



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of December 12, 2017

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Mike Roberts, Public Works Director

SUBJECT: Landscape & Lighting Assessment District Options

RECOMMENDATION: Receive Report, Discuss, and provide Direction, if any.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not applicable.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this item though the need to address operating deficits, cumulative deficits, and the cost of streetlight replacement remains an urgent matter in a number of the Zones in the Landscape & Lighting District No. 83-2.

DISCUSSION: The City Council received and discussed an update on Landscape & Lighting Districts at the November 14, 2017 meeting (Attachment 1 – Staff Report from November 14, 2017). This report was provided in follow-up to the mostly unsuccessful effort earlier this year to increase assessments in a number of Zones.

On November 14th, one of the items which the City discussed was the option to undertake the Proposition 218 process to have the assessments increased to address the highest priority needs of eliminating operating deficits, cumulative deficits, and street light replacement. The Council requested that staff return with information about the timing and costs to undertake this process again possibly in 2018 or 2019.

The Zones which need to be addressed are:

Zone/ Current Assessments	Operating Deficit	Cumulative Deficit	Streetlight Replacement	Notes
Zone 1 Hercules by the Bay \$58.24 per year/\$4.85 month	Yes	Yes	Yes	
Zones 3 & 4 The Gems/Birds \$74.92 per year/\$6.24 month	Yes	No	Yes	Has an operating deficit being covered by reserves for this year.
Zone 6 Village Parkway \$28.33 per year/\$2.36 month	Yes	Yes	Yes	Existing assessments cover less than 1/3 rd of the annual operating costs.
Zone 7 Heights \$69.34 per year/\$5.78 month	No	No	Yes	Available capital reserves to be applied towards a Pilot Streetlight Replacement Project.
Zone 9 Birds and Country Run \$83.34 per year/\$6.95 month	No	Yes	No	Has a small positive operating surplus which if sustainable could eliminate the cumulative deficit over 15 years +/-.

Below is a tentative schedule should you decide to proceed with the Prop. 218 process for FY 2018-19:

January and February 2018 –	Perform assessment rates analysis, obtain approval from City Council and Finance Commission as necessary, and begin Public Outreach efforts
March 14, 2018 –	Resolution of Initiation
March 15, 2018 –	Assessment Engineer to provide City staff with Preliminary Engineer's Reports
March 28, 2018 –	Resolution of Intention
April 27, 2018 –	Mail Notices/Ballots (minimum of 45 days prior to the Public Hearing)
May 11, 2018 –	Final Engineer's Reports for Public Hearing
June 12, 2018 –	Public Hearing
June 13, 2018 –	Tabulate Ballots
June 15, 2018 –	Revised Final Engineer's Reports for Continued Public Hearing (includes assessment rates per results of Ballot Tabulation)
June 26, 2018 –	Continued Public Hearing (Declare Results of Election) and approve FY 2018-19 Revised Final Engineer's Report/Assessments

Each year we do have to undertake the normal renewal process with a CPI inflator, and that process generally costs approximately \$24,000 which is already budgeted. The estimated incremental cost for the Assessment Engineer to undertake the Prop 218 process for the four or five Zones discussed above is between \$20,000 and \$24,000. These costs are not budgeted and a funding source would need to be identified.

There are additional elements or activities which can and perhaps should be done as part of any Prop 218 process. Elements of these additional activities could be done in January and February and concurrent with the other formal steps outlined above.

The above schedule does not include polling, which may be desirable before proceeding, or additional public education and outreach. This year, the cost of having a firm assist us with the public education and outreach materials was just over \$30,000, though that did not include any polling. The estimated cost of a professional poll would be \$25,000 to \$30,000. The City would have to be prepared to grapple with the possibility that the polling results would indicate support for assessment increases which would not provide the resources required to eliminate the operating deficits, cumulative deficits, and/or allow for streetlight replacement. Though it would allow for more informed decision making nonetheless.

As identified above, polling may help refine how the proposed assessment increases would need to be packaged to ensure an understanding of the need. The estimated cost of having a firm assist us with another education and outreach effort building off of this year's efforts is a minimum of \$15,000, plus \$6,000 to \$8,000 for graphics support. In addition, the cost to produce each mailing, with three or four being optimal, would be approximately \$1,500 each or another \$6,000. These costs are also not budgeted and a funding source would need to be identified.

It is important to note that the use of public resources is limited to education and outreach. No public funds can be used for advocacy. As with any "election" type of effort, success is most likely when elected officials and community members advocate for the measures using their time and resources. As such, if the Council were to embark on another Proposition 218 effort, efforts to develop advocacy groups would need to be undertaken by elected officials and community leaders.

The City is also committed to ensuring that the services provided by the Landscape & Lighting Assessment Districts are being provided in a cost effective manner. Recently, the City Council approved a major tree inspection and maintenance contract to address some deferred maintenance issues with the trees in the Districts and Zones. In addition, the Public Works Department has restructured how the landscape maintenance contracts are being managed and overseen. A staff member has been assigned to regularly review the work being done with a check-list and regular meetings with the contractor.

