



**City of Morgan Hill**

**Community Facilities District No. 2014-1  
(Fisher Creek)**

**Fiscal Year 2016/17 Annual Report**

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# **DISTRICT ANALYSIS**

## **DISTRICT**

In 2014, the City of Morgan Hill (the "City") formed Community Facilities District No. 2014-1 (Fisher Creek) (the "District") to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek. The special tax will be levied as long as necessary to fund the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish capital improvement funds, repair or contingency funds, or reserve funds; and pay for reasonably anticipated delinquent special taxes.

## **LEVY**

For Fiscal Year 2016/17, 108 developed residential parcels were levied a total of \$40,601.52.

As defined in the Rate and Method of Apportionment (the "RMA"), residential parcels are levied at the Expected Special Tax which, for Fiscal Year 2016/17, is \$387.22 per residential lot. The Maximum Special Tax per residential parcels for Fiscal Year 2016/17 is \$795.68. However, since the City has not yet assumed the responsibilities of the maintenance and services associated with the District, the City opted to not increase the special tax from the prior year. As such, parcels were levied at the Fiscal Year 2015/16 Expected Special Tax of \$375.95 per residential lot.

As outlined in the RMA, the Expected Special Tax and Maximum Special Tax increase annually by 3.0%. Public property, open space and parcels designated as public or utility easements are exempt from the special tax.

## **FUNDS**

The June 30, 2016 balance in the Special Tax Fund will be sufficient to cover administrative costs of the District through December 31, 2016. As previously mentioned, the City has not yet assumed the responsibilities of the maintenance and services associated with the District and, as such, there will be sufficient funds to cover the costs of maintenance and services when the City assumes responsibility.

Since there are no bonds associated with the District, there is no requirement for a reserve fund. Annually, a portion of the special tax revenues are used to pay for administrative expenses related to the District and maintain a reserve balance in the event additional funds are needed to cover the replacement cost of capital improvements and services to be maintained by the District.

## **DELINQUENCIES**

As of October 2016, the Fiscal Year 2015/16 delinquency rate is 3.7%. There are eight parcels that remain delinquent for the April 2016 installment. NBS will monitor delinquencies within the District after the December 10, 2016 and April 10, 2017 installments become due and provide the City with a delinquency report. At that time, NBS will discuss any delinquencies with the City and recommend any actions that should be taken.

## **NBS**

Reena Arvizu, Financial Analyst  
Greg Davidson, Client Services Director

# SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410.”

The requirements of the Act apply to the Funds for the following District:

City of Morgan Hill  
Community Facilities District No. 2014-1 (Fisher Creek)  
Formed September 17, 2014

## Purpose of Special Tax

The District was formed to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek. The special tax funds the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish capital improvement funds, repair and contingency funds or reserve funds; and pay for reasonable anticipated delinquent special taxes.

## Collections & Expenditures

<b>Fund</b>	<b>Total Amount Collected <sup>(1)</sup></b>	<b>06/30/2016 Balance</b>	<b>Amount Expended</b>	<b>Service Status</b>
Special Tax Fund	\$38,691.73	\$36,612.49	\$2,079.24	Ongoing

(1) Figure represents the total amount levied for Fiscal Year 2015/16, less County Collection Fees of 1.0% of the total levy amount and delinquencies.

# FINANCIAL STATUS

## Special Tax Fund

Balance as of 6/30/2016	Administrative Expenses <sup>(1)</sup>	Surplus/ (Deficit)
\$36,913.29	\$2,400.00	\$34,513.29

(1) Estimated administrative expenses through December 2016.

## Special Tax Spread

Property Classification	FY 2016/17 Total Amount Levied <sup>(1)</sup>	Maximum Special Tax for FY 2016/17	Percentage of Maximum
Developed Residential (Single Family)	\$40,601.52	\$85,932.36	47.2%

(1) Parcels were levied at the Fiscal Year 2015/16 Expected Special Tax of \$375.95 per residential lot.

