



# **CITY OF SALINAS**

**FINAL ENGINEER'S REPORT  
MONTE BELLA MAINTENANCE DISTRICT  
FISCAL YEAR 2021-2022  
MONTEREY COUNTY, CALIFORNIA**

**May 2021**

*PREPARED BY*



**Harris & Associates**

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## ENGINEER'S CERTIFICATION

**AGENCY:** THE CITY OF SALINAS

**PROJECT:** MONTE BELLA MAINTENANCE DISTRICT

**TO:** THE CITY COUNCIL OF THE  
CITY OF SALINAS  
STATE OF CALIFORNIA

### ENGINEER'S REPORT FOR FISCAL YEAR 2021-22

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, Article XIIID of the California Constitution (Proposition 218), and the Proposition 218 Omnibus Implementation Act and in accordance with the Resolution of Initiation, adopted by the City Council of the City of Salinas, State of California, in connection with the proceedings for:

### **MONTE BELLA MAINTENANCE DISTRICT**

(Hereinafter referred to as the "District"),

I, Alison Bouley, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following seven (7) parts and Appendices:

### **PART I**

**Overview:** Provides the background and reason for the District.

### **PART II**

**Plans and Specifications:** Plans and specifications for the improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Engineer and are incorporated herein by reference.

### **PART III**

**Cost Estimate:** An estimate of the costs of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and incorporated herein by reference.

#### **PART IV**

**District Benefits:** A discussion of the benefits provided by the District identifies, separates and quantifies the general and special benefits received by each parcel in the District, for the services received and the improvements provided.

#### **PART V**

**Method of Apportionment:** The method of apportionment of assessments, indicating the proposed assessment of the net amount of the costs and expenses of the improvements to be assessed upon the several lots and parcels of land within the District, in proportion to the estimated benefits to be received by such lots and parcels.

#### **PART VI**

**Assessment Diagram:** The Diagram of the District Boundaries showing the exterior boundaries of the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Monterey for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

#### **PART VII**

**Assessment Roll:** An assessment of the estimated cost of the improvements on each benefited lot or parcel of land within the District.

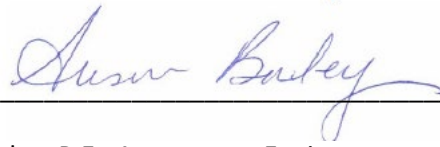
#### **Appendices**

Appendix A	District Boundaries
Appendix B	Monte Bella Capital Improvement Plan
Appendix C	Assessment Roll

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided and in conformance with the assessment methodology adopted by the City Council for the levying of assessments.

DATED: May 2021

 **Harris & Associates**





Alison Bouley, P.E., Assessment Engineer  
R.C.E. No. C61383  
Engineer of Work  
County of Monterey  
State of California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached, was filed with me on the 11<sup>th</sup> day of May, 2021.

Patricia M. Barajas, City Clerk  
City of Salinas  
Monterey County, California

By \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Salinas, California, on the 11th day of May, 2021.

Patricia M. Barajas, City Clerk  
City of Salinas  
Monterey County, California

By \_\_\_\_\_



## **PART I – OVERVIEW**

The City of Salinas (the “City”) established the Monte Bella Maintenance District to provide a source of funding for the on-going maintenance of the amenities that were installed for the benefit of the parcels located in the Monte Bella development (the “Development”) and within the District. The District was created under Article II, Chapter 21C of the City of Salinas Municipal Code and the Landscaping and Lighting Act of 1972 of the State of California (the “1972 Act”). As required, the City prepares an Engineer’s Report annually and holds a public hearing to allow property owners within the District to address the City Council prior to the annual levy of the assessments.

This Engineer’s Report (the “Report”) sets forth the proposed assessments for Fiscal Year 2021-2022 for the Monte Bella Maintenance District (the “District”). The District was created in 2004, after the passage of Proposition 218 in 1996, which established Article XIID of the State Constitution and the District is subject to the legal requirements of Proposition 218. The District assessments include built-in inflationary factor based on the annual change in the Consumer Price Index (“CPI”). The assessment may be levied each year up to the maximum assessment rates. Proposed assessments that are greater than the maximum assessment rates require a property-owner vote approving of the new rates before being levied. For Fiscal Year 2021-2022, the assessment rate remains the same as it was in FY 2020-2021 while the maximum assessment rates are increasing by the inflation factor of 3.83%. Part V of this Report provides a discussion of the inflation factor in more detail.

The estimated cost of maintenance services for Fiscal Year 2021-2022 are detailed in Part III of this Report. All assessable parcels identified as being within the District share in both the cost and the benefits of the improvements. The costs and expenses associated with the improvements in the District are equitably spread among all benefiting parcels within the District and only parcels that receive special benefit from the improvements are assessed in proportion to benefit received. The funds collected from the assessments are dispersed and used for the services and operation provided within the District. A discussion of District benefits is provided in Part IV of this Report, the method of apportioning District costs to the parcels of land within the District is provided in Part V of this Report and Appendix C lists the assessment amount for each parcel in the District for Fiscal Year 2021-2022.



## **PART II – PLANS AND SPECIFICATIONS**

All of the improvements are allowed under the Salinas Municipal Code and the Lighting and Landscape Act of 1972 (the "Act"). The continued maintenance of these improvements shall be budgeted and reviewed each fiscal year and fully or partially funded through the annual assessments.

The assessments provide a dedicated source of funding for the maintenance and operation of the District improvements, including landscaping along the street corridors within the Development and along portions of Sconberg Parkway, Freedom Parkway and Williams Road that are directly adjacent to the Development. Other improvements maintained by the District include local street lighting (including energy costs), routine street maintenance and associated appurtenances located within the public right-of-ways.

