

HMD Report for April'22 Board Meeting:

Welcome Center repair contract was signed, it cost about \$90K, work to commence May 9, 2022.

- The City Council will consider the HMD Budget at its 6/14/2022 meeting. Last year the HMD had \$688K in costs, \$133K of that was “district allocation” i.e., overhead payment to the Public Works department (every landscape maintenance district pays a share of the allocation, which is a little over \$1 million City-wide). This year the budget projects \$721K in costs, \$143K in district allocation. This is an increase of \$31K in the total budget, \$10K in district allocation. Contract services are up about \$15K, utilities up \$2K. The Welcome Center security contract is \$255K, the landscape maintenance contract is \$148K.
- Last year the HMD had a \$167K surplus as “net annual activity” in other words, collections exceeding the amount budgeted to be spent. In years past, they would put in a marker of \$300K for Parkway improvements, showing HMD running in an annual deficit position, but in fact they never spend the Parkway improvement funds and were increasing the retained surplus in the HMD account. This year that allocation will be dropped, since the Parkway renovation will be paid by the HID, not the HMD, including staff overhead costs. The retained surplus balance in HMD is up to \$3.6 million, double over the past 10 years.
- We have asked the City to match the collections to the actual budget. Last year the City charged \$695.01 per home, but the Engineer’s report for this coming year shows expenses amounting to \$611.04 per home. There is already a \$50K contingency for vandalism repair/miscellaneous. We are hoping to get the City to drop the HMD levy this year by the \$84 difference.

- Parkway project - we met 3/23/2022 with the City by Zoom, and OK'd the plans, which were previously distributed to the Board. The changes since then are only adding technical details, not design changes. The one dispute among the HMDAC related to a Redwood tree in the median blocking the approaching view of the Welcome Center, which the landscape architect wants to remove; it is poorly placed, he believes, with roots under asphalt, not in a group as those type of trees normally exist, and not natural to our valley. I agreed, but the other Committee members did not, for several reasons – opposition from some homeowners, expressed at meetings, potential delay by altering the plans, and one member actually preferred the tree on the merits. So the plans will go out to bid with no removal of the tree. The City hopes to have bid documents out in March, bids in by April, and work beginning in June or July. Since this is a capital project funded by HID, it does not matter whether the award is in fiscal year 2021-22 or 2022-23.
- The Flock camera is installed but we do not know if it is operational yet. Will need to follow up. Also, we were promised that the City would fund one camera and asked to support HMD funding a second one. So far, we have not seen progress on a second camera.
- The Hiddenbrooke Improvement District is a separate tax entity from the HMD. It pays for capital improvements in Hiddenbrooke, and is permitted to collect according to the original amortization schedule even after bond refinancing lowered the City's bond payments. Thus it is, in part, a revolving account that can pay for additional improvements (over and above water, electricity, sewer, road, etc. built with the original funds) in Hiddenbrooke. It currently has a substantial million surplus, over \$3 million even after setting aside a little over \$2 million in a capital account to pay for the Hiddenbrooke Parkway renovation project. Since 2010, we have been lobbying the City to reduce the levy on

homeowners from the permitted amount, since the HID is well funded and the full levy is not needed. Starting in 2010, the City reduced the levy by \$500K each year for two years, then after skipping one year, reduced the levy by \$350K each year for the next three years, and has reduced it by \$300K each year for the past 7 years. The City has agreed to the reduction for fiscal year 2022-23 as well. *This represents \$3.85 million in tax savings for Hiddenbrooke homeowners.* In addition, some of the surplus has been used in matching amounts to redeem bonds early, which will reduce future interest payments.