

**OAKLAND AREA GEOLOGIC HAZARD ABATEMENT DISTRICT
BUDGET FOR FISCAL YEAR 2024/25**



May 22, 2024

Oakland Area Geologic Hazard Abatement District Board of Directors:

- Chair Kevin Jenkins
- Boardmember Rebecca Kaplan
- Boardmember Dan Kalb
- Boardmember Nikki Fortunato Bas
- Boardmember Carroll Fife
- Boardmember Janani Ramachandran
- Boardmember Noel Gallo
- Boardmember Treva Reid

Oakland Area Geologic Hazard Abatement District
 Oakland City Hall
 1 Frank Ogawa Place
 Oakland, CA 94612

Subject: Oakland Area Geologic Hazard Abatement District
 Oakland, California

BUDGET FOR FISCAL YEAR 2024/25

Dear Chair Jenkins and Boardmembers:

Attached is the program budget for the Oakland Area Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2024/25. The proposed program budget is \$19,953. The budget expenses break down into the following approximate percentages of the total expenses.

Administration – GHAD Manager	16 percent
Administration - Outside Professional Services	43 percent
Preventive Maintenance and Operations	42 percent
Special Projects	0 percent
Major Repair	0 percent

The budget anticipates FY 2024/25 revenue of \$19,082. A summary of the expenses is shown in Table 6, followed by a brief description of each budget item on the following pages.

Sincerely,

Oakland Area Geologic Hazard Abatement District
 ENGEO Incorporated, General Manager
 1630 San Pablo Avenue, Suite 200
 Oakland, CA 94612
 ENGEO Project No. 6964.002.023


 Haley Ralston
 kv/hjr/eh/cb


 Eric Harrell

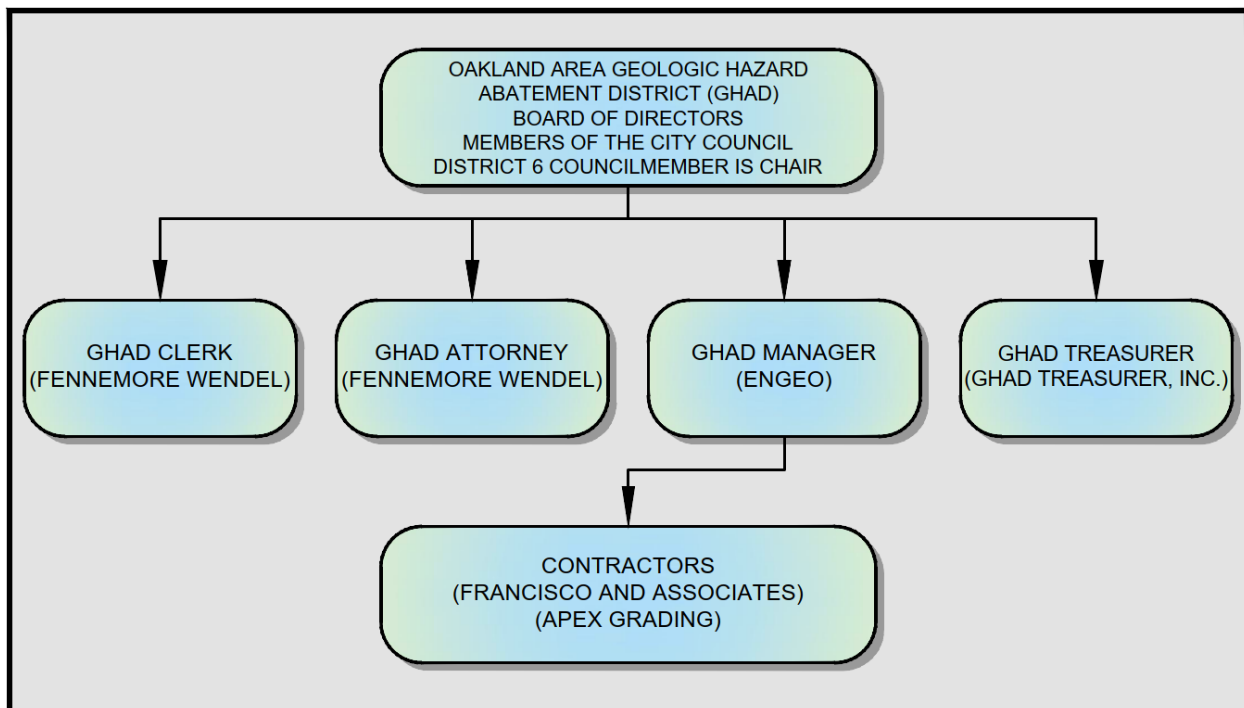
**Oakland Area Geologic Hazard Abatement District
Program Budget
Fiscal Year 2024/25**

The following budget summarizes the anticipated revenue and expenditures for FY 2024/25 for the Oakland Area Geologic Hazard Abatement District (GHAD), which currently includes the Siena Hill, Kenilworth, and Oak Knoll developments. The Oakland Area GHAD was formed on July 18, 2006, when the Oakland City Council adopted Resolution No. 80058. The Oakland Area GHAD was formed with Siena Hill development, which is a 32-unit residential development; however, only 10 residential units have been constructed to date. The Oakland Area GHAD has accepted GHAD responsibilities only within the 10 residential parcels in the Siena Hill development.

