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
Agreements

- Stay positive and be respectful.
- Work together towards the future.
- Keep on topic.
- Use Questions Cards to submit Questions
Homeowner Meeting Agenda

- Background
- Updated Proposal
- Ballot Process
- Next Steps
- Questions
Background
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](#)
Updated Proposal
Revised Proposed Increase

• Goals:
  • Build an Adequate 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
    • Fee increased gradually over 5 years

• 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?
  • Improved maintenance standards and accountability
  • Transparent ongoing communication (Financial and Operations Reports)
  • Engage neighbors through annual meetings
  • Capacity to build a more adequate reserve without shortchanging maintenance levels.
  • Dedicated crew through contracted maintenance company

• If approved, new fee and services would be effective July 2024
Maintenance Expectations

• The City's current contract with K&D Landscaping includes:
  • Tree work
  • Pruning and edging
  • Irrigation repairs, scheduling, and reporting
  • Litter and debris removal
  • Weed abatement and pest control for plant and tree
  • Fertilizing
  • Mulching
  • Removal and replacement of dead plant materials
  • Hardscape Maintenance
  • Extra work availability at predetermined rate
# Fee Proposal History

<table>
<thead>
<tr>
<th></th>
<th>Total - Single Family Home</th>
<th>Total - Townhome</th>
<th>Total - Apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assessment 23/24</td>
<td>$560.28</td>
<td>$448.22</td>
<td>$154.56</td>
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<tr>
<td>Estimated Overlay Assessment</td>
<td>$733.77</td>
<td>$587.02</td>
<td>$169.67</td>
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<tr>
<td>Estimated New Total</td>
<td>$1,294.05</td>
<td>$1,035.24</td>
<td>$324.23</td>
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<tr>
<td>New Proposed Percent Increase</td>
<td>133% Total</td>
<td>131% Total</td>
<td>109% Total</td>
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<tr>
<td>Original Proposal (July 2023) - Actual Amount Needed Per Engineers Report</td>
<td>$1,433.72</td>
<td>$1,146.96</td>
<td>$395.51</td>
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<tr>
<td>Per Engineer Report</td>
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<tr>
<td>Percent Increase Needed</td>
<td>156%</td>
<td>156%</td>
<td>156%</td>
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<tr>
<td>Assessment Needed vs. Proposed</td>
<td>(87%)</td>
<td>(89%)</td>
<td>(65%)</td>
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Fee Proposal History

YEAR 1
- 70% offset by reserves
- 30% New Assessment
- 30% 1yr Increase

YEAR 2
- 45% offset by reserves
- 25% New Assessment
- 30% 1yr Increase

YEAR 3
- 20% offset by reserves
- 55% 1yr + 2yr Increase

YEAR 4
- 10% offset by reserves
- 80% 1yr + 2yr + 3yr Increase

YEAR 5
- 10% New Assessment
- 90% 1yr + 2yr + 3yr + 4yr Increase
## Fee Proposal History

**Proposed Staggered Assessment:**

<table>
<thead>
<tr>
<th>Increase in this Year</th>
<th>% Increase</th>
<th>Single Family Home</th>
<th>Townhome</th>
<th>Apartment</th>
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</thead>
<tbody>
<tr>
<td>2025</td>
<td>30%</td>
<td>$220.13</td>
<td>$176.11</td>
<td>$50.90</td>
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<tr>
<td>2026</td>
<td>25%</td>
<td>$183.44</td>
<td>$146.76</td>
<td>$42.42</td>
</tr>
<tr>
<td>2027</td>
<td>25%</td>
<td>$183.44</td>
<td>$146.76</td>
<td>$42.42</td>
</tr>
<tr>
<td>2028</td>
<td>10%</td>
<td>$73.38</td>
<td>$58.70</td>
<td>$16.97</td>
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<tr>
<td>2029</td>
<td>10%</td>
<td>$73.88</td>
<td>$58.70</td>
<td>$16.97</td>
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</table>