There are four distinct types of improvements in the District which are: street landscaping; street lighting; parks, open space and detention basin landscaping; and street maintenance. Each type of improvement is budgeted and assessed as a District benefit zone ("Benefit Zone").

### **Street Landscaping**

The District provides maintenance, servicing and operation of approximately 458,075 square feet of landscaping along the street corridors within the Monte Bella Development and along portions of Sconberg Parkway, Freedom Parkway and Williams Road that are directly adjacent to the Development. The street landscaping improvements include, but are not be limited to, ground cover, trees and shrubs, and irrigation systems within the street right of ways. Maintenance, servicing and operation includes the costs of necessary repairs, replacements, water, electrical current, trimming and pruning, care supervision and any and all other items necessary for the proper maintenance and operation of the improvements. The following locations include street landscaping improvements that are maintained by the District.

<b>Street</b>	<b>Landscaping Area</b>
Monte Bella Boulevard	Both sides of the roadway from Sconberg Parkway to Williams Road
Tuscany Boulevard	Both sides of the entire length of the roadway
Padova Drive	Both sides of the entire length of the roadway
Pavia Way	Both sides of the entire length of the roadway
Palermo Drive	Both sides of the entire length of the roadway
Williams Drive	The southeast side of the roadway from Freedom Parkway to the southwestern corner boundary of the District
Freedom Parkway	The southwest side of the roadway and the center island from Williams Road to Sconberg Parkway
Sconberg Parkway	The northwest side of the roadway and the center island from Freedom Parkway to Alisal Road



The District also provides routine tree pruning services within the landscaped areas of the boulevards and local streets of the District and within the Park. The improvement costs associated with tree trimming will be assessed to the benefited District parcels and reserved for over an anticipated five year pruning cycle.

## Street Lighting

The District currently provides maintenance, servicing and operation of 359 street lights. Maintenance, servicing and operation includes the costs of necessary repairs, replacements, care supervision and any and all other items necessary for the proper maintenance and operation of the improvements. The following table shows the number of street lights by lumens that in operation in the District:

<i>Street Light Type</i>	<i>No. of Lights</i>
6,300 Lumens	327
9,500 Lumens	30
22,000 Lumens	<u>2</u>
<b>Total Lights:</b>	<b>359</b>

A map containing the location of the street lighting and traffic signal facilities is on file in the office of the Director of Development and Engineering Services for the City and is made part of this Report by reference.

## Park, Open Space, Detention Basin and Bioswale Landscaping

The District provides maintenance, servicing and operation of 8.2 acres of park landscaping, 6,816 square feet of local open space landscaping and 65,190 square feet of detention basin landscaping that will also serve as a local park. This maintenance, servicing and operation is in accordance with NPDES requirements of the City of Salinas stormwater permit. Maintenance, servicing and operation includes the costs of necessary repairs, replacements, water, electrical current, trimming and pruning, care supervision and any and all other items necessary for the proper maintenance and operation of the improvements. The following table outlines the location of park, open space and detention basin landscaping improvements.

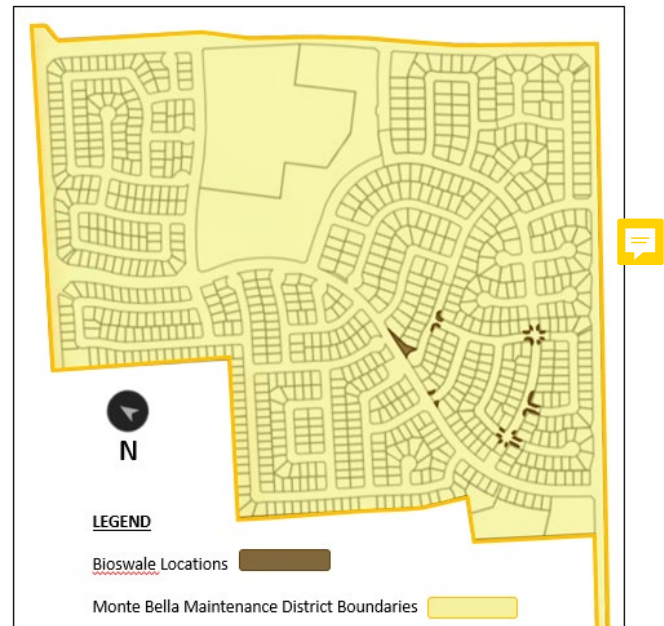
<b>Amenity</b>	<b>Landscape Area</b>	<b>Location</b>
Neighborhood Park	8.20 Acres	The neighborhood park is located east of Monte Bella Boulevard between Tuscany Boulevard and Palermo Drive
Open Space	0.16 Acres	Three open space areas are located at the southeast end of Del Monte Avenue, the east end of Courtside Drive and the east end of Argentine Drive
Detention Basins	1.50 Acres	One on-site detention basin is located on the southwest corner of Monte Bella Boulevard and Sconberg Parkway. There are two off-site detention basins. One is located adjacent to the on-site detention basin across Sconberg Parkway and the other is located at the southeasterly corner of Williams Road and Freedom Parkway



A map containing the location of the park, open space and retention basin landscaping is on file in the office of the Director of Development and Engineering Services for the City and is made part of this Report by reference.

On June 4, 2019 City Council accepted the Monte Bella Subdivision Phase 5A improvements for maintenance and responsibility. The development requires continuous landscape maintenance of bioswales at several locations that are now maintained by the Monte Bella Maintenance District. The approximate locations of the bioswales are shown in the following illustration:

Approximate locations of bioswales that are maintained by the Monte Bella Maintenance District



## Street Maintenance

The District provides maintenance, servicing and operation of 1,876,255 square feet of street improvements within the Development. Maintenance, servicing and operation include the costs of necessary repairs, replacements, scheduled slurry sealing and overlays, care supervision and any and all other items necessary for the proper maintenance and operation of the improvements. The collector streets and the local streets within the District are listed below.