An additional item of discussion on November 14th was the proposal to undertake a pilot streetlight replacement project in those Zones which have the funds available or which can afford to finance the replacements, or where a portion of the streetlights could be replaced with available reserves. Staff has been working to advance that effort.

The Pilot will see streetlights replaced as follows:

Zone	Lights Needing Replacement	Lights to be Replaced	Funding Approach
Zone 2 Foxboro	38	38	Estimated Total Cost: \$133,000 Reserves Available: \$29,966 Balance to be internally financed
Zone 5 C Commercial	2	2	Estimated Cost: \$7,000 To be internally financed
Zone 7 Heights	129	24 Coronado and Carson Streets	Estimated Total Cost: \$451,500 Partial Replacement Cost: \$84,000 Reserves Available: \$83,991

The replacement Streetlights which meet PG & E's standard for the City-owned and PG & E maintained lights, and those which match the others in the City, are available from a single manufacturer. The manufacturer advises that once ordered, the replacement poles and fixtures will be available in six to eight weeks. The City has two options as to how to proceed with the Pilot streetlight replacement project:

Turnkey Contract

On this basis, the City would develop bid specifications and solicit bids from contractors who would procure the new street lights, remove the existing streetlights, and install the new streetlights. Most likely, this option would be 20-30% more costly as the contractors would purchase through a distributor who add a mark-up on the streetlights and not directly from the manufacturer. However, it would have the contractor fully responsible for the completion of the project and they would provide a contractor warranty for the work in addition to the manufacturer warranty. It would also involve a single staff procurement effort and the City would look to only one party for successful completion of the project.

Direct Purchase

For this option, the City would purchase the lights directly from the manufacturer under their direct purchase program which the City has participated in before. The lights and fixtures would be ordered and once received, stored at the Corporation Yard until a contract for the removal of the old streetlights and the installation of the new streetlights could be bid and awarded. These efforts would be timed to try to ensure the replacement lights are not stored for a long period of time.

City staff have consulted with the City Attorney's Office in regard to the pros and cons of each approach. While the turnkey contract approach is likely to involve less risk if the project has performance issues or disputes, the possible cost savings and the nature of the project has resulted in staff deciding to utilize the direct purchase approach. To ensure success with this approach, resources will have to be utilized to ensure good management of the project and regular inspections as the project proceeds. In addition, the pilot project will flesh out what rebates may be available and what operating cost savings may be generated once completed and placed into operation. The Council has indicated a preference to have the Pilot Streetlight Replacement Project completed before any Prop 218 process were undertaken. Realistically, that may be difficult to do for a Prop 218 process in 2018, but most certainly could be completed well before a 2019 process.

ATTACHMENTS:

1. November 14, 2017 Staff Report



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Mike Roberts, Public Works Director

SUBJECT: Update on Landscape & Lighting Assessment Districts and Discussion of Options.

RECOMMENDATION: Receive Report, Discuss, and Provide Direction, if any.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not Applicable

FISCAL IMPACT OF RECOMMENDATION: None from this item. Landscape & Lighting Assessment District are an important funding source for landscape maintenance throughout the City. A number of zones in the Citywide District have insufficient income to support current service levels and/or to also address the need for streetlight replacement. Other Districts will need to be managed to ensure that revenues can sustain service levels.

DISCUSSION: The City has been working for the last three years to confirm that the Landscape & Lighting Assessment Districts have been structured to ensure accurate and equitable distribution of costs. Steps taken included an audit of each district and zone to ensure the correct allocation of personnel and other costs. Contract for services were reviewed and the landscape maintenance contract has been rebid multiple times. The methodology for the allocation of costs to maintain the City's arterial streets was also reviewed.

This three year process culminated in proposing that assessments be modified in a number of zones within Landscape & Lighting Assessment District No. 83-2. Assessment increases were proposed as needed to address four main issues:

- Ensure that arterial costs were paid on an equitable basis;
- Address, over time, cumulative deficits in those zones where they had accumulated over time;
- Address those Districts which have an annual operating deficit where on-going expenses exceed on-going revenue;
- Address the need for capital replacement, most significantly, the need to replace failing hollow-core wood street light poles.

Unfortunately, other than in a single zone (5C Dev Parcels), the assessment increases proposed and balloted upon in 2017 did not pass and the assessments increased in 2017 just by an annual CPI amount. Other changes were implemented for the 2017/18 fiscal year, including the proposed arterial street cost reallocation, and these changes reflect the fair and equitable allocation of costs on a forward going basis. However, in a number of zones the changes increase the operating deficit and/or the cumulative deficits.

In addition, a tremendous amount of maintenance of street trees has resulted from the drought and then the very recent heavy season of rain. This, plus prior deferrals of tree maintenance needs and the maturing tree stock, require an investment in additional tree trimming and maintenance. Bids were solicited for a major street tree effort, with a contract in the amount of \$160,000 to be awarded in the near future so the work can be completed prior to the storm season. The amount of this contract is reflected in the spreadsheet which has been used for this analysis. This expense does exacerbate the operating deficits and the cumulative deficits in some zones, though is unavoidable given the need to mitigate the risks associated with not addressing the tree maintenance. Regular street tree maintenance is considered necessary to reduce the potential for street tree related injury and damage claims. The City Council will be considering the approval of this tree maintenance contract under a separate item.

