


CITY COUNCIL ACTION REQUEST

Department(s): Public Works	CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.	Coordination: City Attorney's Office and City Manager's Budget Office	Dept. Approval: /s/ Matt Cano
Council District(s): 6			CMO Approval:  11-22-21

SUBJECT: WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT FINANCIAL REPORT FY 2020-2021

RECOMMENDATION:

Accept the Willow Glen Community Benefit and Improvement District Financial Report for FY 2020-2021, which provides information to the public and the property owners in the District regarding the use of the assessments and the management and operations of the District.

BASIS FOR RECOMMENDATION:

The Willow Glen CBID was approved by property owners and adopted by Council on December 16, 2008 to raise funds for cleaner sidewalks, litter pickup, more attractive streetscapes, better parking management, and increased promotions and events. The Willow Glen Business Association (Owners' Association) is under contract with the City to administer the operations of the district. The annual assessments collected, minus fees, are transferred to the Owners' Association twice annually for the Owners' Association to provide the services and promotions as described in the Willow Glen CBID Management Plan. The Willow Glen CBID is currently programmed in the Business Improvement District Fund (351).

Pursuant to the agreement between the City and the Owners' Association, a Financial Report for FY 2020-2021 was submitted on October 27, 2021 for Council review and approval. Staff reviewed the Financial Report and believes it meets the requirement of the agreement between parties. The Financial Report is provided in Attachment A and contains the following information as required by the agreement:

1. Summary of Assessed Services for FY 2020-2021
2. Procurement of Goods and Services
3. Property Owners' Association meeting dates for FY 2020-2021
4. FY 2020-2021 Budget Report
5. FY 2020-2021 CPA Review

Budget elements include: Administration (ADMIN); Contingency/Reserve (C&R); District Identity and Streetscape Improvements/Marketing and Promotions (DISI); Sidewalk Operations, Beautification, Order and Parking (SOBOP).

Climate Smart San Jose:

This item does not have any negative impact on Climate Smart San Jose energy, water, or mobility goals.

Commission Recommendation/Input:

This item does not require any input from a board or commission.

COST AND FUNDING SOURCE:

No costs are associated with this action.

FOR QUESTIONS CONTACT: Thomas Borden, Program Manager, (408) 535-6831

ATTACHMENT A



Willow Glen Community Benefit Improvement District

Financial Report for FY 2020-2021

**Submitted by
Willow Glen Business Association for the
Willow Glen Community Benefit Improvement District**

The Willow Glen Community Benefit Improvement District (CBID) was established in December 2008 as a special benefit assessment district (District) that conveys special benefits to the properties located within the District Boundaries. The CBID encompasses the core of downtown Willow Glen which consists of Lincoln Avenue between Minnesota Avenue and Broadway Avenue on the east and between Minnesota Avenue and Lester Avenue on the west; and some properties on Willow Street, Brace Avenue and Minnesota Avenue. The CBID is comprised of two zones – Zone 1 and Zone 2.

1. Summary of Assessed Services for FY 2020-21

Sidewalk cleaning and maintenance services were contracted to Universal Site Services during FY 2020-21. The purpose of these services is to provide cleaning and maintenance services in the District to make Downtown Willow Glen a desirable destination to shop, dine and locate a business. The scope of these services includes removal of refuse, hot water washing/power scrubbing, manual scrubbing, sidewalk cleaning, graffiti removal and, while maintaining the sidewalks, being available to provide information (like directions) to the public.

The table below shows the frequency of maintenance services for Zones 1 and 2:

Service	FY 2020-21 Service Levels	
	Zone 1	Zone 2
Sidewalk sweeping, graffiti removal, steam cleaning	6 days per week	4 days per week
Regular trash removal	6 days per week	4 days per week
Landscaping maintenance	As needed	As needed

In FY 2020-21 Universal Site Services were also the providers for landscaping maintenance of the planters located within the CBID, except for 3 that are maintained by

private property owners at their request. The planters were maintained (weeding, removing trash, watering, etc.), and new plants have been added as needed.

2. Procurement of Goods and Services

The Willow Glen Community Benefit District certifies all funds were expended in accordance with Council Policy 0-35, titled, “Procurement and Contract Process Integrity and Conflict of Interest”. There continues to be careful examination of potential conflicts of interest and a fair and competitive process was used to obtain fair pricing for all goods and services.

3. Willow Glen Business Association meeting dates in FY 2020-2021:

2020		2021	
7/17- Mtg canceled due to COVID 19	10/20	1/12	4/13
8/11- Mtg canceled due to COVID 19	11/10	2/9	5/11
9/8	12/8	3/9	6/8

4. FY 2020-21 Budget Report

An analysis of expenditures as compared to for FY 2020-21 budget is shown on the following page. There were no major variances from actual expenditures to our FY 2020-21 budget.