## Special Tax Rates

Expected Special Tax for Fiscal Year 2016/17	Maximum Special Tax for Fiscal Year 2016/17	Special Tax Levied for Fiscal Year 2016/17
\$387.23 per parcel	\$795.68 per parcel	\$375.95 per parcel

## Value To Maximum Special Tax Ratio

Total Assessed Value <sup>(1)</sup>	Maximum Special Tax for FY 2016/17	Value to Maximum Special Tax Ratio
\$80,964,483.00	\$85,932.36	942.19:1

(1) Total assessed value of all parcels within the District, as of January 1, 2016. Assessed value includes both land and structure values.

## Delinquency Summary

FY 2015/16 Total Amount Levied	FY 2015/16 Delinquencies	FY 2015/16 Delinquency Rate
\$40,601.52	\$1,503.76	3.70%

## ***APPENDICES***

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**FINAL BUDGET FOR FISCAL YEAR 2016/17**

**FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2016/17**

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Budget for Fiscal Year 2016/17**

<b>Category/Item</b>	<b>FY 2016/17</b>	<b>FY 2015/16</b>	<b>Increase / (Decrease)</b>
District Services Fund	\$29,052.00	\$29,084.00	(\$32.00)
District Reserve Fund	6,724.62	6,662.57	62.05
Admin. Expenses	4,825.98	4,856.03	(30.05)
Miscellaneous	(1.08)	(1.08)	0.00
<b>Grand Total:</b>	<b>\$40,601.52</b>	<b>\$40,601.52</b>	<b>\$0.00</b>
<b>Total Accounts:</b>	<b>113</b>	<b>113</b>	<b>0</b>

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2016/17**

Account ID	Property ID	DB	Levy	Other	Total
764-62-001	764-62-001		\$375.95	(\$0.01)	\$375.94
764-62-002	764-62-002		375.95	(0.01)	375.94
764-62-003	764-62-003		375.95	(0.01)	375.94
764-62-004	764-62-004		375.95	(0.01)	375.94
764-62-005	764-62-005		375.95	(0.01)	375.94
764-62-006	764-62-006		375.95	(0.01)	375.94
764-62-007	764-62-007		375.95	(0.01)	375.94
764-62-008	764-62-008		375.95	(0.01)	375.94
764-62-009	764-62-009		375.95	(0.01)	375.94
764-62-010	764-62-010		375.95	(0.01)	375.94
764-62-011	764-62-011		375.95	(0.01)	375.94
764-62-012	764-62-012		375.95	(0.01)	375.94
764-62-013	764-62-013		375.95	(0.01)	375.94
764-62-014	764-62-014		375.95	(0.01)	375.94
764-62-015	764-62-015		375.95	(0.01)	375.94
764-62-016	764-62-016		375.95	(0.01)	375.94
764-62-017	764-62-017		375.95	(0.01)	375.94
764-62-018	764-62-018		375.95	(0.01)	375.94
764-62-019	764-62-019		375.95	(0.01)	375.94
764-62-020	764-62-020		375.95	(0.01)	375.94
764-62-021	764-62-021		375.95	(0.01)	375.94
764-62-022	764-62-022		375.95	(0.01)	375.94
764-62-023	764-62-023		375.95	(0.01)	375.94
764-62-024	764-62-024		375.95	(0.01)	375.94
764-62-025	764-62-025		375.95	(0.01)	375.94
764-62-026	764-62-026		375.95	(0.01)	375.94
764-62-027	764-62-027		375.95	(0.01)	375.94
764-62-028	764-62-028		375.95	(0.01)	375.94
764-62-029	764-62-029		375.95	(0.01)	375.94
764-62-030	764-62-030		375.95	(0.01)	375.94
764-62-031	764-62-031		375.95	(0.01)	375.94
764-62-032	764-62-032		375.95	(0.01)	375.94
764-62-033	764-62-033		375.95	(0.01)	375.94
764-62-034	764-62-034		375.95	(0.01)	375.94
764-62-035	764-62-035		375.95	(0.01)	375.94
764-62-036	764-62-036		375.95	(0.01)	375.94
764-62-037	764-62-037		375.95	(0.01)	375.94
764-62-038	764-62-038		375.95	(0.01)	375.94
764-62-039	764-62-039		375.95	(0.01)	375.94
764-62-040	764-62-040		375.95	(0.01)	375.94
764-62-041	764-62-041		375.95	(0.01)	375.94
764-62-042	764-62-042		375.95	(0.01)	375.94
764-62-043	764-62-043		375.95	(0.01)	375.94
764-62-044	764-62-044		375.95	(0.01)	375.94
764-62-045	764-62-045		375.95	(0.01)	375.94
764-62-046	764-62-046		375.95	(0.01)	375.94
764-62-047	764-62-047		375.95	(0.01)	375.94
764-62-048	764-62-048		375.95	(0.01)	375.94



