ 114.78
				Subtotal =	$ 2,984.28

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	027	0000	201	$ 114.78
211	0840	028	0000	202	$ 114.78
211	0840	029	0000	203	$ 114.78
211	0840	030	0000	204	$ 114.78
211	0840	031	0000	205	$ 114.78
211	0840	032	0000	206	$ 114.78
211	0840	033	0000	207	$ 114.78
211	0840	034	0000	208	$ 114.78
211	0840	035	0000	209	$ 114.78
211	0840	036	0000	210	$ 114.78
211	0840	037	0000	211	$ 114.78
211	0840	038	0000	212	$ 114.78
211	0840	039	0000	213	$ 114.78
211	0840	040	0000	214	$ 114.78
211	0840	041	0000	215	$ 114.78
211	0840	042	0000	216	$ 114.78
211	0840	043	0000	217	$ 114.78
211	0840	044	0000	218	$ 114.78
211	0840	045	0000	219	$ 114.78
211	0840	046	0000	220	$ 114.78
211	0840	047	0000	1	$ 114.78
				Subtotal =	$ 2,410.38

222 Parcels; Total 98-02 Zone 1 Assessments is $ 25,481.16

ASSESSMENT DISTRICT 98-02 – Zone 2 (Autumnwood Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 2 (Autumnwood Subdivision), first created in 2014, is located south side of Antelope Road and west of Amsterdam Avenue. This LMAD provides for the maintenance of certain areas within and adjacent to the Autumnwood subdivision development. All improvements are on public property. There are 46 residential parcels in this district, whose boundaries are more particularly described in the Assessment Diagram contained in Figure 3.1.

Zone 2 consists of forty-six (46) residential lots and seven (7) lots used for landscaping, pedestrian pathways, and drainage detention basins.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, open space, pedestrian/bike trails, masonry walls, drainage detention basins and related appurtenances.

The facilities in Zone 2 include landscaping south of Antelope Road (Lots E and along the frontage of 7106 Antelope Road) and also within the subdivision (Lots A, B, C, D, F, and H). On-going maintenance of the landscaped areas require routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, and litter removal. The pedestrian pathways require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The facilities in Zone 2 also include masonry walls on the North and East sides of the subdivision located within Lots A, B, C, E, and the frontage along 7106 Antelope Road. The walls require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The walls and landscaping within the City's Right-of-Way along the frontage of 7106 Antelope Road (APN: 204-0193-027-0000) as dedicated by separate instrument (County of Sacramento Book 20140715, Page 0721) is also included as areas to be maintained in LMAD 98-02, Zone 2.

The facilities in Zone 2 also include a drainage detention basin located in the northwest corner of the property in Lot D and a drainage detention basin located in the southeast corner of the property in Lot F. The drainage detention basins and appurtenances require routine maintenance including surface and structural maintenance, graffiti abatement, landscape maintenance, and litter removal.

Additionally, the facilities in Zone 2 include a pedestrian trail for circulation (Lots D, F, and H). The trail will require routine maintenance and replacement.

Figure 3.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Autumnwood subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, detention basins, pedestrian pathways, and masonry walls located within Lots A, B, C, E, and the frontage along 7106 Antelope Road. Funding for the LMAD 98-02, Zone 2 is from annual assessments levied on properties within the assessment boundary (Figure 3.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 2 upon formation in 2014 was $354.09 per parcel.

The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

In recent years continued increases in the costs of regular maintenance activities and utilities have resulted in LMAD 98-02, Zone 2's operating reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs, oak tree trimming and irrigation/electrical system repairs). As a result, in FY 2023/2024, the City of Citrus Heights, for the first time, utilized the cost-of-living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. As shown in Figure 3.3. "Summary Analysis", the Fiscal Year 2026/2027 annual assessments for District 98-02, Zone 2, are proposed to again increase by 3% (less than the maximum allowable 4%) over the rates for FY 2025/2026, to approximately $406.44 per residential parcel. These additional revenues are necessary to support the District's continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The district's Assessment Roll is contained in Figure 3.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lots A, B, C, D, E, F, and H of the Autumnwood Subdivision and also including the frontage along 7106 Antelope Road; more particularly described on the Assessment Diagram contained in Figure 3.1.

FIGURE 3.1

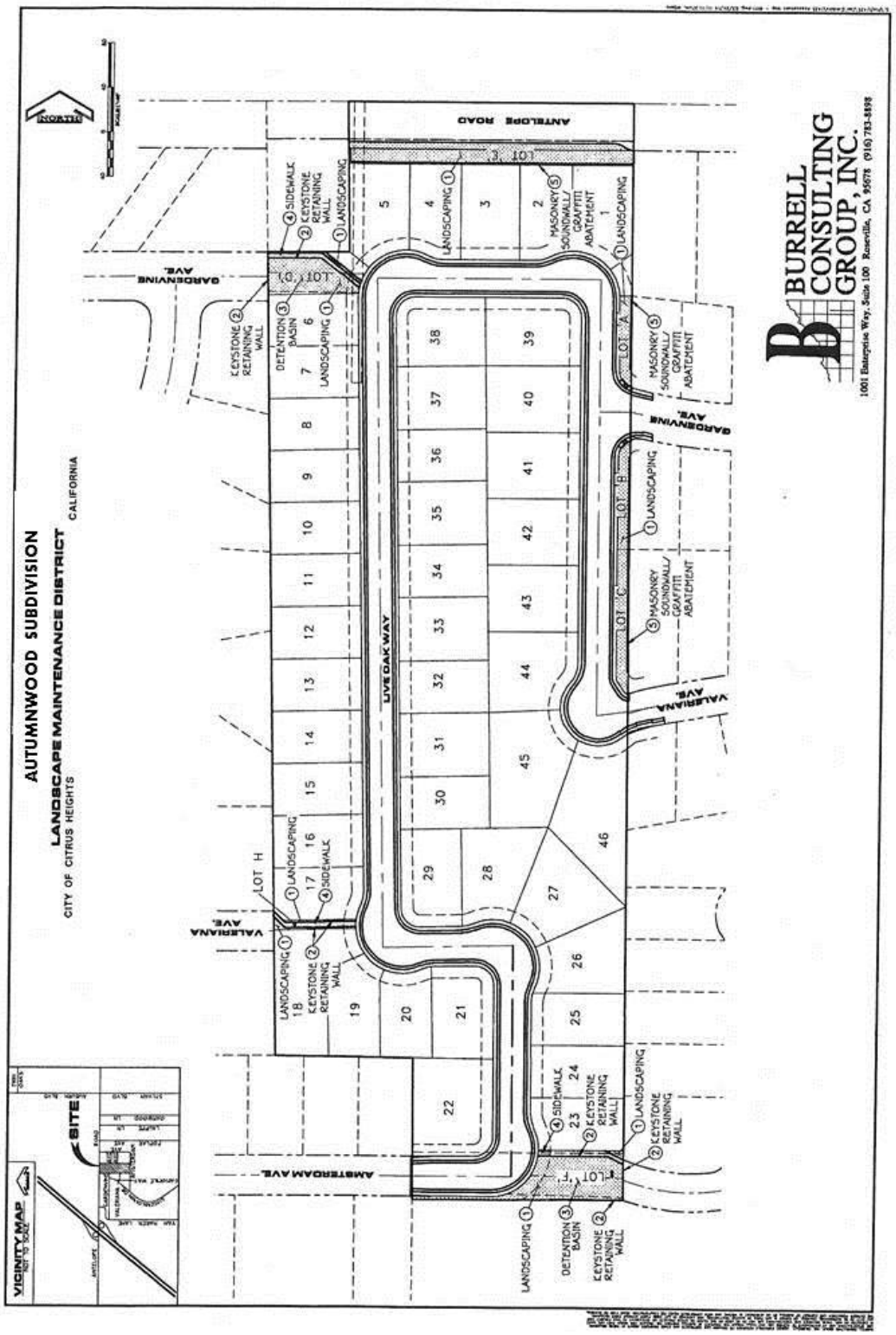

AUTUMNWOOD SUBDIVISION
LANDSCAPE MAINTENANCE DISTRICT
CITY OF CITRUS HEIGHTS
CALIFORNIA
NORTH
VICINITY MAP
SITE
ANTELOPE ROAD
GARDENVINE AVE.
VALERIANA AVE.
AMSTERDAM AVE.
LIVE OAK WAY
LOT A
LOT B
LOT C
LOT H
LOT I
LOT J
LANDSCAPING
SIDEWALK
KEYSTONE RETAINING WALL
DETENTION BASIN
MASONRY SOUNDWALL/ GRAFFITI ABATEMENT
BURRELL CONSULTING GROUP, INC.
1001 Enterprise Way, Suite 100 Roseville, CA 95678 (916) 783-8898

FIGURE 3.2

ASSESSMENT DISTRICT NO. 98-02
Zone 2 (Autumnwood Subdivision)

MAINTENANCE SPECIFICATION

1) Maintain trees and other plantings along frontage of the subdivision along Antelope Road (Lot E) and Live Oak Way (Lots A-C) a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.

2) Maintain trees and other plantings within the detention basins (Lots D and F)

3) Maintain masonry walls (Lots A-F). Clean all graffiti from street side of wall as needed. Perform structural repairs/replacement as needed.

4) Maintain pedestrian pathways (Lots D, F, and H). Clean all graffiti as needed. Perform structural repairs/replacement as needed.

FIGURE 3.3

ASSESSMENT DISTRICT 98-02 ZONE 2

28555289; County DL 0268

DESCRIPTION		FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 394.62	$ 406.44
	Total Number of Parcels	46	46
	Total Special Assessments	**$ 18,152.52**	**$ 18,696.24**
REVENUE:			
	Interest on Fund Balance	$ 1,090.67	$ -
	Special Assessments	$ 18,086.48	$ 18,696.24
	Total Revenue:	**$ 19,177.15**	**$ 18,696.24**
EXPENDITURES:			
	Advertising & Mail	$ -	$ 425.00
	Utilities	$ 2,369.01	$ 3,600.00
	Professional Services	$ -	$ -
	Contract - Landscape Maintenance	$ 6,888.00	$ 7,400.00
	Contract - Construction, Repairs & Extra Work	$ -	$ -
	Contract - Materials & Supplies	$ -	$ -
	Cost Allocation (Overhead)	$ 3,437.11	$ -
	Total Expenditures:	**$ 12,694.12**	**$ 11,425.00**
Annual Operating Balance		**$ 6,483.03**	**$ 7,271.24**
	Transfer to/from Operating Reserve	**$ (6,483.03)**	**$ (7,271.24)**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 44,321.00	$ 50,804.03
	Operating Reserve Set-a-side	$ -	$ -
	Transfer from (to) Annual Operating Balance	$ 6,483.03	$ 7,271.24
	Ending Operating Reserve Balance (June 30th)	$ 50,804.03	$ 58,075.27
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.		
$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 3.4
ASSESSMENT DISTRICT 98-02 ZONE 2
for AUTUMNWOOD

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
204 0740 001 0000	1	$ 406.44
204 0740 002 0000	2	$ 406.44
204 0740 003 0000	3	$ 406.44
204 0740 004 0000	4	$ 406.44
204 0740 005 0000	5	$ 406.44
204 0740 006 0000	6	$ 406.44
204 0740 007 0000	7	$ 406.44
204 0740 008 0000	8	$ 406.44
204 0740 009 0000	9	$ 406.44
204 0740 010 0000	10	$ 406.44
204 0740 011 0000	11	$ 406.44
204 0740 012 0000	12	$ 406.44
204 0740 013 0000	13	$ 406.44
204 0740 014 0000	14	$ 406.44
204 0740 015 0000	15	$ 406.44
204 0740 016 0000	16	$ 406.44
204 0740 017 0000	17	$ 406.44
204 0740 018 0000	18	$ 406.44
204 0740 019 0000	19	$ 406.44
204 0740 020 0000	20	$ 406.44
204 0740 021 0000	21	$ 406.44
204 0740 022 0000	22	$ 406.44
204 0740 023 0000	23	$ 406.44
204 0740 024 0000	24	$ 406.44
204 0740 025 0000	25	$ 406.44
204 0740 026 0000	26	$ 406.44
204 0740 027 0000	27	$ 406.44
204 0740 028 0000	28	$ 406.44
	Subtotal =	$ 11,380.32

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
204 0740 029 0000	29	$ 406.44
204 0740 030 0000	30	$ 406.44
204 0740 031 0000	31	$ 406.44
204 0740 032 0000	32	$ 406.44
204 0740 033 0000	33	$ 406.44
204 0740 034 0000	34	$ 406.44
204 0740 035 0000	35	$ 406.44
204 0740 036 0000	36	$ 406.44
204 0740 037 0000	37	$ 406.44
204 0740 038 0000	38	$ 406.44
204 0740 039 0000	39	$ 406.44
204 0740 040 0000	40	$ 406.44
204 0740 041 0000	41	$ 406.44
204 0740 042 0000	42	$ 406.44
204 0740 043 0000	43	$ 406.44
204 0740 044 0000	44	$ 406.44
204 0740 045 0000	45	$ 406.44
204 0740 046 0000	46	$ 406.44
	Subtotal =	$ 7,315.92
46 Parcels; Total 98-02 Zone 2 Assessments =		$ 18,696.24

ASSESSMENT DISTRICT 98-02 – Zone 3 (Mariposa Creek Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 3 (Mariposa Creek Subdivision), first created in 2018, is located north side of Antelope Road at Turner Court. This LMAD provides for the maintenance of certain areas within and adjacent to the Mariposa Creek Subdivision development. All improvements are on public property. There are 15 residential parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 4.1.

Zone 3 consists of fifteen (15) residential parcels and three (3) lots used for landscaping, pedestrian pathways, and creek open space.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, open space, pedestrian/bike pathways, masonry walls, and related appurtenances.

The facilities in Zone 3 include landscaping north of Antelope Road (Lots A and B) and also within the subdivision (Lot C). On-going maintenance of the landscaped areas require routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, litter removal, irrigation systems and pathway lighting. The pedestrian pathways require routine maintenance, including surface and structural maintenance, maintenance and repairs of pathway lighting and graffiti abatement.

The facilities in Zone 3 also include masonry walls on the north side of Antelope Road (within Lots A & B of the subdivision) The walls require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The facilities in Zone 3 also include a pedestrian pathway, street paving, storm drain system and retaining walls located in the northwest corner of the development in Lot C. The walls, pedestrian pathways, and various appurtenances require routine maintenance including surface and structural maintenance, graffiti abatement, landscape maintenance, litter removal, and electrical & irrigation repairs.

The facilities in Zone 3 also include a drainage system along the north property line of the subdivision and creek open space along the east side of the development (Lot B). The drainage system & creek open space appurtenances require routine maintenance including structural maintenance, keeping the creek & floodplain area clear of debris and paving maintenance.

Figure 4.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Mariposa Creek Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, storm drain system, creek open space, pedestrian pathways, and masonry walls located within Lots A, B, and C. Funding for LMAD 98-02, Zone 3 will be from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 4.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 3 upon formation in 2018 was $753.33 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

In recent years continued increases in the costs of regular maintenance activities and utilities have resulted in LMAD 98-02 Zone 3's operating reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs and irrigation/electrical system repairs). As a result, in FY 2022/2023, the City of Citrus Heights, for the first time, utilized the cost-of-living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. As shown in Figure 4.3. "Summary Analysis", the Fiscal Year 2026/2027 annual assessments for District 98-02, Zone 3, are proposed to increase by 3% (less than the maximum allowable 4%) over the rates for FY 2025/2026, to approximately $864.78 per residential parcel. These additional revenues are necessary to support the district's continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The district's Assessment Roll is contained in Figure 4.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lots A, B and C of the Mariposa Creek Subdivision; more particularly described on the Assessment Diagram contained in Figure 4.1.

FIGURE 4.1

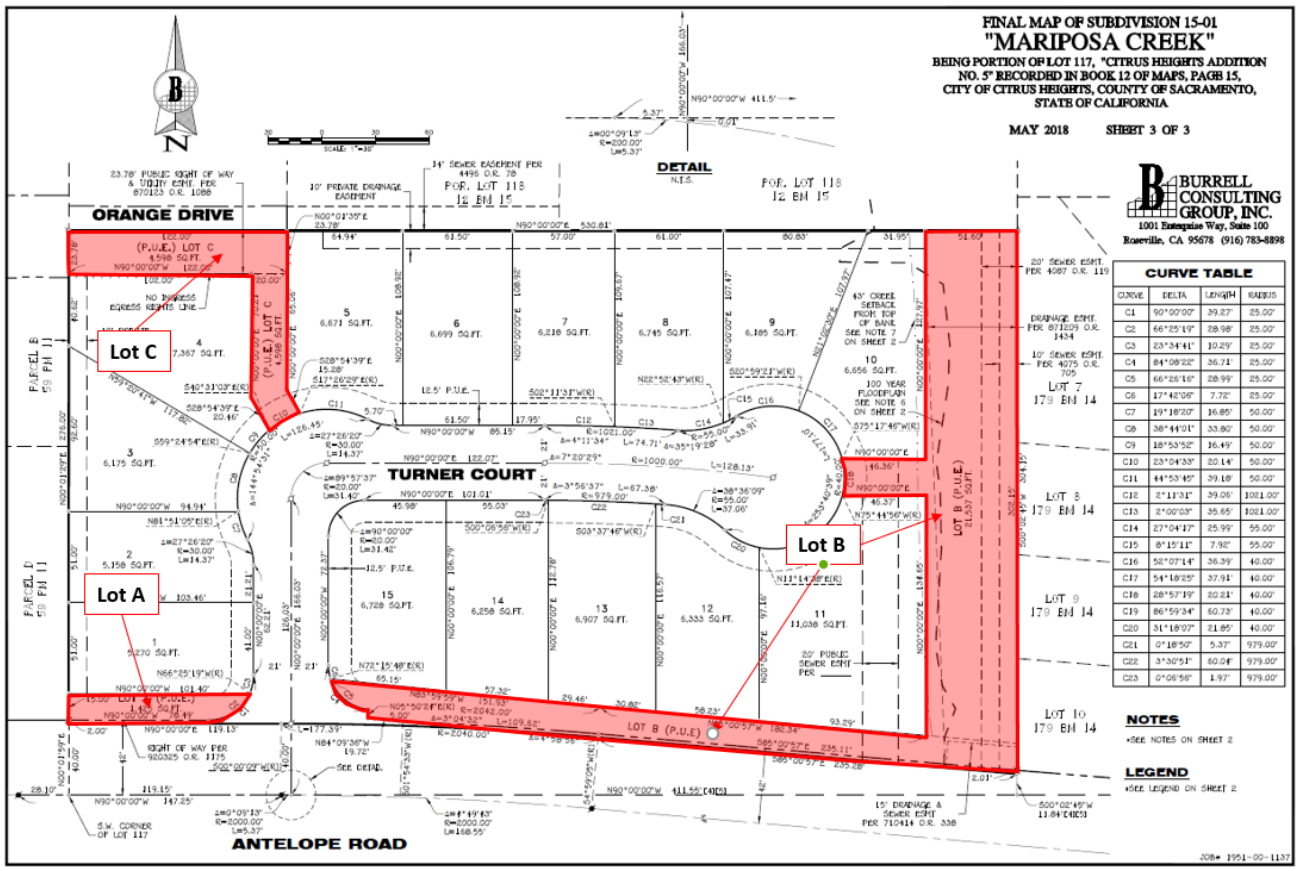

FINAL MAP OF SUBDIVISION 15-01
"MARIPOSA CREEK"
BEING PORTION OF LOT 117, "CITRUS HEIGHTS ADDITION NO. 5" RECORDED IN BOOK 12 OF MAPS, PAGE 15, CITY OF CITRUS HEIGHTS, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
MAY 2018
SHEET 3 OF 3
BURRELL CONSULTING GROUP, INC.
1001 Enterprise Way, Suite 100
Roseville, CA 95678 (916) 783-8898
ORANGE DRIVE
TURNER COURT
ANTELOPE ROAD
Lot A
Lot B
Lot C
DETAIL
CURVE TABLE
NOTES
LEGEND

FIGURE 4.2

ASSESSMENT DISTRICT NO. 98-02
Zone 3 (Mariposa Creek Subdivision)

MAINTENANCE SPECIFICATION

1) Maintain trees and other plantings a minimum of once every two weeks along frontage of the subdivision along Antelope Road (Lots A & B) and the pedestrian pathway within Lot C of subdivision development. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.

2) Maintain masonry walls (Lots A & B). Clean all graffiti from street-facing side of wall(s) as needed. Perform structural repairs/replacement as needed.

3) Maintain pedestrian pathway (Lot C). Clean all graffiti as needed. Perform structural repairs/replacement as needed. This item includes repair and materials to maintain the light bollards along the pathway.

4) Maintain the creek open space and storm drain system (Lots B & C and along the north property lines of the subdivision development). Keep the existing creek open space free from debris to assure flow of Cripple Creek, repair and maintenance of storm drain system within Lot C and public drainage system along the north property lines of the subdivision development. This item includes any paving repairs and miscellaneous items for the small portion of Orange Drive located within Lot C.

FIGURE 4.3

ASSESSMENT DISTRICT 98-02 ZONE 3

29255289; County DL0281

	DESCRIPTION	FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 839.60	$ 864.78
	Total Number of Parcels	15	15
	Total Special Assessments	**$ 12,594.00**	**$ 12,971.70**
REVENUE:			
	Interest on Fund Balance	$ 1,131.99	$ -
	Special Assessments	$ 12,550.90	$ 12,971.70
	Total Revenue:	**$ 13,682.89**	**$ 12,971.70**
EXPENDITURES:			
	Materials and Supplies	$ -	$ -
	Advertising & Mail	$ -	$ 450.00
	Utilities - Electric	$ 200.26	$ 225.00
	Utilities - Water	$ 737.72	$ 950.00
	Professional Services	$ -	$ -
	Contract - Landscape Maintenance	$ 4,128.00	$ 5,300.00
	Contract - Landscape Repairs/Extra Work	$ 3,256.45	$ -
	Contract - Tree Maintenance	$ 8,712.00	$ -
	Cost Allocation* (Overhead)	$ -	$ -
	Total Expenditures:	**$ 17,034.43**	**$ 6,925.00**
Annual Operating Balance		**$ (3,351.54)**	**$ 6,046.70**
	Transfer to/from Operating Reserve	**$ 3,351.54**	**$ (6,046.70)**
Annual Ending Balance		**$ -**	**$ -**
OPERATING RESERVE			
	Beginning Fund Balance (July 1st)	$ 40,728.00	$ 37,376.46
	Transfer from (to) Annual Operating Balance	$ (3,351.54)	$ 6,046.70
	Ending Operating Reserve Balance (June 30th)	$ 37,376.46	$ 43,423.16

** Recorded actual expenses for the first 3 quarters fo the current Fiscal Year plus projections for the 4th quarter.

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 4.4
ASSESSMENT DISTRICT 98-02 ZONE 3
for MARIPOSA CREEK

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
204-0500-060-0000	1	$ 864.78
204-0500-061-0000	2	$ 864.78
204-0500-062-0000	3	$ 864.78
204-0500-063-0000	4	$ 864.78
204-0500-064-0000	5	$ 864.78
204-0500-065-0000	6	$ 864.78
204-0500-066-0000	7	$ 864.78
204-0500-067-0000	8	$ 864.78
204-0500-068-0000	9	$ 864.78
204-0500-069-0000	10	$ 864.78
204-0500-070-0000	11	$ 864.78
204-0500-071-0000	12	$ 864.78
204-0500-072-0000	13	$ 864.78
204-0500-073-0000	14	$ 864.78
204-0500-074-0000	15	$ 864.78
15 Parcels; Total 98-02 Zone 3 Assessments is		$ 12,971.70

ASSESSMENT DISTRICT 98-02 – Zone 4 (Wyatt Ranch Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 4 (Wyatt Ranch Creek Subdivision), first created by City Council action on November 14, 2019, is located on the west side of Sunrise Boulevard at Lawrence Avenue. This LMAD provides for the maintenance of certain areas within and adjacent to the Wyatt Ranch Subdivision development. All improvements are on public property **or easements.** There are 23 residential parcels in this zone, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 5.1.

Zone 4 consists of twenty three (23) residential parcels and one (1) public utility, wall, landscape and pedestrian walkway easement used for landscaping, masonry wall and walkway along Sunrise Boulevard.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, masonry wall, walkways, and related appurtenances.

The facilities in Zone 4 include landscaping along the west side of Sunrise Boulevard. On-going maintenance of the landscaped areas require routine care of trees, shrubs and groundcover, including weed control, fertilization, mulch replacement, and litter removal. The pedestrian walkways require routine maintenance, including surface and structural maintenance and graffiti abatement. This includes replacement of the walkways in the next 40 years.

The facilities in Zone 4 also include a masonry wall along the west side of Sunrise Boulevard. The walls require routine maintenance, including surface and structural maintenance and graffiti abatement. This item includes replacement of the masonry wall, in the next 40 years.

Figure 5.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single-family Wyatt Ranch Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, pedestrian pathways, and masonry wall located within the Public Utility, Wall, Landscape and Pedestrian Walkway Easement. Funding for Zone 4 is be from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 5.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 4 upon formation in 2018 was $401.06 per parcel.

The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

Although formally created by the City Council in November 2019, no assessments were levied on the parcels in this zone until FY 2023/2024 due to the uncertainty of the Covid-19 situation and delays in construction.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2026/2027. Completion of construction of the subdivision and transfer of landscape maintenance responsibilities to the City of Citrus Heights is expected in 2026/2027. To ensure the district establishes a reserve prior to the City assuming responsibility of Zone 3, annual assessments for District 98-02 Zone 4 are proposed to increase by 3% (less than the maximum allowable 4%) over the rates for FY 2025/2026, to approximately $421.34 per residential parcel.

The district's Assessment Roll is contained in Figure 5.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

P.U.E., Wall, Landscape and Pedestrian Easement of the Wyatt Ranch Subdivision; more particularly described on the Assessment Diagram contained in Figure 5.1.

