

# CITY OF MORGAN HILL

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Community Facilities District No. 2014  
(Fisher Creek)

2017/18 Annual Report

January 2018

## OFFICE LOCATIONS:

Temecula Corporate Headquarters  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

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San Francisco, CA 94102

California Satellite Offices  
Atascadero, Davis  
Huntington Beach,  
Joshua Tree, Riverside  
Sacramento, San Jose

Prepared by:

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# 1. DISTRICT ANALYSIS

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## 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

The special tax for Fiscal Year 2017/18 was levied on 108 developed residential parcels for a total of \$43,074.72. The Final Billing Detail Report in Appendix B shows a total of 113 parcels which includes 5 open space parcels that are not being levied.

As defined in the Rate and Method of Apportionment (the “RMA”), residential parcels are levied at the Expected Special Tax which is \$398.84 per residential lot for Fiscal Year 2017/18. The Maximum Special Tax per residential parcels for Fiscal Year 2017/18 is \$819.54.

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, 2017 balance in the Special Tax Fund is sufficient to cover administrative costs of the District through December 31, 2017 with approximately \$52,000 available for maintenance and services associated with the District.

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 June 30, 2017, the Fiscal Year 2016/17 delinquency rate was 0.00%. There is currently one (1) parcel that remains delinquent for the April 2016 installment. NBS will continue to monitor delinquencies and discuss delinquency management options with the City.

### NBS

Kristin Harvey, Senior Consultant

Greg Davidson, Client Services Director

## 2. 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

Fund	7/1/2016 Balance	Total Amount Collected <sup>(1)</sup>	6/30/2017 Balance <sup>(2)</sup>	Amount Expended <sup>(3)</sup>	Service Status
Special Tax Fund	\$36,575.41	\$40,289.50	\$60,575.35	\$16,959.49	Ongoing

(1) Figure represents the total amount levied for Fiscal Year 2016/17, less County Collection Fees of 1.0% of the total levy amount and delinquencies.

(2) Includes interest earned.

(3) As reported by the City.

### 3. FINANCIAL STATUS

#### Special Tax Fund

6/30/2017 Balance	Estimated Administrative Expenses <sup>(1)</sup>	Surplus / (Deficit)
\$60,575.35	\$8,900.00	\$51,675.35

(1) Represents six months of estimated administrative expenses.

#### Special Tax Spread

Property Classification	FY 2017/18 Total Amount Levied <sup>(1)</sup>	Maximum Special Tax for FY 2017/18	Percentage of Maximum
Developed Residential (Single Family)	\$43,074.72	\$88,510.32	48.67%

(1) Parcels were levied at the Fiscal Year 2016/17 Expected Special Tax of \$398.84 per residential lot.

#### Special Tax Rates

Expected Special Tax for FY 2017/18	Maximum Special Tax for FY 2017/18	Special Tax Levied for FY 2017/18
\$398.84 per parcel	\$819.54 per parcel	\$398.84 per parcel

#### Value to Maximum Special Tax Ratio

Total Assessed Value <sup>(1)</sup>	Maximum Special Tax for FY 2017/18	Value to Maximum Special Tax Ratio
\$83,276,703.00	\$88,510.32	940.87:1

(1) Total assessed value of all parcels within the District, as of January 1, 2017. Assessed value includes both land and structure values.

#### Delinquency Summary

FY 2016/17 Total Amount Levied	FY 2016/17 Delinquencies	FY 2016/17 Delinquency Rate
\$40,601.52	\$0.00	0.00%

# 4. APPENDIX A – FINAL BUDGET FOR FISCAL YEAR 2017/18

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The following page shows the Final Budget for Fiscal Year 2017/18.

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Budget for Fiscal Year 2017/18**

<b>Category/Item</b>	<b>FY 2017/18</b>	<b>FY 2016/17</b>	<b>Increase / (Decrease)</b>
District Services Fund	\$24,580.23	\$29,052.00	(\$4,471.77)
District Reserve Fund	714.41	6,724.62	(6,010.21)
Admin. Expenses	17,781.16	4,825.98	12,955.18
Miscellaneous	(1.08)	(1.08)	0.00
<b>Grand Total:</b>	<b>\$43,074.72</b>	<b>\$40,601.52</b>	<b>\$2,473.20</b>
<b>Total Accounts:</b>	<b>113</b>	<b>113</b>	<b>0</b>

## 5. APPENDIX B – FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2017/18

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The following pages show the Final Billing Detail Report for Fiscal Year 2017/18.



