

**THE BOARD OF DIRECTORS OF OAKLAND AREA
GEOLOGIC HAZARD ABATEMENT DISTRICT**

RESOLUTION NO. 19-02

**RESOLUTION ADOPTING 2019/2020 ANNUAL BUDGET AND UPDATING GHAD
GENERAL MANAGER PAYMENT LIMITS UNDER THE EXISTING CONSULTING
SERVICES AGREEMENT.**

WHEREAS, on July 18, 2006, the Oakland City Council adopted Resolution 80058 approving the formation of the Oakland Area Geologic Hazard Abatement District (GHAD) and appointed itself to serve as the GHAD Board of Directors.

WHEREAS, the GHAD Board of Directors desires to adopt the budget for the fiscal year 2019/2020 prepared by the GHAD General Manager, ENGEEO Inc., attached hereto as Exhibit A.

WHEREAS, on September 21, 2006, pursuant to Resolution No. 1, the GHAD Board approved the consultant services agreement with ENGEEO Inc., to act as General Manager for the GHAD. This Agreement, in section 1(e), requires the GHAD Board to determine by resolution each fiscal year the payment limits for GHAD General Manager services. The budget attached in Exhibit A identifies this limit at \$7500 at page 2.

The Board of Directors of the GHAD HEREBY RESOLVES THAT:

1. The GHAD Board approves the GHAD budget for the 2019/2020 fiscal year attached as Exhibit A and incorporated herein by this reference.
2. The GHAD Board adopts the payment limit for the GHAD General Manager services at \$7500 for fiscal year 2019/2020 as set forth in Exhibit A, and incorporates this payment limit into the consulting services agreement.
3. The recitals are incorporated herein by this reference.

This Resolution shall become effective immediately upon its passage and adoption.

ATTEST: _____
Patricia Curtin, Esq.
GHAD Attorney

Date of Attestation: _____

OAKLAND AREA GEOLOGIC HAZARD ABATEMENT DISTRICT
BUDGET FOR FISCAL YEAR 2019/20

EXHIBIT A



May 6, 2019

Oakland Area Geologic Hazard Abatement District Board of Directors

Chair Loren Taylor
Boardmember Rebecca Kaplan
Boardmember Dan Kalb
Boardmember Nikki Fortunato Bas
Boardmember Lynette Gibson McElhaney
Boardmember Shen Thao
Boardmember Noel Gallo
Boardmember Larry Reid

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

Subject: Oakland Area Geologic Hazard Abatement District
Oakland, California

BUDGET FOR FISCAL YEAR 2019/20

Dear Chair Taylor and Boardmembers:

Attached is the program budget for the Oakland Area Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2019/20. The proposed program budget is \$14,818. The budget expenses break down into the following approximate percentages of the total revenue.

Major Repair.....	0 percent
Preventive Maintenance and Operations.....	47 percent
Special Projects.....	0 percent
Administration and Accounting.....	20 percent
Additional - Outside Professional Services.....	33 percent

The budget anticipates FY 2019/20 revenue of \$14,776. A summary of the expenses is shown in Table 4, followed by a brief description of each budget item on the following pages.

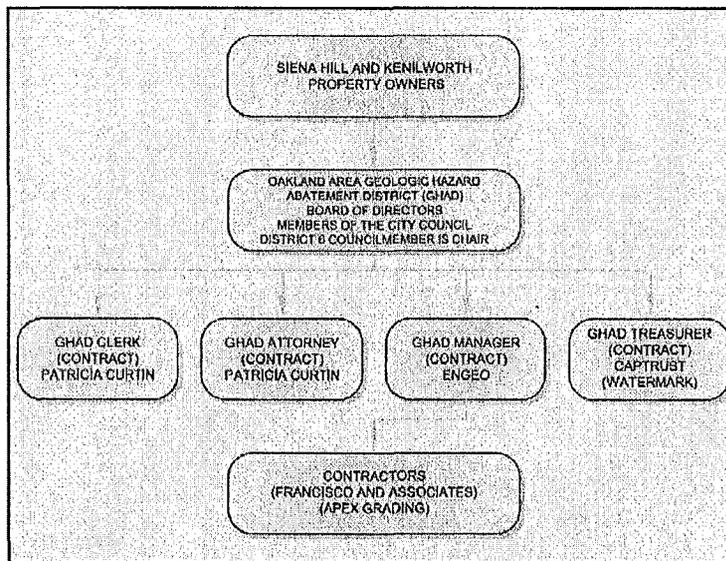
Sincerely,
Oakland Area Geologic Hazard Abatement District
ENGEO Incorporated, General Manager
1630 San Pablo Ave., Suite 200
Oakland, CA 94612
ENGEO Project No. 6964.002.018

Haley Trindle
ht/eh/ff

Eric Harrell

**Oakland Area Geologic Hazard Abatement District
 Program Budget
 Fiscal Year 2019/20**

The following budget summarizes the anticipated expenditures for FY year 2019/20 for the Oakland Area Geologic Hazard Abatement District (GHAD), which currently includes the Siena Hill and Kenilworth developments. The Kenilworth development was annexed into the Oakland Area GHAD on February 21, 2017; however, a budget and assessment limit have not been approved for this development and it does not currently receive GHAD services. 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 Plan of Control for the remaining parcels within the Siena Hill development are the responsibility of the property owner(s).