The 7-unit Kenilworth development was annexed into the Oakland Area GHAD on February 21, 2017, by the GHAD Board of Directors with the adoption of Resolution No. 15; however, it does not currently receive GHAD services as Plan of Control responsibilities have not been transferred from the developer to the GHAD yet. It is anticipated that the earliest date the GHAD would assume Plan of Control responsibilities for the Kenilworth development would be in 2027.

Under Condition of Approval No. 51 for the Oak Knoll development (Subdivision 8320), the City of Oakland required annexation of the Oak Knoll development into the existing Oakland Area GHAD. With the approval of Resolution No. 2022-06 on July 5, 2022, the GHAD Board of Directors approved annexation of the Oak Knoll development into the Oakland Area GHAD; however, it does not currently receive GHAD services as Plan of Control responsibilities have not been transferred from the developer to the GHAD yet. It is anticipated that the earliest date the GHAD would assume Plan of Control responsibilities within the Oak Knoll development would be in 2027.

The structure of the Oakland Area GHAD is shown below.



Currently, the GHAD has monitoring and maintenance responsibilities for 10 of the 32 residential parcels within the Siena Hill development (Table 1). Until accepted by the GHAD, monitoring and maintenance responsibilities described in the Plans of Control for the remaining parcels within the Siena Hill, Kenilworth, and Oak Knoll developments are the responsibility of the property owners.

TABLE 1: Parcels Accepted by the Oakland Area GHAD for Plan of Control Monitoring and Maintenance Responsibilities

NUMBER	STREET
64	Siena Drive
67	Siena Drive
68	Siena Drive
71	Siena Drive
72	Siena Drive
75	Siena Drive
76	Siena Drive
79	Siena Drive
80	Siena Drive
84	Siena Drive

The GHAD is funded through real property assessments and return on investments of the GHAD's reserves. The FY 2023/24 assessment levy was set at \$1,430.32 per residential unit, adjusted up 2.88% from the 2022/23 assessment level. The assessment limit annual adjustment is based on the 2006 Engineer's Report using the San Francisco-Oakland-Hayward Consumer Price Index (CPI). The final assessment roll prepared for the 2023/24 fiscal year, and submitted to the Alameda County Assessor's Office, identifies 10 properties subject to the levy of the GHAD assessment. The total levy amount for the 2023/24 FY was \$14,303.20.

TABLE 2: Actual CPI Adjustments and Assessment Limit for Residential Properties

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (June/June)	SIENA HILL ANNUAL ASSESSMENT LIMIT	SIENA HILL ASSESSMENT LEVY
2006/2007			\$2,632.00	\$2,632.00
2007/2008	6/30/2008	3.38%	\$2,720.95	\$2,720.94
2008/2009	6/30/2008	4.19%	\$2,834.99	\$2,834.98
2009/2010	6/30/2009	0.23%	\$2,841.43	\$2,841.42
2010/2011	6/30/2010	1.07%	\$2,871.87	\$2,871.86
2011/2012	6/30/2011	2.43%	\$2,941.57	\$2,941.56
2012/2013	6/30/2012	2.64%	\$3,019.13	\$3,019.12
2013/2014	6/30/2013	2.56%	\$3,096.29	\$3,096.28
2014/2015	6/30/2014	3.00%	\$3,189.22	\$3,189.22
2015/2016	6/30/2015	2.29%	\$3,262.24	\$3,262.24
2016/2017	6/30/2016	2.67%	\$2,500.00 ¹	\$1,119.00 ¹
2017/2018	6/30/2017	3.48%	\$2,587.04	\$1,157.96
2018/2019	6/30/2018	3.91%	\$2,688.14	\$1,203.20
2019/2020	6/30/2019	3.22%	\$2,774.57	\$1,241.96
2020/2021	6/30/2020	1.62%	\$2,819.41	\$1,261.96

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (June/June)	SIENA HILL ANNUAL ASSESSMENT LIMIT	SIENA HILL ASSESSMENT LEVY
2021/2022	6/30/2021	3.15%	\$2,908.36	\$1,301.78
2022/2023	6/30/2022	6.80%	\$3,106.09	\$1,309.29
2023/2024	6/30/2023	2.88%	\$3,106.09	\$1,430.32
2024/2025	6/30/2024	3% ²	\$3,195.52 ²	\$1,473.23 ²

¹Based on the approved Engineer’s Report dated August 31, 2006, and revised April 26, 2016.

