Maintenance Districts
Findings of Audits
(Boundary, Budget and Levy)
and
Community Outreach Plan and Schedule

Presented By: Pablo Perez, NBS

March 1, 2016
THREE CRITICAL BUILDING BLOCKS OF GOOD GOVERNMENT

“Oxnard 2020”
Determining our Future Now

Innovation and Focus on the Future

Ensuring Excellent Services

Corporate Support, Accountability and Value Systems
These lists show the 128 recommendations made in the Organizational Assessment, and the progress we have made so far. We will provide updates every 6 months to show our progress!
**Recommendation 5 of One Year Plan (Priority 1B):**

Prepare a comprehensive financial assessment of the Environmental Resources, Golf Fund, Performing Arts Center Fund, **benefit assessment** and Development impact fee funds.
PRESENTATION OUTLINE

- **Background**
  - Introduction

- **Review of Audits**
  - Boundary, Budget and Levy Audits
  - Review, Findings & Recommendations

- **Community Outreach**
  - Outreach Plan
  - Outreach Schedule

- **Follow Up**
  - Next Steps
  - Reporting Schedule
<table>
<thead>
<tr>
<th>Key Milestones to Date</th>
<th>Date</th>
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<tbody>
<tr>
<td>Initiated Organizational Assessment that Identified Deficits &amp; Surpluses in Various Districts</td>
<td>September 2014</td>
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<td>Contracted with NBS to Conduct In-Depth Review</td>
<td>May 2015</td>
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<tr>
<td>NBS Issued Findings in Report titled “Maintenance Assessment Districts Review Findings &amp; Recommendations”</td>
<td>August 2015</td>
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<tr>
<td>Staff Review of Report and Preparation for Presentation</td>
<td>September 2015</td>
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<td>Presentation of Maintenance Assessment District Overview and IAP</td>
<td>October 27, 2015</td>
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<tr>
<td>Presentation of District Boundary, Budget and Levy Audits</td>
<td>March 1, 2016</td>
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<tr>
<td>Presentation of Community Outreach Plan</td>
<td>March 1, 2016</td>
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REVIEW OF AUDITS

• District Boundaries Audit
  • Compare 2015/16 assessment rolls to district boundaries
  • Identify discrepancies, needed corrections and fiscal impact

• District Funds and Budgets Audit
  • Research and compile costs of maintenance and services to create new budgets
  • Document findings and options for districts moving forward including, but not limited to identifying the need for assessment increases/decreases, a reduction in service levels, and establishing reserves funds

• District Levy Calculations Audit
  • Apply district boundaries, County Property Secured Roll Characteristics, Method of Assessment, and the new 2015/16 budgets to calculate new 2015/16 maximum assessment and corresponding levies
  • Compare new levy calculations to actual 2015/16 assessment rolls
  • Identify discrepancies, needed corrections and fiscal impact
  • Create new district datasets based on new maximum assessment and levy calculations
AUDIT FINDINGS

• Audit District Boundaries
  • No parcels outside district boundaries are being levied
  • Minimal number of parcels within district boundaries are not being levied, assessments totaling approx. $1,000/year (4 Districts)

• Audit District Funds and Budgets
  • Additional authorized improvements not being provided (32 Districts)
  • Utility meters assigned to incorrect districts; City staff correcting assignment
  • New draft budgets created based on findings
  • Projected annual deficits (26 Districts)
  • Projected annual surplus (32 Districts)

• Audit District Levy Calculations
  • Majority of districts are levied at or less than approved maximum (45 Districts)
  • One significant 2015/16 tax roll correction (1 District)
  • Corrections to be implemented 2016/17 (11 Districts; 2 with multiple corrections)
    – Levying over maximum (3 Districts)
    – Parcels not levied (4 Districts)
    – Parcels levied that should have not been levied (2 Districts)
    – Method of Assessment not being followed or acreage rounding inconsistent (5 Districts)
AUDIT RECOMMENDATIONS

- Fill Special Districts Administrator position (approved by Council 2/9/2016)
- Maintenance activities for all districts to be re-bid based on district-specific authorized improvements
- City to implement procedures to verify contractor’s maintenance activities
  - Monthly reporting, independent verification before payment of invoices
- Implement reduction in service level for 2016/17 to match available revenues
- Propose increase in assessments if reduction in service level is not feasible
- Districts with surplus funds and projected annual surplus
  - Improvement replacement plan for surplus spending and/or levy credits
- Correct 2015/16 levy for significant finding - completed
- Correct minor 2015/16 findings with 2016/17 levies
- Use corrected budgets and maximum assessments to calculate 2016/17 levies
- Continue community outreach efforts
- Apply findings to prior years and make recommendations regarding fund balance adjustments - Fall 2016
• Reduce Service Level
  • Based on annual budgets and levy amounts, determine districts that should have a reduced level of service
  • Reduce service level to align cost of services provided with revenue generated by assessments

• Increase Assessments
  • Determine districts that need Proposition 218 increases
  • Prioritize to address highest projected annual deficits first
  • Districts with highest projected annual deficit (top 5)
    1. LMD No. 12 (Standard Pacific) – ($79,837.68)
    2. LMD No. 13 (Le Village) – ($74,978.54)
    3. LMD No. 10 (Country Club Estates) – ($43,897.33)
    4. LMD No. 7 and 8 (Northfield and Sea Gate) – ($40,809.00)
    5. LMD No. 9 (Strawberry Fields) – ($39,298.85)
• West Village Neighborhood Council
  • Met with Chairman and 2 members in City Manager’s Office
  • Presented and answered questions at neighborhood meeting
  • Received 38 separate requests for various information
    • Provided data, documents and information for 31 requests
    • Remaining 7 requests are in the process of being completed

• Meet with property owners, topics include:
  • Background on the City’s existing districts
  • Status updates on the City’s districts
  • Information on what’s coming next

• Attend and provide status update at the monthly INCO meeting (March 2, 2016)
• Districts broken into six (6) groups based on proximity to one another
**COMMUNITY OUTREACH TIMELINE**

- **Six (6) meetings have been scheduled**
  - Wednesday, March 9th, 2016 (Group 1)
  - Thursday, March 10th, 2016 (Group 4)
  - Wednesday, March 16th, 2016 (Group 5)
  - Thursday, March 17th, 2016 (Group 2)
  - Wednesday, March 23rd, 2016 (Mandalay Bay)
  - Thursday, March 24th, 2016 (Group 3)

- **Inform property owners of upcoming outreach meetings using various avenues of communication:**
  - Postcard mailer to all property owners who reside within a district
  - Information/flyer on the City’s LMD website
  - Social media postings (facebook, twitter, and nextdoor)
  - City informing/inviting the neighborhood councils
  - Slides/information on the City’s television station
NEXT STEPS

- Implementation of audit recommendations
- Significant levy correction for 2015/16 - completed
- Rewrite Resolutions and Engineer’s Reports – in progress
- Staffing of Special Districts Administrator position
- Re-bid maintenance work for all districts using correct list of authorized improvements and A/B levels of service
- Reduce level of service to match available revenue or propose assessment increase
- Apply findings of the audits to the 2016/17 budget and levy calculations
- Ongoing community outreach efforts