TABLE 1: Parcels accepted by the Oakland Area GHAD

NUMBER	STREET
64	Siena Drive
67	Siena Drive
68	Siena Drive
71	Siena Drive
72	Siena Drive
75	Siena Drive

NUMBER	STREET
76	Siena Drive
79	Siena Drive
80	Siena Drive
84	Siena Drive

The GHAD is funded through real property assessments. The 2018/19 assessment amount was set at \$1,203.22 per residential unit adjusted up 3.91 percent from the 2017/18 assessment level of \$1,157.94. The assessment limit annual adjustment is based on the assessment limit set in the development Engineer's Report using the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers. The final assessment roll prepared for the 2018/19 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 2018/19 FY was \$12,032.20. Parcels are subject to a levy of the assessment the first fiscal year following issuance of a building permit.

TABLE 2: Revenue

	FY 2018/19 ESTIMATE*	FY 2018/19 BUDGET	FY2019/20 PROPOSED	PERCENT CHANGE FROM FY 2018/19 ESTIMATE
Assessments	\$12,032	\$11,927	\$12,045	3.5%
Dividends and Interest	\$2,722	\$1,797	\$2,327	-14.5%
Total Revenues	\$14,754	\$13,724	\$14,372	-2.6%

*Includes Actual Revenue Received through May 1, 2019

Based on the San Francisco-Oakland-Hayward consumer price index figures reported through February 2019, for budgeting purposes, we estimate a FY 2019/20 inflation rate adjustment of 3.5 percent. We estimate that 10 residential units will be subject to assessment in the FY 2019/20.

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 projects that at the beginning of the 2018/19 fiscal year (July 1, 2019), the cumulative reserve will be about \$117,361 and about \$117,334 at the end of the 2019/20 fiscal year (June 30, 2020). The current Program Budget estimates that at the beginning of the 2019/20 fiscal year, the cumulative reserve will be about \$116,908, which is \$7,077 or 6% above the estimate in the approved FY 2018/19 FY budget.

For fiscal year 2019/20 (July 1, 2019, through June 30, 2020), the GHAD management payment limit is set at \$7,500. 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 3: Payment Limit

TASK	AMOUNT
Scheduled Monitoring Events	\$3,000
Heavy Rainfall Monitoring Event	\$1,000
Erosion and Sediment Removal - Concrete Structures	\$200 ¹
Slope Stabilization	\$400 ¹
Administration and Accounting	\$2,200
Budget Preparation	\$700

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2019/20. ENGEO payment limit is 20% of the total budget item.

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

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 \$25,000.

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 District's 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 2019/20 budget, special projects can include items such as global positioning system (GPS)/geographic information system (GIS) development for GHAD maintained improvements; website development and maintenance; and reserve studies to reevaluate the financial condition of the GHAD.

ADMINISTRATION AND ACCOUNTING

Administrative expenses include the General Manager 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 summary of the proposed budget through the end of FY 2019/20 is shown in Table 4.

TABLE 4: Summary of Use of Funds

USE OF FUNDS				
	FY 2018/19 ESTIMATE*	FY 2018/19 BUDGET	FY 2019/20 PROPOSED	PERCENT CHANGE FROM FY 2018/19
Major Repairs				
Subtotal	\$0	\$0	\$0	0.0%
Preventive Maintenance and Operations - Professional Services				
Scheduled Monitoring Events	\$2,200	\$3,000	\$3,000	
Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
Subtotal	\$2,200	\$4,000	\$4,000	0.0%
Preventive Maintenance and Operations - Maintenance and Operations				
Erosion Control including Ditches	\$0	\$1,000	\$1,000	
Slope Stabilization	\$0	\$2,000	\$2,000	
Subtotal	\$0	\$3,000	\$3,000	0.0%
Special Projects				
Subtotal	\$0	\$0	\$0	0.0%
Administration and Accounting – GHAD Manager				
Administration and Accounting	\$2,000	\$2,400	\$2,200	
Budget Preparation	\$700	\$700	\$700	
Subtotal	\$2,700	\$3,100	\$2,900	-6.5%
Administration and Accounting – Outside Professional Services				
Assessment Roll and Levy Update	\$1,000	\$1,000	\$1,000	
Legal Counsel	\$1,800	\$2,000	\$1,800	
Treasurer	\$294	\$310	\$325	
Clerk	\$500	\$500	\$400	
Alameda County Assessor's Fees	\$201	\$200	\$215	
California Association of GHADs Membership	\$103	\$103	\$103	
Insurance – Directors and Officers	\$557	\$575	\$575	
Insurance – General Liability	\$708	\$500	\$6,200	
Subtotal	\$5,163	\$5,188	\$4,918	-3.0%

