



Watsonville
PARKS & COMMUNITY SERVICES

Vista Montaña LLMAD

Annual Assessment



Introductions

City of Watsonville

- Nick Calubaquib - *Director of Parks and Community Services*
- Murray Fontes, P.E. - *Assistant Director of Public Works/City Engineer*
- Joseph Medina - *Parks Superintendent*
- Marissa Duran – *Finance Director*
- Tamara Vides – *Assistant City Manager*
- Chris Krishna- *Admin Analyst*

SCI Consulting Group

- Edric Kwan, P.E. - *Assessment Engineer*



Agreements



Stay positive and be respectful.



Work together towards the future.



Keep on topic.



Use Questions Cards to submit Questions

Homeowner Meeting Agenda

- Background
- Financial History
- Outreach and Feedback
- Next Steps
- Ballot Process
- Questions



Background



What is a Landscape & Lighting Maintenance Assessment District

- LLMAD's are a flexible tool used by local government agencies to pay for costs of the subdivision.
- LLMAD establishment
- All services in these areas are directly funded by property owners.



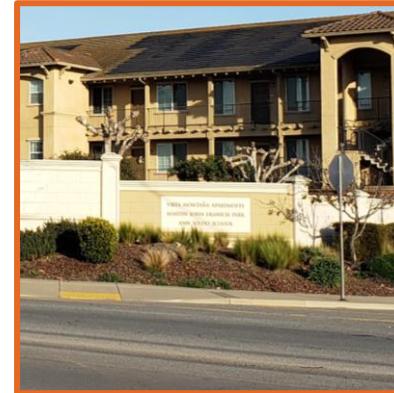
What is the Vista Montaña LLMAD

- Conditioned with the approval of your development to maintain various facility improvements surrounding your neighborhood.



What is the Vista Montaña LLMAD

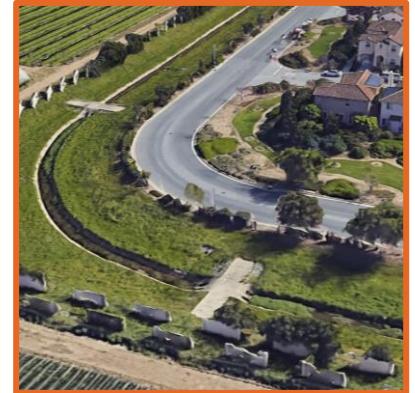
- A single-purpose special district (independent of the State, County, and City's General Fund).
- Includes: Soundwalls, Retaining Walls, Streetlights, Street Signs, Drainage Channels, Detention Basins, Drain inlets, Culvert, Pedestrian Pathways, Street Trees, Landscaping



