

**ZONE A-1, WEBER SPERRY RANCHES:**

Zone A-1 is generally bounded by West Lane, the East Bay Municipal Utilities District right-of-way, the Union Pacific Railroad line and the Calaveras River. Improvements maintained include trees in tree wells, back-up walls and the turf on the East Bay Municipal Utilities District right-of-way between West Lane and Lorraine Avenue.

There is a request for an appropriation of \$73,349.82 from the reserve for continuing appropriations to balance the budget. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present. Any unexpended budgeted funds are returned to the Zone A-1 account at the close of the fiscal year.

The reserves in Zone A-1 are not sufficient to continue appropriating funds at proposed FY2024-25 levels. The zone is currently insolvent with a negative reserve. To address the shortfall, wall repairs will no longer be funded. All walls are a development requirement and are constructed on private property. Stockton Municipal Code (SMC) Section 8.30.040.D obligates the property owner to repair any wall constructed as a condition of development. Reductions in frequency of landscape maintenance services will be evaluated along with a reduction in irrigation frequency. Water for irrigating the East Bay Municipal Utilities District property between Lorraine Avenue and West Lane is \$30,288 (approximately 22 percent of the 24-25 budget) of the total \$135,467.00 proposed Zone A-1 Budget.

When the assessment for Zone A-1 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$46.90/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$102.28 per dueF.

The anticipated Zone A-1 reserve balance as of June 30, 2024, is -\$142,430.09. The recommended reserve balance is \$1,332,781.01. Zone A-1 would require an appropriation from the reserve to cover contracted expenses, utilities, and administration even without budgeting for eventual, but unscheduled expenditures. This zone cannot continue to fund maintenance of all improvements for which it was formed and at the current service levels.

**ZONE A-2, MORADA WEST:**

Zone A-2 is generally bounded by Hammer Lane, Maranatha Drive, Christian Life Way and State Route 99. Improvements maintained include the back-up walls and trees in tree wells.

There is a request for an appropriation of \$2,724.04 from the reserve for continuing appropriations to balance the budget. The amount in the reserve is not considered sufficient to meet present obligations and still provide for limited future contingencies. Any unexpended budgeted funds are returned to the Zone A-2 account at the close of

the fiscal year. All unnecessary expenses have been eliminated from the FY2024-25 budget. The Zone A-2 reserve is not sufficient to continue appropriating funds at prior fiscal year levels without the zone falling into insolvency. To address the limited revenue available, wall repairs will no longer be funded. All walls are a development requirement and are constructed on private property. SMC Section 8.30.040.D obligates the property owner to repair any wall constructed as a condition of development. There is a small amount of landscaping requiring irrigation. Annual utility expenses are approximately \$759 and maintenance approximately \$2,400. The balance of the revenue is used for administrative costs. The landscaping consists of approximately 40 square feet of shrubs and 35 trees in tree wells. It is more cost efficient to terminate this Zone and the City assume the maintenance and utility costs. Reductions in frequency and extent of landscape maintenance services were considered but will not result in enough of a cost reduction to change the long-term viability of this Zone.

When the assessment for Zone A-2 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$79.88/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$109.49 per dueF.

The anticipated Zone A-2 reserve balance as of June 30, 2024, is \$5,664.32. The recommended reserve balance is \$152,245.19. Zone A-2 would require an appropriation from the reserve to cover contracted expenses, utilities, and administration even without budgeting for eventual, but unscheduled expenditures. This zone cannot continue to fund maintenance of all improvements for which it was formed and at the current service levels.

### **ZONE A-3, LA MORADA:**

Zone A-3 is located north and south of Morada Lane between the Union Pacific Railroad line and State Route 99. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, landscaped medians, Matt Equinoa and Parma Sister City Parks and any future parks within Zone A-3, and the landscaping on the East Bay Municipal Utilities District right-of-way between Hammer Lane and the State Route 99 Frontage Road.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local Consumer Price Index (CPI). The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$289.96/dueF.