<b>Collector Streets</b>	<ul style="list-style-type: none"> <li>• Freedom Parkway</li> <li>• Monte Bella Boulevard</li> <li>• Padova Drive</li> <li>• Palermo Drive</li> </ul>	<ul style="list-style-type: none"> <li>• Sconberg Parkway</li> <li>• Tuscany Boulevard</li> <li>• Williams Road</li> </ul>
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<b>Local Streets</b>	<ul style="list-style-type: none"> <li>• Arezzo Circle</li> <li>• Bellagio Way</li> <li>• Bologna Court</li> <li>• Bologna Way</li> <li>• Campania Circle</li> <li>• Campania Way</li> <li>• Canelli Court</li> <li>• Capri Way</li> <li>• Cassino Circle</li> <li>• Cassino Way</li> <li>• Etna Circle</li> <li>• Genoa Circle</li> <li>• Genoa Way</li> <li>• Marsala Circle</li> <li>• Marsala Way</li> <li>• Modena Street</li> <li>• Modena Way</li> <li>• Napoli Circle</li> <li>• Palermo Court</li> <li>• Pavia Place</li> </ul>	<ul style="list-style-type: none"> <li>• Pavia Way</li> <li>• Piazza Circle</li> <li>• Piazza Drive</li> <li>• Pisa Circle</li> <li>• Rossano Circle</li> <li>• Rossano Court</li> <li>• Rossano Way</li> <li>• Sardinia Drive</li> <li>• Siena Way</li> <li>• Spoleto Circle</li> <li>• Spoleto Street</li> <li>• Spoleto Way</li> <li>• Trivoli Way</li> <li>• Tuscany Circle</li> <li>• Tuscany Way</li> <li>• Venice Way</li> <li>• Verona Court</li> <li>• Venice Circle</li> <li>• Verona Way</li> </ul>
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Slurry sealing and overlay schedules are largely dependent on the extent of use and deterioration of the streets and the composition of the street material used. It has been determined that the slurry sealing of the streets will be required after the first five years and every eight years thereafter. The street overlay has been determined to be required on a twenty year cycle. A reserve has been established for the cost of these major maintenance and repair projects and funded through the annual assessments.



## PART III – COST ESTIMATE

Estimated costs for Fiscal Year 2021-2022 for the construction, operation, servicing and maintenance of the facilities described in Part III are shown in the following table.

	Adopted Budget FY 2020-21	Projected Expenses FY 2020-21	Proposed Budget FY 2021-22	Forecasted Budget FY 2022-23	Forecasted Budget FY 2023-24
<b>EXPENDITURES <sup>1</sup></b>					
<u>Maintenance</u>					
Landscaping <sup>2</sup>	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
Street Sweeping	9,500	2,380	9,785	10,079	10,381
Other Maintenance and Repairs	100,000	\$41,580	103,000	106,090	109,273
In-House Inspection - Street Light Maintenance	49,193	23,526	50,669	52,189	53,755
Supplies and Contingencies	<u>15,000</u>	<u>785</u>	<u>15,450</u>	<u>15,914</u>	<u>16,391</u>
Subtotal Maintenance:	\$235,693	\$130,272	\$240,904	\$246,271	\$251,799
<u>Utilities</u>					
Electricity - Street Lighting/Landscape Lighting Controllers	\$25,000	\$25,192	\$25,948	\$26,727	\$27,528
	<u>1,400</u>	<u>1,353</u>	<u>1,442</u>	<u>1,485</u>	<u>1,530</u>
Subtotal Utilities:	\$26,400	\$26,545	\$27,390	\$28,212	\$29,058
<u>Administrative Expenses</u>					
Agency Administrative Expenses	\$13,450	\$4,698	\$13,854	\$14,269	\$14,697
Professional Fees <sup>3</sup>	7,750	4,500	4,500	8,300	8,300
City's Collection Fee <sup>4</sup>	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>
Subtotal Administrative Expenses:	\$29,750	\$17,748	\$26,904	\$31,119	\$31,547
<u>Capital Improvements <sup>5</sup></u>	<u>611,000</u>	<u>611,000</u>	<u>1,611,000</u>	<u>611,000</u>	<u>611,000</u>
<b>TOTAL EXPENDITURES:</b>	<b>\$902,843</b>	<b>\$785,565</b>	<b>\$1,906,197</b>	<b>\$916,602</b>	<b>\$923,404</b>
<b>REVENUE AND LEVY ADJUSTMENTS</b>					
Balance to Levy	\$719,837	\$719,837	\$719,837	\$719,837	\$719,837
Operating Reserve From/(To)	(1,677)	(1,677)	(2,988)	(1,109)	(1,160)
Capital Reserve From/(To)	114,683	21,202	1,142,339	167,250	176,136
Additional City Contribution	0	0	0	0	0
Estimated Interest Earnings	<u>70,000</u>	<u>46,204</u>	<u>47,010</u>	<u>30,625</u>	<u>28,592</u>
<b>TOTAL REVENUE AND LEVY ADJUSTMENTS</b>	<b>\$902,843</b>	<b>\$785,565</b>	<b>\$1,906,197</b>	<b>\$916,602</b>	<b>\$923,404</b>
<b>DISTRICT STATISTICS</b>					
Total Parcels	868	868	868	868	868
Total Parcels Levied	855	855	855	855	778
Total EBU	922.58	922.58	922.58	922.58	922.58
<b>ASSESSMENT RATES <sup>6</sup></b>					
Levied Rate Per EBU	\$802.20	\$802.20	\$802.20	\$802.20	\$802.20
Maximum Rate Per EBU	\$1,249.05	\$1,249.05	\$1,286.52	\$1,325.12	\$1,364.87
<b>ASSESSMENT REVENUE</b>					
Total Assessments Levied	\$719,838	\$719,838	\$719,837	\$719,837	\$719,837
Assessment Revenue at Maximum Rates	\$1,152,350	\$1,152,350	\$1,186,920	\$1,222,528	\$1,259,204
Capacity for Additional Revenue	\$432,512	\$432,512	\$467,083	\$502,691	\$539,367
<b>FUND BALANCE INFORMATION</b>					
<u>Operating Reserve Fund</u>					
Beginning Operating Reserve Fund Balance <sup>7</sup>	\$145,922	\$145,922	\$147,599	\$152,801	\$156,202
Operating Surplus/(Deficit)	1,677	1,677	2,988	1,109	1,160
Interest (1.5%)	0	0	<u>2,214</u>	<u>2,292</u>	<u>2,343</u>
Projected Year Ending Operating Reserve Fund Balance:	\$147,599	\$147,599	\$152,801	\$156,202	\$159,706
<u>Capital Reserve Fund</u>					
Beginning Capital Reserve Fund Balance	\$2,961,382	\$2,961,382	\$2,986,384	\$1,888,841	\$1,749,924
Capital Reserve Fund Adjustment	(114,683)	(21,202)	(1,142,339)	(167,250)	(176,136)
Interest (1.5%) <sup>8</sup>	<u>70,000</u>	<u>46,204</u>	<u>44,796</u>	<u>28,333</u>	<u>26,249</u>
Projected Year Ending Capital Reserve Fund Balance:	\$2,916,698	\$2,986,384	\$1,888,841	\$1,749,924	\$1,600,036
<b>Projected Year Ending Combined Fund Balance: <sup>9</sup></b>	<b>\$3,064,297</b>	<b>\$3,133,983</b>	<b>\$2,041,642</b>	<b>\$1,906,126</b>	<b>\$1,759,742</b>