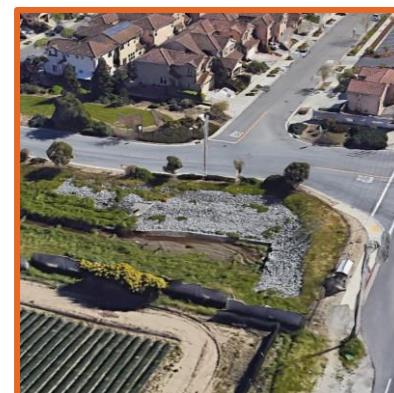
SOUNDWALLS



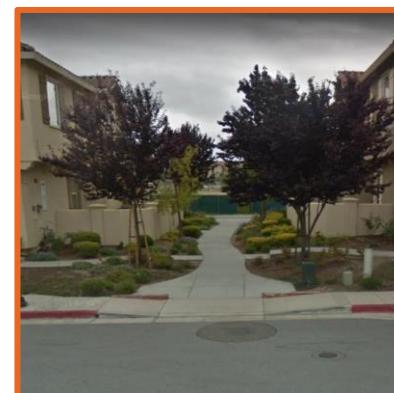
STREETLIGHTS



DRAINAGE CHANNELS



DETENTION BASIN



PEDESTRIAN & BIKE PATHS



LANDSCAPED AREAS

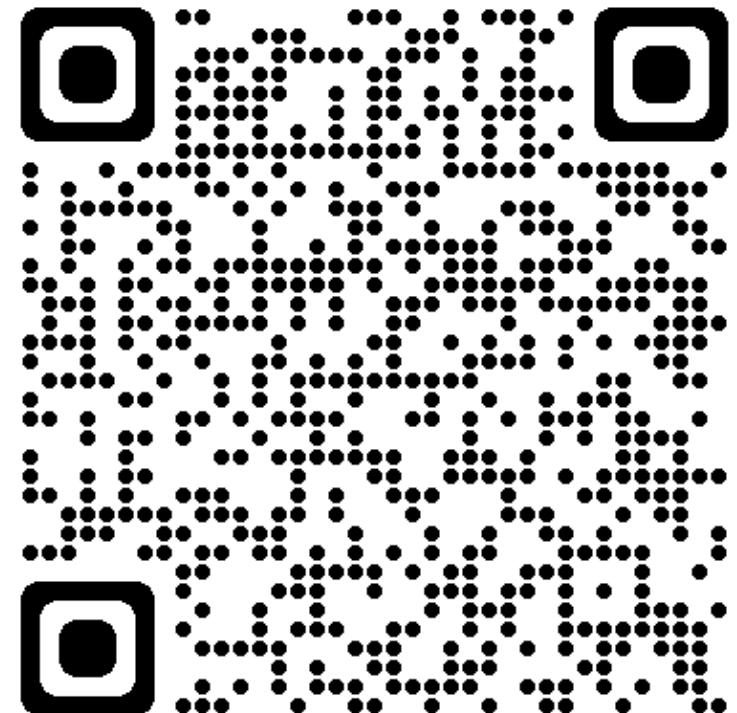
Recent Progress

- Maintenance Reset
- Grant Funding
- Volunteer Events
- Free Materials



For Additional Information

- Website contains:
 - General Info
 - Engineers Reports
 - Financial Data
 - FAQs
 - Previous meetings
 - Story Map and Info on Proposed Increase
- Visit watsonvillerec.com and search for "LLMAD."
- Direct Link: [Learn about LLMADs | Watsonville](#)



Financial History



How is the Vista Montaña LLMAD funded

- Revenues come from an annual benefit assessment paid by Vista Montaña properties and collected by the County as part of homeowner property taxes.
- Fees vary based on the LLMAD and type of residence, as determined by an annual Engineer's Report and increase annually, based on the Consumer Price Index.
- These fees pay for the ongoing Maintenance and future replacement (Reserve) of LLMAD services.
- Funds can only be used for LLMAD expenses.

REVENUE

| FY | Max Assess | ACTUAL RECEIVED | Maint. Actual | Reserve Budget | Reserve Actual |
|-----------|-------------------|------------------------|----------------------|-----------------------|-----------------------|
|-----------|-------------------|------------------------|----------------------|-----------------------|-----------------------|