The anticipated Zone A-3 reserve balance as of June 30, 2024, is \$2,834,490.21. The recommended reserve balance is \$4,184,724.43. It is recommended that the

assessment for Zone A-3 increase by 10.10 percent for FY2024-25 due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY2025-26 budget. The FY 2024-25 assessment will fully fund budgeted expenditures. Any unexpended budgeted funds are returned to the Zone A-3 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$319.24/dueF. The proposed maximum FY 2024-25 assessment is \$321.03/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures, the assessment would be \$333.82 per dueF.

#### **ZONE A-4, BLOSSOM RANCH:**

Zone A-4 is located in the northeasterly part of the City generally at the intersection of March Lane and Holman Road and lying southerly of March Lane. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, March Lane median landscaping, and funding a proportionate share of the costs for S.L. Fong Park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$196.44/dueF.

The anticipated Zone A-4 reserve balance as of June 30, 2024, will be \$364,907.48. The recommended reserve balance is \$514,110.11. It is recommended that the assessment for Zone A-4 increase by 10.10 percent for FY2024-25 due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY2025-26 budget. It is recommended there be an appropriation of \$43,878.91 from the reserve to fully fund estimated costs. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone A-4 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$216.28/dueF. The proposed maximum FY 2024-25 assessment is \$313.72/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$336.50 per dueF.

**ZONE A-5, WEBER WOODS:**

Zone A-5 is generally located between the Calaveras River and Bianchi Road and just east of West Lane. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, and contributing a proportionate share of the costs to maintain any parks within the service area of Zone A-5 or serving Zone A-5.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$630.38/dueF.

The anticipated Zone A-5 reserve balance as of June 30, 2024, is -\$53,432.99. The recommended reserve balance is \$43,919.55. The assessment can be increased to a level that will fully fund budgeted expenditures. Due to the limited number of properties in this zone, 17, the assessment would likely need to be slowly increased to the maximum rate that would fully fund estimated expenses and provide funds for a reserve. There is a request for an appropriation of \$27,762.03 from the general fund to balance the budget. The amount remaining in the reserve is not considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone A-5 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the zone will become insolvent if the assessment can be increased next FY close to the maximum. This zone will not be able to generate sufficient revenue to fund replacement of the entire wall at the end of its service life.

The proposed actual FY 2024-25 assessment is \$694.04/dueF. The proposed maximum FY 2024-25 assessment is \$1,740.62/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$2,327.10 per dueF which exceeds the maximum allowed assessment.

**ZONE A-6, BLOSSOM NORTH/CAMERA/SPERRY:**

Zone A-6 is generally bounded by the Stockton Auto Mall, Holman Road, March Lane, and the Union Pacific Railroad tracks. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, and Unity Park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$336.74/dueF.

The anticipated Zone A-6 reserve balance as of June 30, 2024, is \$1,055,935.32. The recommended reserve balance is \$683,176.64. It is recommended there be an appropriation of \$11,807.86 from the reserve to fully fund estimated costs. Any unexpended budgeted funds are returned to the Zone A-6 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$370.74/dueF. The proposed maximum FY 2024-25 assessment is \$748.22/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures, the assessment would be \$387.03 per dueF.

### **ZONE A-7, HUNTER RIDGE:**

Zone A-7 is generally bounded by March Lane, Blossom Ranch subdivision, the Calaveras River, and the Union Pacific Railroad tracks. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, and funding a proportionate share of the costs for S.L. Fong Park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$114.36/dueF.

The anticipated Zone A-7 reserve balance as of June 30, 2024, is \$440,569.92. The recommended reserve balance is \$619,879.90. It is recommended that the FY 2024-25 actual assessment increase by 10.09 percent for FY 2024-25 and that there be a \$167,757.66 appropriation from the reserve. The appropriation from the reserve is designed to mitigate too rapid of an increase in the actual assessment. In FY 2024-25, the assessment will increase and begin to revert to a level that will fully fund budgeted expenditures and maintain and replenish the reserve. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone A-7 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$125.90/dueF. The proposed maximum FY 2024-25 assessment is \$915.70/dueF, which is an increase of 3.00 percent over the FY 2024-25 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$363.85 per dueF.