<sup>1</sup> Estimated expenditures for FY 21-22 are equal to the greater of the prior years' budgeted amount or projected amount increased by 3% unless noted otherwise. Estimated expenditures for FY 22-23 and FY 23-24 are equal to the previous year's amount increased by 3% unless noted otherwise.

<sup>2</sup> Landscaping and other maintenance costs are based on the Smith & Enright contracted amount.

<sup>3</sup> Professional Fees are based on Harris & Associates district administration contract.

<sup>4</sup> The budgeted city collection fee amount for FY 21-22 through FY 23-24 is based on the current number of assessed parcels in the district at a rate of \$10 per assessed parcel.

<sup>5</sup> Source: City Council Adopted Capital Improvement Plan for FY 21-22 to FY 25-26 for the District as shown in Appendix B.

<sup>6</sup> FY 21-22, maximum assessment rates are increased by 3.0%, which is the greater of 3.0% or the increase in CPI for the San Francisco region from February 2020 to February 2021 of 1.6%. If the CPI increase for April 2020 to April 2021, which is scheduled to be published on May 12, 2021, is greater than 3%, then the annual inflation factor shall be increased to equal the CPI increase. For FY 22-23 and FY 23-24, maximum assessment rates are increased by 3% from the previous year.

<sup>7</sup> In any fiscal year, the operating reserve adjustment is calculated so that the resulting year ending balance in the operating reserve fund equals 50% of projected expenditures for the following fiscal year.

<sup>8</sup> FY 20-21 budgeted and projected interest earnings for the capital reserve fund and the operating reserve fund are combined and reported in the capital reserve fund.

<sup>9</sup> The combined reserve fund balance was \$3,107,303 as of July 1, 2020, of which \$145,922 represents the FY 20-21 operating reserve fund beginning balance and the remainder represents the FY 20-21 capital reserve fund beginning balance.



## Benefit Zones

The table below presents proposed Fiscal Year 2021-2022 expenditures for each Benefit Zone and totals for the District.

