CITY OF CLAYTON

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TRAILS AND LANDSCAPING COMMITTEE
REGULAR MEETING AGENDA

MONDAY, MARCH 16, 2026
6:30 PM
Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517

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1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the committee on non-agendized items within the committee's jurisdiction. To ensure an orderly meeting and an equal opportunity for everyone, each speaker is limited to three (3) minutes, or the time established by the Chair. In accordance with State Law, no action may take place on any item not appearing on the posted agenda.

Public comment and input on other agenda items will be allowed when each item is considered by the Committee.

3. PRESENTATIONS

(a) Presentation of Landscape Maintenance District Timelines
(View)

4. ACTION ITEMS

(a) Report on the FY2026 Landscape Maintenance District (LMD) Budget Status, FY2027 Budget Adjustments, and Fund Balance Analysis
(View)

(b) Appointment of Ad Hoc Subcommittee to Prepare FY 2024/25 Measure H Citizens' Oversight Annual Report
(View)

5. ADJOURNMENT

Please visit www.claytonca.gov for information on the next Trails and Landscape Committee meeting.

Meeting Information and Access

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail and on the City's website at www.claytonca.gov
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at www.claytonca.gov
- Any writings or documents provided to a majority of the City Council after distribution of the agenda packet and regarding any public item on this agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours and is available for review on the City's website at www.claytonca.gov
- If you have a physical impairment requiring special accommodation to participate, please call the City Clerk's office at least 72 hours (about 3 days) before the meeting at (925) 673-7300.
- E-mail Public Comments: Public comment may also be sent to the City Clerk at cityclerk@claytonca.gov by 12:00 p.m. on the day of the meeting. All e-mailed public comments will be forwarded to the entire committee and made part of the official meeting file.

Each person attending the meeting who wishes to speak on an agendized or non-agendized matter (within the council's jurisdiction), shall have a set amount of time to speak as determined by the Mayor.

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STAFF REPORT

TO: TRAILS AND LANDSCAPING COMMITTEE

FROM: Kris Lofthus, City Manager

DATE: March 16, 2026

SUBJECT: Presentation of Landscape Maintenance District Timelines

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ATTACHMENTS
Att A -Tax Measure_LMD_Calendar 2026

Landscape Maintenance District Timelines
March 16, 2026

March 2026

- Update the City webpage
- Create Frequently asked questions and post to the city website.

April 2026

- Develop and Distribute City Update Newsletter with educational information for LMD renewal.
- April 21 City Council meeting – Ordinance Workshop and develop ballot language.

June 2026

- In preparation for the July 7 City Council Meeting- Public notice for placing a 1% sales and use tax on the ballot for November 3, 2026. This will include the accompanying ordinance.

July 2026

- July 7 City Council Meeting- Recommend to Council the approval of the renewal of the Landscape Maintenance District on the ballot for November 3, 2026. This will include the

August 2026

- Town Hall to educate the community on the renewal of the LMD. The town hall will be after measure letter assignment.
- August 7 – Deadline to submit written argument "in favor" or "in opposition" to the ballot measure.
- August 7-17 -10 day public examination period for written arguments.
- August 11 – Deadline to submit written rebuttal opposing direct arguments submitted.
- August 11 –21- 10 day public exemption period for written Rebuttal arguments.

October 2026

- Town Hall to educate the community on the renewal of the LMD.

November 2026

Election Day –
Tuesday, November 3, 2026

What can community members do
Vs
What the City can do

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STAFF REPORT

TO: **TRAILS AND LANDSCAPING COMMITTEE**

FROM: **Dennis Bozanich**

DATE: **March 16, 2026**

SUBJECT: **Report on the FY2026 Landscape Maintenance District (LMD) Budget Status, FY2027 Budget Adjustments, and Fund Balance Analysis**

BACKGROUND

The Landscape Maintenance District (LMD) provides funding for the maintenance of landscaped areas, irrigation systems, parks, trails, and related improvements throughout the City of Clayton. Revenues supporting the LMD primarily consist of property assessments, property-tax-related revenues, and investment earnings.

Over the past several years, the City has monitored the LMD fund balance and operating expenditures to ensure that services can continue to be provided while maintaining adequate financial reserves.

The purpose of this report is to provide the Trails and Landscape Committee with:

- A summary of FY2025 audited financial results for the LMD.
- An update on FY2026 budget performance to date.
- A review of recommended adjustments to the FY2027 adopted budget.
- A long-term perspective on LMD reserve levels and financial sustainability.

The information summarized in this report is derived from the City's audited financial statements and budget monitoring analysis presented to the Committee.

FY2025 LMD Financial Results

Although expenditures slightly exceeded revenues during the year, the District maintained a positive reserve balance. The FY2025 ending fund balance represents approximately **26.5% of annual LMD revenue**, which provides a modest financial buffer for operational fluctuations.

FY2026 Budget Status

The FY2026 adopted LMD budget assumed a planned drawdown of fund balance due to rising operational costs. Subsequent adjustments to the budget have aligned revenues and expenditures more closely.

Key budget observations include:

- Approximately **69% of the fiscal year has elapsed**.
- **Revenue collections are approximately 53.5% of budget**, largely due to the timing of property-tax distributions.
- **Total expenditures are approximately 76% of budget**, with staffing and seasonal operational costs occurring earlier in the year.

FY2027 Budget Adjustments

The FY2027 adopted LMD budget included a modest projected operating surplus. Staff recommends several adjustments to better reflect expected operating conditions.

Key revisions include:

- **Adjustment of staffing costs** to better reflect actual service delivery levels.
- **Rebalancing of services and supplies expenditures**.
- **Addition of approximately $35,000 for irrigation water service**.
- Recognition that **interest earnings will likely decline** as reserves decrease.