**ZONE A-10, CANNERY PARK:**

Zone A-10 is generally bounded by Eight Mile Road, State Route 99, La Morada and Villa Antinori Subdivisions, and the Union Pacific Railroad tracks. Improvements maintained include back-up walls, landscaping between the walls and back of sidewalk, streetlights, and parks.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$173.44/dueF.

The anticipated Zone A-10 reserve balance as of June 30, 2024, is \$300,176.66. The recommended reserve balance is \$95,898.19, however with the addition of over 300 new dueF from FY 2023-24, the reserve will be revisited in the FY 2025-26 budget when the maintenance costs are quantified and studied. The proposed assessment has been maintained at a level necessary to fund budgeted expenditures and maintain the current reserve and will be studied in FY 24-25 to determine if it can be drawn from to reduce the annual assessment. It is recommended that FY 2023-24 assessment increase by 10.21 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY2025-26 budget. The FY 2024-25 assessment will fully fund estimated expenditures and due to the additional dueF added by new development the reserve will be increased this FY by approximately \$39,663.16, thus why the assessment role reflects a sharp increase in total assessment. Any unexpended budgeted funds are returned to the Zone A-10 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$191.14/dueF. The proposed maximum FY 2024-25 assessment is \$488.30/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an addition to the reserve, the assessment would be \$150.60 per dueF. This will be studied in FY 2025-26 once the new development maintenance costs have been realized.

**ZONE B-1, WILLIAM LONG PARK:**

Zone B-1 is located in the southerly portion of Weston Ranch generally bounded by the PG&E easement, Henry Long Boulevard, McDougald Boulevard and French Camp Road, except the Manteca Unified School District high school site. This zone is for the maintenance of the William Long Park, which is also located in the southerly portion of Weston Ranch.

There is a request for an appropriation of \$81,148.56 from the reserve for continuing appropriations to balance the budget. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still

provide for future contingencies. Any unexpended budgeted funds are returned to the Zone B-1 account at the close of the fiscal year.

The anticipated Zone B-1 reserve balance as of June 30, 2024, is \$606,042.23. The recommended reserve balance is \$398,996.51. When the assessment for Zone B-1 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$84.00/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$157.70 per dueF.

#### **ZONE B-2, WESTON RANCH:**

Zone B-2 is located west of Interstate 5, east of the San Joaquin River, and north of French Camp Road. This zone encompasses all of the Weston Ranch development. Improvements maintained include the back-up walls, landscaping between the walls and back of sidewalk, the landscaping on the PG&E easement/greenbelt, and Paul E. Weston Park.

There is a request for an appropriation of \$767,932.78 from the reserve for continuing appropriations to balance the budget and accommodate contributing to the maintenance of Paul E. Weston Park. The amount remaining in the reserve after this requested appropriation is considered insufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone B-2 account at the close of the fiscal year.

When the assessment for Zone B-2 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$117.82/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$257.53 per dueF.

The anticipated Zone B-2 reserve balance as of June 30, 2024, is -\$686,578.33. The recommended reserve balance is \$4,442,009.01. Zone B-2 will require an appropriation from the reserve and general fund to cover contracted expenses, utilities, and administration even without budgeting for eventual, but unscheduled expenditures. This zone will require further analysis to determine whether it can continue to fund maintenance of all improvements for which it was formed and at the current service levels.

#### **ZONE B-3, PAUL E. WESTON PARK:**

Zone B-3 is located west of Interstate 5, east of the San Joaquin River, and generally north of William Long Boulevard. This zone is for the maintenance of the Paul E. Weston Park.

When the assessment for Zone B-3 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$24/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$38.57 per dueF.

The anticipated Zone B-3 reserve balance as of June 30, 2024, is -\$196,247.02. The recommended reserve balance is \$811,123.72. The Zone requires an appropriation from the general fund of \$69,497.82 to sustain it. Zone B-2 also funds a portion of Weston Park expenses. This zone will require further analysis to determine whether it can continue to fund maintenance of all improvements for which it was formed and at the current service levels.