	Street Landscaping	Street Lighting	Parks and Open Space Landscaping	Street Maintenance	Total Budget FY 2020-21
<b>EXPENDITURES</b>					
<u>Maintenance</u>					
Landscaping	\$27,800	\$0	\$34,200	\$0	\$62,000
Street Sweeping	0	0	0	9,785	9,785
Other Maintenance and Repairs	34,333	34,333	0	34,333	103,000
In-House Inspection - Street Light Maintenance	0	50,669	0	0	50,669
Supplies and Contingencies	<u>10,794</u>	<u>0</u>	<u>4,656</u>	<u>0</u>	<u>15,450</u>
Subtotal Maintenance:	\$72,927	\$85,002	\$38,856	\$44,118	\$240,904
<u>Utilities</u>					
Landscape Water	\$18,129	\$0	\$7,819	\$0	\$25,948
Electricity - Street Lighting/Landscape Lighting Controllers	<u>577</u>	<u>865</u>	<u>0</u>	<u>0</u>	<u>1,442</u>
Subtotal Utilities:	\$18,706	\$865	\$7,819	\$0	\$27,390
<u>Administrative Expenses</u>					
Agency Administration	\$3,522	\$3,287	\$3,522	\$3,522	\$13,854
Professional Fees	1,144	1,068	1,144	1,144	4,500
City Collection Fee	<u>2,174</u>	<u>2,029</u>	<u>2,174</u>	<u>2,174</u>	<u>8,550</u>
Subtotal Administrative Expenses:	\$6,840	\$6,384	\$6,840	\$6,840	\$26,904
<u>Capital Improvements</u>	<u>\$402,750</u>	<u>\$402,750</u>	<u>\$402,750</u>	<u>\$402,750</u>	<u>\$1,611,000</u>
<b>TOTAL EXPENDITURES:</b>	<b><u>\$501,223</u></b>	<b><u>\$495,001</u></b>	<b><u>\$456,265</u></b>	<b><u>\$453,708</u></b>	<b><u>\$1,906,197</u></b>
<b>REVENUE AND LEVY ADJUSTMENTS</b>					
Balance to Levy	\$157,922	\$55,746	\$283,623	\$222,547	\$719,837
Operating Reserve From/(To)	(997)	(934)	(542)	(516)	(2,988)
Capital Reserve From/(To)	313,849	411,666	156,380	215,649	1,142,339
Additional City Contribution	0	0	0	0	0
Estimated Interest Earnings	<u>30,449</u>	<u>28,523</u>	<u>16,805</u>	<u>16,029</u>	<u>47,010</u>
<b>TOTAL REVENUE AND LEVY ADJUSTMENTS</b>	<b><u>\$501,223</u></b>	<b><u>\$495,001</u></b>	<b><u>\$456,265</u></b>	<b><u>\$453,708</u></b>	<b><u>\$1,906,197</u></b>
<b>DISTRICT STATISTICS</b>					
Total Parcels	868	868	868	868	868
Total Parcels Levied	855	855	854	855	855
Total EBU	922.58	922.58	861.08	922.58	922.58
<b>ASSESSMENT RATES</b>					
Levied Rate Per EBU	\$171.17	\$60.42	\$329.38	\$241.22	\$802.20
Maximum Rate Per EBU					\$1,286.52
<b>ASSESSMENT REVENUE</b>					
Total Assessments Levied	\$157,922	\$55,746	\$283,623	\$222,547	\$719,837
Assessment Revenue at Maximum Rates					\$1,186,920
Capacity for Additional Revenue					\$467,083
<b>FUND BALANCE INFORMATION</b>					
<u>Operating Reserve Fund</u>					
Beginning Operating Reserve Fund Balance	\$49,236.43	\$46,126	\$26,758	\$25,479	\$147,599
Operating Surplus/(Deficit)	997	934	542	516	2,988
Interest (3%)	<u>563</u>	<u>525</u>	<u>563</u>	<u>563</u>	<u>2,214</u>
Projected Ending Operating Reserve Fund Balance:	\$50,796	\$47,585	\$27,862	\$26,558	\$152,801
<u>Capital Reserve Fund</u>					
Beginning Capital Reserve Fund Balance	\$996,207	\$933,266	\$541,390	\$515,522	\$2,986,384
Capital Reserve Fund Adjustment	(313,849)	(411,666)	(156,380)	(215,649)	(1,142,339)
Interest (3%)	<u>29,886</u>	<u>27,998</u>	<u>16,242</u>	<u>15,466</u>	<u>44,796</u>
Projected Ending Capital Reserve Fund Balance:	\$712,244	\$549,598	\$401,252	\$315,339	\$1,888,841
<b>Projected Year Ending Combined Fund Balance:</b>	<b><u>\$763,040</u></b>	<b><u>\$597,182</u></b>	<b><u>\$429,114</u></b>	<b><u>\$341,896</u></b>	<b><u>\$2,041,642</u></b>

## Glossary of Budget Items

A glossary of definitions for the multi-year budget table is provided below.

### Expenditures

#### Maintenance

- Landscaping. Includes all contracted labor, material and equipment required to properly maintain the landscaping improvements within the District.
- Street Sweeping. Includes all contracted labor, material and equipment required to properly maintain the streets within the District.
- Other Maintenance and Repairs. Includes unforeseen maintenance and repair costs that are not included in the yearly maintenance contracts. This may include repair of damaged amenities due to vandalism, storms, frost and planned upgrades of the improvements including all renovation costs. Examples of upgrades are replacement of plant materials and/or renovation of irrigation or ornamental lighting systems.
- In-House Inspection - Street Light Maintenance. Includes all repair and replacement costs required to operate the local street lighting, including costs related to Inspectors on City staff who provide services such as construction work monitoring, project documentation, inspection and testing during of a project.
- Supplies and Contingencies. Includes cost of supplies and contingency for any additional unforeseen costs not included above.

#### Utilities

- Landscape Water. The cost of water required for the operation and maintenance of landscaping facilities.
- Electricity – Street Lighting/ Landscape Lighting Controllers. The cost of electricity required for the operation and maintenance of ornamental lighting, irrigation facilities and street lights.

#### Administrative Expenses

- Agency Administration. The cost to the City for providing the coordination for District service, operations and maintenance, responding to public concerns and education, and administering the annual levy including, but not limited to the costs associated with City staff salaries and benefits for time utilized for District purposes, the costs of resource materials or any other administrative expenses or fees associated with the District
- Professional Fees. The costs of contracting with professionals to provide services specific to the levy administration and any additional administrative, legal or engineering services specific to the District.



- City Collection Fee. The cost to collect District assessments, including the fee the County charges to collect the assessments on the property tax bills. The charge is \$10 per levied parcel.
- Capital Improvements. The amount planned for constructing, repairing or replacing capital items in the District based on the City's FY 2020-21 Adopted CIP Budget Document, which is available online at <https://www.cityofsalinas.org/our-city-services/finance/budget-financial-reports>, which are summarized in Appendix B of this Report.

### **Revenue and Levy Adjustments**

Balance to Levy. The total assessment amount that is levied in a Benefit Zone or in the District.

Operating Reserve From/(To). The amount transferred from the Operating Reserve Fund to make up for all or part of a funding deficit in the District or the amount of the funding surplus in the District that is transferred to the Operating Reserve Fund.