37.03%

03/04

04/05 121,035.00 53,443.01 6,278.03 44,814 47,164.98

05/06 121,035.00 106,880.95 65,979.22 44,814 40,901.73

06/07 121,035.00 106,886.88 74,908.61 44,814 31,978.27

07/08 121,035.00 58,778.33 134,659.01 44,814 -75,880.68

08/09 121,035.00 106,872.32 216,609.12 44,814 -109,736.80

09/10 121,035.00 106,886.88 105,593.40 44,814 1,293.48

10/11 121,035.00 106,885.31 112,515.48 44,814 -5,630.17

11/12 121,035.00 108,603.74 112,168.43 44,814 -3,564.69

12/13 121,035.00 101,542.54 124,999.96 44,814 -23,457.42

13/14 121,035.00 114,735.58 115,901.29 44,814 -1,165.71

14/15 121,035.00 104,308.43 98,510.46 44,814 5,797.97

15/16 121,035.00 118,100.31 78,507.00 44,814 39,593.31

16/17 123,112.44 121,879.08 113,079.01 45,583 8,800.07

17/18 127,298.60 126,024.18 118,158.19 47,133 7,865.99

18/19 131,880.67 130,560.11 119,921.76 48,829 10,638.35

19/20 137,814.34 136,434.47 108,143.59 51,026 28,290.88

20/21 137,814.34 136,434.00 132,540.13 51,026 3,893.87

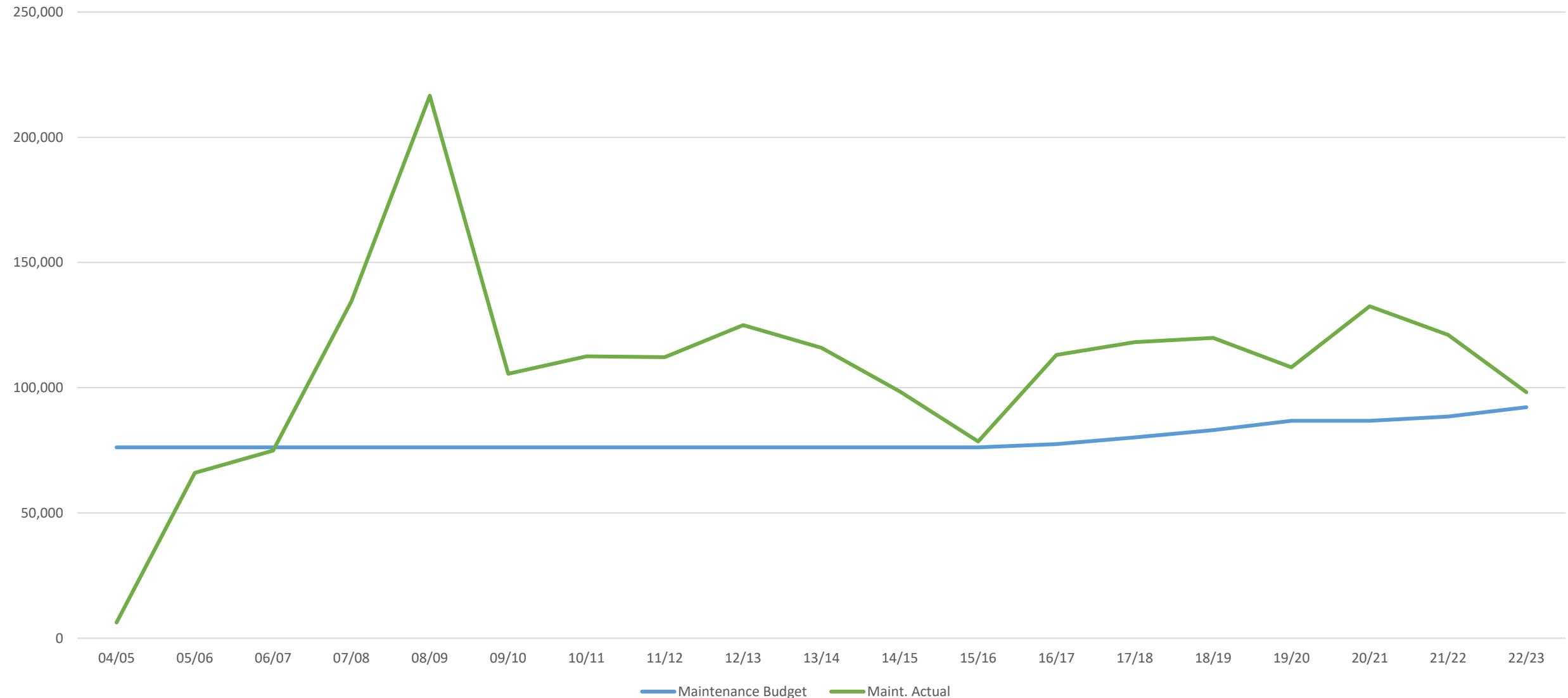
21/22 140,570.94 139,864.00 121,131.00 52,047 18,733.00