**ZONE B-4, HONORABLE SANDRA BUTLER SMITH NEIGHBORHOOD PARK:**

Zone B-4 is located in the westerly portion of Weston Ranch and is generally bounded by the San Joaquin River, French Camp Road, the PG&E Easement/Greenbelt, and William Moss Boulevard. This zone is for the maintenance of the Honorable Sandra Butler Smith Neighborhood Park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$111.14/dueF.

The anticipated Zone B-4 reserve balance as of June 30, 2024, is \$359,215.77. The recommended reserve balance is \$300,262.77. It is recommended that FY 2024-25 assessment increase by 4.25 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2025-26 budget. The FY 2024-25 assessment will nearly fund estimated expenditures with an appropriation from the reserve of \$21,214.50. Any unexpended budgeted funds are returned to the Zone B-4 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$115.86/dueF. The proposed maximum FY 2024-25 assessment is \$115.87/dueF, which is an increase of 4.25 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures and contributing minimally to the reserve, the assessment would be \$136.72/dueF.

**ZONE B-5, WESTON RANCH – FRENCH CAMP ROAD FENCE:**

Zone B-5 is located in the southwesterly portion of Weston Ranch and is generally bounded by the San Joaquin River, Henry Long Boulevard, Alice McCuen Avenue, and French Camp Road. This zone is for the maintenance of approximately 6,700 lineal feet



of masonry wall located on the south side of French Camp Road from Carolyn Weston Boulevard to EWS Woods Boulevard.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$86.60/dueF.

The Zone B-5 has an anticipated reserve balance as of June 30, 2024, of \$-20,556.30. The recommended reserve balance is \$330,784.54. This wall was constructed by the Weston Ranch development as a concession to the property owner to the south of French Camp Road for dedicating right-of-way to widen French Camp Road. When the property lying southerly of French Camp Road eventually develops, the fence system will no longer be necessary, and Zone B-5 can be closed. Assessment revenue funds replacements of damaged sections of the fence system. Until there is development to the south, it is recommended that the assessment be set to provide an amount for annual historical damage, which has been approximately \$45,000, and not develop a reserve due to historical data that suggests additional funds are highly unlikely. Any potential overages will be funded from the general fund as there is no current significant reserve. Since it is not anticipated that the fence system will reach the end of its service life before development southerly of French Camp Road, there does not appear to be a need to build a replacement reserve to the recommended level. An annual budget of \$45,000 for repairs, should be adequate to fund any damage. While there could be a catastrophic series of events that could cause over \$45,000 of damage, damage of that magnitude has not occurred in the past.

The budget reflects a potential request for an appropriation of \$63,349.00 from the general fund to balance the budget, however as noted above this would only be in the event of an unlikely catastrophic series of events. The amount remaining in the reserve after this potential appropriation is considered insufficient to meet present obligations and would require the subsequent annual assessment be increase to the maximum allowed to replenish the general fund and the Zone. Any unexpended budgeted funds are returned to the Zone B-5 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$95.34/dueF. The proposed maximum FY 2024-25 assessment is \$219.59/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$207.46/dueF.

**ZONE C-1, SPANOS PARK:**

Zone C-1 is located east of Thornton Road and north of Bear Creek. Improvements maintained include back-up walls, landscaping between the walls and curb, landscaped medians, and fund a proportionate share of the costs for Vivian "Lady B" Baxter Park.

There is a request for an appropriation of \$27,776.56 from the reserve for continuing appropriations to balance the budget. The amount remaining in the reserve after this requested appropriation is not considered sufficient to meet future obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone C-1 account at the close of the fiscal year.