²Estimate based on Consumers Price Index through April 2024 and approval by the Board of Directors.

Based on the CPI figures reported through April 2024, for budgeting purposes, we estimate a FY 2024/25 inflation rate adjustment of 3 percent. The actual CPI adjustment for the FY 2024/25 assessment limit will be based on the inflation rate through June 30, 2024, for the past 12 months, as specified in the approved Engineer’s Report for the Siena Hill development. We estimate that 10 residential units will be subject to assessment in FY 2024/25.

TABLE 3: Estimated Revenue

	FY 2024/25 ESTIMATE
Assessed Residential Units	10
Assessments	\$14,732
Investment Income	\$4,350
Total Revenues	\$19,082

The budget amounts listed are based on the Engineer’s Report approved by the Oakland Area GHAD Board of Directors in 2016. The budget amounts have been inflation adjusted to provide the listed budget estimates. The current Program Budget is based on a projection that at the beginning of the 2024/25 fiscal year (July 1, 2024), the cumulative reserve will be about \$120,792, and about \$119,921 at the end of the 2024/25 fiscal year (June 30, 2025).

For fiscal year 2024/25 (July 1, 2024, through June 30, 2025), the GHAD management payment limit is set at \$9,000. The tasks included within the payment limit may include site monitoring events, report preparation, oversight of maintenance and repair projects, administration, accounting, and assessment roll updates.

TABLE 4: Payment Limit

TASK	AMOUNT
Administration	\$2,350
Budget Preparation	\$750
Scheduled Monitoring Events	\$4,300
Heavy Rainfall Monitoring Events	\$1,000
Slope Stabilization	\$400 ¹
Erosion and Sediment Removal - Concrete Structures	\$200 ¹

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2024/25. ENGEO payment limit is 20% of the total budget item.

The budget is divided into four categories, including Administration and Accounting, Preventive Maintenance and Operations, Special Projects, and Major Repair.

ADMINISTRATION AND ACCOUNTING

Administrative expenses include the general manager’s duties related to the operation and administration of the GHAD. The administrative budget category includes tasks of the general manager, clerical, and accounting staff.

A comparison of the estimated expenditures for FY 2023/24, the approved budget for FY 2023/24, and the proposed budget through the end of FY 2024/25 is shown in Table 5.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization, erosion protection, and professional services within the District. Professional services include site-monitoring events, as scheduled in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open-space slopes. GHAD-maintained improvements generally include the slopes, concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, and storm drain facilities.

SPECIAL PROJECTS

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that are not included in one of the other three categories. Although not proposed in the FY 2024/25 budget, special projects can include items such as geographic information system (GIS) development for GHAD-maintained improvements, website development and maintenance, and reserve studies to reevaluate the financial condition of the GHAD.

MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$100,000. There are no major repairs planned for FY 2024/25.

TABLE 5: Summary of Use of Funds

	USE OF FUNDS			PERCENT CHANGE FROM FY 2023/24
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	
Administration and Accounting				
Administration and Accounting- GHAD Manager	\$2,300	\$2,300	\$2,350	2.2%
Budget Preparation- GHAD Manager	\$750	\$750	\$750	
Assessment Roll and Levy Update	\$1,000	\$1,000	\$1,000	
Alameda County Assessor’s Fees	\$245	\$245	\$250	
California Association of GHADs Membership	\$103	\$103	\$103	
GHAD Clerk	\$400	\$400	\$400	
GHAD Treasurer	\$600	\$700	\$700	
GHAD Legal Counsel	\$5,000	\$5,000	\$5,000	

USE OF FUNDS				
	FY 2023/24 ESTIMATE*	FY 2023/24 BUDGET	FY 2024/25 PROPOSED	PERCENT CHANGE FROM FY 2023/24
Insurance – General Liability	\$500	\$500	\$500	
Insurance – Directors and Officers	\$585	\$600	\$600	
Subtotal	\$11,483	\$11,598	\$11,653	0.5%
Preventive Maintenance and Operations - Maintenance Contractor				
Slope Stabilization	\$1,000	\$1,600	\$1,600	
Erosion Control including ditches	\$0	\$800	\$800	
Subtotal	\$1,000	\$2,400	\$2,400	0.0%
Preventive Maintenance and Operations – GHAD Manager				
Scheduled Monitoring Events	\$4,200	\$4,200	\$4,300	2.4%
Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
Slope Stabilization	\$0	\$400	\$400	
Erosion Control including ditches	\$0	\$200	\$200	
Subtotal	\$4,200	\$5,200	\$5,900	1.7%
Special Projects				
Subtotal	\$0	\$0	\$0	0.0%
Major Repairs				
Subtotal	\$0	\$0	\$0	0.0%
Total	\$16,683	\$19,798	\$19,953	0.8%