22/23 146,475.36 144,786.00 98,207.28 54,233 46,578.72

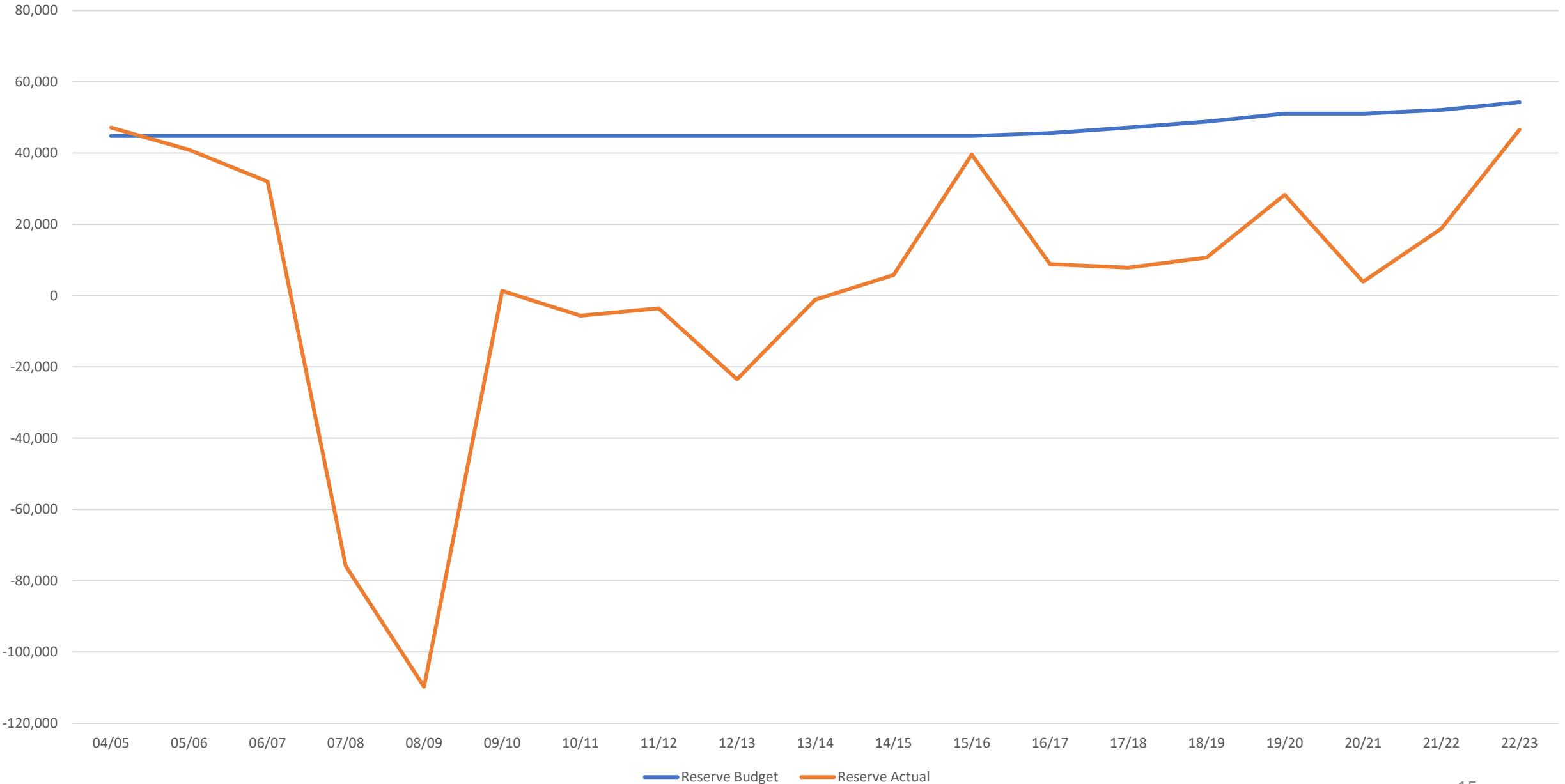
| | | | | | |
|--------------|---------------------|---------------------|---------------------|-------------------|------------------|
| Total | 2,397,386.69 | 2,129,906.12 | 2,057,810.97 | 887,640.57 | 72,095.15 |
|--------------|---------------------|---------------------|---------------------|-------------------|------------------|

| | | | | | |
|-----------------|--|--------------------|-------------------|--|--------------------|
| Variance | | -267,480.57 | 548,064.85 | | -815,545.42 |
|-----------------|--|--------------------|-------------------|--|--------------------|

Maintenance Budget vs. Actual



Reserve Budget vs. Actual



Challenges

1. The 2003 Engineer's Study underestimated the annual maintenance cost for the LLMAD's assets.
2. As a result, the cost of annual maintenance has been higher than the amount collected for maintenance since 2008.
3. No annual Consumer Price Index (CPI) fee adjustments were implemented from 2003-2016 or 2020.
4. In 2008, a landscape improvement project depleted the reserve, bringing the account negative.



Current Financial Status

- Budget is not sufficient to support current or enhanced maintenance levels
- Budget is also not sufficient to build the reserve for future replacement.
 - Reserve balance = \$72,000
 - Original Engineers Study estimated balance should be \$887,000
- Full Financial History – Available on the website



What is Needed

| | 23/24 Budget | 23/24 Engineers Estimate | <i>Increase</i> |
|--------------|-------------------------|---|------------------------|
| Maintenance | \$96,762 | \$196,809 | \$100,047 |
| Reserve | \$56,890 | \$228,672 | \$171,782 |
| Total | \$153,652 | \$425,481 | \$271,829 |