The anticipated reserve in Zone C-1 is not sufficient to continue appropriating funds at prior year's levels as the zone has been insolvent for the past two years. To address the limited available revenue, wall repairs will no longer be funded. All walls are a development requirement and are constructed on private property. SMC Section 8.30.040.D obligates the property owner to repair any wall constructed as a condition of development. Reductions in frequency of landscape maintenance services will be evaluated along with a reduction in irrigation frequency. Zone C-1 also pays its proportionate share of the cost to maintain Baxter Park. Zone C-1 was originally formed, and budget set based on maintaining the only street landscaping installed with the development. Baxter Park maintenance cost was added to Zone C-1 in 1997 without an increase in the existing assessment. Annually increasing park maintenance costs are taking a larger percentage of the budget and requiring an ever-increasing appropriation from the reserve. For FY 2023-24, the estimated share is \$24,400, which is approximately 33 percent of the revenue generated by Zone C-1. If reserve appropriations continue at past years' magnitude, Zone C-1 will be insolvent in 2 to 3 years. It is further recommended the proportionate share of Baxter Park costs, estimated at \$24,400, be funded by the General Fund, Account 010-3070-590. Zone C-1 will be able to continue to fund scheduled maintenance of the development's street landscaping but will not be able to fund any enhancements or replacements without the property owners approving an increase in the assessment.

When the assessment for Zone C-1 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$119.24/dueF assessment for FY 2023-24. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$167.05/dueF.

The anticipated Zone C-1 reserve balance as of June 30, 2023, is -\$70,263.68. The recommended reserve balance is \$1,465,760.95. Zone C-1 would require an appropriation from the general fund to cover contracted expenses, utilities, and administration even without budgeting for eventual, but unscheduled expenditures. This zone will require further analysis to determine whether it can continue to fund maintenance of all improvements for which it was formed and at the current service levels.

**ZONE C-2, NORTH STOCKTON PROJECTS:**

Zone C-2 includes all of the Waterford Estates East and West, Beck Estates, Beck Ranch, Beck Farms, Elkhorn Country Club Estates, Silver Springs, and Gold Springs subdivisions in the northwesterly part of the City. The zone was formed to provide funds for the maintenance of masonry walls and landscaping, certain segments of the Pixley Slough bicycle/pedestrian path, and fund a proportionate share of the costs for Vivian "Lady B" Baxter Park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$279.18/dueF.

The anticipated Zone C-2 reserve balance as of June 30, 2024, is \$1,608,342.99. The recommended reserve balance is \$634,305.59. It is recommended that FY 2024-25 assessment increase by 4.90 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2024-25 budget. Any unexpended budgeted funds are returned to the Zone C-2 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be reduced.

The proposed actual FY 2024-25 assessment is \$292.86/dueF. The proposed maximum FY 2024-25 assessment is \$292.87/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures, the assessment would be \$314.16 per dueF.

**ZONE C-3, SPANOS PARK WEST:**

Zone C-3 is located in the northwesterly portion of the City and is generally bounded by Interstate 5, Bear Creek, the Westlake Villages development, and Eight Mile Road. This zone was formed to provide funds for the maintenance of decorative concrete pavement, bicycle/pedestrian path along a portion of Bear Creek, and maintenance of Michael Faklis and Iloilo Sister City Parks.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$162.74/dueF.

The anticipated Zone C-3 reserve balance as of June 30, 2024, is \$1,249,841.01. The recommended reserve balance is \$751,148.05. It is recommended that FY 2024-25 assessment increase by 10.09 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2025-26 budget. It is recommended there be an appropriation of \$137,181.28 from the reserve to moderate the increase. The

amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone C-3 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$179.16/dueF. The proposed maximum FY 2024-25 assessment is \$252.19/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$233.24/dueF.

#### **ZONE C-4, FAIRWAY GREENS:**

Zone C-4 includes all of the Fairway Greens subdivision in the northwesterly part of the City. The zone was formed to provide funds for the maintenance of masonry walls and landscaping and to provide its proportionate share of costs to maintain any parks serving the subdivision or within the service area of the subdivision.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2023-24 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$89.84/dueF.

The anticipated Zone C-4 reserve balance as of June 30, 2024, is \$179,213.78. The recommended reserve balance is \$217,581.00. It is recommended that the FY 2024-25 actual assessment increase by 10.08 percent and that there be a \$24,728.76 appropriation from the reserve to moderate in the increase. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone C-4 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$98.90/dueF. The proposed maximum FY 2024-25 assessment is \$333.92/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$224.42/dueF.

