


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: 

SUBJECT: WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT FINANCIAL REPORT FISCAL YEAR 2021-2022

RECOMMENDATION:

Accept the Willow Glen Community Benefit and Improvement District Financial Report for FY 2021-2022, 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 Community Benefit and Improvement District was approved by property owners and adopted by City 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 Benefit and Improvement District Management Plan. The Willow Glen Community Benefit and Improvement District is currently programmed in the Business Improvement District Fund .

Pursuant to the agreement between the City and the Owners' Association, a Financial Report for FY 2021-2022 was submitted on November 22, 2022, for Council review and approval. Staff reviewed the Financial Report and 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 2021-2022
2. Procurement of Goods and Services
3. Property Owners' Association meeting dates for FY 2021-2022
4. FY 2021-2022 Budget Report
5. FY 2021-2022 CPA Review

Budget elements include Administration; Contingency/Reserve; District Identity and Streetscape Improvements/Marketing and Promotions; Sidewalk Operations, Beautification, Order and Parking .

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:

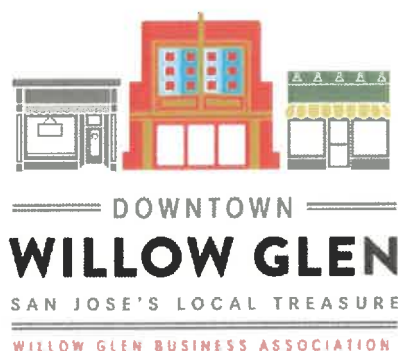
This item does not require any input from a board or commission.

COST AND FUNDING SOURCE:

No costs are associated with this action.

FOR QUESTIONS CONTACT: Thomas Borden, Interim Senior Engineer, (408) 535-6831

ATTACHMENT A



Willow Glen Community Benefit Improvement District

Financial Report for FY 2021-2022

**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 2021-22

Sidewalk cleaning and maintenance services were contracted to Universal Site Services, during FY 2021-22. 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 2021-22 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 2021-22 Universal Site Services was also the provider 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.), but due to drought conditions we were conservative with new plantings during FY 2021-22 since new plants require additional water.

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 2021-22:

2021		2022	
7/13	10/12	1/11	4/12
8/10	11/9	2/22	5/10
9/14	12/14	3/22	6/14

4. FY 2021-22 Budget Report

An analysis of expenditures as compared to for FY 2021-22 budget is shown on the following page. There were no major variances from actual expenditures to our FY 2021-2022 budget.

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

STATEMENT OF REVENUE AND DIRECT OPERATING EXPENSES
July 1, 2021 to June 30, 2022

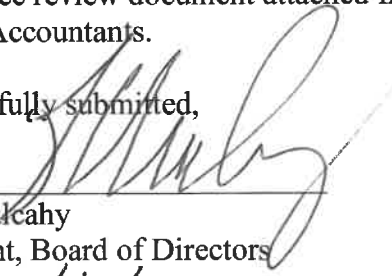
	ADMIN (CBID)	C & R (CBID)	DISI (CBID)	SOBOP (CBID)	Total CBID
Ordinary Income/Expense					
Income					
CBID	\$ 67,247	\$ 5,380	\$ 29,589	\$ 166,773	\$ 268,989
Total income	67,247	5,380	29,589	166,773	268,989
Gross profit	67,247	5,380	29,589	166,773	268,989
Expense					
Advertising and P/R	119	-	1,667	-	1,786
City fees	5,000	-	-	-	5,000
Contingency	0	5,380	-	-	5,380
Contract services	6,300	-	19,360	138,196	163,856
Dues and subscriptions	780	-	-	-	780
Equipment rental	5,449	-	-	-	5,449
Equipment/Furnishings	492	-	-	-	492
Insurance	3,933	-	-	-	3,933
Personnel	28,363	-	5,828	28,621	62,812
Postage and delivery	449	-	-	-	449
Professional fees	11,361	-	-	75	11,436
Rent	2,750	-	-	-	2,750
Supplies	451	-	-	-	451
Telephone and internet	2,306	-	-	-	2,306
Website	96	-	2,853	-	2,949
Total expense	67,849	5,380	29,708	166,892	269,829
Net ordinary income	(602)	-	(119)	(119)	(840)
	<u>\$ (602)</u>	<u>\$ -</u>	<u>\$ (119)</u>	<u>\$ (119)</u>	<u>\$ (840)</u>
	(602)	-	(119)	(119)	(840)
	369	-	237	237	843
	<u>\$ (233)</u>	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 118</u>	<u>\$ 3</u>
	25%	2%	11%	62%	100%
	25%	2%	11%	62%	100%
	0%	0%	0%	0%	0%