The current status of each zone is reflected in the attached spreadsheet (Attachment 1) based upon the reallocation of costs done as part of the final 2017/18 assessment setting process including the arterial reallocation, the additional tree trimming/maintenance costs, and proceeding with the streetlight replacement in those zones where funds are available. For ease of reference, the estimated cost of streetlight replacement for each of the zones is in the last line on the spreadsheet.

What follows is a discussion of each category or major concern with information on the impacted zones:

Cumulative Deficits

The need to eliminate cumulative deficits and to build appropriate reserves involves four (4) zones.

Zone 1 (Hercules by the Bay)

Current annual assessment \$58.24 per year/\$4.85 month

This zone had a projected positive fund balance as of June 30, 2017, with the arterial costs and tree trimming shifting the estimated ending fund balance as of June 30, 2018, to a cumulative **\$16,045.85**. Of this amount, \$4,800.00 is associated with tree maintenance, which may not need to be repeated at the same level in subsequent years. However, an on-going annual operating deficit will result in an increasing cumulative deficit over the years.

Zone 5C (Dev Parcels)

Current annual assessment \$54.12 per year/\$4.51 month

A projected small positive operating fund balance for FY 2017/18 will reduce the cumulative deficit in this zone to a projected **\$11,650.74** and could eliminate the cumulative deficit in less than four (4) years with good expense control and CPI inflator each year, allowing for reserves to start to accumulate. Also, as the undeveloped parcels in this Zone are developed in the future, there will be additional revenue generated to support the costs in this Zone.

Zone 6 (Village Parkway)

Current annual assessment \$28.33 per year/\$2.36 month

This Zone started with a projected cumulative deficit as of June 30, 2017, of **\$76,401.00** and this is further exacerbated by a projected annual operating deficit of **\$44,634.97** to bring the projected FY 2017/18 year end cumulative deficit to **\$121,035.97**. This Zone is the most problematic Zone. Even assuming one-time tree trimming costs of \$7,000.00 does not have to be repeated every year, the annual operating deficit (discussed in more detail in the next section) is significant.

Zone 9 (Birds and Country Run)

Current annual assessment \$83.34 per year/\$6.95 month

Zone 9 starts the 2017/18 fiscal year with a cumulative deficit of **\$84,103.00**, though positive annual operating results for FY 2017/18 of \$5,779.74 reduce that to **\$78,323.26** by fiscal year end. A continuing positive annual operating outcome at the current level could eliminate the cumulative deficit over time, though this would not start to build reserves for nearly fifteen (15) years.

Operating Deficits

There are operating deficits in three zones (3) where annual expenses exceed annual revenues.

Zone 1 (Hercules by the Bay)

Current annual assessment \$58.24 per year/\$4.85 month

Zone 1 has an operating deficit of **\$29,713.85** for FY 2017/18 on an operating budget of \$77,784.77 including \$4,800.00 in tree trimming cost. This is due primarily to the addition of fair share arterial maintenance costs. Opportunities to reduce costs are limited as outside of the arterial costs, the need to cut \$25,000 or so in expenses would eliminate funding for street lighting and most landscape maintenance, with even greater cuts necessary to allow for reserves to build to an appropriate level, let alone address the need for street light replacement.

Zone 3 & 4 (Gems/Birds)

Current annual assessment \$74.92 per year/\$6.24 month

While Zone 3 & 4 has an annual operating deficit of **\$9,140.27**, and a positive level of reserves available to cover that for a period of time, this does not allow for the replacement of street lights. Also, expenses should be aligned with revenues and as such some level of expense reduction should be identified.

Zone 6 (Village Parkway)

Current annual assessment \$28.33 per year/\$2.36 month

The low annual assessments in this Zone do not support operating costs with expenses (\$66,995.21) being approximately three times the annual assessment revenue (\$21,509.12) for an annual operating deficit of **\$44,634.97**. The elimination of all services in the area, such as street lighting and landscape maintenance including personnel, would not even allow for the full payment of other remaining costs and the fair share of arterial maintenance, let alone the cost of street light pole replacement and the accumulation of reserves.

Streetlight Hollow-Core Wood Pole Replacement

The table below summarizes the estimated costs for the wood pole replacement in all of the Zones and for the arterials.