#### **ZONE C-6, WESTLAKE VILLAGES:**

Zone C-6 is generally bounded by Eight Mile Road, A.G. Spanos Park West subdivision, Bear Creek and Disappointment Slough, and Rio Blanco Road. Zone C-6 was formed to provide funds for maintenance of public parks, a portion of the bicycle/pedestrian

path on the Bear Creek levee, and public street lighting constructed within the Westlake Villages project.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$105.40/dueF.

The anticipated Zone C-6 reserve balance as of June 30, 2024, is \$337,639.26. The recommended reserve balance is \$181,558.39. It is recommended that the FY 2024-25 actual assessment increase by 10.38 percent and that there be a \$55,090.78 appropriation from the reserve to moderate in the increase. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone C-6 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$116.34/dueF. The proposed maximum FY 2024-25 assessment is \$232.38/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$165.93/dueF. This will be studied in FY 2025-26 once the new development maintenance costs have been realized.

### **ZONE C-7 AND SUB-ZONE A, NORTH STOCKTON PROJECTS III:**

North Stockton Projects III is generally bounded by Eight Mile Road, Lower Sacramento Road, and the Union Pacific Railroad. Zone C-7 was formed to provide for maintenance of Dorothea Pitts Park. Sub-Zone A was formed to provide for maintenance of streetscaping, walls, and streetlights in the Northbrook subdivision.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 Zone C-7 assessment was \$209.80/dueF. The actual FY 2022-23 Sub-Zone A assessment was \$173.06/dueF.

The anticipated Zone C-7/7A reserve balance as of June 30, 2024, is \$385,909.88. The recommended reserve balance is \$1,010,680.89. It is recommended that FY 2024-25 assessment increase by 10.09 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2025-26 budget. There is a request for \$25,713.32 from Zone C-7 and a request for \$49,283.76 from the Sub-Zone A reserve for continuing appropriations to modulate the annual increase. The assessment for the

zone can be increased slowly in the coming years to fully fund the zone and sub-zone without drawing on the reserves. The amount remaining in the reserve after these requested appropriations is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone C-7 and Sub-Zone A accounts at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual Zone C-7 FY 2024-25 assessment is \$230.98/dueF. The proposed actual Sub-Zone A FY 2024-25 assessment is \$190.52/dueF. The proposed maximum Zone C-7 FY 2024-25 assessment is \$259.42/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. The proposed maximum Sub-Zone A FY 2024-25 assessment is \$286.48/dueF, which is an increase 3.00 percent over the FY 2023-24 maximum assessment. If the assessments were set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessments for Zones C-7 and C-7 Sub-Zone A would be \$264.07/dueF and \$336.76/dueF, respectively.

#### **ZONE D-1, BRIDGEPORT TRAILS:**

Zone D-1 is located south of Charter Way, north of West Eighth Street, and east and west of Fresno Avenue. Improvements maintained include back-up walls and landscaping between the walls and back of sidewalk.

There is a request for an appropriation of \$34,419.00 from the reserve for continuing appropriations to balance the budget. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone D-1 account at the close of the fiscal year.

The anticipated Zone D-1 reserve balance as of June 30, 2024, is \$204,571.86. The recommended reserve balance is \$289,109.51. When the assessment for Zone D-1 was originally approved, it did not include a provision for an annual escalator. The assessment cannot be increased without the affected property owners voting to approve the increase. Therefore, no change is proposed in the \$85/dueF assessment for FY 2024-25. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$193.25/dueF.

#### **ZONE D-3, BRIDGEPORT TRAILS UNIT 4 AND 5:**

Zone D-3 is located south of Charter Way, north of West Eighth Street, and east and west of Fresno Avenue. This zone was formed to maintain back-up walls and landscaping between the walls and back of sidewalk, and landscaped buffer parcels.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum

allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$246.14/dueF.

