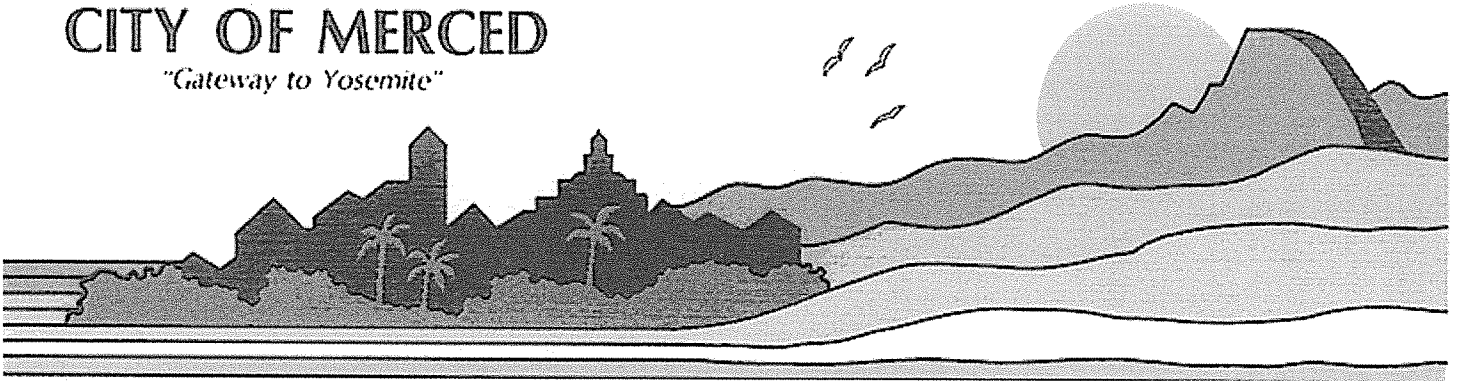


CITY OF MERCED

"Gateway to Yosemite"



January 1, 2018

000-000-08
678 W. 18th Street
Merced, CA 95340

Dear Owner:

The Merced City Council at its regularly scheduled meeting on _____, authorized an assessment ballot proceeding to obtain voter approval prior to increasing annual benefit assessments levies to the Maintenance District property owners. The assessments cover the costs of providing public improvements to the District such as: storm pump maintenance and operation, street tree pruning, landscape contract services, and related utility expenses to the District.

Your property located at **(678 W. 18th Street)** is located within the Maintenance District.

In previous years the District benefitted from original deposits made by the developer, supplemented with annual assessments collected from you and other property owners. However, the revenues generated from last year's assessments and the developer deposits within the reserves, are no longer adequate to cover the ongoing costs of maintaining the existing public improvements made to the District.

State law requires you have to an opportunity to vote on proposed increases to your assessment prior to them becoming effective.

Your assessment is collected in two equal installments and is included with your tax bill. Funds collected through this assessment and any interest earned can only be used for this specified purpose and are kept in a separate fund account.

Currently, you are being levied an assessment of (**Column I**) annually. We are proposing to increase your annual assessment to (**Column J**). This equates to an annual increase of (**Column L**) or (**Column K**) monthly.

The proposed budget and engineer's report has been prepared to determine your proportionate share of the annual costs associated with maintaining the District at current service levels. The total budget has been spread on an area basis with residential areas being re-spread on a per unit basis.

An engineer's report is available at the City of Merced, City Clerk's office for your review describing the calculation used.

Your legal notice, ballot, and a postage-paid return envelope are enclosed. You may return your ballot in the enclosed envelope or hand-deliver it to the City Clerk's Office in the Merced Civic Center, located at:

**678 W. 18th Street
1st Floor
Merced, CA 95340**

All ballots must be received (not postmarked) by the close of the public hearing scheduled for _____. The public hearing will be held in conjunction with the normally scheduled Merced City Council meeting, held in the Council Chambers, which begins at 7:00 p.m.

If the ballot passes, the adjusted rate will appear on your next Merced County tax bill. If it fails, there would be insufficient funds available to cover costs associated with maintaining the existing public improvements.

The weight of the vote is proportional to the District assessment dollar amount. For example, a property with an annual assessment of \$100, carries twice the weight of a property with an annual assessment of \$50.00.

Your annual assessment may increase or decrease in future years, if operating costs change. In any event, assessment increases are limited annually to the maximum assessment amount (shown in the ballot document), adjusted by the Consumer Price Index (CPI). The CPI is a scale used to adjust costs for inflation.

Any increase above the CPI adjusted maximum level, would require a new ballot for your approval.

Only the ballots returned determine the outcome of the election. A non-response will not count for purposes of voter acceptance or opposition. Whether you are in favor of or in opposition to the increase in assessments, it is important for you to vote.

The following questions and answers are being provided to help you better understand the importance of the Maintenance District to your property:

1. Why isn't my current property assessment adequate?

Answer: This particular District has benefited from original deposits made by the developer at the time of formation. Approximately \$000.00, annually has been utilized of these deposits to fund the District expenses for over 10 years.

2. How long has my property been in the Maintenance District?

Answer: As a condition of approval for the subdivision the developer was required to form the district prior to its development in _____.

3. What happens if a majority of the ballots oppose the increased assessment?

Answer: There would be insufficient funding to cover the costs of operating the District. This could result in landscape maintenance not being performed at current levels and excess storm water remaining in street curb-gutters, catch basins, and holding ponds.

4. Does all property owners' votes count equally?

Answer: No, the weight of the vote is proportional to the amount of the assessment. For example, a property with a \$20 annual assessment carries twice the weight of a property with a \$10 annual assessment.

5. Will my assessment increase annually?

Answer: Your assessment will only increase if operating costs increase. In any event, assessment increases are limited annually to the current amount adjusted by the Consumer Price Index report. The CPI is a scale used to adjust costs for inflation. ****Any increase above this would require a separate ballot for your approval.***

6. Can funds collected through this assessment be used for any other purpose?

Answer: **No**, funds and any interest earned are kept in separate fund account solely for this purpose.

7. What if I don't return my ballot?

Answer: The outcome of the election is determined only by the ballots returned.

8. When must my ballot be returned?

Answer: You may return your ballot in the enclosed envelope or submit it to the City Clerk's Office in the Merced Civic Center. *All ballots must be received (not postmarked) by the close of the public hearing scheduled for _____.* The public hearing will be held in conjunction with the normally scheduled Merced City Council meeting, which begins at 7:00 p.m.

9. Whom may I contact if I have questions?

Answer: Please refer your questions to Michael Miller, Public Works Manager-Tax Services (209) 385-6800.

Maintenance District
Ballot Cover Letter
Page 5 of 5

Sincerely,

Director of Public Works Operations-Department

Enclosure: