


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Public Works	<b>CEQA:</b> Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.	<b>Coordination:</b> City Attorney's Office and City Manager's Budget Office	<b>Dept. Approval:</b> /s/ Matt Loesch
<b>Council District(s):</b> 6			<b>CMO Approval:</b>  1/9/24

**SUBJECT: WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT FINANCIAL REPORT FISCAL YEAR 2022-2023.**

**RECOMMENDATION:**

Accept the Willow Glen Community Benefit and Improvement District Financial Report for Fiscal Year 2022-2023, 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 (CBID) 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 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 fiscal year (FY) 2022-2023 was compiled and submitted by the Owner's Association on November 10, 2023 for City Council review and approval. Staff reviewed the financial report and determined it to be complete and accurate, meeting the requirements of the agreement between parties. The financial report is provided as **Attachment - Willow Glen Community Benefit Improvement District Financial Report for FY 2022-2023** - and contains the following information as required by the agreement:

1. Summary of Assessed Services for FY 2022-2023
2. Procurement of Goods and Services
3. Property Owners' Association meeting dates for FY 2022-2023
4. FY 2022-2023 Budget Report
5. FY 2022-2023 Certified Public Accountant Review

The budget includes four core categories: 1) Administration (ADMIN); 2) Contingency/Reserve (C&R); 3) District Identity and Streetscape Improvements/Marketing and Promotions (DISI); 4) Sidewalk Operations, Beautification, Order, and Parking (SOBOP).

The Willow Glen CBID is reaching the end of its 15-year term and the Owner's Association has engaged with a consultant and the City to discuss renewal of the district in spring of 2024.

**Commission Recommendation/Input:**

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

<b>COST AND FUNDING SOURCE:</b>
No costs are associated with this action.
<b>FOR QUESTIONS CONTACT:</b> Stanley Wong, Senior Engineering Technician, <a href="mailto:stanley.wong@sanjoseca.gov">stanley.wong@sanjoseca.gov</a> (408) 535-6833 or Joseph Dyke, Senior Transportation Specialist, <a href="mailto:joseph.dyke@sanjoseca.gov">joseph.dyke@sanjoseca.gov</a> (408)535-6821

Attachment - Willow Glen Community Benefit Improvement District Financial Report for FY 2022-2023



## Willow Glen Community Benefit Improvement District

### Financial Report for FY 2022-2023

**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 2022-2023

Sidewalk cleaning and maintenance services were contracted to Universal Site Services during FY 2022-2023. 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/power scrubbing, manual scrubbing sidewalk cleaning, graffiti removal and, while maintaining sidewalks, being available to provide information (like directions) to the public.

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

Service	FY 2022-23 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
Power Washing	Twice per year	Twice per year

In FY 2022-23 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 are maintained (weeding, removing trash, watering, etc.), but due to drought conditions we were conservative with new plantings during FY 2022-23 because 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 2022-2023

2022		2023	
7/12	10/11	1/10	4/11
8/9	11/8	2/14	5/9
9/13	12/13	3/14	7/13

## 4. FY 2022-23 Budget Report

An analysis of expenditures as compared to for FY 2022-23 is shown on the following page. There were no major variances from the actual expenditures to our FY 2021-2022 budget.