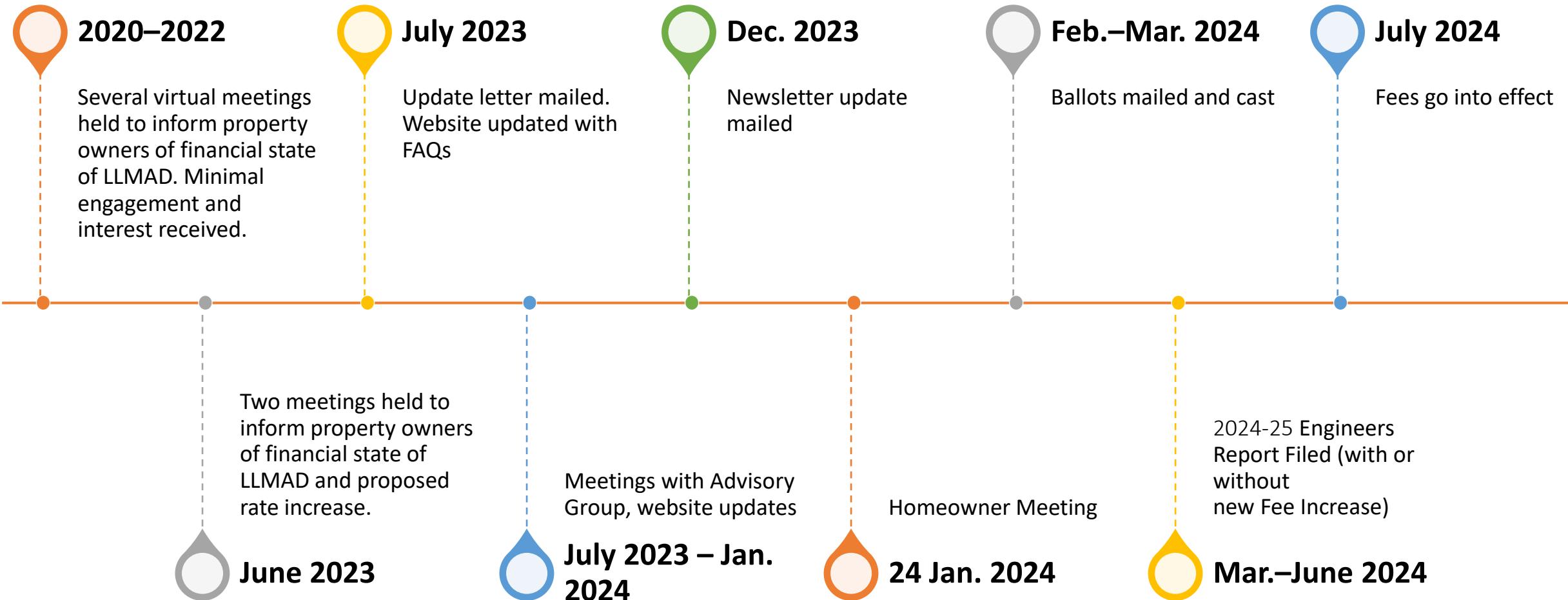
↑
Original Proposal



Outreach and Feedback



Engagement Timeline



Advisory Group Updates

- Invitation letters sent to Property owners in July 2023
- 13 homeowners were interested in participating
- Held seven meetings every two to three weeks since late July.
- A big thank you to Cindy Campos, Ofelia Maya, Javier Hernandez, Debra Crawford, Rocio Castro and Jimmy Ryan for their time and work on this.
- This group has worked in partnership with City staff with the purpose of:
 - Forming a fee proposal that would be voted on by all Vista Montaña homeowners
 - Developing mechanisms for regular communications regarding LLMAD maintenance services
 - Encouraging as many homeowners to join the conversation as possible

Priorities

- Trees and Sidewalk Maintenance
- Focus on Ongoing Maintenance
- Build an Adequate Reserve
- Ongoing Communication with Homeowners



Next Steps



Trees and Sidewalks

- The existing LLMAD includes certain sidewalks as a part of its responsibility
- Other sidewalks are the responsibility of the property owner in accordance with the Watsonville Municipal Code and State Highway code.
- The City plans to partner with the LLMAD and leverage grant funds to remove all problematic trees and fix affected sidewalks.
- 200+ trees and sidewalk locations identified as problematic. Current estimates at approximately \$210,000 for a complete one-time project.
- Timing- Ongoing, upcoming grants, and/or approved proposal