**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2016/17**

Account ID	Property ID	DB	Levy	Other	Total
764-62-049	764-62-049		375.95	(0.01)	375.94
764-62-050	764-62-050		375.95	(0.01)	375.94
764-62-051	764-62-051		375.95	(0.01)	375.94
764-62-052	764-62-052		375.95	(0.01)	375.94
764-62-053	764-62-053		375.95	(0.01)	375.94
764-62-054	764-62-054		375.95	(0.01)	375.94
764-62-055	764-62-055		375.95	(0.01)	375.94
764-62-056	764-62-056		375.95	(0.01)	375.94
764-62-057	764-62-057		375.95	(0.01)	375.94
764-62-058	764-62-058		375.95	(0.01)	375.94
764-62-059	764-62-059		0.00	0.00	0.00
764-62-060	764-62-060		0.00	0.00	0.00
764-62-061	764-62-061		0.00	0.00	0.00
764-63-001	764-63-001		375.95	(0.01)	375.94
764-63-002	764-63-002		375.95	(0.01)	375.94
764-63-003	764-63-003		375.95	(0.01)	375.94
764-63-004	764-63-004		375.95	(0.01)	375.94
764-63-005	764-63-005		375.95	(0.01)	375.94
764-63-006	764-63-006		375.95	(0.01)	375.94
764-63-007	764-63-007		375.95	(0.01)	375.94
764-63-008	764-63-008		375.95	(0.01)	375.94
764-63-009	764-63-009		375.95	(0.01)	375.94
764-63-010	764-63-010		375.95	(0.01)	375.94
764-63-011	764-63-011		375.95	(0.01)	375.94
764-63-012	764-63-012		375.95	(0.01)	375.94
764-63-013	764-63-013		375.95	(0.01)	375.94
764-63-014	764-63-014		375.95	(0.01)	375.94
764-63-015	764-63-015		375.95	(0.01)	375.94
764-63-016	764-63-016		375.95	(0.01)	375.94
764-63-017	764-63-017		375.95	(0.01)	375.94
764-63-018	764-63-018		375.95	(0.01)	375.94
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764-63-021	764-63-021		375.95	(0.01)	375.94
764-63-022	764-63-022		375.95	(0.01)	375.94
764-63-023	764-63-023		375.95	(0.01)	375.94
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764-63-026	764-63-026		375.95	(0.01)	375.94
764-63-027	764-63-027		375.95	(0.01)	375.94
764-63-028	764-63-028		375.95	(0.01)	375.94
764-63-029	764-63-029		375.95	(0.01)	375.94
764-63-030	764-63-030		375.95	(0.01)	375.94
764-63-031	764-63-031		375.95	(0.01)	375.94
764-63-032	764-63-032		375.95	(0.01)	375.94
764-63-033	764-63-033		375.95	(0.01)	375.94
764-63-034	764-63-034		375.95	(0.01)	375.94
764-63-035	764-63-035		375.95	(0.01)	375.94

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2016/17**

Account ID	Property ID	DB	Levy	Other	Total
764-63-036	764-63-036		375.95	(0.01)	375.94
764-63-037	764-63-037		375.95	(0.01)	375.94
764-63-038	764-63-038		375.95	(0.01)	375.94
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764-63-045	764-63-045		375.95	(0.01)	375.94
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764-63-049	764-63-049		375.95	(0.01)	375.94
764-63-050	764-63-050		375.95	(0.01)	375.94
764-63-051	764-63-051		0.00	0.00	0.00
764-63-052	764-63-052		0.00	0.00	0.00
<b>113 Accounts</b>			<b>\$40,602.60</b>	<b>(\$1.08)</b>	<b>\$40,601.52</b>