

## **Seascape County Service Area #3 2020 Annual Report**

### Development of New Board

In September 2019, approximately 50 Seascape neighbors came together in two neighborhood meetings to reconstitute a governing board for Seascape's County Service Area (CSA) #3. In those meetings, we reviewed the origins and responsibilities of the CSA for managing the use of assessment fees collected from Seascape area homeowners. We learned that an active Board had existed for many years, but about 15 years ago it had dissolved. This left the Santa Cruz County Department of Public Works to administer our services with input from only one neighbor who, unfortunately, did not communicate with other CSA homeowners. At the second neighborhood meeting on September 28, 2019, those present elected seven of us to represent you and constitute a new Board for CSA3.

Over the course of the last year, your new board has tried to keep you updated on our work via periodic emails, and postings on [nextdoor.com](http://nextdoor.com), as well as on our new web site [seascapecsa3.org](http://seascapecsa3.org). We also created an email [seascapecsa3@gmail.com](mailto:seascapecsa3@gmail.com) for your comments.

Now, one year later, we would have proposed an annual meeting to update you on our work, but the current COVID-19 crisis precludes an in-person meeting. While we plan to have a virtual meeting in the near future, we hope this report will suffice as a first step to an annual update.

### CSA3 Responsibilities

The CSA's basic responsibilities are:

1. Maintaining the medians on:
  - a. Seascape Blvd.,
  - b. Sumner from Clubhouse to its south end, and
  - c. Clubhouse from Via Palo Alto to just past Sumner.
2. Providing security and garbage removal from the beach area between Via Gaviota and the Trestle.

To support these responsibilities, we pay an annual assessment fee. The assessment fees come from the 1,693 parcels in CSA3, at \$50 per individual unit and \$400 from four business units (the Seascape Resort, the shopping center, the tennis club, and the low-income apartments). The fees amount to a limited annual budget of less than \$80,000 to which the County charges administration fees of 15 to 30%, leaving an actual working budget of only some \$55,000. These fees have not changed since fiscal year 1996.

On January 6, 2020, we held a neighborhood meeting with Supervisor Zach Friend and Director of Public Works Matt Machado. They freely presented and discussed issues facing the County as well as our service area, among them a limited budget. Safety and street repairs remain a priority. We have summarized the specific issues in our January 6 update on our web site.

### Medians Maintenance

The new Board's first priority was assessing the maintenance of the medians. We found a number of dead or dying trees, live trees that had not been maintained, and shrubs and grasses overgrown with weeds. The water for irrigation had been turned off for years due to restrictions on sprinklers and watering turf. (We, however, are still required to pay the valve hook-up fees despite using no water.) We have spent considerable time in the last year learning about the issues involved in our median maintenance and exploring options for improving them in the future.

We first contracted for the removal of two dead pine trees on Seascape and Sumner. To offset that expense, we benefited from the County's previous \$16,000 budget cut once allocated to street sweeping. We learned that the street cleaning had been haphazard, not on a schedule, and was changed to an as-needed basis without charge.

As of January 2020, we released the previous landscape contractor due to inadequate performance. After going through the County's bidding process, we contracted with Coastal Landscape, Inc. which happens to be owned by Jeff Powers, one of our neighbors who is vested in our community.

We learned that the large pine trees in our medians have grown out of proportion to the medians and had begun to cause roadway problems. The Department of Public Works has worked with us to prioritize the offending trees, obtain the necessary permits for their removal, and will interface with us on road repair as the trees and roots are removed in the future.

In many medians, weeds have overgrown plantings and become enmeshed in the weed barriers. Past maintenance efforts had merely cut the weeds back allowing them to reseed repeatedly. Our new maintenance contract includes weeding by hand and the repeated use of an organic herbicide at strategic times throughout the year to reduce the reseeding of the weeds. Given our current budget, it takes multiple months for the crew to cover all the medians on Seascape Blvd., Sumner and Clubhouse.

Over the course of the last couple of months, we have begun to draft a Median Renovation Plan. We will be bringing that plan to all of you for comment and funding over the next few months.

### Beach Maintenance

Our beach maintenance responsibility is only for the area between Via Gaviota and the trestle. This easily accessible area is commonly called Beer Can Beach and has historically been a party beach for local teens and visitors. Most of this area is a County beach whose ordinances prohibit alcoholic beverages and fires and also specify closure after 10 pm. Unfortunately, there are no County funds available for enforcement. It was this heavy use with no enforcement that caused neighbors to add this service to the CSA3 responsibilities many years ago.

Beach security and garbage pickup has been handled by First Alarm Security for years. (As of May, the company became Allied Universal.) Their contract came up for renewal beginning fiscal year 2020-2021 and the board has spent considerable time reviewing that contract and ensuring its efficiency.

