

July 31, 2009

Report from HMD Advisory Committee

Re: HMD Assessments Set for 2009-2010

On July 21 the Vallejo City Council concluded the public hearing to set the annual assessment and budget for the Hiddenbrooke Maintenance District. The assessment was increased by 1.6%, the amount allowed based on the change in the CPI from February 2008 to February 2009. The new assessment is \$600.06 home, lots without houses pay \$360.02, and the commercial center pays \$1,320.12. The golf course, which maintains considerable property that is not a direct part of the course, is not part of HMD and therefore not subject to an assessment. This assessment is one of the line items included on your property tax bills and is not affected by the valuation of your home.

The total routine HMD budget is about \$770,000 and includes the cost to operate the Welcome Center (mostly the All Phase security contract), electricity and water to run the miles of sprinkler systems, the landscape contract to mow, weed, prune, and pickup leaves and trash in the HMD areas and to change annual flowers in a few locations, a contract to maintain the waterfall at the entrance, funds to maintain the drainage ditches on the hillsides and cut the grass in the open space near homes before the summer fire season, and money to prune the street trees in our front yards (done on a rotating basis by neighborhood). The budget also includes an allowance (almost \$105,000) for repairs to the irrigation system and renovation or replanting of HMD areas.

Each year the HMD Advisory Committee evaluates the condition of the HMD areas and works with the LMD staff on improvements. Our priorities are generally areas that are most visible to the residents of Hiddenbrooke and in the last few years have included:

- adding the gazebo and shade structures to the mini-park;
- replacing aging wooden benches (that gave you splinters) at the mini-park and toddler play area and adding benches to create a wilderness viewing area near the Orchards;
- replacing the dangerous rutted asphalt walkway along the 18th hole with a new concrete path;
- new plantings and irrigation improvements along the Parkway;
- upgrading the irrigation controllers for the toddler lot and grassy area along Bennington to reduce water consumption.

Because of budgetary concerns, the Advisory Committee plans to limit 2009-10 renovation and irrigation replacements to about half of the projected budget and focus on the following improvements:

- replacing irrigation systems in certain locations to reduce water usage and future costs, augmenting plantings in those locations;
- replacing 3 trees in the toddler play area;
- replacing struggling maple trees and surrounding plantings on the Parkway with a different species;
- upgrading the plantings on the slope around the Hiddenbrooke Plaza.

For the next fiscal year, we are budgeting to spend an additional \$50,000 from our hillside reserves to have engineering consultants prepare drawings and submit permits to repair erosion damage on the back hillsides of Hiddenbrooke near St. John's Mine road. This erosion has occurred over the years, but was exacerbated by the 2005-2006 winter storms. The total cost to repair these areas will exceed \$50,000, but the area includes sensitive habitat and so special permitting is required and we expect this could take 12-18 months. We'll be spending additional funds from the special hillside reserves over the next few years to repair these areas.

A detailed budget breakdown can be found on page 26 of the Annual Financial Report and Engineers Report for the Hiddenbrooke Maintenance District which is posted at <http://www.hiddenbrookeonline.org/HMDDocs.html> and the Advisory Committee encourages all homeowners to review the report. The 2009-2010 budget shows we are operating at a deficit of \$66,000, which is why the Advisory Committee intends to reduce the amount spent on renovation work in order to minimize any use of reserve funds. The Advisory Committee is working with the City of Vallejo to bring our budget into balance, as our operating reserves will not allow us to run a deficit indefinitely.

One of the reasons we have a deficit is the cost charged to the HMD by the City of Vallejo for District Administration. This cost (\$105,000 for administration in addition to \$41,000 for inspections) is based first on a "full cost" allocation of City overhead to programs and services within the City of Vallejo, including the landscape districts in the city. Then this LMD cost is allocated to the HMD. Over the last few years, the City has been revising its various allocation methodologies, causing this cost to increase much more than the rate of inflation. The Advisory Committee is concerned because this level of cost was not anticipated when the HMD base budgets were set in 2002, and the Advisory Committee believes that the full cost recovery mandate by the city has resulted in a cost to HMD in excess of what it would cost to administer the district if the work was competitively bid. The Advisory Committee has communicated its concerns to the City Council, the Director of Public Works and the Finance Director and is working with City Staff on potential solutions. But the City's financial situation is challenging and changing a mandate for full cost recovery affects more than just HMD. So resolving this will not be easy, but the HMD Advisory Committee is committed to making sure we operate with a balanced budget and get value for our assessment.

HMD Advisory Committee

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