Wood Pole Replacement Summary		
Zone	Total Replacement Cost	Avg. Cost per EDU (over 10 years)
Zone 1	\$273,000	\$33.81
Zone 2	\$133,000	\$20.81
Zone 3&4	\$476,000	\$54.85
Zone 5A	\$0	\$0.00
Zone 5B	\$7,000	\$1.97
Zone 5C	\$7,000	\$2.94
Zone 6	\$189,000	\$24.90
Zone 7	\$451,500	\$45.99
Zone 8	\$0	\$0.00
Zone 9	\$0	\$0.00
Zone 10	\$10,500	\$0.13
Arterials	\$150,000	\$1.59

There are sufficient available reserves or capacity to finance the replacement of the poles in just four (4) Zones given current revenues and assessment amounts. These are Zone 2 (Foxboro), Zone 5B (Commercial), Zone 5C (Dev Parcels), and Zone 10 (Citywide) at a total cost of \$157,500. Zone 2 (Foxboro) and Zone 5C (Dev Parcels) will be financed over 10 years while the other two zones will be funded from available capital reserves. Staff plans to proceed with the replacement of the streetlight poles in these four Zones as a demonstration project.

Two (2) other Zones, 3 & 4 (Gems/Birds), and 7 (Heights), have some reserves available to apply to streetlight replacement, but not in amounts sufficient to allow for the replacement of all the streetlight poles. With Zone 3 & 4 (Gems/Birds) having a small operating deficit, the reserves available for capital projects should be held until the operating deficit can be eliminated. Zone 7 has just under \$84,000 in reserves available to apply towards the \$451,000 in total estimated cost of the streetlight pole replacement. If desired, streetlights could be replaced in a portion of Zone 7 as part of the demonstration project planned for the four (4) zones with available funding.

Streetlight replacement on the Arterials could also be undertaken on an incremental basis as funds become available in future years. Alternatively, there may be an opportunity to finance the replacement of all Arterial streetlights. A separate fund for Arterials has been established and will be funded with contributions from all Landscape & Lighting Assessment Districts. The FY 2017/18 Summary of Income and Expense for the Arterials is attached (Attachment 2). The cost of streetlight replacement would flow to the Citywide District (and Zones) and the other Districts unless funded from an alternative source.

Other Districts

There are four other Landscape & Lighting Assessment Districts in the City: Baywood (No. 2004-1); Bayside (2005-1); Promenade (No. 2002-2); and Victoria by the Bay (No. 2002-1). The transition to the allocation of a fair share of arterial maintenance costs and the proposed major tree trimming contract results in these Districts having expenditures which exceed revenues for FY 2017/18 and which can be funded from reserves. The summary for Promenade also reflects an adjustment needed for an improvement project and a reduction in estimated water costs, and for Victoria by the Bay there is a reduction in the grounds repair contingency, in order to minimize the FY 2017/18 FY deficits, which will have been made formally as part of the mid-year budget review. The FY 2017/18 Summary of Income and Expense for each of these Districts is attached (Attachment 3). However, it should be noted that each of these Districts has the capacity to address any current imbalance between revenues and expenditures over time.

In regard to the Baywood District, it should be noted that staff is engaged in an effort to address concerns the residents have expressed regarding the level of maintenance in their area which includes the City performing maintenance of private yards. As part of this process, an increase in assessments may be considered as the current assessments are well below the current maximum cap in this District.

Service Deficits

A new factor which should be an element in any future assessment of options related to the Landscape & Lighting Assessment Districts is the concept of Service Deficits. An example of a Service Deficit is where we defer or do not undertake street tree maintenance and are faced, like now, with a more costly catch-up once the need is so great it cannot be avoided. This would also apply to deferred capital replacement. Service Deficits not only result in a less than desirable level of maintenance, but can be more costly in the long run as a result.

Other Options

While Landscape & Lighting Assessment Districts are intended to be self-supporting, there are some other options available. One possibility would be for the general benefit contribution to be increased on a proportionate and equitable basis to provide a level of general tax or non-assessment support to the Districts. This would reduce the amount of funding available to meet other City needs, and in some Zones would reduce the current assessment levies, and it would eliminate the need for some or all of the assessment increases needed in others.

Future Actions

The City is in the process of undertaking the development of an updated Overhead & Cost Allocation Model to be completed in time for the development of the FY 2018/19 Budget. Part of this review

includes an examination of how personnel are allocated across all areas of operation. In addition, it may impact the overhead assigned to each Landscape & Lighting district and zone, though it is not possible to provide any indication at this time if it would be a positive or negative impact.

In the spring of 2018, the City will initiate the normal annual renewal process for the Landscape & Lighting Assessment Districts. At this point, it is anticipated that this will be a renewal process with just a CPI inflator and no Prop 218 balloting on increases above that level. The costs of the normal renewal process is included in the budgets for each of the Districts and Zones. For this purpose, it is assumed that the expense side will be status quo unless service reductions are unavoidable in order to start to eliminate operating and cumulative deficits. Of course, the City Council could undertake a new Prop 218 process in 2018 or 2019 as an alternative to service reductions.