FIGURE 5.1

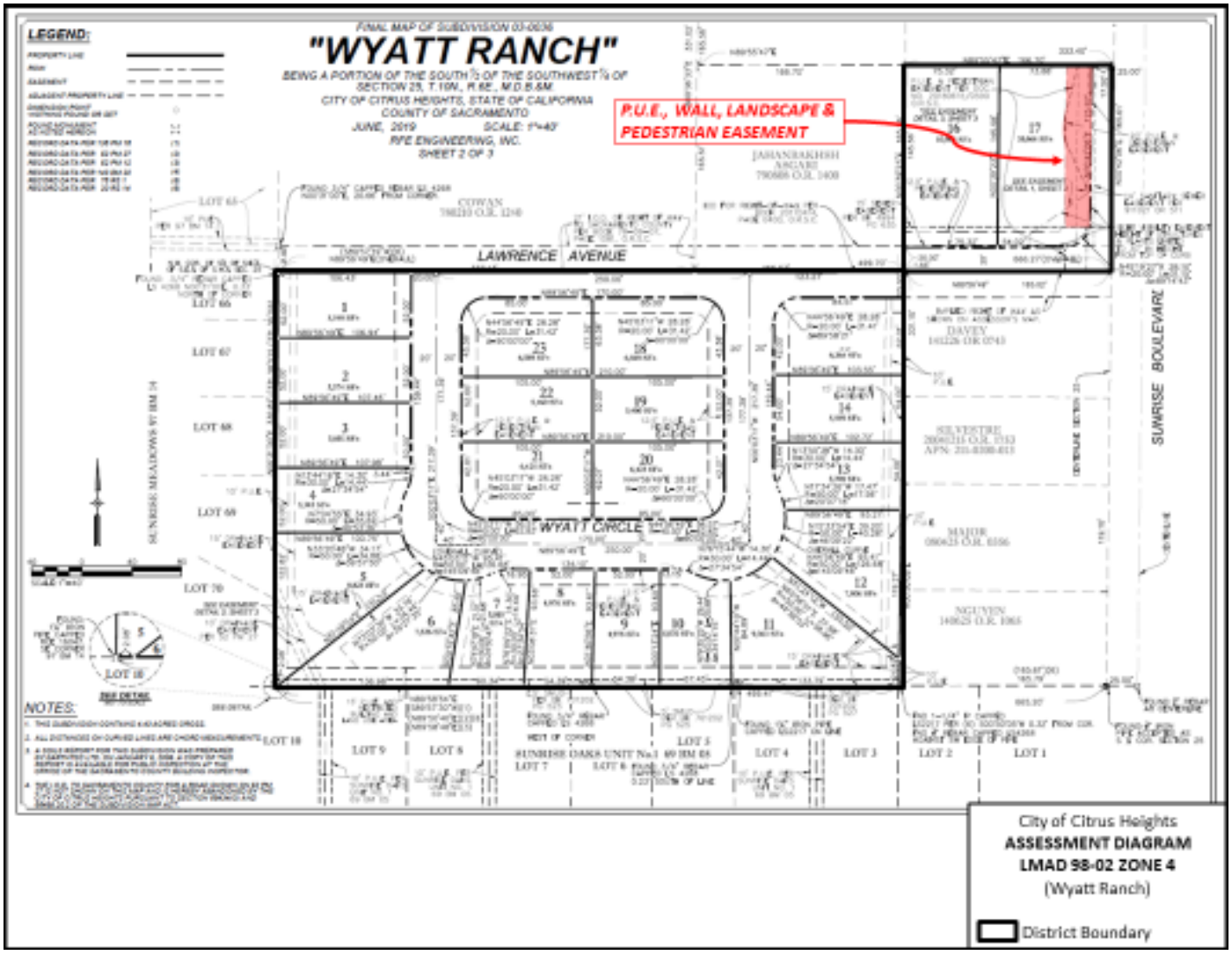

"WYATT RANCH"
P.U.E., WALL, LANDSCAPE & PEDESTRIAN EASEMENT
LAWRENCE AVENUE
SUNRISE BOULEVARD
WYATT CIRCLE
NOTES:
City of Citrus Heights
ASSESSMENT DIAGRAM
LMAD 98-02 ZONE 4
(Wyatt Ranch)
District Boundary

FIGURE 5.2

ASSESSMENT DISTRICT NO. 98-02
Zone 4 (Wyatt Ranch Subdivision)

MAINTENANCE SPECIFICATION

1) Maintain trees and other plantings a minimum of once every two weeks along the Sunrise Boulevard frontage of the subdivision (P.U.E., Wall, Landscape and Pedestrian Easement). Maintain irrigation system & litter removal, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes utilities (water & electricity), irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.

2) Maintain masonry wall. Clean all graffiti from street-facing side of wall(s) as needed. Perform structural repairs/replacement as needed.

3) Maintain pedestrian pathway. Clean all graffiti as needed. Perform structural repairs/replacement as needed.

FIGURE 5.3
ASSESSMENT DISTRICT 98-02 ZONE 4

Fund and County DL 1170

	DESCRIPTION	FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$ 409.08	$ 421.34
	Total Number of Parcels	$ 23.00	$ 23.00
	Total Special Assessments	**$ 9,408.84**	**$ 9,690.82**
REVENUE:			
	Release from Maintenance/Repair Reserve Balance	$ -	$ -
	Release from Facility Replacement Reserve Balance	$ -	$ -
	Interest on Fund Balance	$ 317.59	$ -
	Special Assessments	$ 9,736.82	$ 9,690.82
	Other Revenue	$ -	$ -
	Total Revenue:	**$ 10,054.41**	**$ 9,690.82**
EXPENDITURES*:			
	Materials and Supplies	$ -	$ -
	Advertising & Mail	$ -	$ 425.00
	Utilities - Electric	$ -	$ 150.00
	Utilities - Water	$ -	$ 600.00
	Professional Services	$ -	$ 50.00
	Contract Landscape Maintenance	$ -	$ 2,500.00
	Cost Allocation (Overhead)	$ -	$ -
	Total Expenditures:	**$ -**	**$ 3,725.00**
Annual Operating Balance		**$ 10,054.41**	**$ 5,965.82**
	Transfer to Maintenance/Repair Reserve	**$ 5,500.00**	**$ (5,598.28)**
	Transfer to Facility Replacement Reserve	**$ 6,001.70**	**$ (1,866.10)**
Annual Ending Balance		**$ 21,556.11**	**$ (1,498.56)**
MAINTENANCE /REPAIR RESERVE			
	Beginning Fund Balance (July 1st)	$ 7,289.00	$ 12,789.00
	Release to Operating Revenue	$ -	$ -
	Transfer from Operating Balance	$ 5,500.00	$ 5,598.28
	Ending Operating Reserve Balance (June 30th)	$ 12,789.00	$ 18,387.28
FACILITY REPLACEMENT RESERVE			
	Beginning Facility Replacement Balance (July 1st)	$ 18,947.00	$ 24,948.70
	Release to Facility Replacement Revenue	$ -	$ -
	Transfer from Operating Balance	$ 6,001.70	$ 1,866.10
	Ending Facility Replacement Balance (June 30th)	$ 24,948.70	$ 26,814.80

* No recorded expenditures for this zone; subdivsion remains under private developer until dedication to city.

** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 5.4
ASSESSMENT DISTRICT 98-02 ZONE 4
for WYATT RANCH

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
211-0920-001-0000	1	$ 421.34
211-0920-002-0000	2	$ 421.34
211-0920-003-0000	3	$ 421.34
211-0920-004-0000	4	$ 421.34
211-0920-005-0000	5	$ 421.34
211-0920-006-0000	6	$ 421.34
211-0920-007-0000	7	$ 421.34
211-0920-008-0000	8	$ 421.34
211-0920-009-0000	9	$ 421.34
211-0920-010-0000	10	$ 421.34
211-0920-011-0000	11	$ 421.34
211-0920-012-0000	12	$ 421.34
211-0920-013-0000	13	$ 421.34
211-0920-014-0000	14	$ 421.34
211-0920-015-0000	15	$ 421.34
211-0920-016-0000	16	$ 421.34
211-0920-017-0000	17	$ 421.34
211-0920-018-0000	18	$ 421.34
211-0920-019-0000	19	$ 421.34
211-0920-020-0000	20	$ 421.34
211-0920-023-0000	21	$ 421.34
211-0920-022-0000	22	$ 421.34
211-0920-021-0000	23	$ 421.34
23 Parcels; Total 98-02 Zone 4 Assessments is		$ 9,690.82

ASSESSMENT DISTRICT 03-01 - ZONE 1 Stock Ranch NORTH (Auburn Commerce District)

GENERAL

This assessment district, first created in 2003, is for the maintenance of certain areas within and adjacent to the Stock Ranch development. All improvements are on public property.

Assessment District 03-01 has two service areas, Zones 1 and 2. The boundaries of Zone 1 are more particularly described in the Assessment Diagram contained in Figure 6.1.

Zone 1 (Auburn Commerce District) is responsible for the landscaping along Auburn Boulevard between San Tomas Drive and Raintree Drive (both sides of the street and the medians), sound walls (surface and structural maintenance) along the east and west sides of the development and the open space north of Arcade Creek including the drainage basins, pedestrian trails and bridge. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

The City maintains LMAD-related landscape areas in and adjacent to public streets using City forces or those of contract providers. Facilities located in the open-space areas within the District are maintained by the Sunrise Park and Recreation District. Figure 6.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the commercial zone of Stock Ranch development was required to establish a funding source to provide for ongoing maintenance of the landscaping and irrigation along Auburn Boulevard between San Tomas Drive and Raintree Drive (both sides of the street and the medians), sound walls (surface and structural maintenance) along the east and west sides of the development and the open space north of Arcade Creek including the drainage basins, pedestrian trails and bridge. Funding for the LMAD 03-01 Zone 1 is from annual assessments levied on property within the zone's assessment boundary (Figure 6.1) pursuant to the Landscaping and Lighting Act of 1972. By agreement, the developer of the Stock Ranch subdivisions installed and maintained all landscaping improvements described in this Engineer's Report until the City's acceptance.

The method used to spread the assessments for Zone 1 is as follows:

- Zone 1 consists of 67.20 total acres with 36.82 acres designated for commercial uses.
- The cost to maintain the improvements within Zone 1 is to be allocated as follows:
    1. The assessment for each parcel is calculated by multiplying the total developable acres, as shown in Figure 4.4, by the cost per acre.
    2. The assessment is subject to an annual adjustment not to exceed 4% beginning with FY 2004-2005.

METHOD OF ASSESSMENT:

An adjustment in the annual assessment rate per acre is proposed for Fiscal Year 2026/2027. As shown in Figure 6.3. "Summary Analysis", the Fiscal Year 2026/2027 assessments for District 03-01 Zone 1 are proposed to increase by 3% (less than the maximum allowable 4%) to approximately $2,765.54 per acre. These additional revenues are necessary to support the LMAD 03-01 Zone 1's operations and maintenance, provided by the Sunrise Recreation and Park District and City forces, and to preserve existing operating and replacement reserves.

Figure 6.4 contains the Assessment Roll for A.D. 03-01 – Zone 1.

FIGURE 6.1

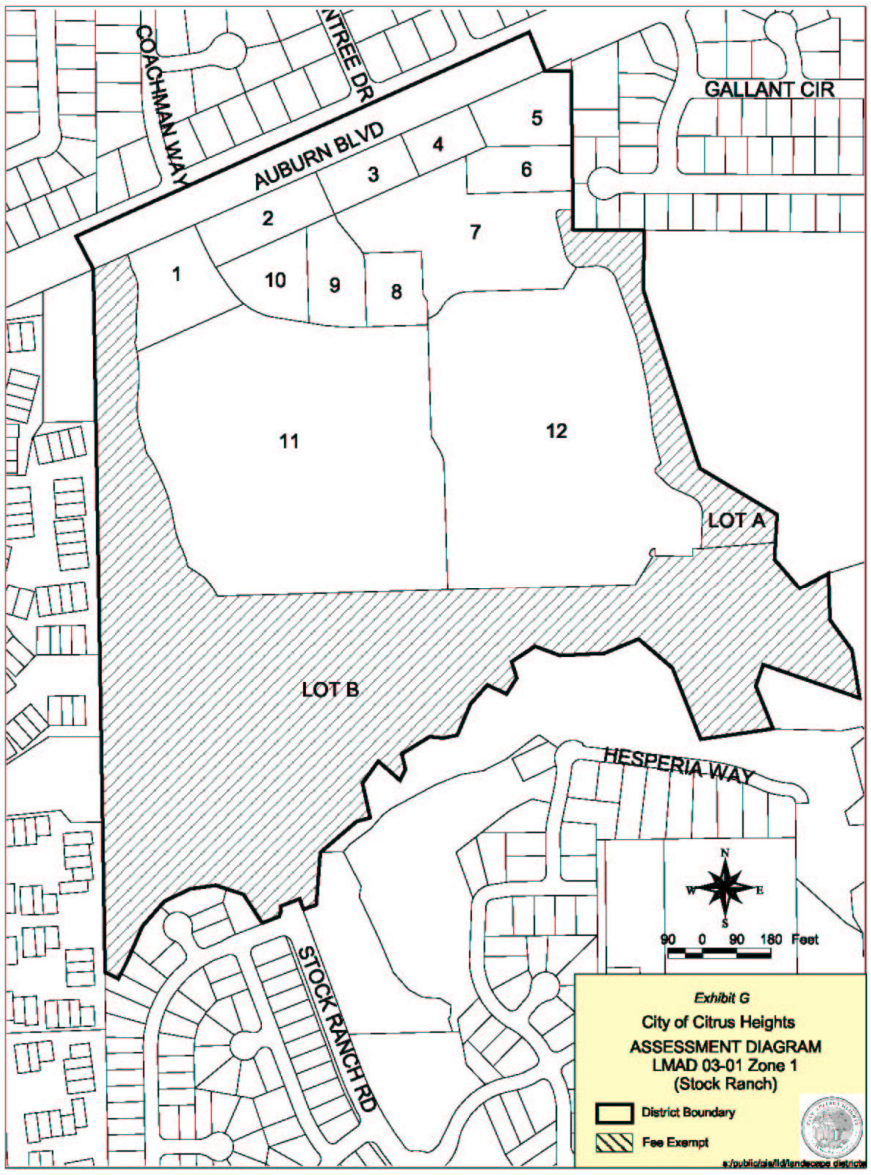


FIGURE 6.2

ASSESSMENT DISTRICT NO. 03-01
Zone 1

MAINTENANCE SPECIFICATION

The following sections provide detailed explanations and describe the zone of benefit and the facilities to be maintained.

ZONE 1

Maintained by the City or City contractors:

Landscaping north of Auburn Boulevard and within the median on Auburn Boulevard. On-going maintenance of the Auburn Boulevard landscape requires routine care of lawn, trees, shrubs and groundcover, including weed control, fertilization and litter removal.

Drainage facilities in the open space area next to the creek way include three detention basins and drain manholes which will require routine maintenance and include cleaning and clearing of debris.

Maintained by the Sunrise Parks and Recreation District

Masonry walls on the east and west side of the zone adjacent to open space areas. These walls require routine maintenance, including surface and structural maintenance and graffiti abatement.

Pedestrian circulation facilities in the Zone includes a pedestrian trail with lighting and benches and pedestrian bridge. The trail and benches will require routine maintenance and lighting along the trail will require period maintenance and replacement of bulbs.

FIGURE 6.3
ASSESSMENT DISTRICT 03-01 ZONE 1

28655289; County DL 0276

DESCRIPTION	FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:		
Rate Per Acre	$ 2,685.00	$ 2,765.54
Total Number of Acres (12 Parcels)	36.82	36.82
Total Special Assessments*	**$ 98,861.66**	**$ 101,827.10**
REVENUE:		
Release from Fund Balance	$ -	$ -
Interest on Fund Balance	$ 20,749.31	$ -
Special Assessments	$ 98,820.45	$ 101,827.10
Contributions	$ -	$ -
Other Revenue	$ -	$ -
Total Revenues:	**$ 119,569.76**	**$ 101,827.10**
EXPENDITURES:		
Advertising	$ -	$ 425.00
Utilities - Electrical	$ 2,446.77	$ 2,675.00
Utilities - Water	$ 4,295.66	$ 3,700.00
SRPD Maintenance and Vegetation Management	$ 112,001.91	$ 86,000.00
Contract - Repairs & Extra Work	$ 193.50	$ -
Contract - Landscape Maintenance	$ 19,596.00	$ 22,000.00
Contract - Bus Stop Maintenance-Pressure Washing	$ 4,743.00	$ 4,800.00
Contract -Materials & Supplies	$ -	$ -
Cost Allocation (Overhead)	$ 3,939.75	$ -
Total Uses of Funds:	**$ 147,216.59**	**$ 119,600.00**
Annual Operating Balance	**$ (27,646.83)**	**$ (17,772.90)**
Transfer to/from Operating Reserve	**$ 27,646.83**	**$ 17,772.90**
Annual Ending Balance	**$ -**	**$ -**
OPERATING RESERVE		
Beginning Operating Reserve Balance (July 1st)	$ 840,570.00	$ 812,923.17
Operating Reserve Set-aside	$ -	$ -
Transfer from (to) Annual Operating Balance	$ (27,646.83)	$ (17,772.90)
Ending Operating Reserve Balance (June 30th)	**$ 812,923.17**	**$ 795,150.27**
FACILITY REPLACEMENT RESERVE		
Beginning Facility Replacement Balance (July 1st)	$ 392,535.00	$ 392,535.00
Facility Replacement Set-aside	$ -	$ -
Replacement Project Cost	$ -	$ -
Ending Facility Replacement Balance (June 30th)	$ 392,535.00	$ 392,535.00
MAINTENANCE RESERVE	$ 420,388.17	$ 402,615.27

* Rounded down per Sac County requirements

** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 6.4

ASSESSMENT DISTRICT 03-01 ZONE 1
for Auburn Commerce District

Tax Assessor's Number	Assessment Diagram #	Area (acres)	Amount per Acre	Total Assessment
211 0870 012 0000	1	1.44	$ 2,765.54	$ 3,982.38
211 0870 011 0000	2	1.1	$ 2,765.54	$ 3,042.08
211 0870 007 0000	3	0.78	$ 2,765.54	$ 2,157.12
211 0870 006 0000	4	0.61	$ 2,765.54	$ 1,686.98
211 0870 005 0000	5	1.06	$ 2,765.54	$ 2,931.46
211 0870 004 0000	6	0.81	$ 2,765.54	$ 2,240.08
211 0870 003 0000	7	3.55	$ 2,765.54	$ 9,817.66
211 0870 008 0000	8	0.76	$ 2,765.54	$ 2,101.80
211 0870 009 0000	9	0.98	$ 2,765.54	$ 2,710.22
211 0870 010 0000	10	0.98	$ 2,765.54	$ 2,710.22
211 0870 001 0000	11	13.19	$ 2,765.54	$ 36,477.46
211 0870 002 0000	14	11.56	$ 2,765.54	$ 31,969.64
14 Parcels (36.82 Acres; Total 03-01 Zone 1 Assessments is				$ 101,827.10

ASSESSMENT DISTRICT 03-01 - ZONE 2 Stock Ranch SOUTH

GENERAL

This assessment district, first created in 2003, is for the maintenance of certain areas within and adjacent to the Stock Ranch development. All improvements are on public property.

Assessment District 03-01 has two service areas, Zones 1 and 2. On July 13, 2006, the City Council approved the annexation of Phases 3 and 4 of the Stock Ranch Residential development into Zone 2. The boundaries of Zone 2 are more particularly described on the Assessment Diagram contained in Figure 7.1.

Zone 2 is responsible for the open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median in Stock Ranch Road, east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

The City maintains LMAD-related landscape areas in and adjacent to public streets using City forces or those of contract providers. Facilities located in the open-space areas within the District are maintained by the Sunrise Park and Recreation District. Figure 7.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the commercial zone of Stock Ranch development was required to establish a funding source to provide for ongoing maintenance of open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median in Stock Ranch Road, east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road. Funding for the District is from annual assessments levied on properties within the zone's assessment boundary (Figure 7.1) pursuant to the Landscaping and Lighting Act of 1972. The original annual assessment adopted for District 03-01 Zone 2, upon formation in FY 2003/2004 was $82.42 per single-family residential parcel and $411.86 per acre of undeveloped/commercial property.

The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment by an amount not to exceed a maximum of 4% per year.

ANNUAL ASSESSMENT:

Initially LMAD 03-01 Zone 2 was fully funded by its assessments. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the annual expenses exceeding the annual assessment revenue and operating reserves being depleted

to make up the difference. As a result, in FY 2023/2024, the City of Citrus Heights began exercising the cost-of-living increase provision and increased the annual assessment by 3%.

Annual adjustments in the assessment rate are proposed for Fiscal Year 2026/2027. As shown in Figure 7.3. "Summary Analysis", the Fiscal Year 2026/2027 assessments for District 03-01 Zone 2 are again proposed to increase by 3% (less than the maximum allowable 4%) over the rates charged in FY 2025/2026. This results in increases to approximately $98.36 per residential parcel and $491.70 per acre of undeveloped/commercial land. These additional revenues are necessary to support the extensive maintenance needs for the district, provided by the Sunrise Recreation and Park District as well as the City through contract services.

Figure 7.4 contains the Assessment Roll for A.D. 03-01 – Zone 2.

FIGURE 7.1

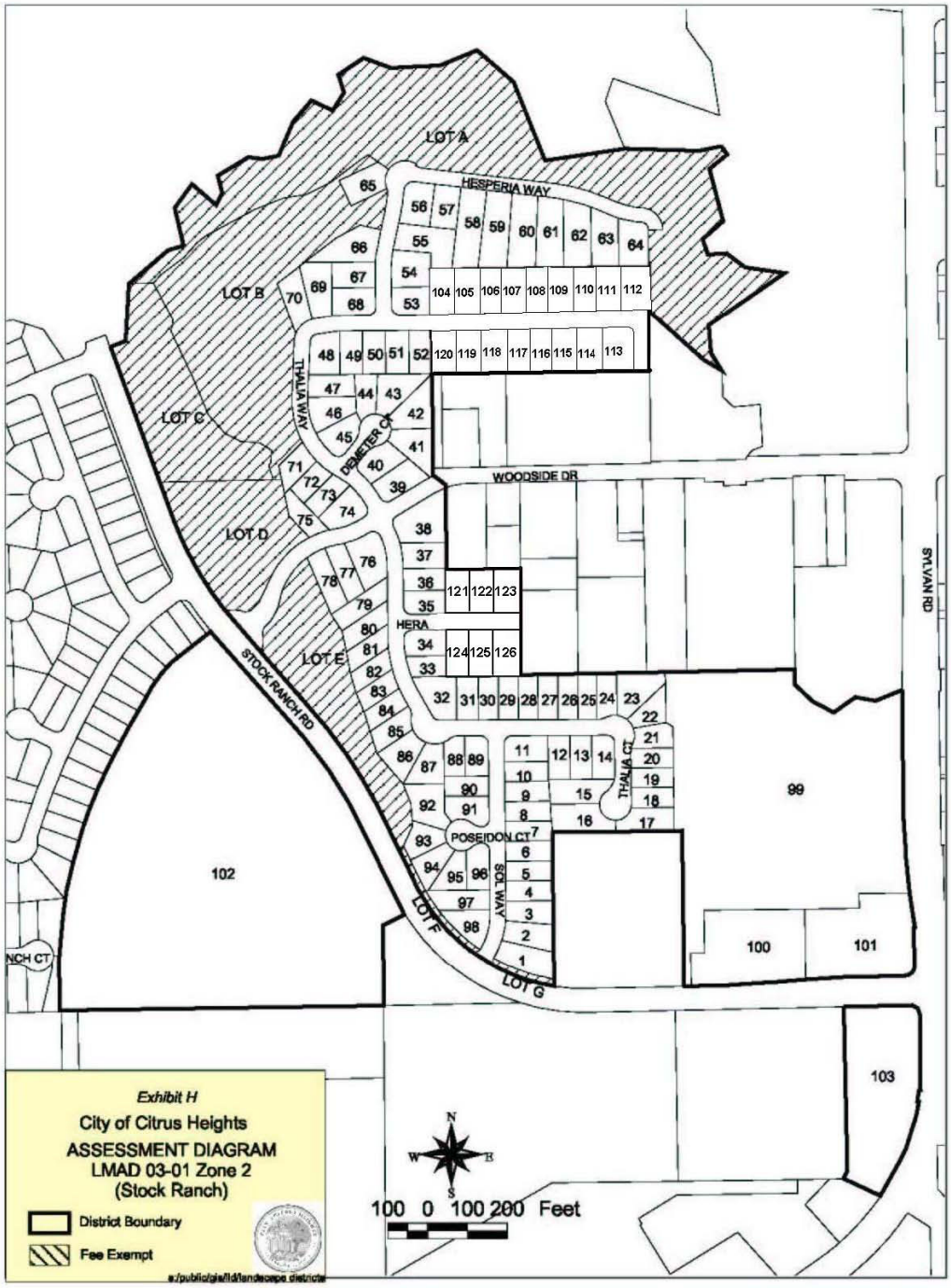

LOT A
LOT B
LOT C
LOT D
LOT E
LOT F
LOT G
HESPERIA WAY
THALIA WAY
DEMETER CT
WOODSIDE DR
HERA
STOCK RANCH RD
POSEIDON CT
SOL WAY
THALIA CT
SYLVAN RD
NCH CT
102
99
100
101
103
Exhibit H
City of Citrus Heights
ASSESSMENT DIAGRAM
LMAD 03-01 Zone 2
(Stock Ranch)
District Boundary
Fee Exempt
N
W
E
S
100 0 100 200 Feet

FIGURE 7.2

ASSESSMENT DISTRICT NO. 03-01 Zone 2

MAINTENANCE SPECIFICATION

The following sections provide detailed explanations and describe the zone of benefit and the facilities to be maintained.

ZONE 2

Maintained by the City or City contractors:
Along the north side of Stock Ranch Road, the landscaping and irrigation of land within the 15-foot landscape corridor shall be maintained and repaired as necessary. The street frontage landscape includes lawn, trees, shrubs and groundcover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs and groundcover including weed control, fertilization, pruning and litter removal.

A future median in Stock Ranch Road between Fountain Square Drive and Sol Way and a landscape corridor along the south side of Stock Ranch Road, east of Fountain Square Drive will also be maintained. Once construction is complete, maintenance of these future improvements will begin following a required plant establishment period.