Capital Reserve From/(To). The amount transferred from the Capital Reserve Fund to pay current year capital expenditures or the amount transferred to the Capital Reserve Fund to pay for future planned capital expenditures.

Additional City Contribution. The amount, if any, that the City contributes to the District to help cover the cost of services in the District.

Estimated Interest Earnings. The combined estimated annual interest to be earned on funds held in the Operating Reserve Fund and the Capital Reserve Fund.

### **District Statistics**

Total Parcels. The total number of parcels within the boundaries of the District.

Total Parcels Levied. The total number of parcels that are in a Benefit Zone or in the District.

Total EBU. The total number of equivalent benefit units that are in a Benefit Zone or in the District.

### **Assessment Rates**

Levied Rate per EBU. The rate per equivalent benefit unit levied in a Benefit Zone or in the District.

Maximum Rate per EBU. The maximum rate per equivalent benefit unit that can be levied in the District.

### **Assessment Revenue**

Total Assessments Levied. The total amount levied on all assessed parcels in a Benefit Zone or in the District.

Assessment Revenue at Maximum Rates. The total amount that can be levied on all assessed parcels in a Benefit Zone or in the District.

Capacity for Additional Revenue. If the total assessments levied are less than assessment revenue at maximum rates, this is the additional amount of revenue can be generated if the assessments are increased up to the maximum rates.

#### **Fund Balance Information**

Operating Reserve Fund. Pursuant to Section 22569 of the 1972 Act, the operating reserve fund is utilized to operate the District from the time period of July 1 (beginning of the fiscal year) through December when the County provides the City with the first installment of assessments collected from the property tax bills, thereby eliminating the need for the City to transfer funds from non-district accounts to pay for District charges during the first six (6) months of the fiscal year.

Capital Reserve Fund. The fund used to collect a portion of the total cost of a major improvement over several years, thereby reducing the short-term financial impact to the property owners.



## PART IV – DISTRICT BENEFITS

### Authorizing Legislation

The Salinas Municipal Code and the Landscape and Lighting Act (the “Act”) allows the City to establish maintenance districts for the purpose of providing certain public improvements which provide a special benefit to the parcels, including the construction, maintenance, and servicing of street lights, traffic signals, and landscaping facilities. The Salinas Municipal Code expands the types of improvements to be maintained to include “sanitary sewer system facilities, storm drainage facilities and any other works, utility or appliances necessary or convenient for providing any other public service”.

Section 22573 of the Act requires that maintenance assessments be levied according to benefit rather than according to the assessed value of property. This section states:

*“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.”*

— Streets and Highways Code Section 22573

Furthermore, Section 22574 of the Act permits the designation of zones of benefit within any individual assessment district if “by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements.”

### Proposition 218

On November 5, 1996, Proposition 218, the “Right to Vote on Taxes Act,” was approved by California voters on the statewide ballot, which added Article XIID to the California Constitution requiring that a parcel’s assessment must not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Proposition 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. In addition, Proposition 218 also requires that publicly owned property which benefits from the improvements be assessed, unless there is clear and definite evidence that those properties receive no special benefit. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways.

The amount to be assessed may be apportioned by any formula or method which fairly distributes the amount among all assessable lots or parcels. Additionally, it’s required that the City separate the general benefits from the special benefits, because only special benefits may be assessed. The quantification and separation of general benefit from special benefits follows.



## General Benefits

Since the District improvements are entirely located within the Development or immediately adjacent to the benefited parcels, it has been determined that there is little or no general benefit to the public at large.

## Special Benefits

The method of apportionment (assessment methodology) approved at the time the District was formed is based on the premise that each of the assessed parcels within the District receives benefit from the improvements maintained and financed by annual assessments. Specifically, the assessments are for the maintenance of improvements installed as part of the original improvement. The desirability of properties within the District are enhanced by the presence of street lights and well-maintained streets and landscaping in close proximity to those properties.

**Landscaping.** The special benefits associated with the park, open space and street landscaping improvements are specifically:

- Enhanced desirability of properties through association with the improvements within the area.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control and reduced noise and air pollution.
- Increased sense of pride in ownership of property resulting from well-maintained improvements associated with the properties.
- Reduced vandalism and criminal activity resulting from well-maintained surroundings and amenities.
- The special enhancements of the properties that results from the above benefits.

**Street Lighting.** The special benefits associated with the street lighting improvements are specifically:

- Enhanced deterrence of crime and the aid to police protection.
- Increased nighttime safety on roads and streets.
- Improved ability of pedestrians and motorists to see.
- Improved ingress and egress to property.
- Reduced vandalism and other criminal act and damage to improvements or property.

- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Improved aesthetic appeal of properties providing a positive representation of the area.

**Street Maintenance.** The special benefits associated with the street maintenance improvements are specifically:

- Improved traffic safety within the community.
- Improved ingress and egress to property.
- Improved protection of property and life that accompanies well maintained streets.
- Improved aesthetic appeal of the streets providing a positive representation of the area and desirability of the property.

All of the preceding special benefits contribute to a specific enhancement and desirability of each of the assessed parcels within the District.



## PART V – METHOD OF APPORTIONMENT

The Method of Assessment outlines the formula by which property that receives special benefit from the improvements and services provided will be assessed annually. The costs associated with the maintenance and operation of the landscaping and irrigation improvements including the Engineer's Report, printing and mailing legal assessment notices, County collection fees and legal fees and appurtenances are spread to all developed and undeveloped parcels on a pro-rata area development unit.

### Equivalent Benefit Units

Although there are no single family detached residential units or lots in the District, this property type has been selected as the basic unit for calculation of special taxes and is defined as one Equivalent Benefit Unit (EBU) as this is common practice in developing special tax methodologies.