ATTACHMENTS:

1. Citywide L&LAD 83-2 District Income and Expense Summary
2. Arterial Income and Expense Summary
3. Other District Income and Expense Summaries

LANDSCAPING AND LIGHTING DISTRICT NO. 83-2
PROPOSED INCOME AND EXPENSE
FISCAL YEAR 2017-18

REVENUES	LLAD 83-2 NEIGHBORHOOD ZONES										
	ZONE 1 HERCULES BY THE BAY	ZONE 2 FOXBORO	ZONE 3&4 THE GEMS/ BIRDS	ZONE 5A BUSINESS PARK	ZONE 5B COMMERCIAL	ZONE 5C DEV. PARCELS	ZONE 6 VILLAGE PARKWAY	ZONE 7 HEIGHTS	ZONE 8 TREES AND FLOWERS	ZONE 9 BIRDS AND COUNTRY RUN	LLAD 83-2 CITYWIDE ZONE 10
Assessments	\$46,926.88	\$71,569.26	\$60,685.20	\$70,467.30	\$37,623.45	\$12,851.80	\$21,509.12	\$67,591.98	\$144,485.67	\$70,648.45	\$754,215.12
Public Agency Assessments	\$99.77	\$310.95	\$4,337.38	\$6,394.53	\$5,538.31	\$2,423.24	\$0.00	\$481.77	\$20,786.89	\$23.26	\$30.10
General Benefit Contribution	\$1,044.27	\$950.04	\$947.84	\$953.59	\$238.94	\$200.62	\$851.12	\$747.22	\$1,957.91	\$964.60	\$35,751.43
TOTAL REVENUES	\$48,070.92	\$72,830.25	\$65,970.42	\$77,815.42	\$43,400.70	\$15,475.66	\$22,360.24	\$68,820.97	\$167,230.47	\$71,636.31	\$789,996.65
DIRECT COSTS											
Personnel	\$20,293.00	\$17,869.00	\$15,956.00	\$7,175.00	\$7,210.00	\$7,313.00	\$20,209.00	\$16,653.00	\$16,653.00	\$18,443.00	\$235,574.92
Arterials/Major Roads Landscape and Lighting Maintenance	\$25,571.49	\$20,477.48	\$27,718.83	\$19,811.69	\$6,257.41	\$1,931.42	\$24,439.30	\$28,320.71	\$38,609.43	\$17,626.38	\$0.00
Additional Tree Trimming	\$4,800.00						\$7,000.00				
Neighborhood Wood Pole Replacements (first of 10 annual payments)	\$0.00	\$13,300.00	\$0.00	\$0.00	\$0.00	\$700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Landscaping & Irrigation	\$4,492.64	\$2,729.08	\$3,866.79	\$18,844.42	\$1,853.20	\$0.00	\$2,147.99	\$296.97	\$12,883.57	\$2,046.21	\$318,321.93
Supplies	\$125.43	\$41.08	\$144.37	\$242.70	\$12.51	\$0.00	\$68.32	\$0.00	\$359.56	\$23.16	\$9,688.52
Fire Breaks / Discing	\$751.80	\$1,309.35	\$1,285.20	\$0.00	\$0.00	\$0.00	\$625.80	\$1,050.00	\$14,910.00	\$959.70	\$1,880.18
Street Lighting	\$12,329.26	\$5,863.71	\$12,657.90	\$7,142.13	\$481.15	\$440.08	\$5,181.75	\$11,855.06	\$37,738.90	\$20,437.84	\$19,125.17
Water	\$2,673.13	\$868.29	\$6,382.04	\$9,268.27	\$0.00	\$0.00	\$790.69	\$0.00	\$5,271.79	\$902.12	\$71,514.00
Vehicle Repairs	\$13.10	\$4.29	\$15.08	\$25.35	\$1.31	\$0.00	\$7.13	\$0.00	\$37.55	\$2.42	\$1,011.85
Assessment Engineering Cost	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$735.61	\$587.00