The anticipated Zone D-3 reserve balance as of June 30, 2024, is \$192,874.02. The recommended reserve balance is \$123,482.50. It is recommended that the assessments for Zone D-3 be increased due to rapid inflation. It is recommended there be an appropriation of \$10,554.86 from the reserve to fully fund estimated costs and to moderate the increase. Any unexpended budgeted funds are returned to the Zone D-3 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$271.00/dueF. The proposed maximum FY 2024-25 assessment is \$305.04/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$328.36/dueF.

#### **ZONE D-4, CALAVERAS ESTATES:**

Zone D-4 includes the new development lying generally north of Barrymore Street on the east and west sides of Alvarado Avenue. This zone was formed to maintain the wall between the subdivision and the railroad tracks, public street lighting, an access way to the Calaveras River at the northerly end of Alvarado Avenue, landscaping in the vicinity of Alvarado Avenue and Beeler Street, and develop a replacement reserve for the eventual replacement of the wall.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$131.56/dueF.

The anticipated Zone D-4 reserve balance as of June 30, 2024, is \$139,583.44. The recommended reserve balance is \$81,297.17. While the reserve exceeds the recommended reserve balance, the proposed FY 2024-25 assessment does not fully fund the estimated expenditures. There is a request for an appropriation of \$38,476.12 from the reserve. This appropriation from the reserve is designed to bring the reserve balance to the target level within a couple years, at which point the assessment will revert to a level necessary to fund budgeted expenditures and maintain the reserve. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone D-4 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$144.84/dueF. The proposed maximum FY 2024-25 assessment is \$1,453.12/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$436.32/dueF.

**ZONE D-6, MOSS GARDEN:**

Zone D-6 is located southeasterly of State Route 4/Charter Way and Fresno Avenue. Improvements maintained/to be maintained include landscaping between the walls and curb, public street lighting, and its proportionate share of the cost to any park that serves the development or is within the service area of the development.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$13.48/dueF.

The anticipated Zone D-6 reserve balance as of June 30, 2024, is \$153,128.67. The recommended reserve balance is \$32,944.20. It is recommended that there be a \$78,111.54 appropriation from the reserve, since the reserve exceeds the recommended reserve balance. Increasing the assessment by the CPI to offset rapid inflation, along with the appropriation from the reserve, is designed to bring the reserve closer to the target level within a few years at which time the assessment will revert to a level that will fully fund budgeted expenditures and maintain the reserve. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone D-6 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$14.84/dueF. The proposed maximum FY 2024-25 assessment is \$593.64/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$223.30/dueF.

**ZONE E-1, LITTLE JOHN CREEK:**

Zone E-1 is located north of Industrial Drive between Pock Lane and State Highway 99. Improvements maintained/to be maintained include back-up walls, trees in tree wells, landscaping between the walls and back of sidewalk, the special bridge railing on the Pock Lane Bridge, and fund a proportionate share of the costs for Ernie Shropshire Park. This zone also contributes its proportionate share of costs for maintenance of the Stockton Airport Business Center storm drainage basin.



The assessment approved when the Little John Creek Zone was originally formed was \$59.68. In June of 2000, an increase to the assessment was approved to account for increased maintenance costs and to provide for park maintenance. That additional assessment amount was also approved with an annual escalator. The portion of the FY 2024-25 maximum allowable assessment for this zone that is over the original \$59.68, \$277.00, is subject to the escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$226.00/dueF.

The anticipated Zone E-1 reserve balance as of June 30, 2023, is \$559,855.50. The recommended reserve balance is \$324,519.76. It is recommended that FY 2024-25 assessment increase by 10.10 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2025-26 budget. It is recommended there be an appropriation of \$39,421.62 from the reserve to bring the reserve closer to the target level. Any unexpended budgeted funds are returned to the Zone E-1 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

Zone E-1 will contribute its proportionate share of \$5,842.00 to the Stockton Airport Business Center Storm Drain Basin Maintenance District for maintenance costs of the Stockton Airport Business Center storm drain basin.

The proposed actual FY 2024-25 assessment is \$248.82/dueF. The proposed maximum FY 2024-25 assessment is \$277.36/dueF, which is a 3.00 percent increase in the park maintenance portion of the assessment over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures and reserve allocation, the assessment would be \$298.72/dueF.

