

BUDGET REPORT

DATE: JUNE 13, 2002
TO: BOARD OF DIRECTORS
FROM: RICK ANGRISANI, DISTRICT MANAGER
RE: FISCAL YEAR 2002-03

BACKGROUND

In April, 2000, the property owners within the District approved, by ballot, assessments to cover the routine maintenance and operations needs of the District. The ballot measure also approved increases in the annual assessment not to exceed the CPI.

At the beginning of FY 1999/00, the GHAD had a reserve fund balance of approximately \$230,000. Over the past three fiscal years, the District has received approximately \$70,000 in income from assessments and interest earnings while expending over \$480,000 for repair projects, geotechnical investigations, and legal costs associated with the lawsuit against Presley Homes. The GHAD's funding shortfall of almost \$180,000 has been covered by loans from the City's General Fund.

If the anticipated settlement of the lawsuit is finalized this year, the GHAD will be able to repay the General Fund loans as well as perform some repair work and additional geotechnical investigative work. In addition, over \$200,000 will be placed in the GHAD's reserve fund for future pavement repairs. There will be some repair projects left undone in the open space and Community Park areas that cannot be undertaken until a larger annual assessment is approved by the property owners within the District. Further, there will not be any funds available to assist property owners as the approved assessments are not enough to provide any increase to the District's reserve fund.

This budget proposes to continue funding just the routine operations of the District through assessments. The most current year to year increase available for the CPI is 2.1% (April 2001 to April 2002).

FY 2002-03

Following is the recommended assessment and budget for the GHAD for FY 2002-03 (see Exhibit A for the method of assessment):

INCOME

Assessments	\$28,015.82
Interest on Funds	<u>0.00</u>
TOTAL INCOME	\$28,015.82

EXPENSES

District Operations & Maintenance	\$26,015.82
Collections	<u>2,000.00</u>
TOTAL EXPENSES	\$28,015.82

EXHIBIT A

OAKHURST GEOLOGIC HAZARD ABATEMENT DISTRICT

METHOD OF ASSESSMENT

A geologic hazard abatement district is essentially a benefit assessment district. Therefore, the assessments must be apportioned to individual parcels according to the benefit received.

Based upon discussions with the City's consultant, Randy Leptien of Leptien, Cronin & Cooper, the various areas and types of development in Oakhurst require that the assessments be broken down by area as well as type of unit. The areas have been broken down to reflect, as much as possible, units with an equal amount of risk and benefit.

The total development has been divided into three areas for assessment:

Area 1	Lower 6000's, lower 5000's, Duets, and Townhouses
Area 2	Upper 6000's, upper 5000's, 8,000's, condominiums
Area 3	10000's

After reviewing the needs of each area and the benefits of the District to each area, we have assigned each area the following share of the District's costs (including reserves);

Area 1	25%
Area 2	50%
Area 3	25%

As will be noted, the number of units in each area is not considered a factor and the amount of assessment per unit will vary greatly from area to area. Since we have different types of housing mixed in Areas 1 and 2, we have assigned different assessment units to each type of housing as follows:

Single Family (regardless of size)	1.00
Duets	0.75
Multi-family	0.50

FY 1999-00

As of FY 1999-00,, the District was complete and consisted of 200 single family homes, 226 duets, and 169 townhouses in Area 1; 612 single family homes and 136 condos in Area 2; and 141 single family homes in Area 3.

Summary of Assessments

AREA I 2002-03 O&M ASSESSMENT			Total =	\$7,005.76		
Subarea	# Units	Type	Factor	Ass. Units	02/03 Asses	Total
Tr. 6990	92	sfd	1.00	92.00	\$15.42	\$1,418.64
Tr. 7065	108	duets	0.75	81.00	\$11.58	\$1,250.64
Tr. 7066	117	multifamily	0.50	58.50	\$7.72	\$903.24
Tr. 7303	52	multifamily	0.50	26.00	\$7.72	\$401.44
Tr. 7311	118	duets	0.75	88.50	\$11.58	\$1,366.44
Tr. 7768	55	sfd	1.00	55.00	\$15.42	\$848.10
Tr. 7769	53	sfd	1.00	53.00	\$15.42	\$817.26
Totals	595			454.00		\$7,005.76
AREA II 2002-03 O&M ASSESSMENT			Total =	\$14,008.00		
Subarea	# Units	Type	Factor	Ass. Units	02/03 Asses	Total
Tr. 7256	70	sfd	1.00	70.00	\$20.60	\$1,442.00
Tr. 7257	60	sfd	1.00	60.00	\$20.60	\$1,236.00
Tr. 7260	75	sfd	1.00	75.00	\$20.60	\$1,545.00
Tr. 7261	70	sfd	1.00	70.00	\$20.60	\$1,442.00
Tr. 7262	99	sfd	1.00	99.00	\$20.60	\$2,039.40
Tr. 7263	101	sfd	1.00	101.00	\$20.60	\$2,080.60
Tr. 7264	102	sfd	1.00	102.00	\$20.60	\$2,101.20
Tr. 7766	35	sfd	1.00	35.00	\$20.60	\$721.00
Tr. 7766	60	multifamily	0.50	30.00	\$10.30	\$618.00
Tr. 7767	76	multifamily	0.50	38.00	\$10.30	\$782.80
Totals	748			680.00		\$14,008.00
AREA III 2002-03 O&M ASSESSMENT			Total =	\$7,002.06		
Subarea	# Units	Type	Factor	Ass. Units	02/03 Asses	Total
Tr. 7249	69	sfd	1.00	69.00	\$49.66	\$3,426.54
Tr. 7255	72	sfd	1.00	72.00	\$49.66	\$3,575.52
Totals	141			141.00		\$7,002.06
Grand Totals	1,484			1,275.00		\$27,427.42