Maintained by the Sunrise Parks and Recreation District:

Zone 2 includes maintenance of the open space area south of Arcade Creek and within the open space parcels located immediately east of Stock Ranch Road. Routine maintenance includes pruning, tree and shrub maintenance and weed abatement adjacent to homes within the District. A post and cable fence between Stock Ranch Road and the open space parcels will require periodic maintenance and replacement.

Pedestrian circulation facilities in the Zone include a pedestrian trail that requires routine maintenance.

FIGURE 7.3
ASSESSMENT DISTRICT 03-01 ZONE 2

28755289; County DL 0278

DESCRIPTION	FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:		
Rate Per Parcel (Residential)	$ 95.50	$ 98.36
Total Number of Residential Parcels	121	121
Sub-Total A	$ 11,555.50	$ 11,901.56
Rate Per Acre (Commercial/Undeveloped)	$ 477.39	$ 491.71
Total Number of Acres (5 Parcels)***	23.18	23.18
Sub-Total B	$ 11,065.90	$ 11,397.82
Total Special Assessments (A+B)	**$ 22,621.40**	**$ 23,299.38**
REVENUE:		
Release from Fund Balance	$ -	$ -
Interest on Fund Balance	$ 1,117.00	$ -
Special Assessments	$ 22,490.56	$ 23,299.38
Contributions	$ -	$ -
Other Revenue	$ -	$ -
Total Revenues:	**$ 23,607.56**	**$ 23,299.38**
EXPENDITURES:		
Advertising	$ -	$ 425.00
Materials and Supplies	$ 1,222.96	$ -
Utilities - Electric	$ 992.92	$ 800.00
Utilities - Water	$ 1,857.03	$ 2,650.00
SRPD Maintenance Services	$ 7,775.67	$ 12,500.00
Contract - Landscape Maintenance	$ 3,168.00	$ 3,300.00
Contract - Repairs, Tree Trimming & Extra Work	$ 2,673.00	$ -
Cost Allocation (Overhead)	$ 3,576.16	$ -
Total Expenditures:	**$ 21,265.74**	**$ 19,675.00**
Annual Operating Balance	**$ 1,224.82**	**$ 3,624.38**
Transfer to/from Operating Reserve	$ -	$ -
Annual Ending Balance	**$ 1,224.82**	**$ 3,624.38**
OPERATING RESERVE		
Beginning Fund Balance (July 1st)	$ 53,022.00	$ 55,363.82
Operating Reserve Set-a-side	$ 23,607.56	$ 23,299.38
Transfer from (to) Annual Operating Balance	$ 21,265.74	$ 19,675.00
Ending Operating Reserve Balance (June 30th)	$ 55,363.82	$ 58,988.20
FACILITY REPLACEMENT RESERVE		
Beginning Facility Replacement Balance (July 1st)	$ -	$ -
Annual Replacement Set-aside	$ -	$ -
Subtract Replacement Project Cost	$ -	$ -
EndingFacility Replacement Balance (June 30th)	$ -	$ -
TOTAL RESERVE	$ 55,363.82	$ 58,988.20

** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 7.4

ASSESSMENT DISTRICT 03-01 ZONE 2 for STOCK RANCH (RESIDENTIAL PARCELS)

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0590	026	0000	1	$ 98.36
243	0590	027	0000	2	$ 98.36
243	0590	028	0000	3	$ 98.36
243	0590	029	0000	4	$ 98.36
243	0590	030	0000	5	$ 98.36
243	0590	031	0000	6	$ 98.36
243	0590	032	0000	7	$ 98.36
243	0590	033	0000	8	$ 98.36
243	0590	034	0000	9	$ 98.36
243	0590	035	0000	10	$ 98.36
243	0590	036	0000	11	$ 98.36
243	0590	037	0000	12	$ 98.36
243	0590	038	0000	13	$ 98.36
243	0590	039	0000	14	$ 98.36
243	0590	040	0000	15	$ 98.36
243	0590	041	0000	16	$ 98.36
243	0590	042	0000	17	$ 98.36
243	0590	043	0000	18	$ 98.36
243	0590	044	0000	19	$ 98.36
243	0590	045	0000	20	$ 98.36
243	0590	046	0000	21	$ 98.36
243	0590	047	0000	22	$ 98.36
243	0590	048	0000	23	$ 98.36
243	0590	049	0000	24	$ 98.36
243	0590	050	0000	25	$ 98.36
243	0590	051	0000	26	$ 98.36
243	0590	052	0000	27	$ 98.36
243	0590	053	0000	28	$ 98.36
243	0590	054	0000	29	$ 98.36
243	0590	055	0000	30	$ 98.36
243	0590	056	0000	31	$ 98.36
243	0590	057	0000	32	$ 98.36
243	0590	058	0000	33	$ 98.36
243	0590	059	0000	34	$ 98.36
243	0590	060	0000	35	$ 98.36
243	0590	061	0000	36	$ 98.36
243	0590	062	0000	37	$ 98.36
243	0590	063	0000	38	$ 98.36
243	0590	064	0000	39	$ 98.36
243	0590	065	0000	40	$ 98.36
243	0590	066	0000	41	$ 98.36
243	0590	067	0000	42	$ 98.36
243	0590	068	0000	43	$ 98.36
243	0590	069	0000	44	$ 98.36
243	0590	070	0000	45	$ 98.36
243	0590	071	0000	46	$ 98.36
243	0590	072	0000	47	$ 98.36
211	0590	001	0000	48	$ 98.36
211	0880	002	0000	49	$ 98.36
				Subtotal =	$ 4,819.64

ASSESSMENT DISTRICT 03-01 ZONE 2 for STOCK RANCH (RESIDENTIAL PARCELS)

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0880	003	0000	50	$ 98.36
211	0880	004	0000	51	$ 98.36
211	0880	005	0000	52	$ 98.36
211	0880	006	0000	53	$ 98.36
211	0880	007	0000	54	$ 98.36
211	0880	008	0000	55	$ 98.36
211	0880	009	0000	56	$ 98.36
211	0880	010	0000	57	$ 98.36
211	0880	011	0000	58	$ 98.36
211	0880	012	0000	59	$ 98.36
211	0880	013	0000	60	$ 98.36
211	0880	014	0000	61	$ 98.36
211	0880	015	0000	62	$ 98.36
211	0880	016	0000	63	$ 98.36
211	0880	017	0000	64	$ 98.36
211	0880	018	0000	65	$ 98.36
211	0880	019	0000	66	$ 98.36
211	0880	020	0000	67	$ 98.36
211	0880	021	0000	68	$ 98.36
211	0880	022	0000	69	$ 98.36
211	0880	023	0000	70	$ 98.36
243	0590	073	0000	71	$ 98.36
243	0590	074	0000	72	$ 98.36
243	0590	075	0000	73	$ 98.36
243	0590	001	0000	74	$ 98.36
243	0590	002	0000	75	$ 98.36
243	0590	003	0000	76	$ 98.36
243	0590	004	0000	77	$ 98.36
243	0590	005	0000	78	$ 98.36
243	0590	006	0000	79	$ 98.36
243	0590	007	0000	80	$ 98.36
243	0590	008	0000	81	$ 98.36
243	0590	009	0000	82	$ 98.36
243	0590	010	0000	83	$ 98.36
243	0590	011	0000	84	$ 98.36
243	0590	012	0000	85	$ 98.36
243	0590	013	0000	86	$ 98.36
243	0590	014	0000	87	$ 98.36
243	0590	015	0000	88	$ 98.36
243	0590	016	0000	89	$ 98.36
243	0590	017	0000	90	$ 98.36
243	0590	018	0000	91	$ 98.36
243	0590	019	0000	92	$ 98.36
243	0590	020	0000	93	$ 98.36
243	0590	021	0000	94	$ 98.36
243	0590	022	0000	95	$ 98.36
243	0590	023	0000	96	$ 98.36
243	0590	024	0000	97	$ 98.36
243	0590	025	0000	98	$ 98.36
				Subtotal =	$ 4,819.64

ASSESSMENT DISTRICT 03-01 ZONE 2 for STOCK RANCH (RESIDENTIAL PARCELS)

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0880	026	0000	104	$ 98.36
211	0880	027	0000	105	$ 98.36
211	0880	028	0000	106	$ 98.36
211	0880	029	0000	107	$ 98.36
211	0880	030	0000	108	$ 98.36
211	0880	031	0000	109	$ 98.36
211	0880	032	0000	110	$ 98.36
211	0880	033	0000	111	$ 98.36
211	0880	034	0000	112	$ 98.36
211	0880	035	0000	113	$ 98.36
211	0880	036	0000	114	$ 98.36
211	0880	037	0000	115	$ 98.36
211	0880	038	0000	116	$ 98.36
211	0880	039	0000	117	$ 98.36
211	0880	040	0000	118	$ 98.36
211	0880	041	0000	119	$ 98.36
211	0880	042	0000	120	$ 98.36
211	0590	081	0000	121	$ 98.36
211	0590	082	0000	122	$ 98.36
211	0590	083	0000	123	$ 98.36
211	0590	084	0000	124	$ 98.36
211	0590	085	0000	125	$ 98.36
211	590	086	0000	126	$ 98.36
				Subtotal =	$ 2,262.28
Sub-total Assessment - 121 Residential Parcels =					**$ 11,901.56**

ASSESSMENT DISTRICT 03-01 – ZONE 2 (COMMERCIAL PARCELS)

Revised Tax Assessor's Number*	Assessment Diagram #	Area (acres)	Amount per Acre	Total Assessment
243 0010 045 0000	99	8.00	$ 491.70	$ 3,933.60
243 0010 051 0000	100	0.55	$ 491.70	$ 270.44
243 0010 050 0000	101	1.77	$ 491.70	$ 870.30
243 0010 027 0000**	102	11.08	$ 491.70	$ 5,448.04
243 0020 051 0000	103	1.78	$ 491.70	$ 875.22
Sub-total Assessment - 5 Commercial Parcels in 03-01, Zone 2 =				$ 11,397.58
*based on current county parcel viewer data; reflects lot splits and new assigned parcel numbers				
**no change to parcel number.				
Grand Total Assessment (Residential & Commercial Parcels) =				**$ 23,299.14**

ASSESSMENT DISTRICT 03-01 – Zone 3 (Mitchell Farms Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 03-01, Zone 3 (Mitchell Farms Subdivision), first created by City Council action on April 23, 2020, is located east of Sunrise Boulevard, north of Arcadia Drive, and west of Fair Oaks Boulevard. This LMAD provides for the maintenance of a large open-space lot within the Mitchell Farms Subdivision development and landscaping within a roundabout on Arcadia Drive. All improvements are on public property. There are 258 residential parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 8.1.

This subdivision of land, covered by Zone 3, includes 258 residential lots, one public park lot (Lot A) and 51 common area and alley lots owned and maintained by the Homeowners Association (HOA). Upon recordation of the Final Map and completion of the construction of the park improvements, Lot A will be dedicated to Sunrise Recreation and Parks District (SRPD).

To supplement the available funding for the long-term maintenance and replacement costs for the improvements within Lot A and the landscaping and irrigation within the new Arcadia Drive roundabout, the development was conditioned to create a new Landscape Maintenance Assessment District (LMAD).

Public amenities in Zone 3, to be maintained on an annual basis with this LMAD funding, include trees, natural grasses, irrigation systems, pedestrian/bike pathways, pathway lighting and bridges within the open-space lot (Lot A) and landscaping and irrigation system within the Arcadia Drive roundabout. On-going maintenance of the landscaped areas requires routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, litter removal and irrigation systems. The pedestrian pathways and associated bridges require routine maintenance, including surface and structural maintenance, maintenance and repairs of pathway lighting and graffiti abatement.

In addition to regular annual maintenance, the facilities in Zone 3 (pedestrian/bike pathway, bridges, pathway lighting system, irrigation system, roundabout landscape and irrigation) require periodic major repairs and/or replacement. Zone 3 provides a funding set-aside for long-term capital replacement of these items.

Figure 8.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City and the SRPD perform/manage the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single-family Mitchell Farms Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping include trees, natural grasses, irrigation systems, pedestrian/bike pathways, pathway lighting and bridges within the open-space lot (Lot A) and landscaping and irrigation system within the Arcadia Drive roundabout. The funding for LMAD 03-01, Zone 3 will be from annual assessments levied on property within the zone's assessment boundary (Figure 8.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances.

The method used to spread the initial assessments for each lot are as follows:

- Zone 3 consists of 258 residential lots, 30 lettered HOA landscape lots, 20 alley lots, and one public park lot (Lot A).
- The costs of the maintenance for the improvements within Mitchell Farms are to be allocated as follows:
- The assessment for each Assessor's Parcel is calculated by dividing the total annual cost, by the total number of residential lots within the subdivision. As follows: Annual cost/number of lots = Annual cost of $88,851.20 divided by 258 lots = $344.38 per lot per year.
- The formation of this district also included a cost-of-living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment by an amount not to exceed a maximum of four percent 4% per year.

The development is currently under construction, so the developer has agreed to maintain the landscaped areas and other features until the proposed improvements are formally accepted by the agencies (Sunrise Recreation and Parks District for Lot A and the City of Citrus Heights for the Arcadia Drive roundabout).

ANNUAL ASSESSMENT

Annual adjustments in the assessment rate are proposed for Fiscal Year 2026/2027. As shown in Figure 8.3. "Summary Analysis", the Fiscal Year 2026/2027 assessments for District 03-01 Zone 3 are again proposed to increase by 3% (less than the maximum allowable 4%) over the rates charged in FY 2025/2026. This results in increases to approximately $372.62 per residential parcel. These additional revenues are necessary to support the extensive maintenance needs for the District, develop a sufficient capital replacement reserve for the extensive public facilities contained with Zone 3, such as bridges, paved trails, lighting and playground equipment, owned and maintained by the Sunrise Recreation and Park District, as well as minor maintenance services provided by the City through contract services.

The district's Assessment Roll is contained in Figure 8.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lot A of the Mitchell Farms Subdivision and the adjacent Arcadia Drive roundabout; more particularly described on the Assessment Diagram contained in Figure 8.1.

FIGURE 8.1

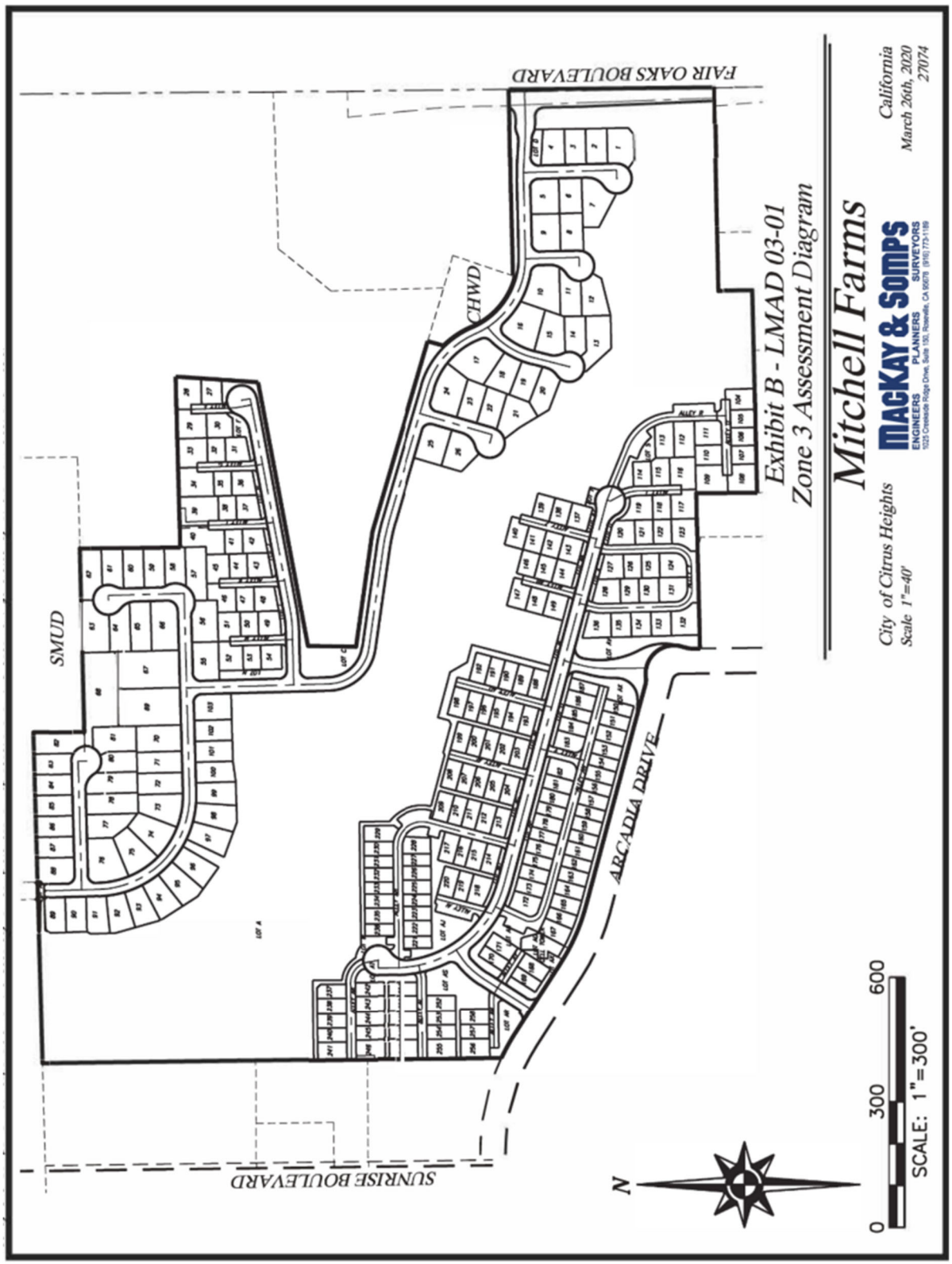

Mitchell Farms
Exhibit B - LMAD 03-01
Zone 3 Assessment Diagram
City of Citrus Heights
Scale 1"=40'
California
March 26th, 2020
27074
MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS
FAIR OAKS BOULEVARD
SUNRISE BOULEVARD
ARCADIA DRIVE
SMUD
CHWD
N
0
300
600
SCALE: 1" = 300'

FIGURE 8.2

ASSESSMENT DISTRICT NO. 03-01
Zone 3 (Mitchell Farms Subdivision)

MAINTENANCE SPECIFICATION

1) Maintain pedestrian pathway (Lot A). Clean all graffiti as needed. Perform structural repairs/replacement as needed. This item includes repair and materials to maintain the light bollards along the pathway.

2) Maintain pedestrian pathway bridges (Lot A). Clean all graffiti as needed. Perform structural repairs/replacement to handrails, deck, abutments and other bridge appurtenances as needed.

3) Maintain the creek open space (Lot A). Keep the existing creek open space free from debris to assure flow of Arcade Creek, maintain irrigation system and regular inspection and pruning for health of all trees (including planted mitigation trees), Mow open-space as needed for fuel-load management and appearance.

4) Maintain trees and other plantings a minimum of once every two weeks in the planters (center of roundabout and three approach islands) at the Arcadia Drive roundabout. Maintain irrigation system as needed to ensure proper operation and optimum health of the plantings. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.

FIGURE 8.3
ASSESSMENT DISTRICT 03-01 ZONE 3

29655289; County DL1128

DESCRIPTION		FY 25/26** ACTUAL	FY 26/27 PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	$361.78	$372.62
	Total Number of Parcels	258	258
	Total Special Assessments	**$93,339.24**	**$96,135.96**
REVENUE:			
	Release from Maintenance/Repair Reserve Balance	$0.00	$0.00
	Release from Facility Replacement Reserve Balance	$0.00	$0.00
	Interest on Fund Balance	$5,980.56	$0.00
	Special Assessments	$92,765.55	$96,135.96
	Contributions (SRPD Participation)	$0.00	
	Other Revenue	$0.00	$0.00
	Total Revenue:	**$98,746.11**	**$96,135.96**
EXPENDITURES:			
	Materials and Supplies	$0.00	$0.00
	Advertising & Mail	$0.00	$365.00
	Utilities	$200.50	$300.00
	City Contract Landscape	$0.00	$1,200.00
	SRPD Maintenance	$18,495.00	$67,000.00
	Cost Allocation* (Overhead)	$0.00	$0.00
	Maintenance/Repair Annual Accrual (3)	$5,349.85	$5,349.85
	Facility Replacement Annual Accrual (3)	$51,416.42	$21,921.11
	Total Expenditures:	**$75,461.77**	**$96,135.96**
Annual Operating Balance		**$23,284.34**	**$0.00**
	Transfer to Maintenance/Repair Reserve	**-$23,284.34**	**$0.00**
Annual Ending Balance		**$0.00**	**$0.00**

ACCRUAL SUMMARY			
MAINTENANCE/REPAIR RESERVE			
	Beginning Maintenance/Repair Reserve Balance (7/1)	$ 162,957.96	$191,592.15
	Release to Revenue (to cover annual operating costs)	$0.00	$0.00
	Maintenance/Repair Reserve Annual Accrual	$5,349.85	$5,349.85
	Transfer from Annual Operating Balance	$23,284.34	$0.00
	Ending Maintenance/Repair Reserve Balance (6/30)	$ 191,592.15	$ 196,942.00
FACILITY REPLACEMENT RESERVE			
	Beginning Facility Replacement Reserve Balance (7/1)	$ 216,014.04	$267,430.46
	Release to Revenue (for scheduled facility replacement)	$0.00	$0.00
	Facility Replacement Annual Accrual	$51,416.42	$21,921.11
	Ending Facility Replacement Reserve Balance (6/30)	$267,430.46	$289,351.57

* Annual set-aside amounts from Exhibits D1 & D2 in original Engineer's Report dated April 23, 2020. Adjustments made in consideration of large replacement reserve ahead of taking possession of property, and need to free up maintenance funds for SRPD maintenance needs.

$xx.xx Audited Fund Balance from previous Fiscal Year

FIGURE 8.4

ASSESSMENT DISTRICT 03-01 ZONE 3
for Mitchell Village

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0600	001	0000	1	$ 372.62
243	0600	002	0000	2	$ 372.62
243	0600	003	0000	3	$ 372.62
243	0600	004	0000	4	$ 372.62
243	0600	005	0000	5	$ 372.62
243	0600	006	0000	6	$ 372.62
243	0600	007	0000	7	$ 372.62
243	0600	008	0000	8	$ 372.62
243	0600	009	0000	9	$ 372.62
243	0600	010	0000	10	$ 372.62
243	0600	011	0000	11	$ 372.62
243	0600	012	0000	12	$ 372.62
243	0600	013	0000	13	$ 372.62
243	0600	014	0000	14	$ 372.62
243	0600	015	0000	15	$ 372.62
243	0600	016	0000	16	$ 372.62
243	0600	017	0000	17	$ 372.62
243	0600	018	0000	18	$ 372.62
243	0600	019	0000	19	$ 372.62
243	0600	020	0000	20	$ 372.62
243	0600	021	0000	21	$ 372.62
243	0600	022	0000	22	$ 372.62
243	0600	023	0000	23	$ 372.62
243	0600	024	0000	24	$ 372.62
243	0600	025	0000	25	$ 372.62
243	0600	026	0000	26	$ 372.62
243	0610	001	0000	27	$ 372.62
243	0610	002	0000	28	$ 372.62
243	0610	003	0000	29	$ 372.62
243	0610	004	0000	30	$ 372.62
243	0610	005	0000	31	$ 372.62
243	0610	006	0000	32	$ 372.62
243	0610	007	0000	33	$ 372.62
243	0610	008	0000	34	$ 372.62
243	0610	009	0000	35	$ 372.62
243	0610	010	0000	36	$ 372.62
243	0610	011	0000	37	$ 372.62
243	0610	012	0000	38	$ 372.62
243	0610	013	0000	39	$ 372.62
243	0610	014	0000	40	$ 372.62
243	0610	015	0000	41	$ 372.62
243	0610	016	0000	42	$ 372.62
243	0610	017	0000	43	$ 372.62
243	0610	018	0000	44	$ 372.62
243	0610	019	0000	45	$ 372.62
243	0610	020	0000	46	$ 372.62
243	0610	021	0000	47	$ 372.62
243	0610	022	0000	48	$ 372.62
				Subtotal =	$ 17,885.76

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0610	023	0000	49	$ 372.62
243	0610	024	0000	50	$ 372.62
243	0610	025	0000	51	$ 372.62
243	0610	026	0000	52	$ 372.62
243	0610	027	0000	53	$ 372.62
243	0610	028	0000	54	$ 372.62
243	0610	029	0000	55	$ 372.62
243	0610	030	0000	56	$ 372.62
243	0610	031	0000	57	$ 372.62
243	0610	032	0000	58	$ 372.62
243	0610	033	0000	59	$ 372.62
243	0610	034	0000	60	$ 372.62
243	0610	035	0000	61	$ 372.62
243	0610	036	0000	62	$ 372.62
243	0610	037	0000	63	$ 372.62
243	0610	038	0000	64	$ 372.62
243	0610	039	0000	65	$ 372.62
243	0610	040	0000	66	$ 372.62
243	0610	041	0000	67	$ 372.62
243	0610	042	0000	68	$ 372.62
243	0610	043	0000	69	$ 372.62
243	0610	044	0000	70	$ 372.62
243	0610	045	0000	71	$ 372.62
243	0610	046	0000	72	$ 372.62
243	0610	047	0000	73	$ 372.62
243	0610	048	0000	74	$ 372.62
243	0610	049	0000	75	$ 372.62
243	0610	050	0000	76	$ 372.62
243	0610	051	0000	77	$ 372.62
243	0610	052	0000	78	$ 372.62
243	0610	053	0000	79	$ 372.62
243	0610	054	0000	80	$ 372.62
243	0610	055	0000	81	$ 372.62
243	0610	056	0000	82	$ 372.62
243	0610	057	0000	83	$ 372.62
243	0610	058	0000	84	$ 372.62
243	0610	059	0000	85	$ 372.62
243	0610	060	0000	86	$ 372.62
243	0610	061	0000	87	$ 372.62
243	0610	062	0000	88	$ 372.62
243	0610	063	0000	89	$ 372.62
243	0610	064	0000	90	$ 372.62
243	0610	065	0000	91	$ 372.62
243	0610	066	0000	92	$ 372.62
243	0610	067	0000	93	$ 372.62
243	0610	068	0000	94	$ 372.62
243	0610	069	0000	95	$ 372.62
243	0610	070	0000	96	$ 372.62
				Subtotal =	$ 17,885.76