### **ZONE E-3, SEABREEZE:**

Zone E-3 is generally located south of Industrial Drive and west of State Highway Route 99, and at the northwesterly corner of Pock Lane and Industrial Drive. Improvements maintained/to be maintained include back-up walls, landscaping between the walls and back of sidewalk, a landscaped area under the PG&E power lines west of Pock Lane, and fund a proportionate share of the costs for Ernie Shropshire Park. This zone also contributes its share for the costs of maintenance of the Stockton Airport Business Center storm drainage basin.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$429.80/dueF.

The anticipated Zone E-3 reserve balance as of June 30, 2024, is \$291,726.32. The recommended reserve balance is \$413,678.66. It is recommended that FY 2024-25 assessment increase by 10.10 percent due to the financial impact of rapid inflation. This will be re-evaluated when preparing the FY 2025-26 budget. There is a request for an appropriation of \$68,550.90 from the reserve for continuing appropriations to fully fund estimated costs. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. The appropriation will be reduced, and the assessment gradually increased over the next several years until the assessment fully funds maintenance expenses and provide for contributing to the reserve to fund replacement of long service life improvements. Any unexpended budgeted funds are returned to the Zone E-3 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

Zone E-3 will also contribute \$2,426 to the Stockton Airport Business Center Storm Drain Basin Maintenance District for its proportionate share of maintenance costs of the Stockton Airport Business Center storm drain basin.

The proposed actual FY 2024-25 assessment is \$473.20/dueF. The proposed maximum FY 2024-25 assessment is \$995.95/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$692.91/dueF.

#### **ZONE E-4, OAKMORE MEADOWS:**

Zone E-4 is generally bounded by Alpine Avenue, the Union Pacific Railroad tracks, the Calaveras River, and Sanguinetti Lane. Improvements maintained/to be maintained include back-up walls, landscaping between the walls and back of sidewalk, and a future park.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$13.26/dueF.

The anticipated Zone E-4 reserve balance as of June 30, 2024, is \$166,306.81. The recommended reserve balance is \$417,156.95. It is recommended that there be a \$129,856.32 appropriation from the reserve. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies, however in subsequent years increases should continue to rebuild the reserve to the proper level. Any unexpended budgeted funds are returned to the Zone E-4 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$14.58/dueF. The proposed maximum FY 2024-25 assessment is \$353.60/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$188.65/dueF.

**ZONE E-5, RANCHO DEL SOL:**

Zone E-5 is located on the east side of Airport Way and lies north and south of Duck Creek. Improvements maintained/to be maintained include back-up walls, landscaping between the walls and back of sidewalk, and landscaping and path along the northerly side of Duck Creek.

The assessment for this zone has a provision for an annual escalator. The escalator is the greater of three percent or the percentage increase of the local CPI. The local CPI increased 2.63 percent; therefore, the FY 2024-25 escalator applied to the maximum allowable assessment is 3.00 percent. The actual FY 2023-24 assessment was \$137.50/dueF.

The anticipated Zone E-5 reserve balance as of June 30, 2024, is \$373,145.77. The recommended reserve balance is \$195,584.00. It is recommended there be an appropriation of \$72,526.94 from the reserve. The appropriation is designed to bring the reserve balance to the target level over the next few years at which time the assessment will revert to a level necessary to fund budgeted expenditures and maintain the reserve. The amount remaining in the reserve after this requested appropriation is considered sufficient to meet present obligations and still provide for future contingencies. Any unexpended budgeted funds are returned to the Zone E-5 account at the close of the fiscal year. Based on current projections, and since the assessment for this zone can be increased, barring any catastrophic event it is not anticipated that the reserve will be depleted.

The proposed actual FY 2024-25 assessment is \$151.38/dueF. The proposed maximum FY 2024-25 assessment is \$613.60/dueF, which is an increase of 3.00 percent over the FY 2023-24 maximum assessment. If the assessment was set at a level that would fully fund the estimated FY 2024-25 expenditures without an appropriation from the reserve, the assessment would be \$351.73/dueF.