Revised Proposed Increase

- Goals:
 - Build ~~an Adequate Reserve~~ a Reserve
- Current fees would be used to build a reserve
- New proposed fee (Overlay Assessment) = 100% for ongoing maintenance
 - Maintenance to be performed by contracted landscape company
- Proposed fee consists of:
 - Bid received for landscape maintenance (approx. \$155,000 per year)
 - City costs to maintain other infrastructure (Stormwater, Lights, Signs)

Revised Proposed Increase

- What does this mean?
 - Ongoing maintenance is fully funded
 - Dedicated crew through contracted maintenance company
 - Reserve will begin to build to address future replacement costs
- If approved, new fee and services would be effective July 2024

Current Assessment and New Overlay

Annual Budget

| | 23/24 Budget | 23/24 Engineers Estimate | 24/25 <i>Proposed</i> | |
|-------------|--------------|--------------------------------|--------------------------|----------------------|
| Maintenance | \$ 96,762 | \$ 196,809 | \$ 196,809 | ← New Overlay |
| Reserve | \$ 56,890 | \$ 228,672 | \$ 153,652 | ← Current Assessment |
| Total | \$ 153,652 | \$ 425,481 | \$ 350,461 | |

Revised Proposed Increase

Annual Fees

| | Total Single Family Home | Total Townhome | Total Apartment |
|------------------------------|--------------------------|--------------------|------------------|
| Current Fees 23/24 | \$ 560.28 | \$ 448.22 | \$ 154.56 |
| Estimated Overlay Assessment | \$ 733.77 | \$ 587.02 | \$ 169.67 |
| Estimated New Total | \$ 1,294.05 | \$ 1,035.24 | \$ 324.23 |
| <i>New Monthly Total</i> | <i>\$ 107.84</i> | <i>\$ 86.27</i> | <i>\$ 27.02</i> |
| | | | |
| <i>Original Proposal</i> | <i>\$ 1,433.72</i> | <i>\$ 1,146.96</i> | <i>\$ 395.51</i> |

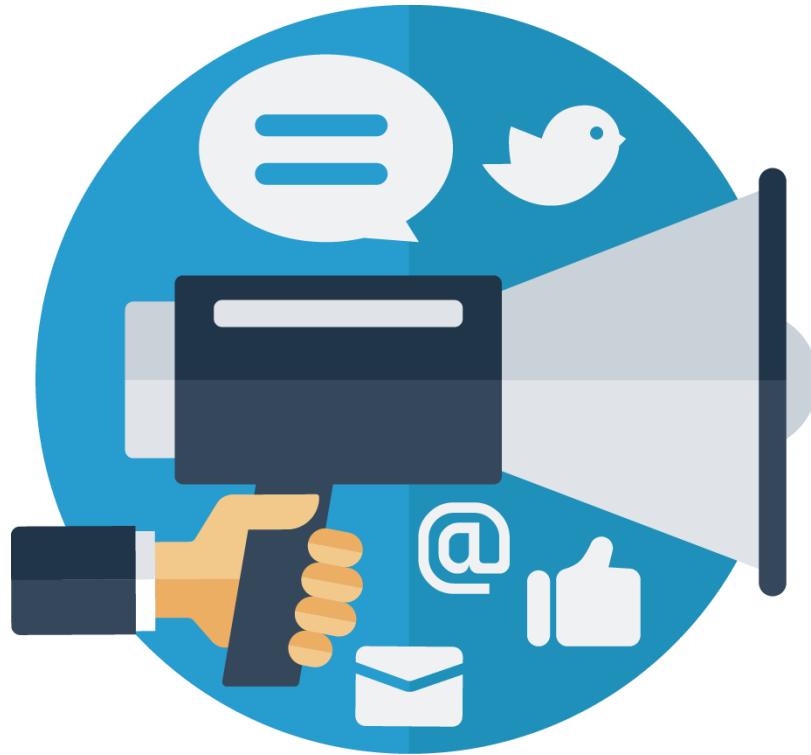
Summary of Options

1. **Fully Funded Option** - Increase current LLMAD assessment to have *enhanced* maintenance and an *adequate* reserve (Presented in July 2023)
2. **Compromised Option** - Increase current LLMAD assessment to have *enhanced* maintenance and a *less than adequate* reserve (Developed with Advisory Group)
3. **If Homeowners do not Approve Compromised Option** - Do not increase fees and postpone all landscape maintenance within the LLMAD until replacement reserve is replenished.