Incidental / Direct Admin Cost	\$5,049.32	\$4,031.53	\$5,466.89	\$3,934.96	\$1,386.40	\$551.29	\$4,809.62	\$5,665.49	\$8,005.28	\$3,756.14	\$52,800.51
County Fees	\$950.00	\$750.00	\$882.00	\$311.00	\$267.00	\$291.00	\$980.00	\$1,105.00	\$1,300.00	\$924.00	\$4,524.50
Refugio Valley Park Capital Improvement Projects											\$398,986.13
TOTAL DIRECT COSTS	\$77,784.77	\$67,979.42	\$75,110.69	\$67,491.12	\$18,204.57	\$11,962.40	\$66,995.21	\$65,681.83	\$136,504.68	\$65,856.57	\$1,114,014.72
COLLECTIONS/(CREDITS) APPLIED TO LEVY											
Reserve Collection (Transfer)	(\$29,713.85)	\$4,850.83	(\$9,140.27)	\$10,324.30	\$25,196.13	\$3,513.26	(\$44,634.97)	\$3,139.14	\$30,725.78	\$5,779.74	(\$324,018.07)
DISTRICT STATISTICS											
Total Parcels Levied	915	657	832	78	22	51	962	1,122	1,379	887	6,734
ERUs	807.463	639.049	867.893	637.593	355.680	238.200	759.150	981.698	1,601.478	847.977	6,262.630
Annual Applied Levy per Benefit Unit	\$58.24	\$112.48	\$74.92	\$120.55	\$121.35	\$54.12	\$28.33	\$69.34	\$103.20	\$83.34	\$120.44
Annual Maximum Levy per Benefit Unit	\$58.24	\$112.48	\$74.92	\$120.55	\$121.35	\$54.12	\$28.33	\$69.34	\$103.20	\$83.34	\$120.44
Beginning Balance - Projected July 1, 2017	\$13,668.00	\$59,105.00	\$89,434.00	\$163,683.00	\$71,878.00	(\$15,164.00)	(\$76,401.00)	\$113,693.00	\$150,415.00	(\$84,103.00)	\$1,076,138.22
Reserve Collection Increase/(Decrease)	(\$29,713.85)	\$4,850.83	(\$9,140.27)	\$10,324.30	\$25,196.13	\$3,513.26	(\$44,634.97)	\$3,139.14	\$30,725.78	\$5,779.74	(\$324,018.07)
Ending Balance - Projected June 30, 2018	(\$16,045.85)	\$63,955.83	\$80,293.73	\$174,007.30	\$97,074.13	(\$11,650.74)	(\$121,035.97)	\$116,832.14	\$181,140.78	(\$78,323.26)	\$752,120.15
Required Operating Reserves	\$38,892.38	\$33,989.71	\$37,555.35	\$33,745.56	\$9,102.29	\$5,981.20	\$33,497.60	\$32,840.92	\$68,252.34	\$32,928.29	\$357,514.29
Available Operating Reserves	\$0.00	\$33,989.71	\$37,555.35	\$33,745.56	\$9,102.29	\$0.00	\$0.00	\$32,840.92	\$68,252.34	\$0.00	\$357,514.29
Available Capital Reserves	(\$16,045.85)	\$29,966.12	\$42,738.38	\$140,261.74	\$87,971.84	(\$11,650.74)	(\$121,035.97)	\$83,991.23	\$112,888.44	(\$78,323.26)	\$394,605.86
Total	(\$16,045.85)	\$63,955.83	\$80,293.73	\$174,007.30	\$97,074.13	(\$11,650.74)	(\$121,035.97)	\$116,832.14	\$181,140.78	(\$78,323.26)	\$752,120.15
Total Estimated Cost of Wood Pole Replacements per Benefit Zone:	\$273,000.00	\$133,000.00	\$476,000.00	\$0.00	\$7,000.00	\$7,000.00	\$189,000.00	\$451,500.00	\$0.00	\$0.00	\$10,500.00