WILLOW GLEN BUSINESS AND PROFESSIONAL ASSOCIATION
COMMUNITY BENEFIT IMPROVEMENT DISTRICT (CBID)

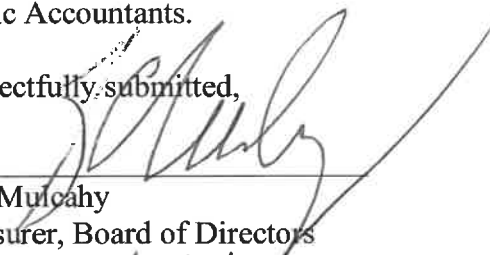
STATEMENT OF REVENUE AND DIRECT OPERATING EXPENSES
July 1, 2020 to June 30, 2021

	ADMIN (CBID)	C & R (CBID)	DISI (CBID)	SOBOP (CBID)	Total (CBID)
Ordinary Income/Expense					
Income					
CBID	\$ 67,592	\$ 5,407	\$ 29,740	\$ 167,627	\$ 270,366
Total income	67,592	5,407	29,740	167,627	270,366
Expense					
Advertising and promotion	119	-	1,750	-	1,869
CBID contingency	-	5,407	-	-	5,407
City fees	5,000	-	-	-	5,000
Contract services	6,300	-	1,948	142,273	150,521
Dues and subscriptions	815	-	-	-	815
Equipment rental	7,726	-	-	-	7,726
Insurance	7,367	-	-	-	7,367
Personnel	22,054	-	23,772	25,354	71,180
Postage & Delivery	177	-	-	-	177
Professional fees	12,873	-	500	-	13,373
Rent	3,000	-	-	-	3,000
Supplies	-	-	567	-	567
Telephone and Internet	2,161	-	-	-	2,161
Website	-	-	1,203	-	1,203
Total expense	67,592	5,407	29,740	167,627	270,366
Net ordinary income/(loss)	-	-	-	-	-
Net income/(loss)	-	-	-	-	-
CBID Reserve at June 30, 2020	369	-	237	237	843
CBID Reserve at June 30, 2021	\$ 369	\$ -	\$ 237	\$ 237	\$ 843
Actual Expenses as a percentage of fees	25%	2%	11%	62%	100%
2020-2021 Budget as submitted	25%	2%	11%	62%	100%
Variance	0%	0%	0%	0%	0%

5. FY 2020-21 CPA Review

Please see review document attached from Crawford Pimentel Corporation Certified Public Accountants.

Respectfully submitted,



Tim Mulcahy

Treasurer, Board of Directors

Date: 10/26/2021

SPECIAL-PURPOSE STATEMENT

WILLOW GLEN BUSINESS AND PROFESSIONAL ASSOCIATION
COMMUNITY BENEFIT IMPROVEMENT DISTRICT (CBID)

San Jose, California

June 30, 2021

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Crawford Pimentel Corporation

Certified Public Accountants

2150 Trade Zone Boulevard, Suite 299

San Jose, California 95131

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Willow Glen Business and Professional Association
San Jose, California

We have reviewed the accompanying special-purpose statement of revenue and direct operating expenses of Willow Glen Business and Professional Association (a nonprofit organization) Community Benefit Improvement District (CBID) for the year ended June 30, 2021. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Section 3(D) of the agreement between the City of San Jose and Willow Glen Business and Professional Association as discussed in Note A and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review agreement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 3(D) of the agreement between the City of San Jose and Willow Glen Business and Professional Association as discussed in Note A, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying special-purpose financial statements in order for them to be in conformity with the basis of accounting described in Note A.

This report is intended solely for the information and use of the managements of Willow Glen Business and Professional Association and the City of San Jose and is not intended to be and should not be used by anyone other than these specified parties.



San Jose, California
October 20, 2021

WILLOW GLEN BUSINESS AND PROFESSIONAL ASSOCIATION
COMMUNITY BENEFIT IMPROVEMENT DISTRICT (CBID)

STATEMENT OF REVENUE AND DIRECT OPERATING EXPENSES
July 1, 2020 to June 30, 2021

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2020–2021 Budget as submitted	25%	2%	11%	62%	100%
Variance	0%	0%	0%	0%	0%

See the accompanying Independent Accountant's Review Report.

WILLOW GLEN BUSINESS AND PROFESSIONAL ASSOCIATION
COMMUNITY BENEFIT IMPROVEMENT DISTRICT

NOTES TO STATEMENT OF
REVENUE AND DIRECT OPERATING EXPENSES
July 1, 2020 to June 30, 2021

Note A – Summary of Contractual Reporting Requirement

The Willow Glen property owners received approval from the City Council of San Jose to form a Community Benefit Improvement District (CBID). The Willow Glen Business and Professional Association was selected to manage the CBID which was implemented in 2010.

The CBID contract with the City of San Jose was executed on March 23, 2010. Section 3(D) of the contract requires an Independent Certified Public Accountant's review report on the finances of the CBID district for the preceding year, except that for fiscal year 2021–2022, Owner's Association shall submit a full audit by an Independent Certified Public Accountant.

The accompanying statement is reported on the accrual method of accounting, reflecting only transactions directly related to the CBID district activity.

See the accompanying Independent Accountant's Review Report.