See the accompanying Independent Accountant's Review Report.

5. FY 2021-22 CPA Review

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

Respectfully submitted,



Tim Mulcahy
President, Board of Directors

Date 11/10/22



*2021-2022 Board of
Directors*

*Frank Bejan
Mariette Chocolate Shop*

*Vince Falcone
Falcone Jewelry and Coins*

*Kathleen Erdmann
The Thrift Box*

*Barbara Hartman
Snow Hartman Fong &
Associates*

*Emilie Highley
Compass Real Estate*

*Bobbie Johnson
Wells Fargo Bank*

*Tim Mulcahy
SDS NexGen*

*John Pisacane
Willow Glen Dentistry*

*Sara Rivas
Luxe Clinical Aesthetics*

*Lynne Rovai
Goosetown Lounge*

*Jamie Sizelove
Bay Area Phone Doctor*

*Nate Perez
Community Member
Linda Ruiz
Park Place Vintage*

*Steven Sibley
Community Member*

*Cyndy Thomas
Community Member*

November 10, 2022

Crawford Pimentel Corporation
1550 The Alameda Suite 211
San Jose, CA 95126


We are providing this letter in connection with your review of the special-purpose statement of revenue and direct operating expenses of Willow Glen Business and Professional Association's Community Benefit and Improvement District (CBID) for the year ended June 30, 2022, and the related notes to the financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with Section 3(D) of the Agreement between the City of San Jose and Willow Glen Business and Professional Association.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of November 10, 2022, the following representations made to you during your review.

- 1) We acknowledge our responsibility and have fulfilled our responsibilities for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, as set out in the terms of the engagement.
- 2) We have made available to you all—
 - a) Financial records and related data, of which we are aware, are relevant to the preparation and fair presentation of the financial statements.
 - b) Additional information you have requested from us for the purpose of the review.
 - c) Unrestricted access to company personnel from whom you determined it necessary to obtain review evidence.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 4) All transactions have been recorded and have been properly reflected in the financial statements.
- 5) There are no uncorrected misstatements.
- 6) We acknowledge and have fulfilled our responsibility for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 7) We acknowledge our responsibility for designing, implementing, and maintaining internal control to prevent and detect fraud.
- 8) We have no knowledge of any fraud or suspected fraud affecting the company involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
- 9) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements as a whole communicated by employees, former employees, analysts, regulators, or others.
- 10) There are no—
 - a) Known actual or possible instances of noncompliance with laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b) Known actual or possible claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB ASC 450, Contingencies.
 - c) Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, Contingencies.
- 11) We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 12) We believe significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable in the circumstances.
- 13) We are in agreement with the adjusting journal entries, if any, you have recommended, and they have been posted to the Company's accounts.
- 14) No events have occurred subsequent to the date of the company's financial statements and through the date of this letter that would require adjustments to, or disclosure in, the aforementioned financial statements.
- 15) We have responded fully and truthfully to all inquiries made to us by you during your review.
- 16) In regards to the tax return and financial services performed by you, we have:
 - Assumed all management responsibilities.
 - Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
- 17) The Company's books and records are complete.



Tim Mulcahy
Treasurer



Date



Jess Gutierrez
Contact CFO



Date