LANDSCAPING AND LIGHTING DISTRICTS
(ARTERIAL ROADWAYS)
PROPOSED INCOME AND EXPENSE
FISCAL YEAR 2017-18

REVENUES	
Total Transfers from LLAD Zones/Districts	\$243,702.55
General Benefit Contribution	\$19,343.16
TOTAL REVENUES	<u>\$263,045.71</u>
DIRECT COSTS	
Additional Tree Trimming	\$65,245.00
Landscaping & Irrigation	\$52,136.64
Street Lighting	\$54,136.32
Water	<u>\$91,527.75</u>
TOTAL DIRECT COSTS	<u>\$263,045.71</u>
COLLECTIONS/(CREDITS)	
Reserve Collection (Transfer)	\$0.00
FUND BALANCE INFORMATION	
Beginning Balance - Projected July 1, 2017	\$0.00
Reserve Fund Adjustments	\$0.00
Ending Balance - Projected June 30, 2018	<u>\$0.00</u>
Required Operating Reserves	N/A
Available for Capital Replacement Projects ¹	<u>\$0.00</u>
Subtotal	<u>\$0.00</u>
Total Estimated Cost of Wood Pole Replacements:	\$150,000.00

LANDSCAPING AND LIGHTING DISTRICT NO. 2002-1
(VICTORIA BY THE BAY)
PROPOSED INCOME AND EXPENSE
FISCAL YEAR 2017-18

	NEIGHBORHOOD	CITYWIDE	TOTAL
REVENUES			
Assessments	\$403,323.14	\$100,037.46	\$503,360.60
Public Agency Assessments	\$6,352.48	\$0.00	\$6,352.48
General Benefit Contribution	\$9,153.69	\$6,715.13	\$15,868.82
TOTAL REVENUES	\$418,829.31	\$106,752.59	\$525,581.90
DIRECT COSTS			
Personnel	\$66,304.00	\$31,243.83	\$97,547.83
City Major Roads/Arterials			
Landscape and Lighting Maintenance	\$21,276.93		\$21,276.93
Additional Tree Trimming	\$58,478.00		\$58,478.00
Landscaping & Irrigation	\$192,183.82	\$29,209.39	\$221,393.22
Supplies	\$6,351.32	\$938.94	\$7,290.26
Fire Breaks / Discing	\$0.00	\$249.36	\$249.36
Street Lighting	\$22,643.60	\$2,536.54	\$25,180.13
Water	\$101,534.40	\$9,484.76	\$111,019.16
Vehicle Repairs	\$553.66	\$98.06	\$651.72
Assessment Engineer Cost	\$4,045.83	\$77.85	\$4,123.68
Incidental / Direct Admin Cost	\$4,768.11	\$6,975.72	\$11,743.82
County Fees	\$822.00	\$571.50	\$1,393.50
Capital Improvement	\$0.00	\$52,916.73	\$52,916.73
TOTAL DIRECT COSTS	\$478,961.67	\$134,302.68	\$613,264.35
COLLECTIONS/(CREDITS) APPLIED TO LEVY			
Reserve Collection (Transfer)	(\$60,132.36)	(\$27,550.09)	(\$87,682.44)
DISTRICT STATISTICS			
Total Parcels	839	839	
Total Parcels Levied	794	792	
Total Equivalent Residential Units (ERU)	843.682	830.600	
Annual Applied Levy per Benefit Unit	\$485.59	\$120.44	\$606.03
Annual Maximum Levy per Benefit Unit	\$485.59	\$120.44	\$606.03
FUND BALANCE INFORMATION			
Beginning Balance - Projected July 1, 2017	\$248,258.00	\$142,726.04	\$390,984.04
Reserve Fund Adjustments	(\$60,132.36)	(\$27,550.09)	(\$87,682.44)
Ending Balance - Projected June 30, 2018	\$188,125.64	\$115,175.96	\$303,301.60
Required Operating Reserves	\$239,480.84	\$67,151.34	\$306,632.17
Available for Capital Replacement Projects ¹	\$0.00	\$48,024.62	\$0.00
Subtotal	\$239,480.84	\$115,175.96	\$306,632.17

LANDSCAPE AND LIGHTING DISTRICT NO. 2002-2
(PROMENADE)
PROPOSED INCOME AND EXPENSE
FISCAL YEAR 2017-18

	NEIGHBORHOOD	CITYWIDE	TOTAL
REVENUES			
Assessments	\$136,455.60	\$26,882.20	\$163,337.80
Public Agency Assessments	\$4,175.64	\$0.00	\$4,175.64
General Benefit Contribution	\$3,688.77	\$1,804.50	\$5,493.27
TOTAL REVENUES	\$144,320.01	\$28,686.70	\$173,006.71
DIRECT COSTS			
Personnel	\$29,786.00	\$8,395.88	\$38,181.88
City Major Roads/Arterials			
Landscape and Lighting Maintenance	\$3,517.55		\$3,517.55
Additional Tree Trimming	\$19,301.00		\$19,301.00
Paseo Landscaping and Stair Rails	\$25,000.00		
Landscaping & Irrigation	\$63,539.83	\$7,849.19	\$71,389.02
Supplies	\$1,767.11	\$252.32	\$2,019.42
Fire Breaks / Discing	\$0.00	\$67.01	\$67.01
Street Lighting	\$13,973.55	\$681.62	\$14,655.17
Water	\$25,474.93	\$2,548.76	\$28,023.69
Vehicle Repairs	\$184.55	\$26.36	\$210.91
Assessment Engineer Cost	\$4,045.83	\$20.92	\$4,066.75
Incidental / Direct Admin Cost	\$944.62	\$1,874.52	\$2,819.15
County Fees	\$421.00	\$153.57	\$574.57
Capital Improvement	\$0.00	\$14,219.86	\$14,219.86
TOTAL DIRECT COSTS	\$187,955.98	\$36,090.00	\$199,045.99
COLLECTIONS/(CREDITS) APPLIED TO LEVY			
Reserve Collection (Transfer)	(\$43,635.97)	(\$7,403.30)	(\$51,039.28)
DISTRICT STATISTICS			
Total Parcels	224	224	
Total Parcels Levied	224	221	
Total Equivalent Residential Units (ERU)	230.03	223.20	
Annual Applied Levy per Benefit Unit	\$611.37	\$120.44	\$731.81
Annual Maximum Levy per Benefit Unit	\$611.37	\$120.44	\$731.81
FUND BALANCE INFORMATION			
Beginning Balance - Projected July 1, 2017	\$273,042.00	\$38,353.54	\$311,395.54
Reserve Fund Adjustments	(\$43,635.97)	(\$7,403.30)	(\$51,039.28)
Ending Balance - Projected June 30, 2018	\$229,406.03	\$30,950.24	\$260,356.27
Required Operating Reserves	\$93,977.99	\$18,045.00	\$99,522.99
Available for Capital Replacement Projects ¹	\$135,428.04	\$12,905.24	\$160,833.27
Subtotal	\$229,406.03	\$30,950.24	\$260,356.27