Every land-use is converted to EBU's. Government-owned parcels are assigned EBU's based on lot size. Undeveloped parcels are assigned EBU's based on lot size unless a final map showing the approved number of residential units for the parcel has been approved, in which case the average single family lot is .12 acres, the conversion factor for the parcels is 8.33 EBU per acre.

The EBU method is seen as the most appropriate and equitable method of spread of benefit to each parcel from the improvements since it is based on land-use type and parcel size. A methodology has been developed to calculate the EBU's for non-residential parcels. Property within the District is assigned to one of the following categories and assigned EBU's as follows:

**Single Family Residential (SFR).** Parcels zoned, or approved for single family detached home residential uses are assigned 1 EBU per dwelling unit, including vacant parcels.

**Government Owned (GOV).** Parcels owned by a government entity, such as public schools and utilities, are assessed in the same manner as privately owned parcels. In converting government owned properties to EBU's, the EBU Factor used is equal to the residential dwelling unit density 8.33 dwelling units per acre.

**Undeveloped/Vacant (GOV).** For parcels that are undeveloped or vacant, are assigned EBU's based on lot size at a rate of 8.33 equivalent benefit units per acre unless a final map with lots approved for single family residential units, in which case the assigned EBU's are equal to the number of approved single family units shown on the final map.

In the case of APN 153-671-010-000, assessable acreage has been reduced from 13.48 to 7.38, to exclude the open space acreage associated with this parcel. Additionally, this parcel will not be assessed for the maintenance, servicing and operation of District's park and open space landscaping improvements.



**Exempt (EXE).** Exempt property is determined to receive no direct and special benefit from the District improvements and is therefore not assessed. Public Parks and Open Space parcels within the District, although not exempt under Article XIID Section 4, will not be assessed since the landscape benefit contributed by Public Park and Open Space parcels is considered to be equal to or greater than the benefit received by the parcels from other District Improvements.

There total number of (EBU) for each type of District improvement is shown in the following table:

<i>Improvement Type</i>	<i>EBUs</i>
<i>Street Landscaping</i>	922.58
<i>Street Lighting</i>	922.58
<i>Park and Open Space Landscaping</i>	861.08
<i>Street Maintenance</i>	922.58

## Assessments

The maximum assessment rate is subject to annual escalation to account for inflation.

### Annual Inflation Factor

The maximum annual assessment rate will increase each year at a rate equal to the greater of 3% or the annual change in the Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-Hayward area, measured from April to April. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum annual assessment rate without receiving property owner approval for the increase pursuant to Article XIII D of the California State Constitution. For FY 2021-22, the CPI increase is 1.6% as measured February to February, therefore the annual inflation factor to be applied to the maximum assessment rate is 3.0%. The CPI increase as measured April to April will published on May 12, at which time the annual inflation factor shall be changed if the April to April CPI increase is greater than 3%.

### Maximum Assessment Rate

The maximum assessment rate for Fiscal Year 2021-2022 equals:

*FY 2021-2022 Maximum Assessment Rate = FY 2020-2021 Maximum Assessment Rate x Annual Inflation Factor*

***FY 2021-2022 Maximum Assessment Rate = \$1,249.05 per EBU x 1.03 = \$1,286.52 per EBU***

### Annual Assessment Rate

For each Benefit Zone, the assessment rate required such improvement type is calculated as follows:

$$\text{Assessment Rate} = \text{Balance to Levy} \div \text{Total Equivalent Benefit Units}$$

For the District, the assessment rate required is calculated by adding the assessment rates of the four Benefit Zones:

	<b>Fiscal Year 2021-2022 Assessments</b>				
	<b><u>Street</u> <u>Landscaping</u></b>	<b><u>Street</u> <u>Lighting</u></b>	<b><u>Parks and Open Space</u> <u>Landscaping</u></b>	<b><u>Street</u> <u>Maintenance</u></b>	<b><i>District</i> <u>Total</u></b>
<i>Total Assessment</i>	\$157,922	\$55,746	\$283,623	\$222,547	<b>\$719,837</b>
<i>÷ Total EBUs</i>	922.58	922.58	861.08	922.58	
<i>= Rate per EBU</i>	\$171.17	\$60.42	\$329.38	\$241.22	<b>\$802.20</b>

The Fiscal Year 2021-2022 assessment rate is equal to 62.4% of the maximum assessment rate.



## PART VI – ASSESSMENT DIAGRAM

The District assessment diagram is on file with the City's Office of the City Clerk and is available for public inspection.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Monterey for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

### Monte Bella Maintenance District Boundaries

A reduced copy of the Assessment Diagram is provided as Appendix A.