*FY2018/19 Estimate Includes Actual Expenses through May 1, 2019

TABLE 5: Summary of Proposed Fiscal Year 2019/20 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2019/20)	PERCENT OF TOTAL BUDGET (FY 2018/19)
MAJOR REPAIRS				
Major Projects	TOTAL	\$0	0%	0%
PREVENTIVE MAINTENANCE AND OPERATIONS				
Professional Services				
Scheduled Monitoring Events				
Open Space Scheduled Monitoring Events		\$3,000		
Heavy Rainfall Monitoring Events		\$1,000		
	Subtotal	\$4,000		
Maintenance and Operations				
Erosion Control Including Concrete Structures		\$1,000		
Slope Stabilization		\$2,000		
	Subtotal	\$3,000		
	TOTAL	\$7,000	47%	51%
SPECIAL PROJECTS				
	TOTAL	\$0	0%	0%
ADMINISTRATION AND ACCOUNTING – GHAD Manager				
Administration and Accounting		\$2,200		
Budget Preparation/Annual Reporting		\$700		
	Subtotal	\$2,900	20%	23%
Outside Professional Services - Nontechnical				
Assessment Roll and Levy Update Preparation		\$1,000		
Legal Counsel		\$1,800		
Treasurer		\$325		
Clerk		\$400		
Alameda County Assessor's Fees		\$215		
California Association of GHADs Membership		\$103		
Insurance – Directors and Officers		\$575		
Insurance – General Liability		\$500		
	Subtotal	\$4,918	33%	37%
	TOTAL	\$7,818		
ESTIMATED EXPENDITURES	TOTAL	\$14,818	100%	111%
ESTIMATED RECEIVABLES				
Beginning Balance				
Balance (June 30, 2018)		\$113,881		
Estimated FY 2018/19 Revenue				
Revenue as of May 1, 2019		\$10,288		
Estimated Revenue through June 30, 2019		\$2,198		
Estimated 2018/19 Expenses				
Expenses through May 1, 2019		\$4,872		

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENT OF TOTAL BUDGET (FY 2019/20)	PERCENT OF TOTAL BUDGET (FY 2018/19)
Estimated Expenses through June 30, 2019		\$4,134		
ESTIMATED RESERVE ON JUNE 30, 2019		\$117,361		
Estimated 2019/20 Revenue				
Estimated FY 2019/20 Assessment		\$10,288		
Estimated FY 2019/20 Interest		\$2,198		
Estimated 2019/20 Expenses				
Expenses through June 30, 2020		\$14,818		
ESTIMATED RESERVE ON JUNE 30, 2020		\$117,334		

MAJOR REPAIRS (MAJOR)

There are currently no ongoing major repair projects, and none are anticipated for the 2019/20 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 2019/20 fiscal year. The reserve portion of the budget allows for funding toward these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS (PREVM&O)

Professional Services

Scheduled Monitoring Events (SCMON)

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD during each calendar year. **Estimated budget \$3,000**

Heavy Rainfall Events (HRMON)

We have budgeted for one heavy-rainfall monitoring events during the 2019/20 winter season. **Estimated budget \$1,000**

Maintenance and Operations

Erosion Control (ERCON)

Anticipated tasks under this budget item include the repair of slope erosion and maintenance of concrete-lined drainage ditches within the accepted lots. **Estimated budget \$1,000**

Slope Stabilization (SLOPE)

This is for minor repairs, including slope instability, which may occur during the 2019/20 fiscal year. Purchase of emergency stabilization supplies will be included within this budget item. **Estimated budget \$2,000**

SPECIAL PROJECTS (SPEPROJ)

There are currently no ongoing special projects, and none are anticipated for the 2019/20 fiscal year within the GHAD-maintained areas of the Oakland Area GHAD.

ADMINISTRATION AND ACCOUNTING (ADMIN)

Administration (ADACC)

Administrative expenses include the General Manager 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.

Estimated budget \$2,200

Annual Report and Budget Preparation (BDGET)

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.

Estimated budget \$700

Assessment Roll and Levy Update (ASSESS)

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

Estimated budget \$1,000

GHAD Attorney (LEGAL)

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

Estimated budget \$1,800

GHAD Treasurer (TREAS)

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

Estimated budget \$325

GHAD Clerk (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.

Estimated budget \$400

Alameda County Assessor's Fees (ALAAS)

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.

Estimated budget \$215

Association Membership (CGHAD)

The GHAD maintains membership in the California Association of GHADs.

Estimated budget \$103

Boardmembers
Oakland Area Geologic Hazard Abatement District
BUDGET FOR FISCAL YEAR 2019/20

6964.002.018
May 6, 2019
Page 8

Directors and Officers Insurance (INSUR)

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

Estimated budget \$575

General Liability Insurance (INSURGL)

The GHAD will maintain general liability insurance for open space areas within the District.

Estimated budget \$500