

STAFF REPORT*CITY OF OCEANSIDE*

DATE: May 28, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Property Management Division

SUBJECT: **APPROVAL TO ACCEPT A \$21,909 CONTRIBUTION FROM THE MAR LADO HIGHLANDS HOMEOWNERS ASSOCIATION AND APPROVAL TO APPROPRIATE THESE FUNDS TO THE MAR LADO HIGHLANDS LANDSCAPE MAINTENANCE DISTRICT OPERATING ACCOUNT**

SYNOPSIS

Staff recommends that the City Council accept a \$21,909 contribution from the Mar Lado Highlands Homeowners Association and approve a budget appropriation of these funds to the Mar Lado Highlands Landscape Maintenance Assessment District operating account.

BACKGROUND

The City of Oceanside has established thirteen Landscape Maintenance Assessment Districts ("LMADs") which are funded by property owners within those districts through the property tax system. From the revenue generated through assessments levied in each district, the City has the responsibility to maintain landscaped medians and slopes within the boundaries of each of the respective districts. Each district account is maintained and billed separately for work performed. The Mar Lado Highlands Landscape Maintenance Assessment District ("Mar Lado LMAD") is one of the thirteen LMADs.

Over the past few years the revenue generated by the assessments levied within the Mar Lado LMAD has not been sufficient to cover the expenses associated with the landscape maintenance. In lieu of raising the assessments within the Mar Lado LMAD, the Mar Lado Highlands Homeowners Association ("Association") has chosen to contribute excess Association funds to offset expenses. This year the Association Board of Directors is again desirous of contributing \$21,909 to be used for landscape maintenance.

ANALYSIS

The \$21,909 contribution from the Association will allow the Mar Lado LMAD to offset its landscape maintenance expenses, supplementing the inadequate assessment, without the need for the property owners within the Mar Lado LMAD to go through a ballot measure to vote on increasing the assessments to cover expenses. Staff has had

discussions with the Association regarding the possibility of dissolving the Mar Lado LMAD but the Associating informed staff that they are not interested in assuming the responsibilities of the Mar Lado LMAD.

FISCAL IMPACT

For FY 2014-15 the \$21,909 will be deposited to the Mar Lado Highlands LMAD account (1249.4143) and appropriated to the operating account (320319249.5320). The LMAD is a self-supporting entity with no fiscal impact to the General Fund.

CITY ATTORNEY ANALYSIS

Does not apply.

RECOMMENDATION

Staff recommends that the City Council accept a \$21,909 contribution from the Mar Lado Highlands Homeowners Association and approve a budget appropriation of these funds to the Mar Lado Highlands Landscape Maintenance Assessment District operating account.

PREPARED BY:



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SUBMITTED BY:



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City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



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James Riley, Financial Services Director



Attachment: Mar Lado Highlands Budget

MARLADO HIGHLANDS ASSESSMENT DETAIL ANALYSIS

Description	13/14	14/15
Number of parcels	133	133
Number of assessment units	141	141
Parcels @ 1.0	55	55
Parcels @ 1.1	78	78
Annual assmt. per single family (1.0)	496	496
Annual assmt. per single family w/add'l. benefit (1.1)	545	545
Total Assessment @ 1.0	27,259	27,259
Total Assessment @ 1.1	42,524	42,524
Total Annual Assessment	69,783	69,783

MAR LADO LANDSCAPE DISTRICT NO. 1 - 1988
 BUSINESS UNIT/ID - 320319249
 FISCAL YEAR 2014-2015

EXPENDITURE ESTIMATE			
OBJ ID	Object Description	13/14	14/15
5315.0001	Electricity	600	700
5315.0003	Water	33,790	40,548
5320	Repair and Maintenance	39,565	43,930
5320.0013	Repair and Maintenance - LMAD Extras	4,000	3,000
5326	Studies & Supplies	226	226
5355	Materials and Supplies	253	250
5360	Advertising	452	450
	Transfer -Gen Fd (personnel & admin)	13,716	13,716
Total Expenditures		92,602	102,820

RESERVE & OPERATING ACCOUNT ESTIMATES		
Description	13/14	14/15
<i>Reserve Account</i>		
Beginning Reserve	33,600	10,954
Transfer from Reserve Acct to Operating Acct	(22,646)	(32,863)
Adjusted Beginning Reserve Account Amount	10,954	(21,909)
<i>Operating Account</i>		
Assessment Revenue	69,783	69,783
Interest on Assessment Revenue	173	173
HOA Donation	18,000	21,909
Transfer from Reserve Acct to Operating Acct	-	10,955
Adjusted Operating Acct Amount	87,956	102,820

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RESERVE/OPERATING ACCOUNT AND EXPENDITURE BUDGET		
Description	13/14	14/15
Adjusted Operating Account Amount	87,956	102,820
Less Expenditure Estimate	(88,549)	(102,820)
Operating Account Surplus/Deficit	(593)	0
Adjusted Beginning Reserve Account Amount	10,954	(21,909)
Operating Account Surplus/Deficit Adjustment	(593)	0
Year-End Reserve Account Amount	10,361	(21,909)

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1) Contigent open receipt of \$21,909 from the Marlado Home Owners Association