**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2017/18**

Account ID	Property ID	DB	Levy	Other	Total
764-62-001	764-62-001		\$398.84	\$0.00	\$398.84
764-62-002	764-62-002		398.84	0.00	398.84
764-62-003	764-62-003		398.84	0.00	398.84
764-62-004	764-62-004		398.84	0.00	398.84
764-62-005	764-62-005		398.84	0.00	398.84
764-62-006	764-62-006		398.84	0.00	398.84
764-62-007	764-62-007		398.84	0.00	398.84
764-62-008	764-62-008		398.84	0.00	398.84
764-62-009	764-62-009		398.84	0.00	398.84
764-62-010	764-62-010		398.84	0.00	398.84
764-62-011	764-62-011		398.84	0.00	398.84
764-62-012	764-62-012		398.84	0.00	398.84
764-62-013	764-62-013		398.84	0.00	398.84
764-62-014	764-62-014		398.84	0.00	398.84
764-62-015	764-62-015		398.84	0.00	398.84
764-62-016	764-62-016		398.84	0.00	398.84
764-62-017	764-62-017		398.84	0.00	398.84
764-62-018	764-62-018		398.84	0.00	398.84
764-62-019	764-62-019		398.84	0.00	398.84
764-62-020	764-62-020		398.84	0.00	398.84
764-62-021	764-62-021		398.84	0.00	398.84
764-62-022	764-62-022		398.84	0.00	398.84
764-62-023	764-62-023		398.84	0.00	398.84
764-62-024	764-62-024		398.84	0.00	398.84
764-62-025	764-62-025		398.84	0.00	398.84
764-62-026	764-62-026		398.84	0.00	398.84
764-62-027	764-62-027		398.84	0.00	398.84
764-62-028	764-62-028		398.84	0.00	398.84
764-62-029	764-62-029		398.84	0.00	398.84
764-62-030	764-62-030		398.84	0.00	398.84
764-62-031	764-62-031		398.84	0.00	398.84
764-62-032	764-62-032		398.84	0.00	398.84
764-62-033	764-62-033		398.84	0.00	398.84
764-62-034	764-62-034		398.84	0.00	398.84
764-62-035	764-62-035		398.84	0.00	398.84
764-62-036	764-62-036		398.84	0.00	398.84
764-62-037	764-62-037		398.84	0.00	398.84
764-62-038	764-62-038		398.84	0.00	398.84
764-62-039	764-62-039		398.84	0.00	398.84

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2017/18**

Account ID	Property ID	DB	Levy	Other	Total
764-62-040	764-62-040		398.84	0.00	398.84
764-62-041	764-62-041		398.84	0.00	398.84
764-62-042	764-62-042		398.84	0.00	398.84
764-62-043	764-62-043		398.84	0.00	398.84
764-62-044	764-62-044		398.84	0.00	398.84
764-62-045	764-62-045		398.84	0.00	398.84
764-62-046	764-62-046		398.84	0.00	398.84
764-62-047	764-62-047		398.84	0.00	398.84
764-62-048	764-62-048		398.84	0.00	398.84
764-62-049	764-62-049		398.84	0.00	398.84
764-62-050	764-62-050		398.84	0.00	398.84
764-62-051	764-62-051		398.84	0.00	398.84
764-62-052	764-62-052		398.84	0.00	398.84
764-62-053	764-62-053		398.84	0.00	398.84
764-62-054	764-62-054		398.84	0.00	398.84
764-62-055	764-62-055		398.84	0.00	398.84
764-62-056	764-62-056		398.84	0.00	398.84
764-62-057	764-62-057		398.84	0.00	398.84
764-62-058	764-62-058		398.84	0.00	398.84
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		398.84	0.00	398.84
764-63-002	764-63-002		398.84	0.00	398.84
764-63-003	764-63-003		398.84	0.00	398.84
764-63-004	764-63-004		398.84	0.00	398.84
764-63-005	764-63-005		398.84	0.00	398.84
764-63-006	764-63-006		398.84	0.00	398.84
764-63-007	764-63-007		398.84	0.00	398.84
764-63-008	764-63-008		398.84	0.00	398.84
764-63-009	764-63-009		398.84	0.00	398.84
764-63-010	764-63-010		398.84	0.00	398.84
764-63-011	764-63-011		398.84	0.00	398.84
764-63-012	764-63-012		398.84	0.00	398.84
764-63-013	764-63-013		398.84	0.00	398.84
764-63-014	764-63-014		398.84	0.00	398.84
764-63-015	764-63-015		398.84	0.00	398.84
764-63-016	764-63-016		398.84	0.00	398.84
764-63-017	764-63-017		398.84	0.00	398.84

**City of Morgan Hill**  
**CFD No. 2014-1 (Fisher Creek)**  
**Final Billing Detail Report for Fiscal Year 2017/18**

Account ID	Property ID	DB	Levy	Other	Total
764-63-018	764-63-018		398.84	0.00	398.84
764-63-019	764-63-019		398.84	0.00	398.84
764-63-020	764-63-020		398.84	0.00	398.84
764-63-021	764-63-021		398.84	0.00	398.84
764-63-022	764-63-022		398.84	0.00	398.84
764-63-023	764-63-023		398.84	0.00	398.84
764-63-024	764-63-024		398.84	0.00	398.84
764-63-025	764-63-025		398.84	0.00	398.84
764-63-026	764-63-026		398.84	0.00	398.84
764-63-027	764-63-027		398.84	0.00	398.84
764-63-028	764-63-028		398.84	0.00	398.84
764-63-029	764-63-029		398.84	0.00	398.84
764-63-030	764-63-030		398.84	0.00	398.84
764-63-031	764-63-031		398.84	0.00	398.84
764-63-032	764-63-032		398.84	0.00	398.84
764-63-033	764-63-033		398.84	0.00	398.84
764-63-034	764-63-034		398.84	0.00	398.84
764-63-035	764-63-035		398.84	0.00	398.84
764-63-036	764-63-036		398.84	0.00	398.84
764-63-037	764-63-037		398.84	0.00	398.84
764-63-038	764-63-038		398.84	0.00	398.84
764-63-039	764-63-039		398.84	0.00	398.84
764-63-040	764-63-040		398.84	0.00	398.84
764-63-041	764-63-041		398.84	0.00	398.84
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764-63-043	764-63-043		398.84	0.00	398.84
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764-63-048	764-63-048		398.84	0.00	398.84
764-63-049	764-63-049		398.84	0.00	398.84
764-63-050	764-63-050		398.84	0.00	398.84
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>\$43,074.72</b>	<b>\$0.00</b>	<b>\$43,074.72</b>