If No Fee Increase

- Annual assessment will remain in place.
- The goal of building a reserve will be prioritized.
- Ongoing maintenance will be reduced to ONLY essential infrastructure and health and safety items. No landscape maintenance will occur until replacement reserve is replenished.

How You Can Spread the Word



- Talk with your neighbors!
- Direct residents of Vista Montaña to City Staff to help address any questions or concerns.
- Visit Local Input at www.localinput.net for more information.
- Use Social Media (Feel free to post on Nextdoor or other platforms that are specific to Vista Montaña residents).

Ongoing Communication with Homeowners



ONGOING ADVISORY
GROUP MEETINGS



NEWSLETTERS



Next Steps

- Questionnaire
 - Homeowners only
 - One survey per household
- Issue ballot (if support is likely, based on Poll)
- If passed, new fee effective July 2024

Ballot Process



What is the Process to Increase Funding

Proposition 218: Right to Vote on Taxes Act

- Approved by California voters in 1996
- Establish and Quantify General and Special Benefits in Engineer's Report
- Determination of special benefit must be analyzed by a qualified licensed Professional Engineer
- All parcels within the District receiving special benefit must be assessed
- Assessment must be proportional to the special benefit received
- Zones of benefits (Factors such as proximity and access to Improvements)

What is the Process to Increase Funding

Proposition 218: Assessment Process

- Adopt a resolution directing the preparation of the Engineer's Report (March 2024)
- Prepare the Engineers Report (March - April 2024)
- Adopt a resolution preliminarily approving the Engineer's Report (April 2024)
- Mail assessment ballot and notifications (May 2024)
- Hold public hearing and close balloting period (June 2024)
- Adopt a resolution approving Final Engineer's Report, ordering assessments, and confirming the assessment diagram (July 2024)
- File the diagram and assessment with the County (August 2024)

OFFICIAL ASSESSMENT BALLOT
City of Diamond Bar
Landscape Assessment District 39-2022

INSTRUCTIONS FOR THE COMPLETION AND RETURN OF OFFICIAL BALLOTS

1. Read the enclosed Ballot Guide for information about the proposed annual assessment for landscape maintenance services and additional balloting information.
2. Fill in the oval next to the word "YES" or "NO".
3. Sign and date the official ballot. Only official ballots which are signed and clearly marked will be counted.

For additional information on the proposed fee and detailed instructions on completing the ballot, please refer to the enclosed ballot guide.

Barcode area

Parcel Number(s): 1234567890 Total Proposed Assessment: \$ 491.97

SAMPLE BALLOT
123 BEAUTIFUL ST
DISNEYLAND CA 1234

FOLD HERE (this side should be on the outside after fold)

City of Diamond Bar
P. O. Box 4038
Diamond Bar, CA 91765-0038

OFFICIAL ASSESSMENT BALLOT
City of Diamond Bar
Landscape Assessment District 39-2022

YES, I approve the proposed annual assessment for landscape maintenance services, including future annual adjustments for inflation based on an amount up to the change in the Los Angeles-Riverside-Orange County area Consumer Price Index ("CPI").

NO, I do not approve the proposed annual assessment for landscape maintenance services.

A YES vote means the City will have the funds to continue performing this maintenance.
A No vote means maintenance of private properties performed by the City would become the responsibility of the property owner(s) as of July 2022.

I hereby declare, under penalty of perjury, that I am the property owner(s) or authorized representative of the owner(s) for the parcel(s) identified on this official ballot. Ballots must be marked and signed by recorded property owner or authorized representative to be counted.

Signed _____ Date _____ Print Name _____

Completed official assessment ballots must be received by Tuesday, March 15, 2022 at 6:30 p.m. at the Diamond Bar City Hall, Windmill Room, 1st Floor, located at 21810 Copley Drive, Diamond Bar, CA.

FOLD THE BALLOT SO THAT THIS SIDE IS ON THE INSIDE OF THE FOLD BEFORE PLACING THIS BALLOT IN THE RETURN ENVELOPE.

Questions/ Thoughts?





Thank You!