ASSESSMENT DISTRICT 03-01 ZONE 3
for Mitchell Village

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0610	071	0000	97	$ 372.62
243	0610	072	0000	98	$ 372.62
243	0610	073	0000	99	$ 372.62
243	0610	074	0000	100	$ 372.62
243	0610	075	0000	101	$ 372.62
243	0610	076	0000	102	$ 372.62
243	0610	077	0000	103	$ 372.62
243	0620	001	0000	104	$ 372.62
243	0620	002	0000	105	$ 372.62
243	0620	003	0000	106	$ 372.62
243	0620	004	0000	107	$ 372.62
243	0620	005	0000	108	$ 372.62
243	0620	006	0000	109	$ 372.62
243	0620	007	0000	110	$ 372.62
243	0620	008	0000	111	$ 372.62
243	0620	009	0000	112	$ 372.62
243	0620	010	0000	113	$ 372.62
243	0620	011	0000	114	$ 372.62
243	0620	012	0000	115	$ 372.62
243	0620	013	0000	116	$ 372.62
243	0620	014	0000	117	$ 372.62
243	0620	015	0000	118	$ 372.62
243	0620	016	0000	119	$ 372.62
243	0620	017	0000	120	$ 372.62
243	0620	018	0000	121	$ 372.62
243	0620	019	0000	122	$ 372.62
243	0620	020	0000	123	$ 372.62
243	0620	021	0000	124	$ 372.62
243	0620	022	0000	125	$ 372.62
243	0620	023	0000	126	$ 372.62
243	0620	024	0000	127	$ 372.62
243	0620	025	0000	128	$ 372.62
243	0620	026	0000	129	$ 372.62
243	0620	027	0000	130	$ 372.62
243	0620	028	0000	131	$ 372.62
243	0620	029	0000	132	$ 372.62
243	0620	030	0000	133	$ 372.62
243	0620	031	0000	134	$ 372.62
243	0620	032	0000	135	$ 372.62
243	0620	033	0000	136	$ 372.62
243	0620	034	0000	137	$ 372.62
243	0620	035	0000	138	$ 372.62
243	0620	036	0000	139	$ 372.62
243	0620	037	0000	140	$ 372.62
243	0620	038	0000	141	$ 372.62
243	0620	039	0000	142	$ 372.62
243	0620	040	0000	143	$ 372.62
243	0620	041	0000	144	$ 372.62
				Subtotal =	$ 17,885.76

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0620	042	0000	145	$ 372.62
243	0620	043	0000	146	$ 372.62
243	0620	044	0000	147	$ 372.62
243	0620	045	0000	148	$ 372.62
243	0620	046	0000	149	$ 372.62
243	0620	047	0000	150	$ 372.62
243	0620	048	0000	151	$ 372.62
243	0620	049	0000	152	$ 372.62
243	0620	050	0000	153	$ 372.62
243	0620	051	0000	154	$ 372.62
243	0620	052	0000	155	$ 372.62
243	0620	053	0000	156	$ 372.62
243	0620	054	0000	157	$ 372.62
243	0620	055	0000	158	$ 372.62
243	0620	056	0000	159	$ 372.62
243	0620	057	0000	160	$ 372.62
243	0620	058	0000	161	$ 372.62
243	0620	059	0000	162	$ 372.62
243	0620	060	0000	163	$ 372.62
243	0630	001	0000	164	$ 372.62
243	0630	002	0000	165	$ 372.62
243	0630	003	0000	166	$ 372.62
243	0630	004	0000	167	$ 372.62
243	0630	005	0000	168	$ 372.62
243	0630	006	0000	169	$ 372.62
243	0630	007	0000	170	$ 372.62
243	0630	008	0000	171	$ 372.62
243	0630	009	0000	172	$ 372.62
243	0630	010	0000	173	$ 372.62
243	0630	011	0000	174	$ 372.62
243	0630	012	0000	175	$ 372.62
243	0630	013	0000	176	$ 372.62
243	0630	014	0000	177	$ 372.62
243	0630	015	0000	178	$ 372.62
243	0630	016	0000	179	$ 372.62
243	0630	017	0000	180	$ 372.62
243	0630	018	0000	181	$ 372.62
243	0630	019	0000	182	$ 372.62
243	0630	020	0000	183	$ 372.62
243	0630	021	0000	184	$ 372.62
243	0630	022	0000	185	$ 372.62
243	0630	023	0000	186	$ 372.62
243	0630	024	0000	187	$ 372.62
243	0630	025	0000	188	$ 372.62
243	0630	026	0000	189	$ 372.62
243	0630	027	0000	190	$ 372.62
243	0630	028	0000	191	$ 372.62
243	0630	029	0000	192	$ 372.62
				Subtotal =	$ 17,885.76

ASSESSMENT DISTRICT 03-01 ZONE 3
for Mitchell Village

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0630	030	0000	193	$ 372.62
243	0630	031	0000	194	$ 372.62
243	0630	032	0000	195	$ 372.62
243	0630	033	0000	196	$ 372.62
243	0630	034	0000	197	$ 372.62
243	0630	035	0000	198	$ 372.62
243	0630	036	0000	199	$ 372.62
243	0630	037	0000	200	$ 372.62
243	0630	038	0000	201	$ 372.62
243	0630	039	0000	202	$ 372.62
243	0630	040	0000	203	$ 372.62
243	0630	041	0000	204	$ 372.62
243	0630	042	0000	205	$ 372.62
243	0630	043	0000	206	$ 372.62
243	0630	044	0000	207	$ 372.62
243	0630	045	0000	208	$ 372.62
243	0630	046	0000	209	$ 372.62
243	0630	047	0000	210	$ 372.62
243	0630	048	0000	211	$ 372.62
243	0630	049	0000	212	$ 372.62
243	0630	050	0000	213	$ 372.62
243	0630	051	0000	214	$ 372.62
243	0630	052	0000	215	$ 372.62
243	0630	053	0000	216	$ 372.62
243	0630	054	0000	217	$ 372.62
243	0630	055	0000	218	$ 372.62
243	0630	056	0000	219	$ 372.62
243	0630	057	0000	220	$ 372.62
243	0630	058	0000	221	$ 372.62
243	0630	059	0000	222	$ 372.62
243	0630	060	0000	223	$ 372.62
243	0630	061	0000	224	$ 372.62
243	0630	062	0000	225	$ 372.62
243	0630	063	0000	226	$ 372.62
243	0630	064	0000	227	$ 372.62
243	0630	065	0000	228	$ 372.62
243	0630	066	0000	229	$ 372.62
243	0630	067	0000	230	$ 372.62
243	0630	068	0000	231	$ 372.62
243	0630	069	0000	232	$ 372.62
243	0630	070	0000	233	$ 372.62
243	0630	071	0000	234	$ 372.62
243	0630	072	0000	235	$ 372.62
243	0630	073	0000	236	$ 372.62
243	0630	074	0000	237	$ 372.62
243	0630	075	0000	238	$ 372.62
243	0630	076	0000	239	$ 372.62
243	0630	077	0000	240	$ 372.62
				Subtotal =	$ 17,885.76

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0630	078	0000	241	$ 372.62
243	0630	079	0000	242	$ 372.62
243	0630	080	0000	243	$ 372.62
243	0630	081	0000	244	$ 372.62
243	0630	082	0000	245	$ 372.62
243	0630	083	0000	246	$ 372.62
243	0630	084	0000	247	$ 372.62
243	0630	085	0000	248	$ 372.62
243	0630	086	0000	249	$ 372.62
243	0630	087	0000	250	$ 372.62
243	0630	088	0000	251	$ 372.62
243	0630	089	0000	252	$ 372.62
243	0630	090	0000	253	$ 372.62
243	0630	091	0000	254	$ 372.62
243	0630	092	0000	255	$ 372.62
243	0630	093	0000	256	$ 372.62
243	0630	094	0000	257	$ 372.62
243	0630	095	0000	258	$ 372.62
				Subtotal =	$ 6,707.16

Total 03-01 Zone 3 Assessments (258 Parcels) is	**$ 96,135.96**

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Citrus Heights Lighting Assessment District**
Initiate Proceedings for Fiscal Year 2026/2027 Annual Update

Recommendation

Each year, the City updates the assessments for the Citrus Heights Lighting District (CHLD). To initiate annual assessment proceedings, the City Council must first adopt a Resolution Initiating Proceedings for the Fiscal Year 2026/2027 update. Next, City Council must adopt a Resolution of Intention setting the time and date for a public hearing on the proposed assessments and directing staff to publish the appropriate notice of the hearing. An Engineer's Report, prepared by the City Engineer, is attached hereto and describes the levels of maintenance, outlines the proposed financial summary, and includes the assessment diagram for the CHLD.

No changes are recommended to the assessment rates in conjunction with the annual update of the CHLD. However, over the past fiscal year, new streetlights and infrastructure have been installed at various locations throughout the City. Staff have updated the assessment role to reflect the new rates for several individual parcels that now benefit from the newly installed lighting.

Staff recommends the City Council approve the resolutions below, in order:

1. Resolution No. 2026-___: A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District

2. Resolution No. 2026-___: A Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2026/2027 for the Citrus Heights Lighting District

Strategic Plan Alignment

This item aligns with the following Citrus Heights City Council Strategic Plan Three Year Goal:

Goal: "Maintain Public Infrastructure and Enhance All Modes of Transportation."

Fiscal Impact

For Fiscal Year 2026/2027, the annual special assessment revenue and reimbursement from Caltrans for several shared facilities are projected to cover a portion of the CHLD's anticipated expenditures. However, as a result of the continuing increases in electrical power costs and the ongoing repairs related to aging equipment, the proposed Fiscal Year 2026/2027 budget reflects an anticipated shortfall of approximately $113,590.72.

In FY 21/22 the City upgraded 593 street lights to low energy LED models utilizing a low interest (1%) loan granted by the California Energy Commission. While this effort resulted in annual electricity cost savings, the City began repayment of the loan in FY 22/23 which is paid for utilizing associated energy cost savings.

During this past FY (FY 25/26), the City added a Senior Traffic Signal and Lighting Technician to enhance in-house capability as part of the ongoing effort to reduce costs, improve operational efficiency, and increase response times. With this added staffing, it is anticipated that the scope of the existing contract for unscheduled street light maintenance (knockdowns and repairs) will be substantially reduced as this staff position will perform the majority of regular street light maintenance and initial emergency response tasks in-house.

A summary of the CHLD budget is as follows:

Description	**FY 25/26 Actual**	**FY 26/27 Anticipated**
REVENUE:		
Special Assessments[(1)]	$330,941.57	$334,000.00
Shared Maintenance Cost Reimbursement from Caltrans	$112.82	$115.00
Interest Earned	$64.04	$65.00
Total District Funding	**$331,118.43**	**$334,180.00**
EXPENDITURES:		
SMUD Electric Costs[(1)]	$243,451.26	$244,000.00
Unscheduled Maintenance Costs and Knockdowns[(1)]	$155,737.00	$35,000.00
Streetlight Materials and Supplies[(2)]	$20,304.47	$45,000.00
Streetlight Maintenance Salary Allocations[(2)]	$0.00	$76,600.00
CEC Loan Repayment[(3)]	$23,155.72	$23,155.72
Other Costs	$22,891.96	$24,015.00
Total District Expenditures	**$465,540.41**	**$447,770.72**
DISTRICT SHORTFALL	-$134,421.98	-$113,590.72

(1) At the time this staff report was written, June 2026 utility and June 2026 unscheduled maintenance costs had yet to be finalized. Special Assessments have yet to be finalized. Costs are estimated.
(2) In 2026, the City hired a Senior Traffic Signal & Lighting Technician. This position is responsible to perform in-house routine street light maintenance; requiring salary allocation and material procurement.
(3) FY 26/27 represents the 5th year for repayment of a low interest (1%) Energy Efficiency Loan from the California Energy Commission (CEC) for conversion of 593 streetlights to energy efficient models. Actual energy cost savings will be used to repay the loan.

There is no impact to the General Fund. Measure A Maintenance funds (Fund 210) are proposed to supplement the special assessments to cover the CHLD budget shortfall.

With the passage of Proposition 218 in 1996, lighting assessment rates were effectively fixed at the rates in effect at that time unless increased by a two-thirds vote through the constituents of the City. Accordingly, the assessment rates were unchanged for Fiscal Year 25/26 and, as summarized in the table below, no changes are recommended for Fiscal Year 26/27.

Assessment Rate	FY 2026/2027 Rates (Unchanged from FY 2025/2026 Rates)
Safety Light Only	$2.56/parcel
Street Light (single family residential)	$15.32/parcel
Safety and Street Light (single family residential)	$17.88/parcel
Safety and Street Light (non-single family residential)	$2.56/parcel + $0.2519 per linear foot of frontage

During Fiscal Year 25/26, CHLD (Fund 289) had a shortfall of $134,421.98, which was covered using Measure A Maintenance funds (Fund 210).

Background and Analysis

Sacramento County created County Service Area No. 1 (CSA-1) to provide funding to operate and maintain street and safety lights throughout the County. In June 2005, the City Council voted to begin the process of detaching from CSA-1 to improve levels of service on safety and street lighting within the City. In June 2006, the City completed the process by forming the CHLD and became fully responsible for operation and maintenance of all street and safety lights within the City.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council to initiate the update of the CHLD. Subsequent approval of the assessments to be levied and collected will provide funding for operating expenses, equipment, materials, maintenance, and contract services necessary to maintain street and safety lights for the CHLD.

By the Resolution of Intention, the City Council approves the Engineer's Report for the CHLD Annual Update for Fiscal Year 26/27, sets the date for a public hearing on the assessments, and directs staff to give the required notice.

Staff recommends July 8, 2026, 6:00 P.M. or as soon thereafter, be set as the date and time for the public hearing. At that time, City Council will receive public comment and consider adopting the required resolutions. Notice of this meeting will be published in accordance with State code.

Staff have reviewed the anticipated expenditures and revenues and have developed a Fiscal Year 26/27 budget for the CHLD. An Engineer's Report has been prepared for the proposed assessments and a copy is attached. The Engineer's Report summarizes the maintenance effort and proposes levying assessments at the same level as in Fiscal Year 25/26.

Through ongoing analysis of the District, the City has substantially improved the level of service related to street light maintenance and operations and fine-tuned the scope of the annual maintenance contract. Over the past several years, continued staff efforts have resulted in reductions to the annual expenses. Currently, a total of 3,453 energy efficient LED lights (approximately 71.5% of the District's total inventory) have been installed and/or converted from existing streetlights. Early efforts to install more efficient LED lighting and lower annual maintenance rates reduced the District's total expenditures. However, continued increases in electric utility rates, increased frequency of repairs to aging street lighting infrastructure, and damages due to vehicular crashes have offset these cost savings resulting in a projected shortfall of approximately $113,590.72 for Fiscal Year 26/27. The addition of safety lights included in the City's Capital Improvement Projects (CIPs) and development projects have also increased electricity and maintenance costs. Staff proposes using Measure A Maintenance revenue to offset the estimated funding shortfall.

Staff continue to identify and evaluate additional measures to reduce District expenditures and offset rising electricity costs. In 2019, the City conducted a feasibility study evaluating the possibility to update various City-owned equipment and facilities with the goal of reducing energy costs. On April 8, 2020, the California Energy Commission (CEC) approved a low interest (1%) Energy Efficiency Loan for the implementation of an energy efficiency upgrade project consisting of a significant number of street light retrofits. In June 2021, a City-retained contractor began replacing existing streetlights with LED fixtures, which was completed in October 2021. As a result of the LED upgrades, the City's electrical bills from the Sacramento Municipal Utility District (SMUD) decreased on average by 9.6% for the six-month period of December 2021 to May 2022 compared to the same timeframe the prior year.

In addition, LED conversions have become part of the regular maintenance program and staff continues to work with the Sacramento Municipal Utility District (SMUD) to ensure accurate billings, including quantities, type, and wattages for the entire District inventory. Monthly updates, LED conversions and changes are communicated to SMUD which are subsequently reflected in the monthly utility billings.

As part of the City's ongoing effort to reduce costs, improve operational efficiency, and improve response times, the City added a Senior Traffic Signal and Lighting Technician in March 2026. With this added capability, the City anticipates substantially reducing the scope of contracted

unscheduled street light maintenance, including knockdown repairs and other corrective action. This position will allow the City to perform the majority of routine street light maintenance and initial emergency response tasks in-house.

No major expansion of the existing system, except for improvements included in grant-funded transportation projects or new development projects, will be considered until additional revenues are identified to support both the initial capital costs and the ongoing maintenance costs associated with system expansion.

Since the City assumed responsibility for the CHLD from Sacramento County in 2006, the District has operated with limited assessment revenue, and the City has implemented multiple cost-control measures, including LED conversions, maintenance contract refinements, and inventory verification for reduced maintenance costs where feasible. However, continued increases in utility rates, aging infrastructure repair needs, vehicle-related damage, and updated methods for allocating City overhead costs have contributed to the District's ongoing funding shortfall. The underlying funding constraint is that the assessment rates, outlined in Fiscal Impact section above, have remained unchanged since 1996 when Proposition 218 was passed by the California voters, and any increase to assessment rates would require a vote of those assessed in compliance with the applicable Proposition 218 approval process.

Attachments

1. Resolution No. 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District.

2. Resolution No. 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 26/27 for the Citrus Heights Lighting District.

3. Engineer's Report

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE CITRUS HEIGHTS LIGHTING DISTRICT

WHEREAS, In order to continue to finance the costs of maintaining and servicing street lights, highway safety lights and related facilities in the Citrus Heights Lighting District and to equitably distribute the costs among benefited landowners, the City Council of the City of Citrus Heights has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the "Act"), to levy assessments for Fiscal Year 2026/2027.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby declare:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2026/2027 for Citrus Heights Lighting District.

Section 3. Description of Improvements: The operations and maintenance to be financed by assessments levied in the City of Citrus Heights Lighting District consist of street lights, highway safety lights and associated facilities.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the "Engineer") for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2026/2027 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2026-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026/2027 FOR THE CITRUS HEIGHTS LIGHTING DISTRICT

WHEREAS, on June 24, 2026, the City Council (the "Council") of the City of Citrus Heights (the "City") adopted Resolution No. 2026- ___ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the "Act"), to levy and collect assessments for Fiscal Year 2026/2027 for the City of Citrus Heights Lighting District;

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2026/2027 (the "Engineer's Report") in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Citrus Heights does hereby:

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer's Report. This Council hereby approves the Engineer's Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Lighting District.

Section 4. Description of Improvements. The Citrus Heights Lighting District's activities shall consist of the operation and maintenance of all lighting improvements and facilities within the City which are currently maintained and serviced through the Citrus Heights Lighting District, including highway safety lights and street lights. Highway safety lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street lights are all lights not designated as highway safety lights, and primarily consist of local street lighting.

Section 5. Location of District. The Citrus Heights Lighting District is described in the Engineer's Report and is the entire area within the Citrus Heights City limits.

Section 6. Reference to Engineer's Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer's Report. The Engineer's Report is on file in the City Clerk's office, 6360 Fountain Square Drive, Citrus Heights,

CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 8, 2026 at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Citrus Heights City Hall Council Chambers, 6360 Fountain Square Drive, Citrus Heights, California, 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City does not propose to increase the assessment above last year's amounts for Citrus Heights Lighting District.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June 2026, by the following vote to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSENT: **Council Members:**
ABSTAIN: **Council Members:**

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

SACRAMENTO COUNTY

CALIFORNIA

ENGINEER'S REPORT

For

Citrus Heights Lighting District

Annual Update for Fiscal Year 2026/2027

Prepared by

Leslie Blomquist

City Engineer

June 24, 2026



CERTIFICATIONS

CITRUS HEIGHTS LIGHTING DISTRICT

(Pursuant to the Landscaping and Lighting Act of 1972)

Engineer's Report for Fiscal Year 2026/2027

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: June 18 __, 2026

CITY OF CITRUS HEIGHTS

By: _____

Leslie Blomquist, P.E.
CITY ENGINEER

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Rates and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By: _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Rates and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Citrus Heights, California, on the _____ day of _____, 2026

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By: _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Rates and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sacramento on the _____ day of _____, 2026.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By: _____

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Section I: Overview

Contents of the Engineer's Report

This Report describes the District boundaries and the proposed improvements to be assessed to the property owners located within the District. The Report is made up of the following sections:

Section I: Introduction and Background – Provides a general introduction into the Report and provides background on the assessment.

Section II: Plans and Specifications – Contains a general description of the improvements that are maintained and serviced by the District.

Section III: Estimate of Costs – Identifies the cost of the maintenance and services to be provided by the District including incidental costs and expenses.

Section IV: Method of Apportionment – Describes the basis in which costs have been apportioned to lots and parcels within the District, in proportion to the special benefit received by each lot and parcel.

Section V: Assessment Roll – The assessment roll identifies the maximum assessment to be levied to each lot or parcel within the District.

Section VI: Assessment Diagram – Displays a diagram of the District showing the boundaries of the District.

For this Report, each lot or parcel to be assessed refers to an individual property assigned its own Assessment Parcel Number by the Sacramento County Assessor's Office as shown on the last equalized roll of the assessor.

A. Introduction and Background

County Service Area 1 (CSA-1) was established in 1986 by the Sacramento County Board of Supervisors (Board) through the reorganizing of five existing street light maintenance districts. CSA-1 provided street light services to the unincorporated portions of Sacramento County as they existed in 1986. Since that time, the Cities of Citrus Heights, Elk Grove and Rancho Cordova have incorporated; however, responsibility for street light maintenance within these jurisdictions initially remained with CSA-1. On June 14, 2005, the County Board of Supervisors approved the creation of separate zones within CSA-1 corresponding to each incorporated city, with the City of Citrus Heights designated as CSA-1 Zone 3.

The City of Citrus Heights (City) incorporated on January 1, 1997. Between incorporation and the eventual transfer of CSA-1 Zone 3 responsibilities, City staff coordinated with County staff to facilitate street light maintenance by forwarding service requests from City residents to the County. During this period, CSA-1 revenues remained essentially fixed due to the passage of Proposition 218 in 1996, while operating costs (electricity, labor, materials, etc.) continued to rise. As a result, CSA-1 reduced staffing levels, which in turn increased response times.

Recognizing that assuming local control of street light maintenance and assessments was essential to improving service levels, the Citrus Heights City Council adopted Resolution No. 2005-58 on June 22, 2005, formally notifying the County Board of Supervisors of the City's intent to detach Zone 3 from CSA-1.

Following coordinated efforts with CSA-1 and the Local Agency Formation Commission (LAFCO), the City Council adopted Resolution No. 2006-63 on June 8, 2006, declaring its intent to form the Citrus Heights Lighting District. The process concluded on June 22, 2006, when the City Council adopted Resolution No. 2006-70, establishing the Citrus Heights Lighting District (CHLD or District) pursuant to the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code §22500* (1972 Act). Formation of the CHLD in enabled the City to continue levying the direct assessments previously authorized under CSA-1. The City assumed all associated revenues and maintenance responsibilities from Sacramento County at the start of Fiscal Year 2006/2007.

This Engineer's Report (Report) has been prepared pursuant to the 1972 Act (*Part 2 of Division 15 Sections 22500 through 22679 of the Streets and Highways Code*) and describes the District and the proposed annual assessments. The assessments are based on historical maintenance costs, current and projected energy rates, and comparable information from neighboring jurisdictions. Assessments will be levied on parcels that receive a special benefit from street light and highway safety lights, and each parcel is assessed proportionately to the special benefit it receives.

Section II: Plans and Specifications

A. General Description of the District

The boundaries of the Citrus Heights Lighting District are coterminous with the incorporated limits of the City of Citrus Heights (see Figure 1.1). Citrus Heights is located in the northernmost section of Sacramento County along Interstate 80 and encompasses approximately 14 square miles.

B. Description of Services and Improvements to be Maintained

All lighting improvements and facilities maintained and serviced through District assessments are owned or operated by the City of Citrus Heights or the Sacramento Municipal Utility District (SMUD). For purposes of this Report, lighting facilities are categorized into two types :

1. Highway Safety Lights - Lights located at intersections, along major roadways, and along the rear of parcels abutting major streets.
2. Street Lights - all other lighting not designated as Highway Safety Lights, generally servicing local residential and collector streets.

Maintenance and operational services are performed by City personnel, contractors, and SMUD. District assessments provide funding for all Street and Highway Safety Lighting services within the City, including, but not limited to:

- Maintenance, repair and replacement of street light poles and fixtures, including lamp replacement, painting, photoelectric control repair or replacement, and repairs necessitated by vehicle collisions, vandalism, weathering, or normal wear.
- Repair and replacement of electrical conduit, pull boxes, and related appurtenances damaged by construction activity, vehicle crashes, or environmental conditions.
- Payment of electrical utility costs for the existing street light system.
- Response to constituent and business inquiries and service requests related to street lighting.

- Implementation of remedial projects involving major repairs or facility upgrades. Engineering services are provided by City staff or by consultants.
- Installation of Highway Safety Lights along major streets and at intersections for traffic-safety purposes. These installations typically occur as part of new signalized intersections funded through the City's Capital Improvement Program for as conditions of development, with capital costs borne by the City of private developers.
- Creation and maintenance of the street light inventory database, including pole numbering, mapping, and condition tracking to support an effective maintenance and asset-management program.
- Acquisition of land, easements, and rights-of-way necessary for operation and maintenance of the Street and Highway Safety Lighting system.
- Administration of the District.

For purposes of this Report, maintenance refers to the provision of services and materials required for the ordinary and usual operation of the public lighting facilities, including repair, removal, or replacement of improvements or appurtenant components.

Service refers to the labor, materials, equipment, and utilities necessary to maintain and operate all public lighting facilities provided by the City.

Based upon current maintenance records, the combined number of Street Lights and Highway Safety Lights within the Citrus Heights Lighting District is 4,831.