Under the revised budget structure:

- Salaries and benefits would represent approximately **45% of total revenue**.
- Services and supplies would represent approximately **55% of total revenue**.

These adjustments are intended to create a balanced FY2027 operating budget while maintaining service levels for parks, trails, and landscaped areas.

LMD Fund Balance Trends

The LMD reserve balance has gradually declined over the past several years. This trend primarily reflects increasing maintenance costs, irrigation expenses, and operational demands associated with maintaining the City's landscaped areas and trail systems.

Overall Financial Position

Despite pressures within the LMD fund, the City's overall financial position remains stable.

Ongoing budget monitoring and periodic adjustments to the LMD operating plan allow staff to maintain service levels while managing financial risks.

Fiscal Impact

The report is informational and does not require immediate budget action. However, the analysis highlights several factors that will influence future LMD financial planning, including:

- Increasing water and utility costs
- Staffing adjustments
- Declining reserve levels
- Some variability in property-tax-related revenue sources

Future budget discussions may include evaluation of appropriate reserve levels and potential long-term funding strategies for landscape and trail maintenance.

ATTACHMENTS
Att A - FY26 and FY27 LMD Budget Updates

FY26 Budget Status, FY27 Budget Revisions and FY25 Fund Balance Analysis

City of Clayton

Trails and Landscape Committee

March 16, 2026

FY25 Year End Audited Revenue & Expenses

	LMD
07/01/24 Fund Balance	$ 424,342
Total Revenues	1,339,732
Total Expenditures	1,363,886
Net of Rev - Exp	(24,154)
Transfers In	-
Transfers Out	(45,116)
Net Change in Fund Balance	(69,270)
06/30/25 Fund Balance	$ 355,072

FY26 Adjusted LMD Budget Summary

	FY26 Adopted	FY26 Adjusted	FY26 Y-T-D (03/10/2026)
07/01/25 Fund Balance	$ 355,072*	$ 355,072*	$ 355,072*
Revenue			
Revenue	1,380,970	1,435,063	735,672
Total Revenue	1,380,970	1,435,063	735,672
Expenditures			
Salaries and Benefits	713,733	837,915	373,987
Services and Supplies	770,123	597,148	505,306
Total Expenditures	1,483,856	1,435,063	879,294
Revenues less expenses	(102,886)	-	
06/30/26 Fund Balance	$ 252,186	$ 355,072	TBD

* Audited Fund Balance

FY26 LMD Variance Drivers w/ Impacts To-Date

- LMD Revenue
  - Revenue is behind pace but should be fine when second tranche of property tax comes through
- LMD Expenditures
  - Will eventually save money by converting temps to seasonal city staff
  - Underbudgeted water (irrigation) costs by ~$30K
  - Electrical service underbudgeted
  - Irrigation and general supplies may need reallocation

FY27 Adopted LMD Budget w/ Suggested Revisions

	FY27 Adopted	FY27 Adjusted
Revenue		
Revenue	1,321,890	1,386,000
Total Revenue	1,321,890	1,386,000
Expenditures		
Salaries and Benefits	486,948	623,598
Services and Supplies	809,326	762,402
Total Expenditures	1,296,274	1,386,000
Revenues less expenses	25,616	-

FY27 LMD Recommended Revisions

- LMD Revenue
  - Interest revenue will be slightly lower due to reduced reserves
- LMD Expenditures
  - FY27 Adjusted S/B expense to revenue is 45%; FY27 Adopted percentage was 36.8%
  - FY27 Adjusted SS expense to revenue is 55%; FY27 Adopted percentage was 61.2%
  - Adds $35K to water service

Year End Reserves

	LMD
FY21 Fund Balance	$ 1,085,886
FY22 Fund Balance	$ 638,533
FY23 Fund Balance	$ 477,587
FY24 Fund Balance	$ 424,342
FY25 Fund Balance	$ 355,072

Summary

- The City’s overall financial position remains sound and stable
- The FY25 LMD Fund Balance is 26.5% of FY25 revenue

Thank you

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STAFF REPORT

TO: TRAILS AND LANDSCAPING COMMITTEE

FROM: Kris Lofthus, City Manager

DATE: March 16, 2026

SUBJECT: Appointment of Ad Hoc Subcommittee to Prepare FY 2024/25 Measure H Citizens' Oversight Annual Report

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RECOMMENDATION

Select up to four Trails and Landscaping Committee (TLC) members to serve on an Ad Hoc Subcommittee to prepare the FY 2024/25 Measure H Citizens' Oversight Annual Report.

BACKGROUND

The Trails and Landscaping Committee serves as the Citizens' Oversight Committee for Measure H and is responsible for preparing an annual fiscal year-end report regarding the Landscape Maintenance District (LMD). The purpose of this report is to review the funds collected and expended during the fiscal year and to independently verify that the funds were used for LMD activities in accordance with Measure H.

The Annual Citizens' Oversight Report is prepared independently by the TLC and submitted to the City Council for receipt and filing.

FISCAL IMPACT

No fiscal impact associated with this agenda item.

DISCUSSION

The Ad Hoc Subcommittee must consist of fewer than a quorum of TLC members, with no more than four members serving. Because the subcommittee is less than a quorum, its meetings are not subject to the Brown Act. Members may meet at times and locations of their choosing and may communicate electronically or by phone. City staff will provide the fiscal year financial closing information and any additional information the Ad Hoc Subcommittee requires to complete the report. Once a draft report is prepared, it will be presented to the full TLC for review and approval at a public meeting. Following approval by the Committee, the Annual Citizens' Oversight Report will be submitted to the City Council for receipt and filing.