LANDSCAPING AND LIGHTING DISTRICT NO. 2004-1
(BAYWOOD)
INCOME AND EXPENSE
FISCAL YEAR 2017-18

	NEIGHBORHOOD	CITYWIDE	TOTAL
REVENUES			
Assessments	\$117,000.00	\$8,972.64	\$125,972.64
Public Agency Assessments	\$4,738.50	\$0.00	\$4,738.50
General Benefit Contribution	\$2,731.90	\$602.31	\$3,334.21
TOTAL REVENUES	\$124,470.40	\$9,574.95	\$134,045.35
DIRECT COSTS			
Personnel	\$47,066.00	\$2,802.39	\$49,868.39
City Major Roads/Arterials			
Landscape and Lighting Maintenance	\$2,612.75		\$2,612.75
Additional Tree Trimming	\$9,893.00		\$9,893.00
Landscaping & Irrigation	\$51,730.04	\$2,619.92	\$54,349.96
Supplies	\$1,223.08	\$84.22	\$1,307.30
Fire Breaks / Discing	\$0.00	\$22.37	\$22.37
Street Lighting	\$3,426.57	\$227.51	\$3,654.08
Water	\$18,162.90	\$850.73	\$19,013.63
Vehicle Repairs	\$127.74	\$8.80	\$136.54
Assessment Engineer Cost	\$4,045.83	\$6.98	\$4,052.81
Incidental / Direct Admin Cost	\$608.86	\$625.68	\$1,234.55
County Fees	\$311.00	\$51.26	\$362.26
Capital Improvement	\$0.00	\$4,746.32	\$4,746.32
TOTAL DIRECT COSTS	\$139,207.77	\$12,046.19	\$151,253.96
COLLECTIONS/(CREDITS) APPLIED TO LEVY			
Reserve Collection (Transfer)	(\$14,737.37)	(\$2,471.24)	(\$17,208.61)
DISTRICT STATISTICS			
Total Parcels	81	81	
Total Parcels Levied	80	78	
Total Equivalent Residential Units (ERU)	81.159	74.500	
Annual Applied Levy per Benefit Unit	\$1,500.00	\$120.44	\$1,620.44
Annual Maximum Levy per Benefit Unit	\$2,260.96	\$120.44	\$2,381.40
FUND BALANCE INFORMATION			
Beginning Balance - Projected July 1, 2017	\$64,129.00	\$12,801.70	\$76,930.70
Reserve Fund Adjustments	(\$14,737.37)	(\$2,471.24)	(\$17,208.61)
Ending Balance - Projected June 30, 2018	\$49,391.63	\$10,330.46	\$59,722.09
Required Operating Reserves	\$69,603.89	\$6,023.09	\$75,626.98
Available for Capital Replacement Projects ¹	\$0.00	\$4,307.37	\$0.00
Subtotal	\$69,603.89	\$10,330.46	\$75,626.98

LANDSCAPING AND LIGHTING DISTRICT NO. 2005-1
(BAYSIDE)
INCOME AND EXPENSE
FISCAL YEAR 2017-18

	NEIGHBORHOOD	CITYWIDE	TOTAL
REVENUES			
Assessments	\$103,108.40	\$59,626.48	\$162,734.88
Public Agency Assessments	\$812.02	\$0.00	\$812.02
General Benefit Contribution	\$1,388.76	\$3,696.72	\$5,085.48
TOTAL REVENUES	\$105,309.18	\$63,323.20	\$168,632.38
DIRECT COSTS			
Personnel	\$23,167.00	\$17,199.91	\$40,366.91
City Major Roads/Arterials			
Landscape and Lighting Maintenance	\$5,699.66		\$5,699.66
Landscaping & Irrigation	\$24,823.48	\$16,079.94	\$40,903.43
Supplies	\$883.55	\$516.89	\$1,400.45
Fire Breaks / Discing	\$0.00	\$137.28	\$137.28
Street Lighting	\$10,155.43	\$1,396.37	\$11,551.81
Water	\$4,245.08	\$5,221.41	\$9,466.49
Vehicle Repairs	\$92.28	\$53.98	\$146.26
Assessment Engineer Cost	\$4,045.83	\$42.86	\$4,088.69
Incidental / Direct Admin Cost	\$1,518.53	\$3,840.18	\$5,358.71
County Fees	\$507.00	\$314.61	\$821.61
Capital Improvement	\$0.00	\$29,130.96	\$29,130.96
TOTAL DIRECT COSTS	\$75,137.85	\$73,934.39	\$149,072.24
RESERVES			
Reserve Collection (Transfer)	\$30,171.34	(\$10,611.19)	\$19,560.15
DISTRICT STATISTICS			
Total Parcels	362	362	
Total Parcels Levied	338	337	
Total Equivalent Residential Units (ERU)	517.468	495.080	
Annual Applied Levy per Benefit Unit	\$222.78	\$120.44	\$343.22
Annual Maximum Levy per Benefit Unit	\$222.78	\$120.44	\$343.22
FUND BALANCE INFORMATION			
Beginning Balance - Projected July 1, 2017	(\$2,442.00)	\$78,571.49	\$76,129.49
Reserve Fund Adjustments	\$30,171.34	(\$10,611.19)	\$19,560.15
Ending Balance - Projected June 30, 2018	\$27,729.34	\$67,960.31	\$95,689.64
Required Operating Reserves	\$37,568.92	\$36,967.19	\$74,536.12
Available for Capital Replacement Projects ¹	\$0.00	\$30,993.11	\$30,993.11
Reserve Subtotal	\$37,568.92	\$67,960.31	\$105,529.23