



**SPECIAL MEETING AGENDA
PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT
Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076**

Saturday, March 14, 2015 9:00 a.m.

A. OPEN SESSION CALL TO ORDER – PLEDGE OF ALLEGIANCE

Roll Call

Bill Lyons (H40) President	Jim Griffin (Director) (P9)
Bob Moore (P45) Vice President	David Bower (Director) (P48)
Wendy Cumming, Clerk/Accountant/Secretary	

C. MEMBER COMMENTS

Matters under the jurisdiction of the Board and not on the posted agenda, may be addressed by members of the public before the Board for consideration. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Board of PDGHAD. Any person wishing to address the Board during the Member Comment period shall be permitted to be heard for up to 3 minutes, A) individuals may speak only once and B) the Board is unable to address any owner comments in depth, but may choose to direct the Clerk to follow-up on the matter for a future meeting.

D. NEW BUSINESS

7. ITEM – Further consideration and direction to Staff concerning the District's Administrative budgets for inclusion in the pending Prop. 218 assessment process and procedures
- a. Staff report
 - b. Public comment
 - c. Board discussion
 - d. Board action

E. ADJOURNMENT

The next Regular Meeting of the Board of Directors is scheduled for April 11, 2015 9:00 a.m. at the offices of the Pajaro Dunes Geologic Hazard Abatement District, Meadow Room, Pajaro Dunes, 2661 Beach Road, Watsonville, CA 95076. Individuals who require special accommodations are requested to contact the District Clerk by calling (831) 761-7744, no less than 72 hours prior to the meeting or in the case of a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to the meeting and may be obtained by contacting the District at (831) 761-7744. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.

PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

**ANNUAL BUDGET PROJECTION FOR FY 2015/16
AND FOLLOWING YEARS**

The following budget is presented as a FY 2015/16 budget for administrative and operating expenses (loan and bond repayments are not included in the budget). The GHAD Board intends to hold an Assessment Election (also known as a Proposition 218 Process and described in Article XIII D of the California Constitution) to ask owners to approve this budget for FY 2015/16 and following years, **replacing the annual budget** approved by owners in 1999.

	<u>Notes</u>	<u>Zone 1</u>	<u>Zone 2</u>
Administrative and Operating Expenses:	(A)		
General and Administrative		\$ 27,225	\$ -
Professional/Clerk/Accountant/Admin. Services		74,650	2,640
Special District Compliance Costs		4,675	-
Total Administrative and Operating Expenses		<u>106,550</u>	<u>2,640</u>
Capital Repair Expenses and Reserve	(B)	<u>199,450</u>	<u>4,910</u>
Total proposed budgets		<u>\$ 306,000</u>	<u>\$ 7,550</u>

Costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

(A) Administrative and Operating Expenses cover general and administrative costs, professional services and special district compliance costs as detailed in the Supplemental Support for 218 Budget Calculations.

Contract for Accountant/Clerk, services to include audit support, budget preparation, administration, outreach and additional requests as required by the board.

(B) Capital Repair Expenses and Reserve cover annual inspection expenses and funds to plan and execute repairs to the seawall and the River Wall as detailed in the Supplemental Support for 218 Budget Calculations.

The costs presented here are preliminary and are provided for presentation and discussion purposes only.

****Assessments will be subject to a 2.6% annual increase and a 1% County collection fee. 2.6% is based on a ten year average for the Consumer Price Index, All Bay Area Urban Consumers****