**Willow Glen Business Association  
Profit & Loss by Class  
July 2022 through June 2023**

	ADMIN	C & R	DISI	SOBOP	
	(CBID)	(CBID)	(CBID)	(CBID)	Total CBID
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>CBID</b>	70,252.75	5,620.22	30,911.22	174,226.83	281,011.02
<b>Total Income</b>	70,252.75	5,620.22	30,911.22	174,226.83	281,011.02
<b>Expense</b>					
<b>Advertising and P/R</b>					
Other Advertising	0.00	0.00	44.69	0.00	44.69
Sponsorship of Community Events	1,000.00	0.00	1,360.00	0.00	2,360.00
Advertising and P/R - Other	0.00	0.00	1,167.25	0.00	1,167.25
<b>Total Advertising and P/R</b>	1,000.00	0.00	2,571.94	0.00	3,571.94
<b>City Fees</b>	5,000.00	0.00	0.00	0.00	5,000.00
<b>Contingency</b>	0.00	5,620.22	0.00	0.00	5,620.22
<b>Contract Services</b>					
City of SJ - BofA Parking	6,300.00	0.00	0.00	0.00	6,300.00
Decor (Banner)	0.00	0.00	7,316.20	0.00	7,316.20
Decor (Holiday)	0.00	0.00	800.00	0.00	800.00
Decor (Kiosk)	0.00	0.00	375.00	0.00	375.00
Photographer	0.00	0.00	250.00	0.00	250.00
Street Maintenance/Cleaning	0.00	0.00	3,198.45	141,015.60	144,214.05
Tree Trimming	0.00	0.00	0.00	4,000.00	4,000.00
<b>Total Contract Services</b>	6,300.00	0.00	11,939.65	145,015.60	163,255.25
<b>Dues and Subscriptions</b>	755.78	0.00	0.00	0.00	755.78
<b>Equipment Rental</b>					
Copier Rental	6,420.43	0.00	0.00	0.00	6,420.43
<b>Total Equipment Rental</b>	6,420.43	0.00	0.00	0.00	6,420.43
<b>Equipment/Furnishings</b>	908.72	0.00	0.00	0.00	908.72
<b>Insurance</b>	1,313.00	0.00	0.00	0.00	1,313.00
<b>Meetings</b>	795.67	0.00	0.00	0.00	795.67
<b>Personnel</b>					
<b>Compensation - Staff Salaries</b>					
<b>BM</b>	25,173.42	0.00	6,454.75	29,046.27	60,674.44
<b>Total Compensation - Staff Salaries</b>	25,173.42	0.00	6,454.75	29,046.27	60,674.44
<b>Payroll Taxes</b>	5,454.28	0.00	0.00	0.00	5,454.28
<b>Total Personnel</b>	30,627.70	0.00	6,454.75	29,046.27	66,128.72
<b>Postage and Delivery</b>	63.00	0.00	0.00	0.00	63.00
<b>Professional Fees</b>					
Accounting/Financial	11,100.00	0.00	0.00	0.00	11,100.00
<b>Total Professional Fees</b>	11,100.00	0.00	0.00	0.00	11,100.00
<b>Rent</b>					
Office	3,000.00	0.00	0.00	0.00	3,000.00
<b>Total Rent</b>	3,000.00	0.00	0.00	0.00	3,000.00
<b>Supplies</b>	1,379.84	0.00	93.48	154.84	1,628.16
<b>Telephone and Internet</b>	1,498.51	0.00	0.00	0.00	1,498.51
<b>Website</b>					
Development	5.00	0.00	243.75	0.00	248.75
Website - Other	0.00	0.00	9,439.97	0.00	9,439.97
<b>Total Website</b>	5.00	0.00	9,683.72	0.00	9,688.72
<b>Total Expense</b>	70,167.65	5,620.22	30,743.54	174,216.71	280,748.12
<b>CBID Net Ordinary Income</b>	85.10	0.00	167.68	10.12	262.90
<b>CBID Reserve FYE 2022</b>	-232.55	0.00	117.81	118.18	3.44
<b>CBID Reserve FYE 2023</b>	-147.45	0.00	285.49	128.30	266.34
<b>Actual Expenses as a percentage of fees</b>	25%	2%	11%	62%	100%
<b>2021-2022 Budget as submitted</b>	25%	2%	11%	62%	100%
<b>Variance</b>	0%	0%	0%	0%	0%

5. FY 2022-23 CPA Review

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

Respectfully submitted,

 Date 11/

Tim Mulcahy

President, Board of Directors

SPECIAL-PURPOSE STATEMENT

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

San Jose, California

June 30, 2023



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## **Crawford Pimentel Corporation**

### **Certified Public Accountants**

1550 The Alameda, Suite 211

San Jose, California 95126

#### **INDEPENDENT ACCOUNTANTS' 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, 2023. 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.

#### **Accountants' 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.

#### **Accountants' 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  
November 7, 2023

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

STATEMENT OF REVENUE AND DIRECT OPERATING EXPENSES  
July 1, 2022 to June 30, 2023

	ADMIN (CBID)	C & R (CBID)	DISI (CBID)	SOBOP (CBID)	Total CBID
Ordinary Income/Expense					
Income					
CBID	\$ 70,253	\$ 5,620	\$ 30,911	\$ 174,227	\$ 281,011
Total income	70,253	5,620	30,911	174,227	281,011
Gross profit	70,253	5,620	30,911	174,227	281,011
Expense					
Advertising and P/R	1,000	-	2,572	-	3,572
City fees	5,000	-	-	-	5,000
Contingency	-	5,620	-	-	5,620
Contract services	6,300	-	11,940	145,016	163,256
Dues and subscriptions	756	-	-	-	756
Equipment rental	6,420	-	-	-	6,420
Equipment/Furnishings	909	-	-	-	909
Insurance	1,313	-	-	-	1,313
Meetings	796	-	-	-	796
Personnel	30,627	-	6,455	29,046	66,128
Postage and delivery	63	-	-	-	63
Professional fees	11,100	-	-	-	11,100
Rent	3,000	-	-	-	3,000
Supplies	1,380	-	93	155	1,628
Telephone and internet	1,499	-	-	-	1,499
Website	5	-	9,683	-	9,688
Total expense	70,168	5,620	30,743	174,217	280,748
Net ordinary income	85	-	168	10	263
	\$ 85	\$ -	\$ 168	\$ 10	\$ 263
	85	-	168	10	263
	(233)	-	118	118	3
	\$ (148)	\$ -	\$ 286	\$ 128	\$ 266
	25%	2%	11%	62%	100%
	25%	2%	11%	62%	100%
	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, 2022 to June 30, 2023

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 board of directors have decided to delay issuance of the full audited financial statements to fiscal year 2023–2024.

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.