## PART VII – ASSESSMENT ROLL

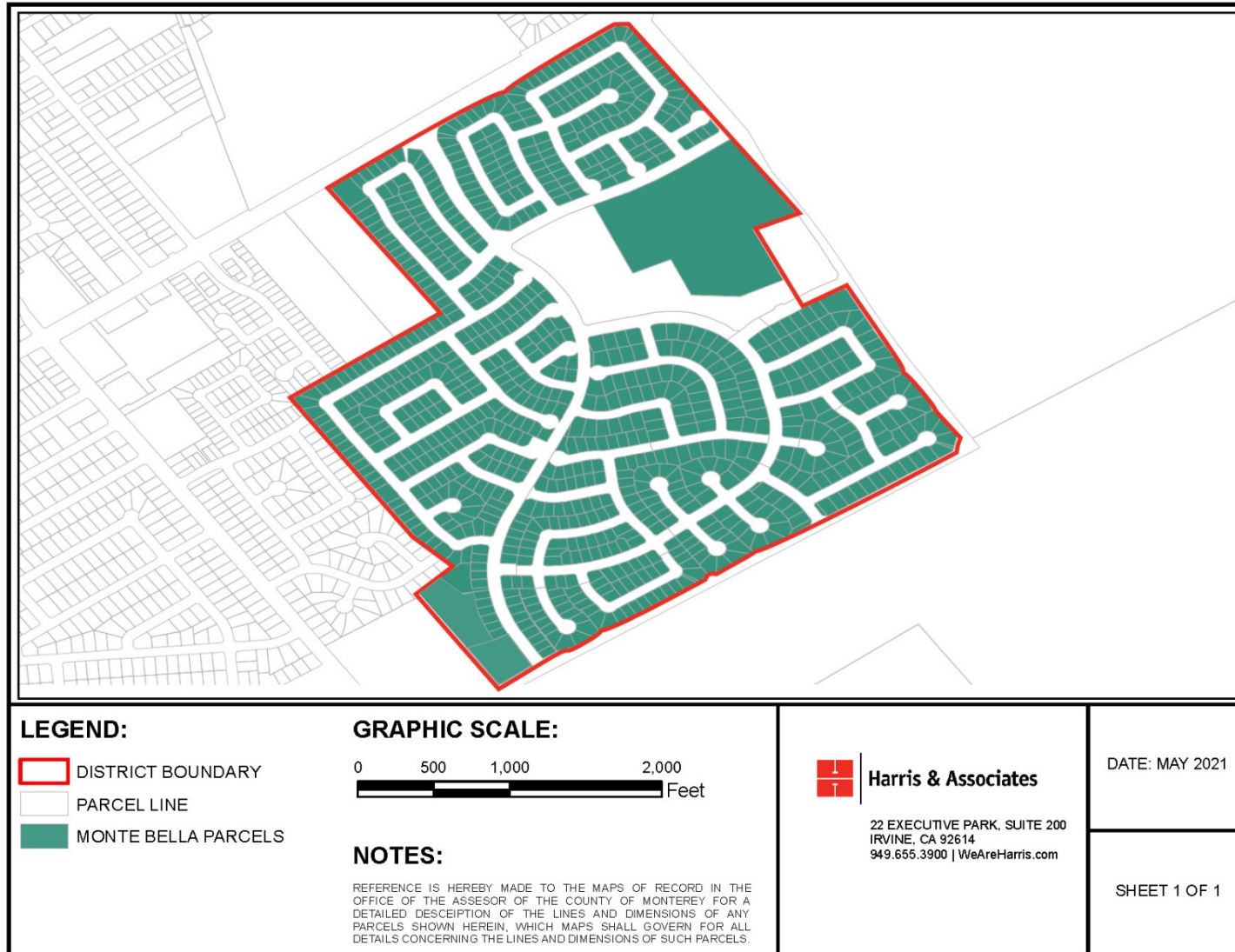


The assessment set forth for each parcel is shown on the Assessment Roll for the District is provided on the following pages and submitted separately, as "Assessment Roll for City of Salinas, Monte Bella Maintenance District, Fiscal Year 2021-2022", which is provided under separate cover, and is on file in the Office of the City Clerk.

The Assessment Roll, shown in Appendix C, lists all assessed parcels within the boundaries of the District.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of Monterey, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Salinas.

## APPENDIX A – DISTRICT BOUNDARIES







## APPENDIX B – MONTE BELLA CAPITAL IMPROVEMENT PLAN

### Capital Improvement Program

21-22 thru 25-26

City of Salinas, California

Department 50 - Public Works

Contact Eda Herrera

Type Improvement

Useful Life

Category Engineering & Transportation

Priority 2 Necessary

Status Active

Project # 9120

Project Name Monte Bella Subdivision Improvements

Start Date 07/01/11

Council District 2

Completion Date On Going

Total Project Cost: \$6,485,279

#### Description

Rehabilitation of Park Landscaping & facilities including maintenance and renovation of parking lot area, the park's irrigation system, future landscaping needs and the various other park facilities (baseball field, basketball courts, playground areas and equipment; picnic and rest areas, and the restrooms or other structures).

Landscaping and/or irrigation rehabilitation, tree trimming and tree replacement.

Periodic slurry seal and overlay.

#### Justification

Planned Maintenance and repair within the Monte Bella subdivision (per Resolution no. 18392).

Prior	Expenditures	21-22	22-23	23-24	24-25	25-26	Total
2,980,279	61.9992 - Regular Pay CIP	30,000	30,000	30,000	30,000	30,000	150,000
	62.8530 - Comp Aided Design	6,000	6,000	6,000	6,000	6,000	30,000
Total	63.5900 - Other Prof Svcs	50,000	50,000	50,000			150,000
	64.1000 - Admin Overhead	50,000	50,000	50,000	50,000	50,000	250,000
	64.5820 - Contingencies	25,000	25,000	25,000	25,000	25,000	125,000
	66.4000 - Improvements	1,000,000	450,000	450,000	450,000	450,000	2,800,000
	<b>Total</b>	<b>1,161,000</b>	<b>611,000</b>	<b>611,000</b>	<b>561,000</b>	<b>561,000</b>	<b>3,505,000</b>

Prior	Funding Sources	21-22	22-23	23-24	24-25	25-26	Total
2,980,279	2109 - Monte Bella Maintenance District	1,161,000	611,000	611,000	561,000	561,000	3,505,000
Total	<b>Total</b>	<b>1,161,000</b>	<b>611,000</b>	<b>611,000</b>	<b>561,000</b>	<b>561,000</b>	<b>3,505,000</b>

#### Budget Impact/Other



## **APPENDIX C – ASSESSMENT ROLL**

The Assessment Roll is shown on the following pages.