SUPPLEMENTAL SUPPORT FOR 218 BUDGET CALCULATIONS

Administrative and Operating Expenses	<u>Notes</u>	<u>Zone 1</u>	<u>Zone 2</u>
General and Administrative Expenses			
Printing and mailings	(A)	\$ 7,425	\$ -
Communications and Website maintenance	(B)	5,400	-
Office Supplies	(C)	550	-
Advertising	(D)	2,200	-
Insurance	(E)	10,000	-
Membership Dues	(F)	1,650	-
Total General and Administrative Expenses		27,225	-
Professional Services			
Legal Consultant	(G)	18,000	-
Contract costs for Assessment calculations	(H)	9,900	-
Audit Fees	(I)	8,250	-
Accountant & Clerk Contract/Admin. & Outreach	(J)	38,500	2,640
Total Professional Services		74,650	2,640
Special District Compliance Costs			
Elections	(K)	2,475	-
Board and Clerk Training	(L)	2,200	-
Total Special District Compliance Costs		4,675	-
Capital Repair Expenses and Reserve			
Seawall and River Wall Annual Inspection	(M)	24,450	550
Capital Repair Costs/Expenses and Reserve	(N)	175,000	4,360
Total Capital Repair and Expense Reserve		199,450	4,910
Total Proposed Budgets		\$ 306,000	\$ 7,550

Costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

- (A) 8 mailings per year, 262 properties, estimated \$1.50 per mailing
- (B) To include communication with membership, the public and other agencies, and website maintenance.
- (C) To include paper, envelopes, board meetings, misc.
- (D) Public notices of meetings to include newspaper advertisement.
- (E) Current insurance policy cost.
- (F) Annual dues to California Special District Association, California GHAD Association.
- (G) Legal costs for District council at meetings and for consultations. Estimate \$1,500 per month.
- (H) Contract costs annually \$9,900 for outsourcing of assessment administration and property transfer of ownership information
- (I) Fees for annual audit required by the County of Santa Cruz and as a requirement of a public agency.
- (J) Contract for Accountant/Clerk, secretarial services, to include accounting, audit support, budgets preparation, administration, outreach and additional requests. Estimate 25 hours per month at \$135.00 per hour.
- (K) Santa Cruz County Annual Election Costs \$2,475, based on an election held every 2 years at \$4,950.
- (L) Mandatory compliance training and consultation as required by the State. Estimate \$2,200 per year.
- (M) Consulting Engineering inspection, to include annual inspection, survey work, presentations, and minor consultations. Estimated at \$25,000 per year.
- (N) **Capital Repair Costs/Expenses and Reserve Fund** include rock purchase and storage; emergency event response; major event repairs; legal support; insurance increases; penalties; mitigation; repair, permit costs (consultants, surveying, application and compliance costs, seawall repairs, negotiations, and project management), administrative overhead costs associated with capital repairs, and project costs (contractors, materials, construction management).

Regarding the reserve fund unused monies will be set aside for future emergency events and corresponding expenses. The goal is to maintain a minimum of \$500,000, for such events and expenses.

The costs presented here are preliminary and are provided for presentation and discussion purposes only.

Proposed GHAD Budget by Benefit Category				Zone 1 Annual Budget:		\$ 306,000.00
Proportional						
Category	Benefit	Assessment Amount	No. of Units	Annual Payment	Monthly Payment	
Row 1 Houses	64.12%	\$ 196,204.14	67	\$ 2,928.42	\$ 244.04	
Row 2 Houses	7.57%	\$ 23,158.08	44	\$ 526.32	\$ 43.86	
Row 3,4 & 5 Houses	3.76%	\$ 11,505.60	40	\$ 287.64	\$ 23.97	
Cypress Townhomes	11.85%	\$ 36,245.70	23	\$ 1,575.90	\$ 131.33	
Pelican Condominiums	10.18%	\$ 31,147.74	87	\$ 358.02	\$ 29.84	
PDA Stairs	2.53%	\$ 7,738.74	1	\$ 7,738.74	\$ 644.90	
Total:		\$ 306,000.00	262			

Proposed GHAD Budget by Benefit Category				Zone 2 Annual Budget:		\$ 7,550.00
Category	Proportional Benefit	Administration Assessment Amount	No. of Units	Annual Payment	Monthly Payment	
Pelican Condominiums	99.47%	\$ 7,509.99	87	\$ 86.32	\$ 7.19	
PDA Stairs	0.53%	\$ 40.01	1	\$ 40.01	\$ 3.33	
Total:		\$ 7,550.00	88			