Section III: District Budget

A. Proposed Fiscal Year Budget

Since assuming responsibility for the lighting district from Sacramento County in June 2006, the City has identified all revenue sources and established a comprehensive understanding of District expenditures. During this period, the City has significantly improved the level of service for street light and highway safety light maintenance and operations and refined contract administration procedures to minimize annual maintenance costs.

For the 2026/2027 Fiscal Year, special-assessment revenues are projected to fund the majority of the anticipated District expenditures. However, due to increased electrical power costs and ongoing repairs associated with aging infrastructure, a projected total shortfall of approximately $113,590.72. Costs for contract unscheduled maintenance work (materials and repairs for damages due to knockdowns and aging infrastructure) are difficult to predict each year. For FY 2026/2027, the estimated costs for unscheduled maintenance work is projected to be $35,000.00. Cost recovery related to insurance settlements on street light knockdowns will be pursued as appropriate.

Over the past year, the City has continued converting existing fixtures and installing new energy efficient Light Emitting Diode (LED) fixtures through roadway improvement projects. As of this report, approximately 3,453 LED fixtures have been installed citywide, representing 71.5% of the District's total inventory.

Staff continues to evaluate and implement measures to reduce District expenditures and mitigate rising electricity costs. In 2019, the City conducted a feasibility study assessing opportunities to City-owned equipment and facilities to achieve long-term energy savings. On April 8, 2020, the California Energy Commission (CEC) approved a low interest (1%) Energy Efficiency Loan to support an energy-efficiency upgrade project consisting of a substantial number of street light retrofits. In June 2021, a City-retained contractor initiated replacement of existing street lights with LED fixtures, which was completed in October 2021. Following the LED conversions, the City's SMUD electrical bills decreased by an average of 9.6% during the six-month period from December 2021 to May 2022 compared to the same period the prior year.

Repayment of the CEC loan began in December 2022, and this expenditure is included in Table 1.1 at the end of this report. The biannual loan payment of $11,577.86 is funded through the energy savings realized from reduced utility costs. Upon completion of the 20-year repayment term, District expenditures will decrease by the amount of the annual loan obligation.

In March 2026, the City added a Senior Traffic Signal and Lighting Technician to enhance in-house capability as part of the ongoing effort to reduce costs, improve operational efficiency, and increase response times. With this added staffing, the scope of the existing contract for unscheduled street light maintenance (knockdowns and repairs) will be substantially reduced as this staff position will perform the majority of regular street light maintenance and initial emergency response tasks in-house.

In addition, staff continues to coordinate with SMUD to ensure accurate utility billings, including verification of fixture quantities, fixture types, and wattages for the entire District inventory. As street light fixtures are upgraded, SMUD updates the corresponding billings to reflect the changes revised in monthly utility billings.

No major expansion of the existing system, except when included in grant-funded transportation projects or new development, will be considered until additional revenue sources are identified to support both the initial capital investment and the ongoing operations and maintenance costs associated with system expansion.

The proposed District budget is summarized in the Budget Analysis shown on Table 1.1, which outlines the estimated costs to provide lighting improvements, associated administrative expenses, and the special benefit assessment (Balance to Levy).

B. Description of Budget Items

The following is a brief description of the various components of the District budget including the sources and uses of funds, which are included in Table 1.1.

Sources of Funds – Identifies the revenue sources used by the District to operate, maintain, and service the street light and safety light system. Funding sources may include interest earnings, special assessments, cost recovery revenues, and other supplemental contributions.

- Interest on Fund Balance – Interest earnings accrued on the District's fund balance.
- Special Assessments – Revenue generated from assessments levied on parcels within the District that receive benefit from the street lights and highway safety lights.

- Cost Recovery – Revenue received through insurance reimbursements and other recovery efforts associated with knockdowns or damage to street light and highway safety light infrastructure.
- Other Revenue – Contributions from the City's General Fund or other supplemental sources used to offset expenditures that exceed annual assessment revenues.

Uses of Funds – Identifies the expenditures required to operate, maintain, and service the District's lighting infrastructure. Costs may include labor, utilities, equipment, materials, supplies, repairs, replacements, and system upgrades necessary to properly maintain the assets that provide a direct benefit to the District.

- Electrical Costs – Includes the cost of electrical service for all street light facilities. For locations where SMUD retains maintenance responsibility, the associated maintenance charges are also included on the utility bill.
- Professional Services – Includes consultant services to verify assessor parcel information for all properties within the District and to incorporate new parcels into the annual assessment roll. Also includes assessment collection fees charged by the Sacramento County Assessor's Office for collecting and remitting District assessments to the City, as well as Sacramento County fees for levying each parcel with the approved assessment.
- Contract Maintenance (Scheduled) – Includes contracted labor for routine street light maintenance activities and the preparation and ongoing management of the street light inventory. Historically, these scheduled maintenance services were performed entirely by the City's on-call electrical contractor. However; with the addition of the in-house Senior Traffic Signal and Lighting Technician in March of 2026, the need for contracted scheduled maintenance will be substantially reduced.
- Contract Maintenance (Unscheduled) – Includes contractor labor, equipment, and materials required to address unplanned repairs, including aging infrastructure failures, knock-down repairs and replacements, and other corrective work outside the scope of the scheduled monthly maintenance program.
- Construction – Funds allocated for special projects involving upgrades or modifications to street light and safety light infrastructure and associated facilities.

Section IV: Method of Apportionment

A. General

The 1972 Landscape and Lighting Act authorizes local agencies to form assessment districts for the construction, operation, maintenance, and servicing of public improvements, including street lighting systems, traffic signals, landscaping, parks and drainage facilities.

Pursuant to Streets and Highways Code Section 22573, assessments for maintenance must be levied in proportion to the special benefit received, rather than based on the assessed value of the property.

> "*The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels*

in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Section 22574 of the 1972 Act authorizes the establishment of zones of benefit within an assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements."

In addition, Article XIIID of the California Constitution and the Implementation Act require that a parcel's assessment not exceed the reasonable cost for the proportional special benefit conferred to that parcel. Article XIIID and the Implementation Act further specify that only special benefits are assessable and the City must separate the general benefits from the special benefits. They also require that publicly owned properties which specifically benefit from the improvements be assessed.

A. Special Benefit Analysis

All properties within the District receive a special benefit from the enhanced safety provided by Highway Safety Lights, which illuminate major roadways and intersections. This lighting improves driver visibility of traffic controls (stop signs, yield signs), street name signs, and pedestrians during nighttime conditions, and assists emergency service providers (police, fire, etc.) in locating properties within the District.

In addition to the Highway Safety Light special benefit, individual parcels may receive a parcel-specific special benefit from the presence of a Street Light located on or near the parcel which enhances safety/security in the area. For a parcel to receive this safety/security benefit from street lighting, fifty percent or more of the property's frontage must be illuminated (based on the road width and spacing of the lights found in the County of Sacramento Improvement Standards). The Street Lighting service charge is apportioned only to those parcels that benefit directly from street lighting. A distinction is made between residential and non-residential benefit parcels based on zoning. This results in a flat rate service charge on each residential benefit parcel and a service charge per front foot on each non-residential benefit parcel.

The formula used for calculating the District assessment reflects the composition of the parcels, the improvements and the services provided, and fairly proportions the costs based on special benefit to each parcel. Only parcels receiving benefit from Street Lights and Highway Safety Lights are assessed.

General Benefits

There are no general benefits related to Highway Safety Lights or Street Lights.

B. Assessment Methodology

When the original CSA-1 was established the assessment methodology was as follows:

Highway Safety Lighting – All properties are considered to benefit equally from Safety Lighting, as defined above in Special Benefit Analysis. As such, all parcels within CSA-1 were levied a flat rate calculated by the following formula:

Safety Light Maintenance Cost/Total Parcels = Levy per parcel

Street Lighting – Only properties that benefit from a street light are levied this assessment. Service charges for parcels that benefit from both safety and street lights are classified as residential parcels or non-residential parcels with separate services charges as follows:

Residential Parcels (Zoned RD1, RD2, RD3, RD4, RD5, RD7): The service charge for a residential parcel was levied utilizing the following formula:

Street Light Maintenance Cost * % of Residential lights / Residential Parcels = Levy per residential parcel

Non-Residential Parcels (all other zoning): The service charge for a residential parcel was levied utilizing the following formula:

Street Light Maintenance Cost * % of Non-Residential lights / Non- Residential Front Footage of Parcels = Levy per linear feet of non-residential front footage

Levy per linear feet of non-residential front footage * Non-Residential Parcel Front Footage = Levy per Parcel

The passage of Proposition 218 in 1996 mandated that assessment increases must be approved by a two-thirds vote of the assessed property owners. As a result, the assessment rates for the Sacramento County's CSA-1 were essentially frozen at the levels in effect at that time. These same rates remained in place and were carried over in 2006 upon creation of the Citrus Heights Lighting District, and have not increased since then. The current assessment methodology is therefore:

Highway Safety Lighting – All properties are considered to benefit equally from Safety Lighting, as defined above in Special Benefit Analysis. The service charge per parcel is equal to $2.56 per year.

Street Lighting – Only properties that benefit from a street light are levied this assessment. Service charges for parcels that benefit from both safety and street lights are classified as residential parcels or non-residential parcels with separate services charges as follows:

Residential Parcels (Zoned RD1, RD2, RD3, RD4, RD5, RD7): The service charge for a residential parcel is equal to $15.32 per year.

Non-Residential Parcels (all other zoning): The service charge for a non-residential parcel is equal to $0.2519 per linear foot length of the parcel's public street frontage.

Exempt – Exempt from the assessment would be the areas of public streets and other roadways (typically not assigned an APN by the County), dedicated public easements, open space areas and rights of ways including public greenbelts and parkways. Also exempt from assessment would be utility rights of ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by City/County, bifurcated lots, and any other property that cannot be developed. These types of parcels have little or no value and therefore do not benefit from the improvements.

Land use classification for each parcel is based on the Sacramento County Assessor's Roll. Zoning classification for each parcel is based on the City of Citrus Heights Zoning Map.

C. Assessment Rates

The Fiscal Year 2026/2027 assessment rates for the District are proposed to remain the same as Fiscal Year 2025/2026. The following shows the assessments proposed to be levied:

Street Lighting	
Residential (Zoned RD1, RD2, RD3, RD4, RD5, RD7)	$15.32 per parcel
Non-Residential (all other zones)	$0.2519 per front foot
Highway Safety Lighting	
All parcels (except 'Exempt')	$2.56 per parcel

Section V: Assessment Roll

Parcel identification for all lots or parcels within the District shall be based on the parcel information shown on the Sacramento County Assessor's maps for the fiscal year in which this Report is prepared.

Non-assessable lots or parcels include all developed non-residential parcels, vacant parcels, government-owned and public utility-owned parcels, land principally encumbered with public rights-of-way and other tax-exempt parcels such as common areas or open space for which the County does not generate a tax bill. These parcels will not be assessed for the District improvements.

A listing of parcels assessed within this District, along with the proposed assessment amounts, is on file with the City Clerk and is incorporated by reference into this Report. Said listing of parcels to be assessed shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in FY 2026/2027. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel(s) shall be based on the method of apportionment and the assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

Section VI: Assessment Diagram

The boundaries of the District are coterminous with the boundaries of the City of Citrus Heights (see Figure 1.1).

FIGURE 1.1
Lighting District Boundary

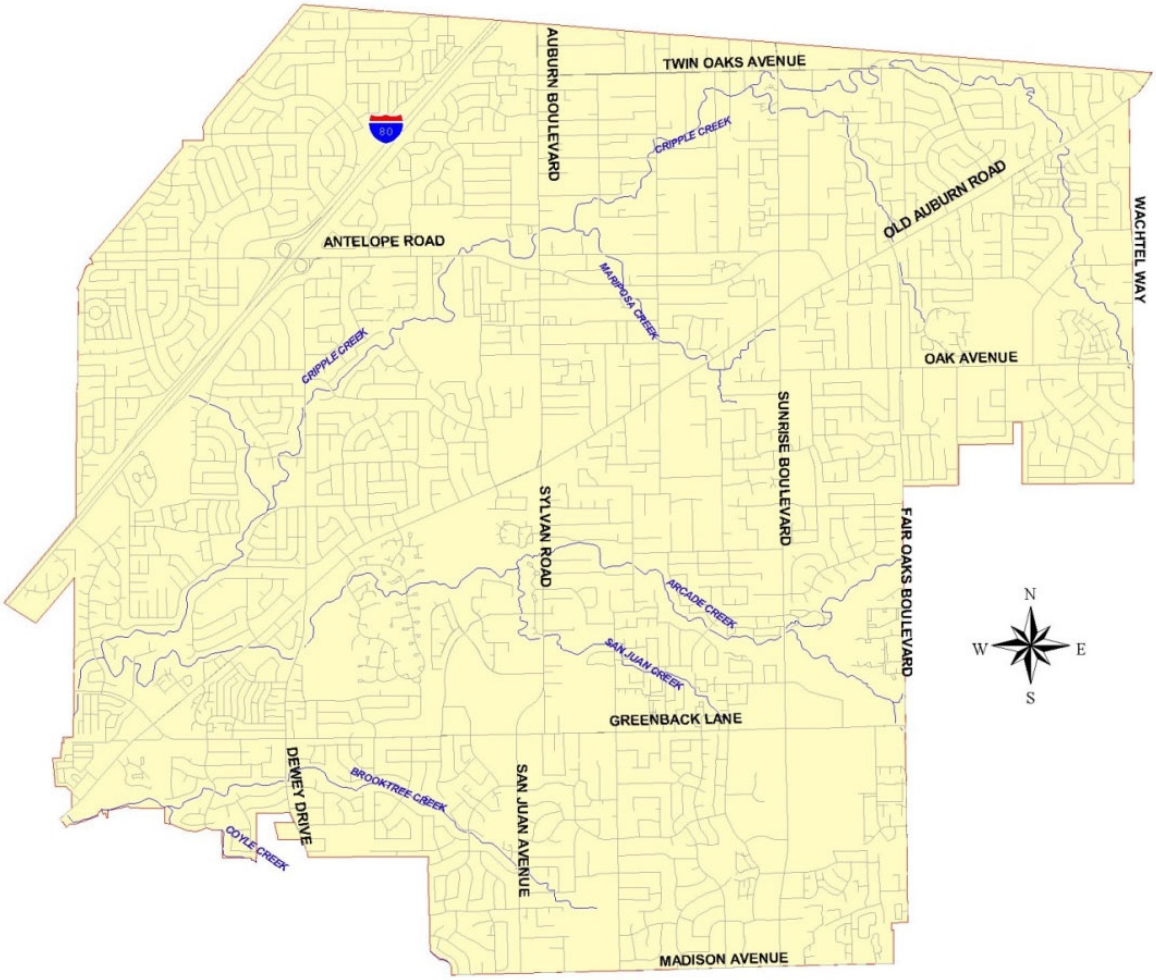


TABLE 1.1
Citrus Heights Lighting District
Budget Analysis

DESCRIPTION	FY 24/25 ACTUAL [6]	FY 25/26 ACTUAL*	FY 26/27 PROPOSED BUDGET
SOURCES OF FUNDS:			
Interest on Fund Balance	$0.00	$64.04	$65.00
Special Assessments	$339,063.00	$330,941.57	$334,000.00
Shared Maintenance Cost Reimbursement [1]	$134.67	$112.82	$115.00
Total Sources of Funds:	**$339,197.67**	**$331,118.43**	**$334,180.00**
USES OF FUNDS:			
Advertising	$759.25	$0.00	$800.00
Utilities [2]	$247,981.53	$243,451.26	$244,000.00
CEC Loan Repayment [3]	$23,155.72	$23,155.72	$23,155.72
Professional Services	$10,223.54	$5,325.18	$5,500.00
Membership Dues	$3,867.96	$4,454.78	$4,600.00
Contract Maintenance (Scheduled) [7]	$90,511.80	$0.00	$0.00
Contract Maintenance (Unscheduled) [4]	$112,198.55	$155,737.00	$35,000.00
Materials & Supplies [5]	$0.00	$20,304.47	$45,000.00
New Construction	$16,500.00	$0.00	$0.00
Cost Allocations	13,379.00	$13,112.00	$13,115.00
Salary Allocations (Streetlight Maintenance) [5]	$0.00	$0.00	$76,600.00
Total Uses of Funds:	**$518,577.35**	**$465,540.41**	**$447,770.72**
FUND BALANCE:			
Beginning Fund Balance (July 1st)	$0.00	$0.00	$0.00
Add Sources of Funds	$339,197.67	$331,118.43	$334,180.00
Subtract Uses of Funds	$518,577.35	$465,540.41	$447,770.72
Fund Shortfall:	**$(179,379.68)**	**$(134,421.98)**	**$(113,590.72)**
OTHER FUNDING SOURCES:			
Measure A Maintenance Funds (Fund 210) to cover District shortfall	$179,379.68	$134,421.98	$113,590.72
Ending Fund Balance (June 30th)	$0.00	$0.00	$0.00

* Actual Costs and Revenue for FY25/26 are subject to change and includes fiscal projections for work not yet invoiced.

(1) The costs for four streets lights located on Antelope Road, near the I-80 Ramps, are shared with Caltrans (Caltrans reimburses the City for 50% of associated costs).

(2) Includes SMUD maintenance costs – Certain street lights are mounted on SMUD-owned power poles. The District reimburses SMUD for the operation and maintenance of these lights.

(3) The City received a low interest (1%) Energy Efficiency Loan from the California Energy Commission (CEC) for capital costs to convert approximately 593 street lights to energy efficient models. Actual energy cost savings will be used to repay the loan.

(4) Contract Maintenance (Unscheduled) work includes knock-downs, repairs & materials for aging infrastructure, etc.

(5) In 2026, the City hired a Senior Traffic Signal & Lighting Technician. This position is responsible to perform in-house routine street light maintenance. This task now requires salary allocation and material procurement.

(6) FY24/25 Actual Costs/Revenue updated since previous year Lighting District Engineer's Report and Staff Report.

(7) Starting FY 25/26, the city changed the structure of the contract for street light maintenance. Previously, a set lump sum was paid monthly for "scheduled" repairs. The new contract eliminated the lump sum payment and all repairs are now classified as "unscheduled".

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Daniel Kehrer, Principal Civil Engineer

SUBJECT: **Review the Sacramento Stormwater Quality Partnership Program and Authorize FY 2026/2027 Expenditures**

Recommendation

The Sacramento Stormwater Quality Partnership (SSQP) oversees and manages implementation of regional stormwater related activities including monitoring target pollutant programs, regional public outreach, regional commercial/industrial program, new development, and program management.

In 2012, the City entered into a Memorandum of Understanding (MOU) with the other partnership agencies in the Sacramento Region regarding administrative responsibilities and apportionment of costs regarding the region's National Pollutant Discharge Elimination System (NPDES) permit specifying that the City of Citrus Heights is responsible for 5.9% of the annual costs associated with this partnership.

Staff recommends the City Council adopt Resolution 2026-_____, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager or designee to expend stormwater funds for the City of Citrus Heights' shared cost of joint implemented Municipal Separate Storm Sewer System requirements with the Sacramento Stormwater Quality Partnership.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Maintain Public Infrastructure and Enhance All Modes of Transportation.

Fiscal Impact

The FY 2026/2027Storm Water Utility Fund (Fund 209) budget includes funding in the amount of $81,892.00 for the proposed service agreement.

Background and Analysis

The City of Citrus Heights has a Municipal Separate Storm Sewer System (MS4) permit from the Regional Water Quality Control Board (RWQCB) and is one of seven agencies grouped together in Sacramento County. Citrus Heights shares the same requirements in the permit as all partnership agencies, though the requirements can be split into two basic categories - individual and joint compliance activities. The SSQP was established to coordinate the joint compliance activities.

In 2012, the City entered into an MOU with the SSQP regarding administrative responsibilities and cost apportionment. The cost apportionment is based on the relative population of each agency, and for the City of Citrus Heights the apportionment is currently 5.9%.

The compliance activities provided by the SSQP include the following:

- Monitoring and Target Pollutant Program
  Stormwater monitoring and regulatory support services, Delta Regional Monitoring Program, and technical expertise on stormwater policy and regulations.
- Regional Public Outreach Program
  General and community based outreach.
- Regional Commercial/Industrial Program and New Development
  Design manual and updates to be used for construction documents and post-construction water quality compliance.
- Program Management
  Administer and manage the Partnership's Regional Stormwater Quality Program to ensure continued compliance with the MS4 General Permit.

The total anticipated cost for participation in the partnership for FY 2026/2027 is $81,892.00 (City's 5.9% share of total costs). A summary of the City's FY 2026/2027 contributions is included as Exhibit A.

Attachments

1. Resolution No. 2026-____, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager or designee to expend stormwater funds for the City of Citrus Heights' shared cost of joint implemented Municipal Separate Storm Sewer System requirements with the Sacramento Stormwater Quality Partnership
   a. Exhibit A – SSQP - Summary of Joint Permittee Costs, draft FY 2026/2027 Budget

RESOLUTION NO. 2026- ___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXPEND STORMWATER FUNDS FOR THE CITY OF CITRUS HEIGHTS' SHARED COST OF JOINT IMPLEMENTED MUNICIPAL SEPARATE STORM SEWER SYSTEM REQUIREMENTS WITH THE SACRAMENTO STORMWATER QUALITY PARTNERSHIP

WHEREAS, the City has a stormwater system within its limits; and

WHEREAS, the stormwater system is comprised of man-made features (Municipal Separate Storm Sewer System, MS4) as well as naturally occurring creeks and channels, including waters of the United States (WOTUS); and

WHEREAS, the federal Clean Water Act (CWA) establishes the basic structure for regulating discharges of pollutants into the WOTUS and regulating quality standards for surface waters; and

WHEREAS, under the CWA, Environmental Protection Agency (EPA) has implemented pollution control including National Pollutant Discharge Elimination System (NPDES); and

WHEREAS, NPDES Program has been delegated to the State of California for implementation through the State Water Resources Control Board (State Water Board) and the nine Regional Water Quality Control Boards (Regional Water Boards), collectively Water Boards; and

WHEREAS, the California Regional Water Quality Control Board, Central Valley Region ("CVRWQCB") has been charged by the State Water Board with the responsibility to issue NPDES permits within the Central Valley Region; and

WHEREAS, the City of Citrus Heights is situated within the Central Valley Region; and

WHEREAS, the CVRWQCB has developed a single Region-wide MS4 Permit (Order) that promotes greater watershed/drainage shed coordination, water quality measure protections, and program implementation efficiencies; and

WHEREAS, on June 23, 2016 the Regional Water Board issued an NPDES MS4 permit, NPDES No. CAS085324, Order No. R5-2016-0040, (Permit) for the County of Sacramento and the cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento (collectively the "Permittees" and individually the "Permittee"); and

WHEREAS, the Permit requires the Permittees to monitor stormwater discharges and implement multiple programs to reduce the level of pollutants discharged into receiving waters; and

WHEREAS, the Permittees have previously entered into an MOU to establish administrative responsibilities and apportionment of costs related to shared activities associated with Permit implementation; and

WHEREAS, the MOU includes the responsibility for the timely payment of all monetary obligations by each Permittee for joint activities; and

WHEREAS, the attached Sacramento Stormwater Quality Partnership Summary of Joint Permittee Costs Draft FY 2026/2027 Budget has been submitted as an estimate of costs related to joint implemented MS4 requirements.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby authorize the City Manager, or a designee, to expend stormwater funds for the City of Citrus Heights' shared cost of joint implemented Municipal Separate Storm Sewer System requirements with the Sacramento Stormwater Quality Partnership.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June 2026 by the following vote, to wit:

AYES: Council Members:
NOES: Council Members:
ABSTAIN: Council Members:
ABSENT: Council Members:

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

Exhibit

A. Sacramento Stormwater Quality Partnership Summary of Joint Permittee Costs Draft FY 2026/2027 Budget

Sacramento Stormwater Quality Partnership
Summary of Joint Permittee Costs
FY 2026/2027 BUDGET

Updated: Jan 15, 2026

Program Element/Activity	Lead Agency	Consultant	Cost-Share with SacSewer[2]	FY27 Budget	FY27 Permittee Budget[1]						
					County	Citrus Hts	Elk Grove	Folsom	Galt	Rancho	Sac
					38.4%	5.9%	10.9%	5.2%	1.7%	4.6%	33.3%
Monitoring Program/Special Studies/TMDL											
Monitoring & Regulatory Support Services	City-Bryan	LWA		$ 875,000.00	$ 336,000	$ 51,625	$ 95,375	$ 45,500	$ 14,875	$ 40,250	$ 291,375
Delta Regional Monitoring Program (RMP)	County-Matt	DRMP non-profit		$ 103,000.00	$ 39,552	$ 6,077	$ 11,227	$ 5,356	$ 1,751	$ 4,738	$ 34,299
Permit Reissance Legal Support	City/County	TBD			$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Monitoring and TMDL Subtotal =	**$ 978,000.00**							
Target Pollutant Reduction											
Pesticides: CASQA Pesticide Reduction Project	County-Matt	CASQA		$ 40,000.00	$ 15,360	$ 2,360	$ 4,360	$ 2,080	$ 680	$ 1,840	$ 13,320
			Target Pollutant Subtotal =	**$ 40,000.00**							
Public Outreach											
General Outreach:											
Survey				$ 40,000.00	$ 15,360	$ 2,360	$ 4,360	$ 2,080	$ 680	$ 1,840	$ 13,320
Brochure printing/development	City	Splash			$ -	$ -	$ -	$ -	$ -	$ -	$ -
Outreach supplies	City	Screaming Squeegee et al.			$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stormwater Outreach/Media Placement	City	SGA	Yes, 20% for IPM only	$ 120,000.00	$ 46,080	$ 7,080	$ 13,080	$ 6,240	$ 2,040	$ 5,520	$ 39,960
			Subtotal: General Public Outreach	***$ 160,000.00***							
IPM:											
Professional Landscaping Outreach	County-Jeanette	*ReScape*		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IPM consultant (OWOW)	City	Julie Barbour	Yes, 20%	$ 50,000.00	$ 19,200	$ 2,950	$ 5,450	$ 2,600	$ 850	$ 2,300	$ 16,650
CASQA OWOW Subscription Cost + Fact Sheet	County			$ 15,000.00	$ 5,760	$ 885	$ 1,635	$ 780	$ 255	$ 690	$ 4,995
			Subtotal: IPM	***$ 65,000.00***							
School Education:											
Splash in the Class - Classroom Presentations	City			$ 60,000.00	$ 23,040	$ 3,540	$ 6,540	$ 3,120	$ 1,020	$ 2,760	$ 19,980
			Subtotal: School	***$ 60,000.00***							
			Public Outreach Subtotal =	**$ 285,000.00**							
Construction											
Pre-Rainy Season Training	Rancho Cordova/Elk Grove				$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Construction Subtotal =	**$ -**							
Program Management											
CASQA Joint Membership	County			$ 65,000.00	$ 24,960	$ 3,835	$ 7,085	$ 3,380	$ 1,105	$ 2,990	$ 21,645
Program contingency including outreach	County/City			$ 20,000.00	$ 7,680	$ 1,180	$ 2,180	$ 1,040	$ 340	$ 920	$ 6,660
Legal Support				$ -							
			Program Management Subtotal =	**$ 85,000.00**							
			TOTAL =	**$ 1,388,000.00**	**$ 532,992**	**$ 81,892**	**$ 151,292**	**$ 72,176**	**$ 23,596**	**$ 63,848**	**$ 462,204**

[1] Cost share based on 2012 Permittee MOU cost share allocations.
[2] SacSewer provides 20% of funding for all public outreach contracts for costs related to integrated pest mangement outreach through an MOU with the City of Sacramento.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan Talwar, Administrative Services Director

SUBJECT: **Approval of Master Services Agreement with Hinderliter de Llamas and Associates (HdL) for Sales and Use Tax Analytics and Related Revenue Services**

Recommendation

Staff recommends the City Council adopt Resolution No. 2026-___ A Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute the agreement between the City of Citrus Heights and Hinderliter de Llamas and Associates (HdL) for Sales and Use tax Services.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Maintain and Enhance Fiscal Stability While Supporting Operational Excellence

Fiscal Impact

The agreement results in a net increase of $4,200; however, savings realized from recent banking services will fully offset this amount. Therefore, no budget adjustment is required at this time.