*+ Annual C.I.P.*
<table>
<thead>
<tr>
<th>Year</th>
<th>Single Family Home</th>
<th>Townhome</th>
<th>Apartment</th>
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</thead>
<tbody>
<tr>
<td><strong>Year 1</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Current Assessment 24/25</td>
<td>560.28</td>
<td>448.22</td>
<td>154.56</td>
</tr>
<tr>
<td>Overlay at 30%</td>
<td>220.13</td>
<td>176.11</td>
<td>50.90</td>
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<tr>
<td>Total before CPI Increase</td>
<td>780.41</td>
<td>624.33</td>
<td>205.46</td>
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<tr>
<td>CPI Increase of 4.2%</td>
<td>32.78</td>
<td>26.22</td>
<td>8.63</td>
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<tr>
<td><strong>Total Assessment 25/26</strong></td>
<td>813.19</td>
<td>650.55</td>
<td>214.09</td>
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<td><strong>Year 2</strong></td>
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<td></td>
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<tr>
<td>Year 1 Assessment</td>
<td>813.19</td>
<td>650.55</td>
<td>214.09</td>
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<td>Overlay at 25%</td>
<td>183.44</td>
<td>146.76</td>
<td>42.42</td>
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<td>Total before CPI Increase</td>
<td>996.63</td>
<td>797.30</td>
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<td>CPI Increase of 4.2%</td>
<td>41.86</td>
<td>33.49</td>
<td>10.77</td>
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<td><strong>Total Assessment 26/27</strong></td>
<td>1,038.49</td>
<td>830.79</td>
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<td><strong>Year 3</strong></td>
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<tr>
<td>Year 2 Assessment</td>
<td>1,038.49</td>
<td>830.79</td>
<td>267.28</td>
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<td>Overlay at 25%</td>
<td>183.44</td>
<td>146.76</td>
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<tr>
<td>Total before CPI Increase</td>
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<td>CPI Increase of 4.2%</td>
<td>51.32</td>
<td>41.06</td>
<td>13.01</td>
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<td><strong>Total Assessment 27/28</strong></td>
<td>1,273.25</td>
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<td><strong>Year 4</strong></td>
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<td>Year 3 Assessment</td>
<td>1,273.25</td>
<td>1,018.60</td>
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<td>Overlay at 10%</td>
<td>73.38</td>
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<td>16.97</td>
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<tr>
<td>Total before CPI Increase</td>
<td>1,346.63</td>
<td>1,077.30</td>
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<td>CPI Increase of 4.2%</td>
<td>56.56</td>
<td>45.25</td>
<td>14.27</td>
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<td><strong>Total Assessment 28/29</strong></td>
<td>1,403.19</td>
<td>1,122.55</td>
<td>353.94</td>
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<td><strong>Year 5</strong></td>
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<tr>
<td>Year 4 Assessment</td>
<td>1,403.19</td>
<td>1,122.55</td>
<td>353.94</td>
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<tr>
<td>Overlay at 10%</td>
<td>73.38</td>
<td>58.70</td>
<td>16.97</td>
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<tr>
<td>Total before CPI Increase</td>
<td>1,476.57</td>
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<td>CPI Increase of 4.2%</td>
<td>62.02</td>
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<td><strong>Total Assessment 29/30</strong></td>
<td>1,538.58</td>
<td>1,230.86</td>
<td>386.48</td>
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</table>
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.
Summary of Options

1. NEW Gradual Increase Option - Increase current LLMAD assessment to have enhanced maintenance and a less than adequate reserve and increased over several years.

2. If Homeowners do not Approve Compromised Option - Do not increase fees and postpone all landscape maintenance within the LLMAD until replacement reserve is replenished.
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)
Next Steps
Engagement Timeline

2020–2022
Several virtual meetings held to inform property owners of financial state of LLMAD. Minimal engagement and interest received.

July 2023
Update letter mailed. Website updated with FAQs

Dec. 2023
Newsletter update mailed

May 14, 2024
Preliminary Engineers Report

July 9, 2024
2024-25 Ballots counted and Engineers Report Filed

June 2023
Two meetings held to inform property owners of financial state of LLMAD and proposed rate increase.

July 2023 – Jan. 2024
Meetings with Advisory Group, website updates

Jan-Feb, 2024
Homeowner Meetings

May-June 2024
Ballots mailed and cast

July 2024
Fees go into effect
Questions/Thoughts?
Thank You!

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