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PAJARO DUNES GEOLOGIC HAZARD ABATEMENT DISTRICT

ANNUAL BUDGET PROJECTION FOR FY 2015/16 AND FOLLOWING YEARS w/50% of Original Reserve

The following budget is presented as a FY 2015/16 budget for administrative and operating expenses (loan and bond repayments are not included in the budget). The GHAD Board intends to hold an Assessment Election (also known as a Proposition 218 Process and described in Article XIII D of the California Constitution) to ask owners to approve this budget for FY 2015/16 and following years, **replacing the annual budget** approved by owners in 1999.

	<u>Notes</u>	<u>Zone 1</u>	<u>Zone 2</u>
Administrative and Operating Expenses:	(A)		
General and Administrative		\$ 27,225	\$ -
Professional/Clerk/Accountant/Admin. Services		74,650	2,640
Special District Compliance Costs		4,675	-
Total Administrative and Operating Expenses		106,550	2,640
Capital Repair Expenses and Reserve	(B)	111,950	2,730
Total proposed budgets		\$ 218,500	\$ 5,370

Costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

- (A) Administrative and Operating Expenses cover general and administrative costs, professional services and special district compliance costs as detailed in the Supplemental Support for 218 Budget Calculations, Contract for Accountant/Clerk, services to include audit support, budget preparation, administration, outreach and additional requests as required by the board.
- (B) Capital Repair Expenses and Reserve cover annual inspection expenses and funds to plan and execute repairs to the seawall and the River Wall as detailed in the Supplemental Support for 218 Budget Calculations.

The costs presented here are preliminary and are provided for presentation and discussion purposes only.

****Assessments will be subject to a 2.6% annual increase and a 1% County collection fee. 2.6% is based on a ten year average for the Consumer Price Index, All Bay Area Urban Consumers****

**SUPPLEMENTAL SUPPORT FOR 218 BUDGET CALCULATIONS
With 50% of Original Reserve Budget**

Administrative and Operating Expenses	Notes	Zone 1	Zone 2
General and Administrative Expenses			
Printing and mailings	(A)	\$ 7,425	\$ -
Communications and Website maintenance	(B)	5,400	-
Office Supplies	(C)	550	-
Advertising	(D)	2,200	-
Insurance	(E)	10,000	-
Membership Dues	(F)	1,650	-
Total General and Administrative Expenses		27,225	-
Professional Services			
Legal Consultant	(G)	18,000	-
Contract costs for Assessment calculations	(H)	9,900	-
Audit Fees	(I)	8,250	-
Accountant & Clerk Contract/Admin. & Outreach	(J)	38,500	2,640
Total Professional Services		74,650	2,640
Special District Compliance Costs			
Elections	(K)	2,475	-
Board and Clerk Training	(L)	2,200	-
Total Special District Compliance Costs		4,675	-
Capital Repair Expenses and Reserve			
Seawall and River Wall Annual Inspection	(M)	24,450	550
Capital Repair Costs/Expenses and Reserve	(N)	87,500	2,180
Total Capital Repair and Expense Reserve		111,950	2,730
Total Proposed Budgets		\$ 218,500	\$ 5,370

Costs to be allocated to each zone based on estimated proportional benefit. Based on standard cost allocation formulas for GHAD as recorded by the engineer of record July 1, 2009.