*FY2023/24 Estimate Includes Actual Expenses through April 30, 2024

TABLE 6: Summary of Proposed Fiscal Year 2024/25 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
Administration and Accounting			
Administration and Accounting- GHAD Manager		\$2,350	
Budget Preparation/Annual Reporting- GHAD Manager		\$750	
	Subtotal	\$3,100	15%
Assessment Roll and Levy Update Preparation		\$1,000	
Alameda County Assessor's Fees		\$250	
California Association of GHADs Membership		\$103	
GHAD Clerk		\$400	
GHAD Treasurer		\$700	
GHAD Legal Counsel		\$5,000	
Insurance – General Liability		\$500	
Insurance – Directors and Officers		\$600	
	Subtotal	\$8,553	43%
	TOTAL	\$11,653	58%
Maintenance and Operations- Maintenance Contractor			
Slope Stabilization		\$1,600	
Erosion Control Including Concrete Structures		\$800	

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2024/25)
	Subtotal	\$2,400	
Scheduled Monitoring Events – GHAD Manager			
Open Space Scheduled Monitoring Events		\$4,300	
Heavy Rainfall Monitoring Event		\$1,000	
Slope Stabilization		\$400	
Erosion Control Including Concrete Structures		\$200	
	Subtotal	\$5,900	
	TOTAL	\$8,300	42%
Special Projects	TOTAL	\$0	0%
Major Projects	TOTAL	\$0	0%
ESTIMATED EXPENDITURES	TOTAL	\$20,548	
ESTIMATED RECEIVABLES			
Beginning Balance			
Balance (July 1, 2023)		\$118,257	
Estimated FY 2023/24 Revenue			
Assessment Revenue		\$14,303	
Investment Revenue		\$4,915	
Estimated 2023/24 Expenses			
Estimated Expenses through June 30, 2024		\$16,683	
ESTIMATED RESERVE ON JUNE 30, 2024		\$120,792	
Estimated 2024/25 Revenue			
Estimated Assessment Revenue		\$14,732	
Estimated Investment Revenue		\$4,350	
Estimated 2024/25 Expenses			
Expenses through June 30, 2025		\$19,953	
ESTIMATED RESERVE ON JUNE 30, 2025		\$119,921	

Below is a more detailed description of each item listed in the budget tables above.

ADMINISTRATION AND ACCOUNTING

Administration

Administrative expenses include the general manager’s duties related to the operation and administration of the GHAD. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer’s Report.

Annual Report and Budget Preparation

This budget provides for the preparation of the annual report and budget. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHAD Engineer’s Report.

Assessment Roll and Levy Update

This budget item allows for preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment.

Alameda County Assessor's Fees

This budget item accounts for commission charged by the Alameda County Assessor's Office (currently 1.7 percent of total annual assessment amount) for collection of assessments within the Oakland Area GHAD.

Association Membership

The GHAD maintains membership in the California Association of GHADs.

GHAD Clerk

This budget item accounts for fees to provide clerical staffing and support services for the GHAD Board of Directors and to keep and provide interested parties with accurate records and documents relative to Board actions.

GHAD Treasurer

This budget item accounts for fees related to treasurer services, investment of the GHAD reserve funds, and processing of accounts payable.

GHAD Attorney

This budget item allows the GHAD to seek review and comment from GHAD counsel for the District.

General Liability Insurance

The GHAD maintains general liability insurance for open-space areas within the District.

Directors and Officers Insurance

The GHAD maintains directors and officers insurance for the Board of Directors.

PREVENTIVE MAINTENANCE AND OPERATIONS

Maintenance and Operations

Slope Stabilization

This is for minor repairs, including slope instability, which may occur during the 2024/25 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item.

Erosion Control including Drainage Ditches

Anticipated tasks under this budget item include the repair of slope erosion and maintenance of concrete-lined drainage ditches within the accepted lots.

Professional Services

Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD during each calendar year.

Heavy Rainfall Monitoring Events

As described in the Plan of Control, a heavy rainfall event qualifies as precipitation amounts totaling more than 2 inches within a 24-hour period. We have budgeted for one heavy rainfall monitoring event in the 2024/25 fiscal year.

SPECIAL PROJECTS

There are currently no ongoing special projects, and none are anticipated for the 2024/25 fiscal year within the GHAD-maintained areas of the Oakland Area GHAD.

MAJOR REPAIRS

There are currently no ongoing major repair projects, and none are anticipated for the 2024/25 fiscal year within the GHAD-maintained areas of the Oakland Area GHAD. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. While no major repairs are ongoing at this time, by their nature, major repairs, such as landslides, are unpredictable and could occur during the 2024/25 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.