Our current summer schedule (May to September) includes daily evening patrols to enforce closure of the beaches at 10 PM, and garbage pickup 5-days a week. In the remaining winter months, patrols continue nightly, but garbage is only picked up 3 days a week.

Heavy use of this beach has continued unabated during this last Covid year. Every night this last summer we have seen anywhere from five to thirty fires on the beach at night. The security patrol closes the beach at 10:00 pm and thereby reduces the drunken driving that would result from later party hours on the beach. On top of that, a renewed popularity of "beer pong" has left the beach often littered with cups, bottles, cans, and 4x8' plywood boards. Our contract trash pick-up has been excellent in taking care of these problems and keeping the beach beautiful.

### CSA Budget

The CSA3 Financial Statement for fiscal year July 1, 2019 to June 30, 2020 is attached, with a comparison to the previous fiscal year.

What has become clear from our work this year is that our budget, based on a 25-year-old assessment, is not adequate to effectively manage the CSA's current responsibilities. Fifty dollars does not buy in 2020 what it bought in

1996. To put it in perspective, the average price of a single-family home in Santa Cruz County in 1996 was \$267,238. In 2019, it was \$1,015,087.\*

The County behaves in some ways like a bank and a bookkeeper, paying the invoices that are due. For that service, they charge us various overhead and services costs, as well as staffing time. In FY 2019-2020, these charges consumed 29% our total expenses. To try to control these indirect costs, we, your board, have assumed as many tasks as possible, writing Requests for Proposals (RFP's), meeting with contractors, etc.

We have ended this first fiscal year with a modest surplus that we expect to carry over to support some urgent needs outside the monthly expenses.

#### What's Next: Median Renovation Plan

In summary, the new CSA3 Board has spent a good portion of our first year, this past year, fully understanding the scope of services included in CSA3. We have come to the conclusion that our greatest priority is currently our medians, which are in desperate need of renovation after years of neglect. At the same time, we cannot sacrifice the services that maintain healthy access to our beaches.

To be sure, renovation will be impossible under our current assessment and fee structure. As mentioned earlier, we are in the final stages of developing a Median Renovation Plan that will include an assessment increase proposal to support the plan's implementation. We will share this information widely, provide multiple opportunities for discussion and feedback, and then the County will coordinate a ballot vote on the proposed increase in the Spring. All CSA3 parcel owners will have an opportunity to vote on this proposal.

We look forward to discussing our Median Renovation Plan with our neighbors over the next few months. We believe that improving this important common element of our neighborhoods will have a significant impact on our enjoyment of this beautiful area and also on the investments we have made in our homes here. We hope you will join us in determining the best way to move forward to improve this important asset.

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\* <https://www.mysantacruzrealestate.com/Statistics.php>

The CSA3 Board:

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Emails to the group should be directed to [SeascapeCSA3@gmail.com](mailto:SeascapeCSA3@gmail.com).

Note: Please be sure we have your email on file so that we can reach you directly. Just send us an email at [SeascapeCSA3@gmail.com](mailto:SeascapeCSA3@gmail.com) along with your name, address, and (if you chose) phone number.

**Seascape County Service Area 3  
Financial Report FY 2019-20**

<b>YE FINANCIAL REPORT</b>	<b>Prior Year FY 2018-19</b>	<b>% of Total</b>	<b>Current Year FY 2019-20</b>	<b>% of Total</b>
<b>Beginning Balance</b>	4,909		2,206	
<b><u>Revenue</u></b>				
Assessment	79,596		79,596	
Interest	131		30	
<b>Total Revenue</b>	<b>79,727</b>		<b>79,626</b>	
<b><u>Expenditures</u></b>				
<b>Medians</b>				
Maintenance	17,067		16,996	
Water Service	8,424		8,265	
Backflow Inspections	432		586	
Tree Removals			3,644	
Medians Total	25,923	<b>31%</b>	29,490	<b>39%</b>
Beach Services	23,009	<b>28%</b>	24,045	<b>32%</b>
Street Sweeping	13,790	<b>17%</b>		<b>0%</b>
<b>Direct Expenses</b>	<b>62,722</b>		<b>53,535</b>	<b>71%</b>
County Misc. Services	2,911		2,700	
County Staffing			8,908	
County Overhead	16,796		9,750	
<b>Indirect Expenses</b>	<b>19,707</b>	<b>24%</b>	<b>21,358</b>	<b>29%</b>
<b>Total Expenses</b>	<b>82,429</b>		<b>74,893</b>	
<b>Net</b>	<b>(2,702)</b>		<b>4,733</b>	
<b>Ending Balance</b>	2,207		6,939	