Background and Analysis

HdL has been a longstanding consultant to the City of Citrus Heights, providing specialized revenue consulting, sales and use tax analysis, economic forecasting, and audit recovery services for well over a decade. Their services have supported City staff, budget planning efforts, quarterly financial reporting, and economic development initiatives.

On a quarterly basis, HdL provides detailed reports and meets with staff from Finance, Economic Development, and the City Manager's Office to review sales tax trends, discuss statewide economic factors, and update financial forecasts. These meetings regularly include detailed

reporting packets consisting of Consensus Forecast Reports, Final Reports, Geo Reports, and industry specific evaluations. This structure has provided the City valuable insights during annual budget development, midcycle updates, long-range forecasting, and economic development project planning.

HdL has consistently demonstrated responsiveness and professionalism in supporting the City's needs, including providing special analyses, corrected reports, training, and technical support. Staff rely heavily on the firm's subject matter expertise in California sales and use tax law, California Department of Tax and Fee Administration (CDTFA) reporting practices, and economic trend analysis. HdL's work has proven especially valuable during periods of economic fluctuation, retail sector shifts, and other factors affecting City revenues.

HdL's services offer significant value to the City by delivering accurate and timely forecasting, which is essential for both annual and midcycle budget development. The firm's expertise enables the identification of previously unreported or misallocated revenues, resulting in meaningful revenue recovery. HdL provides strategic insight into retail performance and economic trends that supports economic development efforts. Their direct staff support and training help free up internal resources, maximizing efficiency within City departments. HdL also ensures compliance with CDTFA confidentiality laws through their specialized systems and knowledge, while consistently providing high-quality technical support and responsive service to City staff. Collectively, these benefits allow the City to stay competitive and well informed in a changing retail and economic environment, with reliable sales tax forecasting playing a crucial role in maintaining essential City services.

The proposed Master Services Agreement preserves the structure of services historically relied upon by the City while updating the terms, fee schedules, and clarifying responsibilities related to access to confidential CDTFA data under Revenue & Taxation Code Section 7056.

Attachments

1. Resolution No 2026- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, authorizing the City Manager to execute the agreement between the City of Citrus Heights and Hinderliter de Llamas and Associates (HdL) for Sales and Use tax Services.
2. Master Services Agreement

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT BETWEEN THE CITY OF CITRUS HEIGHTS AND HINDERLITER DE LLAMAS AND ASSOCIATES (HDL) FOR SALES AND USE TAX SERVICES

WHEREAS, the City of Citrus Heights has relied on Hinderliter de Llamas and Associates (HdL) for over a decade to provide specialized revenue consulting, sales and use tax analysis, economic forecasting, and audit recovery services; and

WHEREAS, the proposed Master Services Agreement maintains the long-established service structure provided by HdL while updating terms, fee schedules, and responsibilities related to access to confidential CDTFA data under Revenue & Taxation Code Section 7056; and

WHEREAS, the updated agreement results in a net cost increase of $4,200; however, savings from recently updated banking services fully offset this amount, requiring no budget adjustment; and

WHEREAS, the proposed agreement aligns with the City Council's Strategic Goal to Maintain and Enhance Fiscal Stability While Supporting Operational Excellence.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby authorizes the City Manager to execute the Master Services Agreement between the City of Citrus Heights and Hinderliter de Llamas and Associates (HdL) for Sales and Use Tax Analytics and related revenue services.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24 day of June 2026 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (this "Agreement") is entered into as of _____, 2026 (the "Agreement Date") by and between Hinderliter de Llamas and Associates ("Consultant"), and City of Citrus Heights ("Client"), which is located within the state of California (the "State").

W I T N E S S E T H:

WHEREAS, Consultant is engaged in the business of providing consulting, software and other services that help public agencies understand and maximize their collection of sales, use and transactions taxes, business license taxes, property and lodging taxes, and other revenues, as well as their delivery of public services (collectively, "Consultant's Business"); and

WHEREAS, Client desires to contract with Consultant to obtain one or more of the services included within Consultant's Business (as provided for in Section 1) upon the terms and conditions contained in this Agreement;

WHEREAS, Consultant desires to contract with Client to render such services upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the covenants and promises contained herein, Client and Consultant mutually agree as follows:

1. Services.

1.1 Consultant will perform those services included within Consultant's Business that are described in any and all schedule(s) referencing this Agreement and signed by Client and Consultant as of the Agreement Date or hereafter (individually and collectively, the "Schedule(s)"), upon the terms and conditions contained in this Agreement (including the Schedules) (such services are, collectively, the "Services"). In performing the Services, Consultant is acting as an independent contractor (and not as an agent or employee of Client).

1.2 Client acknowledges and agrees that any other public agency (including, without limitation, any participating government agency) located within or outside of the State (e.g., city, municipality, county, district, public authority or other political subdivision) may procure services for fees and other terms and conditions that are substantially similar to any of the Services, Fees and other terms and conditions set forth in this Agreement, provided that such other public agency executes a separate agreement with Consultant wherein the services rendered to such other public agency, the fees payable by such other public agency, and the other terms and conditions of such separate agreement are the responsibility of Consultant and such other public agency and not Client.

1.3 This Agreement does not limit the right of Consultant to enter into additional contracts with Client or to contract with third parties to provide them with merchandise or services of any kind whatsoever, including, but not limited to, services similar to the Services. During the Term of this Agreement, Client will not, directly or indirectly (except through Consultant), engage any third party to provide the Services or any services similar to the Services.

2. Fees. As compensation for performing the Services, Client will pay Consultant the fees, costs and expenses as described in the Schedules (individually and collectively these fees and costs are, the "Fees"). Consultant may perform the Services using professionals from its staff or Consultant's affiliated entities, and such Services will be invoiced to Client under the same terms applicable to Consultant's staff. Consultant may increase the Fees from time to time (including, without limitation, as may be described in any of the Schedules). Other than a Fee increase as described in the Schedules, Client may notify Consultant of a request that such Fee increase be modified or revoked and, if Consultant fails to do so to Client's satisfaction within thirty (30) days after the receipt of such request, Client may terminate this Agreement without cause pursuant to Section 7.3.

3. Invoices; Payment.

3.1 Consultant will invoice Client for the Fees earned and/or incurred by Consultant pursuant to this Agreement.

3.2 Invoices are due and payable upon receipt. Interest will begin to accrue on the thirty-first (31st) day following the invoice date on all unpaid balances at a rate of one and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. Payments will first be credited to interest and then to principal. In the event that Client disputes an invoice, only that portion so disputed in good faith will be withheld from payment, and the undisputed portion must be timely paid. Interest will accrue on any disputed portion of the invoice not timely paid and will be payable immediately if the disputed invoice is resolved in favor of Consultant.

3.3 If Client fails to fully pay an invoice within 30 days after the invoice date, Consultant may, after giving five (5) days' prior written notice to Client, suspend the rendering of Services under this Agreement until said invoice is paid in full, together with all interest that has accrued thereon. In the event of such a suspension of Services, Consultant will have no liability to Client for any delays or damages arising therefrom.

4. Insurance. Throughout the term of this Agreement, Consultant will maintain the following insurance in not less than the referenced amounts: (a) workers compensation and employers liability insurance as may be required by the State; (b) property damage liability of $1,000,000 per incident; (c) bodily injury liability of $1,000,000 per incident; and (d) professional liability for any errors or omissions of $1,000,000.

5. Client Support.

5.1 Client will promptly provide in writing to Consultant all data and other information relating to or which may be necessary for Consultant's performance of the Services. Without limiting the foregoing, Client will keep Consultant informed on a timely basis in writing as to the existence and amendments of the laws, ordinances and/or regulations under which Consultant is performing the Services (including any adopted by Client). Consultant will be permitted to rely on the accuracy, timeliness and completeness of the information provided by Client, and in no event will Consultant be liable to Client or others as a result of such reliance.

5.2 Client will examine all of Consultant's reports, specifications, notices, proposals and other documents. In the event that Consultant asks for a decision from Client in

order for Consultant to perform the Services, Client will render such decision in writing in a timely manner.

5.3 Promptly following any request from Consultant, Client will adopt and maintain in full force and effect resolutions in forms acceptable to Client and in accordance with applicable law authorizing Consultant to examine the confidential sales tax and other relevant records of Client throughout the Term and, for so long as any Fees are still accruing pursuant to this Agreement, after the Term.

5.4 Client will assist Consultant in obtaining such licenses, permits and approvals as may be required by law for performing the Services, and Client will pay all fees, assessments and taxes related to the application, issuance and maintenance thereof.

5.5 The Services do not include services to support, prepare, document, bring, respond to subpoenas, act as a witness, defend or otherwise assist in litigation undertaken or defended by Client, which Consultant may be required by legal process or otherwise or requested by Client to provide (collectively, "Litigation Services"). In this regard, if Consultant agrees with Client or is otherwise required to perform Litigation Services, Client will promptly pay or reimburse Consultant for all of Consultant's costs and expenses related to Litigation Services (including, without limitation, Consultant's attorneys' fees and costs) at Consultant's actual cost, plus ten percent (10%) thereof (all of which are deemed to be additional Fees).

6. <u>Confidentiality; Software Use and Warranty; Records</u>.

6.1 Consultant will comply with the requirements of the applicable laws, ordinances and/or regulations of which it has been informed by Client pursuant to Section 5.1 concerning the confidentiality of tax records. Consultant may publicly state that it performs Services for Client.

6.2 As used herein, the term "proprietary information" means all information, techniques, processes, services or material that has or could have commercial value or other utility for Consultant or in Consultant's Business, including without limitation, (i) software, computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; (iii) desktop or web-based software; (iv) audit, tax or fee collection/administration or business processes, methods or routines; (v) marketing plans, analyses and strategies; (vi) materials, techniques and intellectual property used; and (vii) the Software and the Software's documentation. Except as otherwise required by law, Client must hold in confidence and may not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by Client in connection with this Agreement. The terms of this Section 6.2 do not apply to information that is public information; provided, however, that proprietary information will not qualify as public information if it became public due to Client's (or its employees' or agents') disclosure.

6.3 If access to any software which Consultant owns is provided to Client as part of the Services under this Agreement (including, without limitation, if Client chooses to subscribe to such software and/or related reports as part of the Services pursuant to a Schedule to this Agreement) (such Consultant-owned software is, collectively, the "<u>Software</u>"), Consultant hereby

provides a limited, non-exclusive, non-transferable license to Client (including such of Client's staff as may be designated from time to time by Client and approved by Consultant in writing) to use the Software pursuant to and during the Term of this Agreement.

6.4 The Software must only be used by such authorized Client staff, and Client must not sublicense, sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of the Software. The license granted hereunder does not imply ownership by Client or any of Client's staff of the Software nor any rights of Client or any of Client's staff to sublicense, transfer or sell the Software, or rights to use the Software for the benefit of others. Client may not create (or allow the creation of) any derivative work or product based on or derived from the Software or the Software's documentation, nor modify (or allow the modification of) the Software or the Software's documentation without the prior written consent of Consultant. In the event of a breach of this provision (and without limiting Consultant's remedies), such modification, derivative work or product based on the Software or the Software's documentation is hereby deemed assigned to Consultant. Upon termination of this Agreement or this Software license, this Software license will be deemed to have expired and Client must immediately deactivate, cease using and remove, delete and destroy all the Software (including, without limitation, from Client's computers and network). **Consultant warrants that the Software will perform in accordance with the Software's documentation**.

6.5 Notwithstanding anything to the contrary in this Agreement (including any Schedule hereto), if access to any software which Consultant does not own is provided to Client as part of the Services pursuant to this Agreement (including pursuant to any Schedule hereto), Client hereby agrees (i) to comply with all of the terms and conditions imposed on Client's access to such software (including, without limitation, by Consultant, such software's owner, and pursuant to applicable law), and (ii) Consultant has no obligation during the Term of this Agreement or thereafter to provide Client with access to such software.

6.6 All documents, preliminary drafts, communications and any and all other work product related to the Services and provided by Consultant to Client either in hard copy or electronically are the joint property of Client and Consultant. This does not include the Software or any other software, any programs, any methodologies or any systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to Client in either hardcopy or electronic form, all of which may be protected by Consultant or third party copyrights or other intellectual property and remain Consultant's or such third parties' exclusive property (as the case may be). It is possible that any documents, drafts, communications or other work product provided to Client may be alleged to be public records under applicable law and/or may be discoverable through litigation. Well in advance of when Client may disclose such information in response to any request for public records, Client must notify Consultant in writing about the request and, if Consultant requests it, Client must apply for any potential exemption from disclosure that may exist under applicable law.

6.7 Subject to applicable law, Consultant is responsible for retaining all final documents and other final work product related to the Services for a period of not less than three (3) years from the date provided to Client. Retention of any other documents, preliminary drafts, communications and any and all other work product provided to Client by Consultant is the

responsibility of Client. Consultant has no responsibility to retain any drafts, notes, communications, emails or other writings created or received by Client in the course of performing the Services (other than the final documents and other final work product related to the Services and provided to Client for the term of years referenced above).

7. Term and Termination.

7.1 The initial term of this Agreement commences as of the Agreement Date and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect for five (5) years from such date (the "Initial Term"). This Agreement may be renewed for two twelve (12) month terms unless earlier terminated as set forth in Section 7.2 or 7.3 (each a "Renewal Term" and, collectively, together with the Initial Term, the "Term").

7.2 This Agreement may be terminated by either party for cause upon not less than forty-five (45) days' prior written notice given to and received by the other party, if the other party has materially breached this Agreement through no fault of the notifying party and fails to (i) commence correction of such material breach within thirty (30) days of receipt of the above-referenced written notice and (ii) diligently complete the correction thereafter.

7.3 In addition, either party may terminate this Agreement without cause upon not less than one hundred twenty (120) days' prior written notice to the other party.

7.4 On termination, Client will pay Consultant for all Fees and other compensation (including for Litigation Services) earned and/or incurred through the termination date and will thereafter timely pay Consultant for all other Fees and compensation to which Consultant may be entitled pursuant to this Agreement (including the Schedules hereto).

8. Indemnification.

8.1 Consultant, on behalf of itself and its directors, officers, employees, agents, direct and indirect equity holders, and affiliates (collectively, "Consultant Group"), agrees to fully and promptly protect, indemnify, reimburse and hold harmless Client, its directors, officers, employees, agents, direct and indirect equity holders, and affiliates (collectively, "Client Group"), from and against any and all liabilities, losses, claims, damages, personal injuries, death, expenses, and costs (including, without limitation, for attorneys' fees and costs) (each, a "Liability", and collectively, "Liabilities") which are the direct or indirect result of (a) any breach of any representation, warranty or covenant made by or given on behalf of Consultant under this Agreement, or (b) any gross negligence or willful misconduct on the part of any one or more of Consultant Group.

8.2 Client, on behalf of itself and the other members of Client Group, agrees to fully and promptly protect, indemnify, reimburse and hold harmless Consultant and the other members of Consultant Group from and against any and all Liabilities which are the direct or indirect result of (a) any breach of any representation, warranty or covenant made by or given on behalf of Client under this Agreement, or (b) any action or failure to act on the part of any one or more of Consultant Group where such action or failure to act was in good faith believed by any of Consultant Group at the time to be in conformity with this Agreement, or (c) otherwise related to or arising out of any act or omission by any one or more Client Group. In this regard, Client hereby acknowledges that it is

responsible for instructing Consultant regarding Consultant's performance of Services under this Agreement, as well as the interpretation and meaning of the ordinances and/or regulations under which Consultant is performing Services under this Agreement.

8.3 Promptly after any member of Client Group or any member of Consultant Group (in each case, the "Indemnified Group") receives notice of the commencement of any proceeding for which Client or Consultant (as the case may be) intends to make a claim for indemnification under this Agreement, it should notify the other party (the "Indemnifying Party"), but the failure to so notify will not result in the loss of any rights of any of the Indemnified Group to indemnification hereunder except to the extent that the Indemnifying Party does not otherwise become aware of such proceeding and is actually adversely affected thereby to a material extent. The Indemnifying Party will assume the defense of the Indemnified Group (including the employment of legal counsel reasonably satisfactory to the Indemnified Group) and payment of such counsel's fees and disbursements (including retainers). Should the Indemnified Group reasonably determine that separate counsel is necessary (whether due to the existence of different defenses, potential conflicts of interest or otherwise), or if the Indemnifying Party has not assumed the defense, then any of the Indemnified Group may employ separate legal counsel, and the Indemnifying Party will pay such counsel's reasonable fees and disbursements as incurred (including retainers). The obligations of defense and indemnification under this Agreement apply, without limitation, to those situations where someone brings a cross claim for indemnity or contribution against any one or more of the Indemnified Group.

8.4 Neither Consultant nor Client shall, without the other party's prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding or investigation in respect of which indemnification could be sought hereunder (whether or not any of the other party or any other member of the Indemnified Group is an actual or potential party to such claim, action or proceeding or investigation), unless such settlement, compromise or consent includes an unconditional release of the other party and any other member of the Indemnified Group from all liability arising out of such claim, action, proceeding or investigation and includes an explicit disclaimer of responsibility of any kind on the part of the other party and any other member of the Indemnified Group.

9. Liability Limitations; Governing Law; Dispute Resolution.

9.1 To the maximum extent permitted by law and notwithstanding anything to the contrary in this Agreement:

9.1.1 Except for Consultant's gross negligence or willful misconduct in connection with the performance of its obligations under this Agreement, Client's sole and exclusive remedies for any breaches of Consultant's obligations under this Agreement (including, without limitation, for any breaches relating to the Services or the Software, including any breaches of warranty, express or implied) (i) are limited to making reasonable and necessary repairs, replacements or corrections without additional cost to the Client, and (ii) will not exceed, under any circumstances, the amount of the Fees paid by Client to Consultant for the twelve-month period prior to the alleged breaches, calculated without reference to any payments constituting the payment of costs or expenses. All amounts paid to Consultant hereunder are deemed first to be for the reimbursement of costs or expenses and then any excess will be regarded as payments for other

portions of the Fees under this Agreement. Any references to breaches of this Agreement will include any supplements, additions or amendments to this Agreement.

9.1.2 Except as may otherwise be expressly set forth in this Agreement, Consultant makes no warranty of any kind with respect to the Services or the Software, express or implied. Consultant hereby disclaims all other warranties, express or implied, including the implied warranties of merchantability, fitness for a particular purpose, title and non infringement. Consultant disclaims all warranties and responsibility for third party software.

9.1.3 In no event will any of Consultant Group be liable for any lost revenues or lost profits, or any special, incidental, or consequential damages of any nature whatsoever, even if such restrictions deprive one or more remedies of their essential purpose. This damage exclusion is independent of any remedies provided for herein.

9.1.4 None of Consultant Group will have any Liability (whether direct or indirect, in contract or tort or otherwise) related to, arising out of, or in connection with this Agreement or to any of Client Group acting on any advice given or opinion rendered by any of Consultant Group, except to the extent that such Liability is found by a court of competent jurisdiction in a judgment which has become final and that it is no longer subject to appeal or review to have resulted solely from such Consultant Group's willful misconduct or gross negligence.

9.1.5 No claim may be brought by Client against any one or more of Consultant Group arising out of this Agreement (including, without limitation, in connection with the Services or the Software) more than one year after the date on which such claim arose (regardless of the date when Client may have discovered a basis for the claim).

9.1.6 Client acknowledges that this Agreement is with Consultant in its capacity as a corporation or a limited liability company, and Client agrees that in no event will it seek to hold any of the Consultant Group (other than Consultant) responsible for any Liabilities.

9.2 The law of the State will govern the validity of this Agreement, its interpretation and performance, and any other claims related to it, without regard to the State's conflict of laws rules. Venue for any legal action arising out of this Agreement will be proper only in the State courts or the federal courts located within the State. The parties hereby submit to the exclusive jurisdiction of such courts and waive any other venue to which either party might be entitled by domicile or otherwise.

9.3 If either party is required to bring legal action to enforce its rights under this Agreement or as the result of a breach of this Agreement, the costs and expenses of the prevailing party, including reasonable attorneys' fees, will be paid by the non-prevailing party.

9.4 A breach of this Agreement by either party may cause the other party hereto irreparable harm, the amount of which may be difficult to ascertain, and therefore such other party will have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any further breach and for such other relief as such other party may deem appropriate. Such right is in addition to the remedies otherwise available to such other party at law or in equity. The parties hereto expressly waive the defense that a remedy in damages will

be adequate and any requirement in an action for specific performance or injunction hereunder for the posting of a bond.

10. General Legal Provisions.

10.1 Authorization to Proceed. Each Schedule must be signed by both Client and Consultant before such Schedule will be binding on the parties hereto.

10.2 Force Majeure. Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, epidemics, pandemics or other health emergencies, or other events beyond the control of Consultant.

10.3 Amendment; Waiver. Any provisions of this Agreement (including, without limitation, any Schedules or provisions within any Schedules) may be amended or terminated if in writing and signed by both Client and Consultant. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to be valid unless acknowledged by such party in writing, and such waiver will not extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.4 Severability and Survival. If any provision in this Agreement is held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired thereby. Notwithstanding any other provisions of this Agreement (including, without limitation, Section 7), Sections 3, 5.5, 6, 7, 8, 9 and 10 will survive the termination of this Agreement.

10.5 No Third-Party Beneficiaries; Services Limited to Agreement. Except as set forth in Section 8, this Agreement gives no rights or benefits to anyone other than Client and Consultant and has no third-party beneficiaries. The Services to be performed for Client by Consultant are defined solely by this Agreement (including the Schedules), and not by any other contract or agreement that may be associated with performing the Services.

10.6 Assignment. This is a bilateral personal services agreement. Neither party will have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. This Agreement is binding on the

successors and assigns of the parties hereto. Notwithstanding anything to the contrary, Consultant may, from time to time, utilize one or more third parties to provide certain of the Services (including, but not limited to, as may be set forth in one or more of the Schedules).

10.7 Notices. All notices under this Agreement must be in writing and will be deemed to have been given when such notice is received (i) from United States Postal Service First Class Certified Mail, Return Receipt Requested, (ii) by courier service, or (iii) by email; provided, however, that notices received on a weekend or holiday or on a business day after 4:00 p.m. local time will be deemed to have been received on the next business day. Notices will, unless another address is specified in writing, be sent to the addresses indicated below (each of which must include a street address and an email address): Consultant: 120 S. State College Blvd.#200, Brea, CA 92821, Attn: Contracts, Email: contracts@hdlcompanies.com; and Client: 6360 Fountain Square Dr. Citrus Heights, CA 95621, Attn: Administrative Services Director, Email: stalwar@citrusheights.net

10.8 Entire Agreement; Conflict. This Agreement (which includes any Schedules or amendments dated as of the Agreement Date or hereafter, including without limitation, amendments of the main body of this Agreement or the Schedules that may add to, subtract from, modify or clarify the Term, the scope of Services and/or the amount of Fees) constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof. Should there ever be a conflict between the terms and conditions of any Schedules and the remainder of this Agreement as set forth in the main body of this Agreement, the terms and conditions of the remainder of this Agreement as set forth in the main body of this Agreement will prevail and be controlling; provided, however, that should there ever be a conflict between the terms and conditions of this Agreement (including any Schedules) and (i) any amendments hereof, the terms and conditions of the amendments hereof will prevail and be controlling, and (ii) the terms and conditions of any Schedule that expressly provides for them to supersede any terms and conditions of the main body of this Agreement, such terms and conditions of such Schedule will prevail and be controlling.

10.9 Counterparts; Electronic Signatures; Authority. This Agreement may be signed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signed signature pages of this Agreement transmitted by email or other electronic means in a portable document format (PDF) or other clear and visible electronic format will have the same legal effect as an original. Each of the persons signing on behalf of a party hereto represents that he or she has the authority to sign this Agreement on such party's behalf.

10.10 No Adverse Construction. Both parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either party based upon authorship. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

[Signatures are on the next page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement through their duly authorized representatives as of the Agreement Date.