Nick Calubaquib

Nick.Calubaquib@watsonville.gov

Joe Medina

Joseph.medina@watsonville.gov

CITY OF WATSONVILLE, CALIFORNIA

IMAD MONTE VISTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR 2005 THOROUGH FISCAL YEAR ENDED JUNE 30, 2005

| Special Revenue Fund | | | | | | | | | | | | |
|--|--|------|--------|---------|---------|----------|-----------|----------|----------|----------|----------|----------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| REVENUES: | | | | | | | | | | | | |
| Revenues Collected | | | 53,443 | 106,881 | 106,887 | 58,778 | 106,872 | 106,887 | 106,885 | 108,604 | 101,543 | 114,736 |
| Total revenues | | | 53,443 | 106,881 | 106,887 | 58,778 | 106,872 | 106,887 | 106,885 | 108,604 | 101,543 | 114,736 |
| EXPENDITURES: | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| Salaries and Benefits | | | 4,951 | 34,695 | 47,916 | 97,147 | 81,387 | 87,889 | 94,011 | 94,506 | 98,985 | 84,308 |
| Utilities | | | 6 | 12,342 | 1,255 | 173 | 130 | 233 | 242 | 219 | 231 | 213 |
| Contract Services | | | 1,321 | 17,424 | 25,209 | 35,432 | 131,492 | 14,360 | 14,164 | 13,615 | 20,610 | 28,480 |
| Repairs and Maintenance | | | - | 572 | 189 | 189 | - | 49 | 493 | 58 | 282 | 100 |
| Chemicals and Supplies | | | - | 946 | 340 | 1,718 | 3,601 | 3,062 | 3,606 | 3,770 | 4,893 | 2,800 |
| Total expenditures | | | 6,278 | 65,979 | 74,909 | 134,659 | 216,609 | 105,593 | 112,515 | 112,168 | 125,000 | 115,901 |
| Excess (deficiency) of revenues over (under) expenditures | | | 47,165 | 40,902 | 31,978 | (75,881) | (109,737) | 1,293 | (5,630) | (3,565) | (23,457) | (1,166) |
| Net change in fund balances | | | 47,165 | 40,902 | 31,978 | (75,881) | (109,737) | 1,293 | (5,630) | (3,565) | (23,457) | (1,166) |
| Fund balances, July 1 | | | - | 47,165 | 88,067 | 120,045 | 44,164 | (65,573) | (64,279) | (69,909) | (73,474) | (96,931) |
| Fund balances, June 30 | | | 47,165 | 88,067 | 120,045 | 44,164 | (65,573) | (64,279) | (69,909) | (73,474) | (96,931) | (98,097) |

CITY OF WATSONVILLE, CALIFORNIA

LMAD MONTE VISTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR 2005 THOROUGH FISCAL YEAR ENDED JUNE 30, 2023

Special Revenue F

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | TOTALS |
|--|----------|----------|----------|----------|----------|---------|---------|---------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| REVENUES: | | | | | | | | | |
| Revenues Collected | 118,100 | 121,690 | 126,024 | 130,560 | 136,434 | 136,434 | 139,864 | 145,008 | 2,129,940 |
| Total revenues | 118,100 | 121,690 | 126,024 | 130,560 | 136,434 | 136,434 | 139,864 | 145,008 | 2,129,940 |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| Salaries and Benefits | 58,441 | 77,434 | 77,991 | 77,757 | 76,042 | 87,874 | 74,635 | 78,460 | 1,412,940 |
| Utilities | 212 | 323 | 330 | 333 | - | 359 | 12,960 | 3,599 | 33,288 |
| Contract Services | 17,220 | 32,258 | 35,892 | 35,931 | 26,724 | 41,809 | 24,609 | 15,350 | 548,935 |
| Repairs and Maintenance | 129 | 13 | 572 | 580 | 862 | 585 | 2,060 | 105 | 6,984 |
| Chemicals and Supplies | 2,505 | 3,051 | 3,373 | 5,320 | 4,516 | 1,913 | 6,771 | 992 | 55,867 |
| Total expenditures | 78,507 | 113,079 | 118,158 | 119,922 | 108,144 | 132,540 | 121,035 | 98,506 | 2,058,014 |
| Excess (deficiency) of revenues over (under) expenditures | 39,593 | 8,611 | 7,866 | 10,638 | 28,291 | 3,894 | 18,829 | 46,502 | 71,926 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (us | - | - | - | - | - | - | - | - | - |
| Net change in fund balances | 39,593 | 8,611 | 7,866 | 10,638 | 28,291 | 3,894 | 18,829 | 46,502 | 71,926 |
| Fund balances, July 1 | (92,299) | (52,706) | (44,095) | (36,229) | (25,590) | 2,701 | 6,595 | 25,424 | - |
| Fund balances, June 30 | (52,706) | (44,095) | (36,229) | (25,590) | 2,701 | 6,595 | 25,424 | 71,926 | 71,926 |

Continued