



Inland News

Cost of fire stations poses obstacle to Menifee Valley cityhood, study says



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The Press-Enterprise

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MENIFEE - The proposed city of Menifee Valley could not survive financially because of the cost of operating several new fire stations, a draft financial analysis study has found.

Cityhood could be feasible if the city gets help paying for the fire stations. The study said Cal Fire/Riverside County Fire Department is willing to share costs but provided no details. Department officials could not be reached for comment Friday.

Leaders of the Menifee Valley Incorporation Committee, which is leading the cityhood effort, said they are confident that the proposed city is feasible and that voters will approve cityhood in 2008.

"There's a 95 percent chance everything will be fine," said John Denver, one of five committee executive board members. "We will become a city if people want to."

The draft financial analysis study was submitted June 30 to the Local Agency Formation Commission, the county entity that oversees proposals to create new cities.

The draft study, prepared by GST Consulting, a Rancho Margarita-based firm the committee hired in January, is now being reviewed by county departments for comments and needed changes, said George Spiliotis, commission's executive director.

Changes will be made, and, within 30 days, Spiliotis expects the study will be available for public review. The commission would likely hold a hearing in the fall to decide whether Menifee Valley could survive as a city, he said.

The draft study, which projects revenues and expenditures for 10 years, looked at three possible boundary options for the proposed Menifee Valley city. All three include Menifee, Sun City and Quail Valley. The options 2 and 3 include areas of Romoland.

Expenditures would exceed revenues in fiscal year 2009-10 in the option that just includes Menifee, Sun City and Quail Valley and the option that includes most of Romoland.

In the third option -- which includes a smaller area of Romoland south of Highway 74, north of Rouse Road, east of Interstate 215 and west of Menifee Road -- expenditures would exceed revenues in fiscal year 2012-13.

Depending on which option is selected, the proposed city would need two or three new fire stations, which in some years would account for nearly half the proposed city's expenditures, the draft study states.

A fiscal analysis for the proposed incorporation of Wildomar earlier this year raised similar concerns about the cost of a new fire station and what the Fire Department would contribute.

Joe Daugherty, chairman of the Menifee Valley Incorporation Committee, stressed that the study is a draft and said he was encouraged that it found the proposed city would not owe the county any money if it incorporated.

The draft study is weighted against cityhood proponents, he said, because the numbers aim to protect the county should a new city go bankrupt. Daugherty said he is confident that negotiations over the next month will show Menifee Valley could survive as a city.

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A draft financial analysis found that the three potential boundary options for the proposed city of Menifee Valley are unfeasible because of the cost of running new fire stations. Expenditures would exceed revenues within four years for all options.

Option 1 Proposal that includes Menifee, Sun City and Quail Valley would become infeasible in fiscal year 2009-10.

Revenues: \$22,178,469

Expenditures: \$22,517,379, of which \$7,927,757 would be for fire services.

Option 2 Proposal that includes Option 1 plus area of Romoland bounded by Highway 74, Rouse Road, Interstate 215 and Menifee Road would become infeasible in fiscal year 2012-13.

Revenues: \$27,258,371

Expenditures: \$28,513,756, of which \$11,074,567 would be for fire services.

Option 3 Proposal that includes options 1 and 2 plus the rest of Romoland would become infeasible in fiscal year 2009-10.

Revenues: \$24,962,723

Expenditures: \$26,466,809, of which \$10,134,798 would be for fire services.