CONSULTANT:	**CLIENT**:
Hinderliter de Llamas and Associates	City of Citrus Heights
By:_____ Andrew Nickerson, President/CEO	By:_____

[Any Schedule or Schedules may (but is/are not required to) be attached hereto]

SCHEDULE A
PREMIUM SERVICES – Sales and Use Tax

1. **Sales and Use Tax and Economic Analysis/Reports**
   1.1. Establish a special database with California Department of Tax and Fee Administration ("CDTFA") registration data for businesses within applicable district boundaries holding seller's permit accounts.
   1.2. Consultant shall make available to CITY the HdL proprietary software program and database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.
   1.3. Consultant shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified.
   1.4. Following each calendar quarter shall provide a summary analysis for City to share with Council Members, Chamber of Commerce, other economic development interest groups and the public that analyze City's sales tax trends by major groups without disclosing confidential individual tax records.
   1.5. Provide periodic updated reports endeavoring to identify and assist with budget forecasting including (i) changes in allocation totals by individual businesses, business groups and categories, and (ii) aberrations due to State audits, fund transfers, and receivables, along with late or double payments.
   1.6. Consultant shall provide a presentation led by an HdL Sales Tax Principal discussing latest sales tax results, emerging retail trends, business retention needs, leveraging of economic clusters and reviewing successes in client jurisdictions with similar characteristics. This presentation will occur following each calendar quarter.

2. **Allocation and Audit Recovery Services**
   2.1. Conduct (when mutually agreed with City) initial and on-going sales and use tax audits of businesses to help identify and correct allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales and use tax income for the City and/or recovering misallocated tax from registered taxpayers. Common errors that will be monitored and corrected include but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.
   2.2. Initiate contacts with sales, management and accounting officials in companies that have businesses where a probability of error exists to endeavor to help verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.

2.3. Prepare and submit to the CDTFA information for the purpose of correcting any identified allocation errors, and follow-up with individual businesses and the CDTFA to promote recovery by the City of back or prospective quarterly payments that may be owing.

2.4. If, during the course of its audit, Consultant finds businesses located in the City's jurisdiction that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to City, Consultant may so advise City and collaborate with those businesses and City to encourage such changes.

3. Consulting and Other Optional Services

Consultant may from time to time in its sole discretion, consult with City's staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax, (ii) utilization of reports to enhance business license collection efforts, (iii) sales tax projections for proposed annexations, economic development projects and budget planning, (iv) negotiating/review of tax sharing agreements, (v) establishing purchasing corporations, (vi) meeting with taxpayers to encourage self-assessment of tax obligations, and (vii) other sales, use or transactions tax revenue-related matters.

FEES – Sales and Use Tax Services

4. Sales and Use Tax and Economic Analysis/ Reports

4.1. Fees for performing the sales tax and economic analysis Services as described above shall initially be **$900** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by City no later than 30 days after the invoice date.

4.2. Consultant will increase the non-hourly Fees established above once a year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), as reported by the U.S. Bureau of Labor Statistics (the "CPI Change").

5. Allocation and Audit Recovery Services

5.1. Fees for performing the allocation and audit recovery Services described above shall be **18%** of all new, increased and recovered sales and use tax revenue received by the City as a result, in whole or in part, of the allocation audit and recovery services (hereafter referred to as "audit fee"). The fee shall be paid notwithstanding any related City assistance, work in parallel, and/or incurrence of attorneys' fees or other costs or expenses in connection, with the relevant Services.

5.2. The Fee described above include, without limitation, State fund transfers received for back quarter reallocations and monies received in the second eight (8) consecutive reporting quarters following completion of Consultant's allocation audit and confirmation of the corrections by the CDTFA.

5.3. These Fees shall be paid by City upon Consultant's submittal of evidence of Consultant's relevant Services in support thereof, including, without limitation, copies of relevant communications between Consultant and the CDTFA and/or taxpayers.

ADDITIONAL TERMS – Sales, Use and Transactions Tax Services

6. Consulting and Other Optional Services

6.1. Fees for performing other optional services are described below:

6.1.1. Fees for performing City Staff training, public representation, or technical seminars for elected officials shall be $3,000 for one-time service and $2,000 for recurring service

6.1.2. Fees for performing transactional tax ballot measure estimates shall be $2,600 per report.

6.1.3. On-site travel to the city shall be $2,600 plus any associated travel expenses per visit

6.1.4. Incremental non-core packet reporting shall be $2,600 for a one-time report and $700 for recurring reporting service

6.2. Any other consulting and optional Services not listed shall be based on the following initial hourly rates: (i) Principal - $325; (ii) Programmer - $295; (iii) Senior Analyst - $245; and (iv) Analyst - $195

7. General Provisions Relating to Fees

7.1. Fees for travel and lodging expenses will be invoiced at cost and applied to all meetings (including implementation, training, operations and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by City.

7.2. Fees will be invoiced monthly to City for Services performed during the prior month. To the extent that Consultant has commercially reasonable means to do so, Fees will be netted out of City's monthly revenue disbursement.

8. Confidentiality Information

Section 7056 of the State of California Revenue and Taxation Code ("R&T Code") specifically limits the disclosure of confidential taxpayer information contained in the records of the CDTFA. Section 7056 specifies the conditions under which a city, county or district may authorize persons other than such city, county or district's officers and employees to examine state sales and use tax records.

The following conditions specified in Section 7056-(b)(1) of the State of California R&T Code are hereby made part of this Agreement:

8.1. Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the CDTFA provided to City pursuant to contract under the Bradley-Burns Uniform Local Sales and Use Tax Law R&T Code Section 7200 et.seq.

8.2. Consultant is required to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of City who is authorized by City resolution provided to the CDTFA to examine the information.

8.3. Consultant is prohibited from performing consulting services for a retailer (as defined in R&T Code Section 6015), during the term of this agreement.

8.4. Consultant is prohibited from retaining the information contained in or derived from those sales, use or transactions and use tax records after this agreement has expired. Information obtained by examination of the CDTFA records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan Talwar, Administrative Services Director
Melissa Rojas, Human Resources Manager

SUBJECT: **Compliance with Assembly Bill 2561/Government Code Section 3502.3 regarding Vacancies, Recruitment and Retention Efforts**

Recommendation

Effective January 1, 2025, AB 2561 requires public agencies, including the City, to hold at least one (1) public hearing per fiscal year to discuss vacancies, recruitment and retention efforts. This staff report, along with the public hearing presentation, satisfies the City's legal obligations under the law. This presentation is for informational purposes only regarding the status of the City's vacancies, recruitment and retention efforts.

Staff recommend that the City Council receive the presentation for information purposes only during the public hearing at which time staff will report on workforce vacancies, recruitment, and retention efforts. The City's recognized employee organizations will be provided with an opportunity to make a presentation.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Maintain and Enhance Fiscal Stability while Supporting Operational Excellence

Fiscal Impact

There is no fiscal impact associated with this public hearing presentation.

Background and Analysis

AB 2561 was introduced to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload. Among other

requirements, the bill mandates that public agencies present the status of vacancies, recruitment, and retention efforts during a public hearing before the agency's governing body at least once per fiscal year prior to the adoption of the next fiscal year's budget and identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. The bill was enacted into law and is codified as Government Code section 3502.3, effective January 1, 2025.

In compliance with the new legal obligations, the City is required to do the following:

1. Public Hearing – Report on Vacancies: Report the City's annual average percentage of vacancies (i.e., regular, full-time equivalent) for the previous year. For calendar year 2025, the average vacancy rate is 10.47%. Table 1 and Table 2 illustrate a breakdown of the percentage of vacancies (regular full-time equivalent) each month:

Table 1: Citywide Position Vacancy Data by Month (1/1/2025 – 6/30/2025)

	Jan	Feb	Mar	Apr	May	Jun
Starting Employee Count	187	185	185	190	192	193
Separations	3	1	1		2	1
New Hires	1	1	6	2	3	2
Ending Employee Count	185	185	190	192	193	194
Authorized Positions (FTE)	210.75	210.75	210.75	210.75	210.75	210.75
Vacancies	25.75	25.75	20.75	18.75	17.75	16.75
Vacancy Rate	12.22%	12.22%	9.85%	8.90%	8.42%	7.95%

Table 2: Citywide Position Vacancy Data by Month (7/1/2025 – 12/31/2025)

	Jul	Aug	Sep	Oct	Nov	Dec
Starting Employee Count	194	194	193	193	191	191
Separations	1	1	2	2	1	5
New Hires	1		2		1	
Ending Employee Count	194	193	193	191	191	186
Authorized Positions (FTE)	215	215	215	215	215	215
Vacancies	21	22	22	24	24	29
Vacancy Rate	9.77%	10.23%	10.23%	11.16%	11.16%	13.49%

2. Employee Organization Participation: Allow the recognized employee organization for each bargaining unit at the City to make presentations during the public hearing concerning vacancies and recruitment and retention efforts. The Human Resources Department notified the two (2) represented bargaining units at the City of the opportunity to present. (Gov. Code § 3502.3(b).)

3. Additional Reporting for High Vacancy Rates: If vacancies within a single bargaining unit meet or exceed 20% of authorized full-time positions in that bargaining unit, upon request of the recognized employee organization for that bargaining unit, the City must provide additional information during the public hearing, including the following: (1) the

total number of vacancies within the bargaining unit; (2) the number of applicants; (3) the average number of days to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit. (Gov. Code § 3502.3(c).)

For the calendar year 2025, within the City's bargaining units with recognized employee organizations, all were under the 20% vacancy rate, which is summarized below:

Bargaining Unit	Average Annual Vacancy Rate
Police Officers' Association	14.61%
Police Employees' Association	5.75%
Citywide	10.47%

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 24, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan Talwar, Administrative Services Director
Dena Jenkins, Finance Manager

SUBJECT: **Fiscal Years 25/26 and 26/27 Mid-Cycle Budget Review, Financial Forecast Update and Appropriations Limit for Fiscal Year 26/27**

Recommendation

Staff recommends that the City Council:

1) Review updated revenue and expenditure projections for the General Fund and other City funds for Fiscal Year 25/26 and Fiscal Year 26/27; and
2) Review the updated Ten-Year Financial Forecast; and
3) Adopt Resolution No. 2026-__ Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 26/27 Budget; and
4) Adopt Resolution No. 2024-__ Resolution of the City Council of the City of Citrus Heights, California, Establishing an Appropriation Limit for Fiscal Year 26/27.

Fiscal Impact

Updated projections for Fiscal Year 26/27 reflect General Fund revenues of $47.1 million available to fund expenditures of $46.1 million with a projected year-end increase to General Fund reserves totaling $1 million.

The proposed budget amendments for Fiscal Year 26/27 will increase General Fund revenue appropriations by $172,000 and will increase General Fund expenditure appropriations by $347,000.

Background and Analysis

CITY MANAGER'S MID-CYCLE BUDGET MESSAGE

The City of Citrus Heights is committed to fiscal prudence, recognizing that a budget is more than a financial document; it is a reflection of community priorities and values. The City's biennial budget and mid-cycle review process help ensure resources remain aligned with the services, infrastructure investments, and initiatives that matter most to residents while allowing

the organization to respond to changing conditions and emerging needs. The mid-cycle review provides an opportunity to assess financial performance, evaluate evolving circumstances, and make adjustments as needed to ensure resources remain aligned with community priorities and organizational goals.

Like many local governments, Citrus Heights faces rising costs and increasing demands on public resources. At the same time, many revenue sources remain constrained, stagnant, or vulnerable to economic fluctuations. Economic conditions can change quickly, making ongoing monitoring and regular reassessment essential components of responsible financial management. These realities require thoughtful prioritization and a commitment to directing limited resources toward the investments that deliver the greatest value to the community.

Citrus Heights is better positioned than many local agencies to navigate these challenges because of deliberate decisions. By maintaining healthy reserves, avoiding temporary solutions to ongoing costs, and taking a measured approach to growth and investment, the City has built a strong financial foundation that provides flexibility when conditions change. Prioritization nevertheless remains essential. Resources are finite, and every investment must be evaluated based on the value it delivers to residents and the community as a whole.

Fiscal stewardship is not simply about balancing a budget. It is about ensuring public resources are invested where they can produce the greatest value. The City regularly reviews expenditures, revenue performance, and emerging trends to ensure decisions are informed by current conditions rather than assumptions. Rather than relying on automatic year-over-year increases, the City evaluates actual performance and adjusts forecasts and spending plans as conditions evolve. While forecasts provide an important planning framework, the City recognizes that economic conditions can change and remains committed to monitoring performance and adjusting course when necessary. This approach allows the organization to adapt as circumstances change, remain responsive to community needs, and focus resources where they can have the greatest impact.

By working with regional partners and contracted service providers, Citrus Heights is able to expand its capacity, access specialized expertise, and pursue opportunities that would be difficult to achieve independently. Fiscal stewardship is also supported by a culture of continuous improvement, where departments regularly evaluate processes, identify efficiencies, and seek opportunities to improve service delivery. The City also aggressively pursues grant funding and other external resources to accelerate community investments, reduce reliance on local funding sources, and maximize the return on taxpayer dollars.

Fiscal stewardship is not an end in itself. Its purpose is to ensure the City can continue investing in the priorities that matter most to the community. The Fiscal Year 2026-2027 Budget advances the City Council's Strategic Plan and serves as the primary implementation tool for achieving the City's long-term goals: maintaining and enhancing fiscal stability while supporting operational excellence; maintaining public infrastructure and enhancing all modes of transportation; diversifying for a vibrant economy; preserving and enhancing public safety; and enhancing community vibrancy and engagement. Budget decisions are informed by community priorities, strategic planning, financial forecasting, and ongoing assessment of community needs to ensure resources remain focused on investments that provide the greatest return on investment and best advance the community's long-term priorities.

To support these goals, the City applies a consistent approach to fiscal stewardship throughout budget development, implementation, and ongoing evaluation. This approach helps guide resource allocation decisions and ensures public resources are managed responsibly, transparently, and with a focus on long-term value.

How Citrus Heights Approaches Fiscal Stewardship

- Align resources with community priorities and City Council strategic goals.
- Maintain structurally balanced and sustainable budgets.
- Preserve reserves and organizational resilience.
- Invest in infrastructure and community assets.
- Aggressively pursue grants and external funding opportunities.
- Maximize resources through partnerships, innovation, and operational efficiencies.
- Promote transparency, accountability, and measurable results.

Responsible stewardship of public resources is fundamental to maintaining public trust and ensuring the City remains well-positioned to meet both current and future community needs. Ultimately, fiscal stewardship is about creating the conditions for a safe, well-maintained, economically vibrant, and connected community.

The challenges facing local government will continue to evolve, but the City's commitment to responsible stewardship remains unchanged. Through thoughtful planning, ongoing evaluation, and disciplined investment, Citrus Heights will continue to make decisions that meet today's needs while keeping the community's long-term future firmly in view.

FISCAL YEAR 25/26 BUDGET YEAR END PROJECTION REVIEW

The City’s budget for Fiscal Years 25/26 and 26/27 was adopted by the City Council on June 11, 2025. The City Council received a mid-year budget update on March 11, 2026, and adopted a resolution amending the Fiscal Year 25/26 General Fund budget to incorporate updated revenue and expenditure projections. The FY25/26 revenue and expenditure projections are presented for informational purposes only and no budget adjustment is requested for this fiscal year.

The Fiscal Year 25/26 adopted budget for all City funds, as amended to date, anticipates revenue of $99.7 million and expenditures of $98.26 million with the difference of $1.5 million budgeted from the accumulated fund balances. As of May 31, 2026, $71.5 million (72 percent) of the total budgeted revenue had been received and $72.9 million (74 percent) of the budgeted expenditures had been incurred. It should be noted that although the City’s fiscal year ends on June 30th, revenues and expenditures for the current fiscal year will continue to be recorded during a sixty-day accrual period – through the end of August.

The City’s main operating fund is the General Fund. The General Fund budget for Fiscal Year 25/26 identifies revenue of $47.3 million to fund expenditures of $43 million. As of April 30, 2026, General Fund revenues totaled $42.5 million (89 percent of the budgeted amount) and General Fund expenditures totaled $33.7 million (77 percent of the annual budgeted amount).

GENERAL FUND REVENUE

The Fiscal Year 25/26 General Fund budget includes anticipated revenue of $47.8 million. Based upon actual revenue received, it is projected that General Fund revenue will total $536,400 more than the budgeted amount by the end of the fiscal year.

Taxes and Franchises

The largest source of revenue for the General Fund is sales tax. Citrus Heights' sales tax revenues continue to face pressure as local receipts for the October–December period fell 4.7% from the prior year, or 1.6% after excluding reporting anomalies, reflecting broader economic headwinds including higher-than-expected inflation, tariff-driven pricing pressures, and rising household cost burdens. Sales tax was amended on March 11, 2026, due to lower than anticipated projections to total $13.9 million.

Property tax revenue was budgeted at $8 million. The City's property tax consultant had lowered its projection for property tax revenue mainly as a result of slowing home sales from high mortgage interest rates.

Licenses and Permits

Revenue from licenses and permits was budgeted at $1.5 million. Updated projections indicate that revenues in this category will exceed the budget amount by $500,000. This is due to continued strong building activity.

Intergovernmental Revenue

The second largest source of General Fund revenue is motor vehicle-in-lieu fees which is paid by Sacramento County in two installments: 50 percent in January and the remaining 50 percent in May of each year. The City has been notified that the Fiscal Year 2025-26 vehicle-in-lieu fee revenue is projected to total $11.97 million which is $19,000 more than the budgeted amount. Other reimbursement revenues are cost recovery on mandated programs totaling $333,000.

A summary of General Fund revenues as of May 31, 2026, is provided on the following page.

CITY OF CITRUS HEIGHTS

FY 2026-27 General Fund Revenue

24-Jun-26

	FY 2024-25 Actual	FY 2025-26 Amended	FY 2025-26 Projection	Projected Over/(Under) Budget
TAXES AND FRANCHISES				
Property Tax	7,876,660	8,047,022	8,047,022	
Sales and Use Tax	13,778,642	13,901,594	13,938,000	36,406
Utility Users Tax	3,077,576	2,650,000	2,650,000	
Franchise Fees	490,042	617,500	617,500	
Franchise Fees Solid Waste	896,369	650,000	650,000	
Property Transfer Tax	263,107	245,000	245,000	
Transient Occupancy Tax	90,445	110,000	110,000	
Total Taxes and Franchises	**26,472,839**	**26,221,116**	**26,257,522**	**36,406**
LICENSES AND PERMITS				
Business License	352,807	300,000	300,000	
Building Plan Check	358,591	230,129	230,129	
Engineering Fees Private Dev	194,337	20,000	20,000	
Zone Check	17,849	13,000	13,000	
Building Permits	1,785,527	1,000,000	1,500,000	500,000
Engineering Fees Utilities	347,752	175,000	175,000	
Tree Permit	1,667	1,500	1,500	
Transportation Permits	12,628	12,000	12,000	
Records Processing/Strong Motion	4,394	8,315	8,315	
Other Licenses and Permits	53,204	56,720	56,720	
Total Licenses and Permits	**3,128,756**	**1,816,664**	**2,316,664**	**500,000**
FINES AND FORFEITURES				
Non-Sufficient Funds Penalty	248	300	300	
Vehicle Fines	131,778	152,000	152,000	
Red Light Camera Fines	1,068,370	960,000	960,000	
Total Fines and Forfeitures	**1,200,396**	**1,112,300**	**1,112,300**	
INTERGOVERNMENTAL				
State Mandated Reimbursements	482	165,000	165,000	
Federal Grants/ Reimbursements	-	193,000	193,000	
Motor Vehicle-in-Lieu Fee	11,676,534	11,973,783	11,973,783	
Total Intergovernmental	**11,677,016**	**12,331,783**	**12,331,783**	
USE OF MONEY				
Investment Revenue	2,111,186	1,900,000	1,900,000	
Total Use of Money	**2,111,186**	**1,900,000**	**1,900,000**	
CHARGES FOR SERVICES				
Lease Payments	337,238	337,238	337,238	
Administrative Fees	36,304	23,760	23,760	
Police - Reimbursement Contract Overtime	145,826	150,000	150,000	
False Alarm/Alarm Permit Fees	97,946	35,000	35,000	
Vehicle Release / Towing	79,655	80,000	80,000	
Event Center Rentals	513,629	500,000	500,000	
Planning Fees	46,488	45,000	45,000	
Animal Control Fees and Charges	12,895	55,000	55,000	
Total Charges for Services	**1,269,981**	**1,225,998**	**1,225,998**	
CONTRIBUTIONS				
Donations / Sponsorships	27,420	25,000	25,000	
Developer Contributions	-	-	-	
Total Contributions	**27,420**	**25,000**	**25,000**	
OTHER				
Miscellaneous Revenue	474,677	65,000	65,000	
Reimbursement Revenue	219,120	654,500	654,500	
Internal Service Fund Charges/Cost Allocations	1,666,448	1,633,240	1,633,240	
Recovery of Labor & Benefits	-	260,000	260,000	
Restitution/Public Property Damage Recovery	126,618	70,000	70,000	
Police Department Sales	1,550	5,000	5,000	
Line of Credit Draw	-			
Unknown Revenue to tie to ACFR	-			
Transfers In	-			
Total Other	**2,488,413**	**2,687,740**	**2,687,740**	
Total General Fund Revenue	**$ 48,376,007**	**$ 47,320,601**	**47,857,007**	**$ 536,406**

GENERAL FUND EXPENDITURES

The Fiscal Year 25/26 budget includes General Fund expenditure appropriations of $45.1 million, with $33.7 million (77 percent) expended as of April 30, 2026. Preliminary projections indicate that General Fund expenditures will total $44.05 million by the end of the fiscal year, which represents savings of $1.09 million.

Salary & Benefits

Overall expenditure is currently trending below budget. The adopted budget incorporated a vacancy factor of $1.5 million to offset projected salary and benefit savings. Based on year-to-date activity, staff anticipate vacancy savings may exceed the budgeted factor largely attributable to personnel vacancies in the Administrative Services, Police, and General Services Departments.

Other Operating Expenditures

Overall operating expenditures have remained low across departments due to staff's continued commitment to fiscal prudence, careful cost management, and consistent evaluation of operational needs. Departments have effectively contained spending, resulting in projected savings in multiple areas of the General Fund. Where increases have been necessary, the mid-year amended budget request on March 11, 2026 covered the rising software licensing, maintenance, and technology-driven cost adjustments, particularly within Information Technology and other service-supporting divisions.

Projected General Fund expenditure information for each City department is provided in the table below.

CITY OF CITRUS HEIGHTS

Fiscal Year 2025-26 & 2026-27 General Fund Expenditures By Department - Mid Cycle

24-Jun-26

Department	FY 2024-25 Actual	FY 2025-26 Amended	YTD (04/30/2026)	Year-End Projection	Projected Over/(Under) Budget
City Council	185,688	323,509	178,912	305,250	(18,259)
City Manager	427,720	581,120	397,090	513,640	(67,479)
City Attorney	341,965	424,000	293,592	424,000	-
City Clerk	261,135	362,884	322,550	349,196	(13,688)
Elections	54,725	-	-	-	-
City Manager's Office	1,271,233	1,691,513	1,192,144	1,592,086	(99,427)
					-
Economic Development	1,039,437	475,357	421,659	459,952	(15,406)
Community Engagement	-	700,082	400,746	564,054	(136,029)
Economic Development & Community Engagement	1,039,437	1,175,440	822,405	1,024,005	(151,434)
Human Resources	754,452	897,240	410,488	502,305	(394,935)
Information Services	1,615,837	2,215,902	1,719,728	2,215,000	(902)
Risk Management	2,561,063	2,940,792	2,079,568	2,681,001	(259,791)
Finance	920,574	1,009,007	865,316	1,046,276	37,269
Non Departmental	4,260,759	3,470,739	2,643,989	3,263,958	(206,781)
Administrative Services	10,112,685	10,533,680	7,719,089	9,708,539	(825,141)
Law Enforcement	23,027,408	25,138,753	18,760,163	24,470,294	(668,459)
Animal Control	801,145	1,119,725	608,489	749,639	(370,086)
Police	23,828,554	26,258,478	19,368,652	25,219,933	(1,038,544)
Community Events	330,002	420,091	242,249	294,720	(125,371)
Event Center Operations	760,773	629,662	605,771	709,098	79,437
Sylvan Community Center	24,491	23,500	18,774	21,507	(1,993)
Sayonara Community Center	14,827	24,000	17,923	23,775	(225)
Engineering	1,325,853	959,004	903,893	950,000	(9,004)
Facility Management	893,238	911,842	717,540	854,574	(57,268)
Fleet Management	1,103,005	1,023,881	653,936	763,308	(260,573)
General Services	4,452,189	3,991,979	3,160,086	3,616,982	(374,997)
Housing	169,955	273,903	123,993	166,387	(107,515)
Planning	588,478	581,771	467,425	570,187	(11,584)
Building Inspection	1,051,980	1,084,045	877,610	1,083,045	(1,000)
Planning Commission	21,855	12,400	2,986	3,094	(9,306)
Community Development	1,832,269	1,952,119	1,472,014	1,822,713	(129,406)
Vacancy Factor		(1,527,255)	-	-	1,527,255
Use of/Transfers to Non-General Fund Reser	1,390,369	1,068,000		1,068,000	-
General Fund Expenditures	**$43,926,736**	**$ 45,143,953**	**$ 33,734,390**	**$ 44,052,258**	**$ (1,091,694)**

The amended Fiscal Year 25/26 General Fund budget provided for an operating surplus of $2.2 million. Based upon actual revenues and expenditures during the first eleven months of the fiscal year and updated projections for the remainder of the year, staff are now forecasting a budget surplus of $3.8 million.

Unless other direction is specifically provided by the City Council, any operating surplus/(shortfall) at the end of a fiscal year is added/(deducted from) that fund's available fund balance. For Fiscal Year 25/26, the projected operating surplus of $3.8 million (less planned capital expenditures) will increase the General Fund reserves from $35.3 million to a projected ending balance of $36.5 million. A healthy reserve fund provides opportunities to minimize service disruptions during periods of economic uncertainty, to fund one time expenditures that are consistent with City Council and community priorities and be opportunistic on pursuing grants that require a match to achieve a strategic infrastructure objective.