- (A) 8 mailings per year, 262 properties, estimated \$1.50 per mailing
- (B) To include communication with membership, the public and other agencies, and website maintenance.
- (C) To include paper, envelopes, board meetings, misc.
- (D) Public notices of meetings to include newspaper advertisement.
- (E) Current insurance policy cost.
- (F) Annual dues to California Special District Association, California GHAD Association.
- (G) Legal costs for District council at meetings and for consultations. Estimate \$1,500 per month.
- (H) Contract costs annually \$9,900 for outsourcing of assessment administration and property transfer of ownership information
- (I) Fees for annual audit required by the County of Santa Cruz and as a requirement of a public agency.
- (J) Contract for Accountant/Clerk, secretarial services, to include accounting, audit support, budgets preparation, administration, outreach and additional requests. Estimate 25 hours per month at \$135.00 per hour.
- (K) Santa Cruz County Annual Election Costs \$2,475, based on an election held every 2 years at \$4,950.
- (L) Mandatory compliance training and consultation as required by the State. Estimate \$2,200 per year.
- (M) Consulting Engineering inspection, to include annual inspection, survey work, presentations, and minor consultations. Estimated at \$25,000 per year.
- (N) **Capital Repair Costs/Expenses and Reserve Fund** include rock purchase and storage; emergency event response; major event repairs; legal support; insurance increases; penalties; mitigation; repair, permit costs (consultants, surveying, application and compliance costs, seawall repairs, negotiations, and project management), administrative overhead costs associated with capital repairs, and project costs (contractors, materials, construction management).

Regarding the reserve fund unused monies will be set aside for future emergency events and corresponding expenses. The goal is to maintain a minimum of \$500,000, for such events and expenses.

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Pajaro Dunes Geologic Hazard Abatement District
 Proposed 218 Budget w/50% of the Original Reserve Cost
 Proportional Benefit Allocation Charts

Proposed GHAD Budget by Benefit Category			Zone 1 Annual Budget:			\$ 218,500.00
Category	Proportional Benefit	Assessment Amount	No. of Units	Annual Payment	Monthly Payment	
Row 1 Houses	64.12%	\$ 140,100.02	67	\$ 2,091.05	\$ 174.25	
Row 2 Houses	7.57%	\$ 16,536.08	44	\$ 375.82	\$ 31.32	
Row 3,4 & 5 Houses	3.76%	\$ 8,215.60	40	\$ 205.39	\$ 17.12	
Cypress Townhomes	11.85%	\$ 25,881.33	23	\$ 1,125.28	\$ 93.77	
Pelican Condominiums	10.18%	\$ 22,241.12	87	\$ 255.65	\$ 21.30	
PDA Stairs	2.53%	\$ 5,525.87	1	\$ 5,525.87	\$ 460.49	
Total:		\$ 218,500.00	262			

Proposed GHAD Budget by Benefit Category			Zone 2 Annual Budget:			\$ 5,370.00
Category	Proportional Benefit	Administration Assessment Amount	No. of Units	Annual Payment	Monthly Payment	
Pelican Condominiums	99.47%	\$ 5,341.54	87	\$ 61.40	\$ 5.12	
PDA Stairs	0.53%	\$ 28.46	1	\$ 28.46	\$ 2.37	
Total:		\$ 5,370.00	88		\$ 26.42	

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Capital Repair Reserve Projection

Funding Source	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
100% Funding Level Model							
Cash on hand for emergency repairs*	\$ 102,205	\$ 102,205	\$ 102,205	\$ 277,205	\$ 452,205	\$ 502,205	\$ 502,205
Credit line available as of July 1st**	103,404	103,404	-	-	-	-	-
Annual Reserve addition***	-	-	175,000	175,000	50,000	-	-
Emergency funds available	\$ 205,609	\$ 205,609	\$ 277,205	\$ 452,205	\$ 502,205	\$ 502,205	\$ 502,205

50% Funding Level Model							
Cash on hand for emergency repairs*	\$ 102,205	\$ 102,205	\$ 102,205	\$ 189,705	\$ 277,205	\$ 364,705	\$ 452,205
Credit line available as of July 1st**	103,404	103,404	-	-	-	-	-
Annual Reserve addition***	-	-	87,500	87,500	87,500	87,500	50,000
Emergency funds available	\$ 205,609	\$ 205,609	\$ 189,705	\$ 277,205	\$ 364,705	\$ 452,205	\$ 502,205

Notes

- *cash on hand in reserve fund
- **credit line that expires in 2016
- ***Annual addition if 218 election is successful

The numbers presented here are preliminary and are provided for presentation and discussion