FISCAL YEAR 26/27 BUDGET MID-CYCLE ADJUSTMENT REQUEST

GENERAL FUND REVENUE

The Fiscal Year 26/27 budget includes anticipated revenue of $46.9 million. This projection was based upon information available at the time the budget was prepared in early 2025. Based upon information currently available, staff are recommending adjustments to the Fiscal Year 26/27 General Fund revenue budget which will increase budgeted revenue by $172,000. The proposed adjustments to General Fund budgeted revenue include:

Taxes and Franchises

The Fiscal Year 26/27 budget projected sales tax revenue of $14.3 million. Based upon the projected sales tax revenue reported from the City's tax consultant, it is projected that sales tax revenue will total $14 million in Fiscal Year 26/27, a decrease of $307,000 to the budgeted amount. The City has been notified that property tax revenue will total $8.4 million which is $170,000 under the amount originally budgeted. Revenue from the transient occupancy tax are projected to total $100,000.

Intergovernmental

The second largest source of General Fund revenue (behind sales tax) is motor vehicle-in-lieu fees. Motor vehicle-in-lieu fee revenue estimates are provided by the State and updated periodically. Total revenue from the City's intergovernmental was budgeted at $12.39 million. Updated projections reflect revenue in this category will total $12.36 million, which is a decrease of $34,000 in the amount currently budgeted.

Use of Money

The increase in interest rates has had a positive impact on investment revenue during FY25/26. Based upon actual revenue received during FY25/26, the projections for FY26/27 indicate similar revenues which will increase investment revenue by $700,000 to $1.9 million.

A summary of General Fund revenues for Fiscal Year 26/27 is provided on the following page.

CITY OF CITRUS HEIGHTS

FY 2026-27 General Fund Revenue

24-Jun-26

	FY 2026-27 Adopted	FY 2026-27 Projected	Projected Over/(Under) Budget
TAXES AND FRANCHISES			
Property Tax	8,476,031	8,306,025	(170,006)
Sales and Use Tax	14,381,592	14,074,132	(307,460)
Utility Users Tax	2,650,000	2,650,000	-
Franchise Fees	586,625	586,625	-
Franchise Fees Solid Waste	650,000	650,000	-
Property Transfer Tax	245,000	245,000	-
Transient Occupancy Tax	115,500	100,000	(15,500)
Total Taxes and Franchises	**27,104,748**	**26,611,782**	**(492,966)**
LICENSES AND PERMITS			
Business License	300,000	300,000	-
Building Plan Check	211,470	211,470	-
Engineering Fees Private Dev	18,000	18,000	-
Zone Check	7,600	7,600	-
Building Permits	983,247	983,247	-
Engineering Fees Utilities	180,000	180,000	-
Tree Permit	1,500	1,500	-
Transportation Permits	12,000	12,000	-
Records Processing/Strong Motion	8,315	8,315	-
Other Licenses and Permits	58,465	58,465	-
Total Licenses and Permits	**1,780,597**	**1,780,597**	**-**
FINES AND FORFEITURES			
Non-Sufficient Funds Penalty	100	100	-
Vehicle Fines	152,000	152,000	-
Red Light Camera Fines	960,000	960,000	-
Total Fines and Forfeitures	**1,112,100**	**1,112,100**	**-**
INTERGOVERNMENTAL			
State Mandated Reimbursements	25,000	25,000	-
Federal Grants/ Reimbursements	-	-	-
Motor Vehicle-in-Lieu Fee	12,395,883	12,361,840	(34,043)
Total Intergovernmental	**12,420,883**	**12,386,840**	**(34,043)**
USE OF MONEY			
Investment Revenue	1,200,000	1,900,000	700,000
Total Use of Money	**1,200,000**	**1,900,000**	**700,000**
CHARGES FOR SERVICES			
Lease Payments	337,238	337,238	-
Administrative Fees	23,760	23,760	-
Police - Reimbursement Contract Overtime	150,000	150,000	-
False Alarm/Alarm Permit Fees	35,000	35,000	-
Vehicle Release / Towing	80,000	80,000	-
Event Center Rentals	535,000	535,000	-
Planning Fees	45,000	45,000	-
Animal Control Fees and Charges	55,000	55,000	-
Total Charges for Services	**1,260,998**	**1,260,998**	**-**
CONTRIBUTIONS			
Donations / Sponsorships	25,000	25,000	-
Developer Contributions	-	-	-
Total Contributions	**25,000**	**25,000**	**-**
OTHER			
Miscellaneous Revenue	18,000	18,000	-
Reimbursement Revenue	35,000	35,000	-
Internal Service Fund Charges/Cost Allocations	1,674,071	1,674,071	-
Recovery of Labor & Benefits	260,000	260,000	-
Restitution/Public Property Damage Recovery	26,000	26,000	-
Police Department Sales	5,000	5,000	-
Line of Credit Draw	-	-	-
Unknown Revenue to tie to ACFR	-	-	-
Transfers In	-	-	-
Total Other	**2,018,071**	**2,018,071**	**-**
Total General Fund Revenue	**46,922,397**	**47,095,388**	**172,991**

GENERAL FUND EXPENDITURES

The Fiscal Year 26/27 budget includes General Fund expenditure appropriations of $45.7 million. Based upon a review of each departmental budget, several adjustments are proposed to align the budget with current projected cost estimates. The net impact of these adjustments would be to increase the General Fund budget by $347,000. These increases reflect market-wide pricing shifts rather than expanded operational activity.

The Fiscal Year 2026-2027 General Fund Expenditures table that follows the explanations in this section includes a column titled "Projected over/(under) budget". The Adjustment column represents a combination of operating expenses along with salary and benefit adjustments. An explanation of the proposed budget adjustments are provided as follows:

Operating Expenditures (Non-Salary & Benefits) - $347,000

The proposed budget adjustments listed below, by department, reflect operating expenditures (Non-Salary & Benefits) requests:

Administrative Services Department

Information Technology - $184,681 is requested to fund increased software licensing costs. The City is required to pay annual licensing fees for the various software utilized for daily business and citizen support activities. The annual license costs have increased with additional increases anticipated next fiscal year.

Non-Departmental - $100,000 will be re-budgeted from FY25/26 for consulting services on the Sunrise Tomorrow Project and other potential consulting needs.

Police Department

Police – $27,700 a one-time increase is recommended for the current fiscal year to address the uptick in Police Recruits.

Economic Development & Community Engagement Department

Economic Development - $35,000 increase to cover the cost of the grant assistance consultant and a re-budget of unused funds from FY25/26 for banners.

A summary of General Fund budgeted expenditures by department/division is provided on the following page.

CITY OF CITRUS HEIGHTS

Fiscal Year 2026-27 General Fund Expenditures By Department - Mid Cycle

24-Jun-26

Department	FY 2026-27 Budgted	FY 2026-27 Projected	Projected Over/(Under) Budget
City Council	325,529	325,529	-
City Manager	585,790	585,790	-
City Attorney	340,000	340,000	-
City Clerk	272,885	272,885	-
Elections	76,200	76,200	-
City Manager's Office	1,600,404	1,600,404	-
			-
Economic Development	482,065	517,065	35,000
Community Engagement	689,519	689,519	-
Economic Development & Community Engagement	1,171,583	1,206,583	35,000
Human Resources	920,012	920,012	-
Information Services	2,164,721	2,349,402	184,681
Risk Management	3,177,725	3,177,725	-
Finance	1,038,690	1,038,690	-
Non Departmental	3,402,000	3,502,000	100,000
Administrative Services	10,703,148	10,987,829	284,681
Law Enforcement	25,718,857	25,746,357	27,500
Animal Control	1,146,953	1,146,953	-
Police	26,865,810	26,893,310	27,500
Community Events	435,690	435,690	-
Event Center Operations	646,350	646,350	-
Sylvan Community Center	23,500	23,500	-
Sayonara Community Center	16,850	16,850	-
Engineering	849,555	849,555	-
Facility Management	853,301	853,301	-
Fleet Management	1,035,327	1,035,327	-
General Services	3,860,574	3,860,574	-
Housing	284,112	284,112	-
Planning	598,874	598,874	-
Building Inspection	1,111,897	1,111,897	-
Planning Commission	12,400	12,400	-
Community Development	2,007,284	2,007,284	-
Vacancy Factor	(1,573,819)	(1,573,819)	-
Use of/Transfers to Non-General Fund Reser	1,110,000	1,110,000	-
General Fund Expenditures	**$ 45,744,984**	**$ 46,092,165**	**$ 347,181**

The Fiscal Year 26/27 adopted General Fund budget provided for an operating surplus of $1.1 million. Based upon revenue and expenditure adjustments requested, staff are now forecasting a budget surplus of $1 million.

AMERICAN RESCUE PLAN ACT FUND

The City of Citrus Heights was allocated $15,676,972 in American Rescue Plan Act (ARPA) funding. The City received the first ARPA payment of $7,838,486 from the U.S. Treasury in May 2021. The final ARPA payment of $7,838,486 was received on June 6, 2022. To date, the City Council has appropriated $15.6 million of ARPA funding of which $15.2 million has been expended.

American Rescue Plan Act				
Total Award	**$**	**15,676,972**		
Completed Projects			**Actual**	
Small Business COVID Recovery Grant			$ 281,111	
Block Party Trailer - Economic Development+			$ 27,794	
Patriotic Event+			$ 68,438	
Proposed Grant Strategy+			$ 60,000	
Police Fleet Vehicles & Equipment			$ 1,800,000	
Community Projects Grant Program**+			$ 72,400	
Cares Commuinity Pride and Cleanliness Campaign+			$ 38,607	
Sound Wall Beautification+			$ 105,986	
Business Attraction Incentive Program**+			$ 87,363	
Public Safety Positions to PrePandemic Levels			$ 7,749,590	
I.T. Critical, Major Projects; Execute Contract Tyler Technologies+			$ 1,229,601	
In Process Projects		**Commited**	**Actual thru 03/31/26**	**Remaining balance**
Beautification Crew Pilot Program +	$	875,000	$ 571,045	$ 303,955
Public Safety Communications Center Critical Needs	$	600,000	$ 473,283	$ 126,717
General Government Services & Critical Projects	$	2,681,082	$ 2,681,082	$ -
Committed funds	$	15,676,972		
Spent	$	15,246,300		
Remaining Committed	$	430,672		
Current Balance	$	-	Funds to allocate/reallocate	
+ City Council Strategic Objective				
** dependent on program subscription				

GENERAL FUND LONG RANGE FINANCIAL FORECAST

As a strategic fiscal planning tool, the City maintains a long-term financial forecast. Because this forecast is based upon data currently available, it is updated periodically to reflect new information regarding anticipated future revenues and expenditures. While the financial forecast covers a ten-year period for the City's General Fund, Government Finance Officers Association (GFOA) standard and best practice is to cover a five-year period as inflationary and revenue assumptions are typically less predictable beyond five years. The City Council last reviewed the Ten-Year Financial Forecast on March 11, 2026. The Financial Forecast has been updated and includes the following changes:

- Fiscal Year 25/26 – year-end projections added.
- Fiscal Year 26/27 – Mid-Cycle Budget projections updated.

- Forecasting the sale of City owned property.
- Revenue projections (property tax, sales tax and vehicle in-lieu fees, and transient occupancy tax) and updated labor cost estimates updated for Fiscal Year 25/26 through Fiscal Year 32/33.

A summary of the Financial Forecast is provided below. A version demonstrating the full forecast period is attached to this report as Attachment 3.

General Fund Long Range Financial Forecast
With Partial Street Funding
6/24/2026

	FY 2025-26 Amended	FY 2025-26 Projected	FY 2026-27 Adopted	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Reserve Balance	35,327,665	35,327,665	36,589,637	36,589,637	33,977,859	30,845,985	27,335,005
TOTAL REVENUE	47,320,601	47,857,007	46,922,397	47,095,388	47,885,092	48,713,135	49,819,773
TOTAL OPERATING EXPENDITURES	(45,063,953)	(44,052,258)	(45,744,984)	(46,092,165)	(47,016,966)	(48,224,116)	(49,306,198)
Net Operating Position	2,256,648	3,804,749	1,177,413	1,003,223	868,126	489,019	513,576
ARPA	1,957,223	1,957,223					
STREET REPAIRS	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Auburn Blvd - Phase 2 Match							
Auburn Facility Improvements	(500,000)	(500,000)					
Casa Bella				385,000			
Ending Reserve Balance	35,041,535	36,589,637	33,767,050	33,977,859	30,845,985	27,335,005	23,848,580
Minimum Reserve per City Council Policy - 17%	$ 7,660,872	$ 7,488,884	$ 7,776,647	$ 7,835,668	$ 7,992,884	$ 8,198,100	$ 8,382,054
Over(under) Reserve Target	27,380,663	29,100,753	25,990,403	26,142,191	22,853,101	19,136,905	15,466,527
City Manager Target Reserve - 25%	$ 11,265,988	$ 11,013,065	$ 11,436,246	$ 11,523,041	$ 11,754,241	$ 12,056,029	$ 12,326,549
Over(under) Reserve Target	23,775,547	25,576,572	22,330,804	22,454,818	19,091,744	15,278,976	11,522,031

APPROPRIATIONS LIMIT FOR FISCAL YEAR 26/27

Article XIIIB of the California State Constitution was established by the passing of Proposition 4 by California voters in 1979. This legislation, which was later amended by the passage of proposition 111 in 1990, placed limits on the amount of proceeds of taxes that State and local agencies can appropriate and spend. The appropriations limit, which is different for every agency, is calculated each year just prior to the beginning of the fiscal year. The appropriations limit is calculated using the annual change in California per capita income and the percentage change in population for the County of Sacramento.

The appropriations limit for the City of Citrus Heights for Fiscal Year 26/27 is calculated to be $77,768,468. The appropriations subject to the limit are $40,870,868. The City's appropriations subject to the limit are well under the appropriations limit. The actual calculation is provided below.

City of Citrus Heights

Appropriation Limit Calculation
Fiscal Year 2026-27

The Appropriation Limit Calculation is required by Article XIIIB of the California State Constitution. It consists of the classification of appropriated revenues into proceeds and non-proceeds of taxes for the 2021-22 fiscal-year. The most favorable population and cost-of-living factors are then applied to the appropriation limit calculation from the previous fiscal year.

Fiscal Year 2026-27 General Fund Revenues		46,922,397
Less: Nonproceeds of Taxes		6,051,529
Plus: User Fees in excess of costs		-
Total Appropriations Subject to the Limit		40,870,868
Fiscal Year 2025-26 Appropriation Limit		74,204,380
A. Cost of Living Adjustment - CPI*	1.0495	
B. Population Adjustment **	0.9986	
Change Factor (A x B)	1.0480307	
Increase in the appropriation limit		3,564,088
Fiscal Year 2026-27 Appropriation Limit		77,768,468
Remaining appropriation capacity		36,897,600
Available capacity as a percent of the appropriation limit		47.45%

** Based on percentage change in California per capita personal income.*
*** Based on annual population change for the County of Sacramento.*

Finance Committee Review
The information presented in this report was reviewed by the Finance Committee on June 19, 2026.

Attachments

1. Resolution Amending Fiscal Year 26/27 Budget

a. Fiscal Year 2026/27 Mid-Cycle Budget Adjustments

2. Resolution Establishing an Appropriations Limit for Fiscal Year 26/27
3. Appropriation Limit 26-27 Calculation
4. General Fund Long Range Financial Forecast

RESOLUTION NO. 2026 - ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING AMENDMENTS TO THE FISCAL YEAR 2026-27 BUDGET

WHEREAS, on June 11, 2025, the City Council adopted the budget for the City of Citrus Heights for Fiscal Year 2026-27; and

WHEREAS, based upon a review of revenues and expenditures, staff has recommended amendments to the Fiscal Year 2026-27 Budget; and

WHEREAS, the Finance and Administration Committee reviewed the proposed budget amendments on June 09, 2026; and

WHEREAS, the City Council has reviewed information on the status of revenues and expenditures for the 2026-27 Fiscal Year which is the basis for the recommended budget amendments.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Citrus Heights approves amendments to the Fiscal Year 2026-27 Budget as provided for in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June 2026, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit

a. FY 2026/27 Mid-Cycle Budget Adjustments

Fiscal Year 2026/27 Mid-Cycle Budget Adjustments

CITY OF CITRUS HEIGHTS
FY 2026-27 General Fund Revenue
24-Jun-26

	FY 2026-27 Adopted	FY 2026-27 Projected	Projected Over/(Under) Budget
TAXES AND FRANCHISES			
Property Tax	8,476,031	8,306,025	(170,006)
Sales and Use Tax	14,381,592	14,074,132	(307,460)
Utility Users Tax	2,650,000	2,650,000	-
Franchise Fees	586,625	586,625	-
Franchise Fees Solid Waste	650,000	650,000	-
Property Transfer Tax	245,000	245,000	-
Transient Occupancy Tax	115,500	100,000	(15,500)
Total Taxes and Franchises	**27,104,748**	**26,611,782**	**(492,966)**
LICENSES AND PERMITS			
Business License	300,000	300,000	-
Building Plan Check	211,470	211,470	-
Engineering Fees Private Dev	18,000	18,000	-
Zone Check	7,600	7,600	-
Building Permits	983,247	983,247	-
Engineering Fees Utilities	180,000	180,000	-
Tree Permit	1,500	1,500	-
Transportation Permits	12,000	12,000	-
Records Processing/Strong Motion	8,315	8,315	-
Other Licenses and Permits	58,465	58,465	-
Total Licenses and Permits	**1,780,597**	**1,780,597**	**-**
FINES AND FORFEITURES			
Non-Sufficient Funds Penalty	100	100	-
Vehicle Fines	152,000	152,000	-
Red Light Camera Fines	960,000	960,000	-
Total Fines and Forfeitures	**1,112,100**	**1,112,100**	**-**
INTERGOVERNMENTAL			
State Mandated Reimbursements	25,000	25,000	-
Federal Grants/ Reimbursements	-	-	-
Motor Vehicle-in-Lieu Fee	12,395,883	12,361,840	(34,043)
Total Intergovernmental	**12,420,883**	**12,386,840**	**(34,043)**
USE OF MONEY			
Investment Revenue	1,200,000	1,900,000	700,000
Total Use of Money	**1,200,000**	**1,900,000**	**700,000**
CHARGES FOR SERVICES			
Lease Payments	337,238	337,238	-
Administrative Fees	23,760	23,760	-
Police - Reimbursement Contract Overtime	150,000	150,000	-
False Alarm/Alarm Permit Fees	35,000	35,000	-
Vehicle Release / Towing	80,000	80,000	-
Event Center Rentals	535,000	535,000	-
Planning Fees	45,000	45,000	-
Animal Control Fees and Charges	55,000	55,000	-
Total Charges for Services	**1,260,998**	**1,260,998**	**-**
CONTRIBUTIONS			
Donations / Sponsorships	25,000	25,000	-
Developer Contributions	-	-	-
Total Contributions	**25,000**	**25,000**	**-**
OTHER			
Miscellaneous Revenue	18,000	18,000	-
Reimbursement Revenue	35,000	35,000	-
Internal Service Fund Charges/Cost Allocations	1,674,071	1,674,071	-
Recovery of Labor & Benefits	260,000	260,000	-
Restitution/Public Property Damage Recovery	26,000	26,000	-
Police Department Sales	5,000	5,000	-
Line of Credit Draw	-	-	-
Unknown Revenue to tie to ACFR	-	-	-
Transfers In	-	-	-
Total Other	**2,018,071**	**2,018,071**	**-**
Total General Fund Revenue	**46,922,397**	**47,095,388**	**172,991**

CITY OF CITRUS HEIGHTS

Fiscal Year 2026-27 General Fund Expenditures By Department - Mid Cycle

24-Jun-26

Department	FY 2026-27 Budgted	FY 2026-27 Projected	Projected Over/(Under) Budget
City Council	325,529	325,529	-
City Manager	585,790	585,790	-
City Attorney	340,000	340,000	-
City Clerk	272,885	272,885	-
Elections	76,200	76,200	-
City Manager's Office	1,600,404	1,600,404	-
			-
Economic Development	482,065	517,065	35,000
Community Engagement	689,519	689,519	-
Economic Development & Community Engagement	1,171,583	1,206,583	35,000
Human Resources	920,012	920,012	-
Information Services	2,164,721	2,349,402	184,681
Risk Management	3,177,725	3,177,725	-
Finance	1,038,690	1,038,690	-
Non Departmental	3,402,000	3,502,000	100,000
Administrative Services	10,703,148	10,987,829	284,681
Law Enforcement	25,718,857	25,746,357	27,500
Animal Control	1,146,953	1,146,953	-
Police	26,865,810	26,893,310	27,500
Community Events	435,690	435,690	-
Event Center Operations	646,350	646,350	-
Sylvan Community Center	23,500	23,500	-
Sayonara Community Center	16,850	16,850	-
Engineering	849,555	849,555	-
Facility Management	853,301	853,301	-
Fleet Management	1,035,327	1,035,327	-
General Services	3,860,574	3,860,574	-
Housing	284,112	284,112	-
Planning	598,874	598,874	-
Building Inspection	1,111,897	1,111,897	-
Planning Commission	12,400	12,400	-
Community Development	2,007,284	2,007,284	-
Vacancy Factor	(1,573,819)	(1,573,819)	-
Use of/Transfers to Non-General Fund Reser	1,110,000	1,110,000	-
General Fund Expenditures	**$ 45,744,984**	**$ 46,092,165**	**$ 347,181**

RESOLUTION NO. 2026 - ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2026-27

WHEREAS, Article XIIIB of the California Constitution provides that the total annual appropriations subject to limitation of each governmental entity, including this City, shall not exceed the appropriation limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 passed in November 1979 and Proposition 111 passed in June 1990 except as otherwise provided for in said Article XIIIB and implementing State statutes;

WHEREAS, pursuant to said Article XIIIB of said California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to set its appropriation limit for each fiscal year. In setting said limit, the City is required to select the following factors: 1) California Per Capita Income, multiplied by 2) the greater of city or county population growth;

WHEREAS, the City of Citrus Heights reserves the right to change or revise any growth factors associated with the calculation of the Proposition 111 limit, if such changes or revisions would result in a more advantageous appropriation limit; and

WHEREAS, pursuant to Section 7910 of said California Government Code, the City Manager has made available to the public the documentation used in the determination of said appropriation limit.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Citrus Heights that the factors used in determining the 2026-27 appropriation limit will be the California Per Capita Income change and the percentage change in population for the County of Sacramento. The appropriation limit for Fiscal Year 2026-27 is $77,768,468.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 24th day of June, 2026, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

City of Citrus Heights

Appropriation Limit Calculation
Fiscal Year 2026-27

The Appropriation Limit Calculation is required by Article XIIIB of the California State Constitution. It consists of the classification of appropriated revenues into proceeds and non-proceeds of taxes for the 2021-22 fiscal-year. The most favorable population and cost-of-living factors are then applied to the appropriation limit calculation from the previous fiscal year.

Fiscal Year 2026-27 General Fund Revenues		46,922,397
Less: Nonproceeds of Taxes		6,051,529
Plus: User Fees in excess of costs		-
Total Appropriations Subject to the Limit		40,870,868
Fiscal Year 2025-26 Appropriation Limit		74,204,380
A. Cost of Living Adjustment - CPI*	1.0495	
B. Population Adjustment **	0.9986	
Change Factor (A x B)	1.0480307	
Increase in the appropriation limit		3,564,088
Fiscal Year 2026-27 Appropriation Limit		77,768,468
Remaining appropriation capacity		36,897,600
Available capacity as a percent of the appropriation limit		47.45%

** Based on percentage change in California per capita personal income.*
*** Based on annual population change for the County of Sacramento.*

General Fund Long Range Financial Forecast

With Partial Street Funding

6/24/2026

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended	FY 2025-26 Projected	FY 2026-27 Adopted	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected	FY 2032-33 Projected
Beginning Reserve Balance	11,867,532	22,427,088	30,672,747	35,327,665	35,327,665	36,589,637	36,589,637	33,977,859	30,845,985	27,335,005	23,848,580	20,407,072	17,207,615
TOTAL REVENUE	44,442,810	46,170,045	48,376,007	47,320,601	47,857,007	46,922,397	47,095,388	47,885,092	48,713,135	49,819,773	50,972,301	52,388,103	53,909,430
TOTAL OPERATING EXPENDITURES	(35,788,536)	(41,984,301)	(43,926,736)	(45,063,953)	(44,052,258)	(45,744,984)	(46,092,165)	(47,016,966)	(48,224,116)	(49,306,198)	(50,413,809)	(51,587,561)	(52,758,080)
Net Operating Position	8,654,274	4,185,744	4,449,271	2,256,648	3,804,749	1,177,413	1,003,223	868,126	489,019	513,576	558,492	800,543	1,151,350
ARPA	3,252,312	4,059,914	4,205,647	1,957,223	1,957,223								
STREET REPAIRS			(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Auburn Blvd - Phase 2 Match													
Auburn Facility Improvements				(500,000)	(500,000)								
Casa Bella							385,000						
Ending Reserve Balance	23,774,118	30,672,747	35,327,665	35,041,535	36,589,637	33,767,050	33,977,859	30,845,985	27,335,005	23,848,580	20,407,072	17,207,615	14,358,965
Minimum Reserve per City Council Policy - 17%	$ 6,084,051	$ 7,137,331	$ 7,467,545	$ 7,660,872	$ 7,488,884	$ 7,776,647	$ 7,835,668	$ 7,992,884	$ 8,198,100	$ 8,382,054	$ 8,570,347	$ 8,769,885	$ 8,968,874
Over(under) Reserve Target	17,690,067	23,535,415	27,860,120	27,380,663	29,100,753	25,990,403	26,142,191	22,853,101	19,136,905	15,466,527	11,836,725	8,437,730	5,390,091
City Manager Target Reserve - 25%	$ 8,947,134	$ 10,496,075	$ 10,981,684	$ 11,265,988	$ 11,013,065	$ 11,436,246	$ 11,523,041	$ 11,754,241	$ 12,056,029	$ 12,326,549	$ 12,603,452	$ 12,896,890	$ 13,189,520
Over(under) Reserve Target	14,826,984	20,176,671	24,345,981	23,775,547	25,576,572	22,330,804	22,454,818	19,091,744	15,278,976	11,522,031	7,803,620	4,310,725	1,169,445