



Q: How were these new tax rates calculated?

A: The tax rates were set by dividing the parcels in the CSD into three classes, (i) Estate Residential Parcels, (ii) Employee Residential, and (iii) Club parcels. Two-thirds of the \$389,844 tax requirement was spread amongst these three classes of parcels based on build-out improvement square footage (using the actual square footage of improvements on the Club parcels assuming that each of the 297 Estate Residential parcels would be improved with a 6,500 square foot home, and assuming the 12 Employee Residential parcels would, collectively, improve with 44 dwellings averaging 1,100 square feet each). One-third of the tax requirement was spread based on the number of Fire/EMS responses to each class of parcel last year (call volume). The allocated tax requirement was spread evenly amongst each of the residential parcels in each class.

Q: How is the Santa Lucia Community Services District different from the proposed Fire/EMS Financing District, and why is it proposed to create a new Financing District to supplement the existing Community Services District?

A: The Santa Lucia Community Services District is a public agency (technically an “independent special district”) that is governed by an elected Board of Directors. The CSD was established in 1998 and includes all the territory within The Preserve.

The CSD has the power to directly impose parcel taxes so long as they are submitted to and approved by the voters. However, like every independent special district, the CSD has an appropriations limit that sets a ceiling on the amount of “proceeds of taxes” it can collect and expend during a year. The appropriations limit, which was set when the CSD was first created and has been adjusted each year based on inflation rates and changes in population, is too low to permit the CSD to impose and spend the proposed tax. And there is no mechanism under state law to permanently increase the CSD’s appropriations limit.

The Fire/EMS Financing District would be established by the CSD pursuant to the Mello-Roos Community Facilities Act of 1982. The Financing District would be administered by the CSD and governed by the CSD’s Board acting during its usual meetings. The Financing District would have the same boundaries as the CSD and would not be a special district with its own separately elected governing board. However, the Financing District would have its own, separate, appropriations limit that would be high enough to permit it to levy the proposed tax.

Note that the Financing District, unlike Mello-Roos Districts that are commonly formed at the request of developers in new subdivisions, would not be authorized to issue bonds or fund facilities. The Financing District would solely be authorized to levy a tax to fund Fire/EMS *services*; and it has been designed to operate on a pay-as-you-go basis so that each year’s taxes will fund that year’s enhanced services.

The CSD currently does not levy any taxes; it only levies property-related fees. Such fees are not subject to the appropriations limit. However, a property-related fee cannot be used for Fire/EMS services.

Q: If we are not registered voters at The Preserve, what is our opportunity to weigh in on this proposal? Secondly, what are the parameters surrounding a majority protest?

A: On May 23, 2023, at 9:00 a.m. (or as soon thereafter as practical), in the Event Barn located at 85 Rancho San Carlos Road Carmel, California, the Board of Directors will hold a public hearing on the establishment of the Fire/EMS Financing District. At the hearing, the testimony of all interested persons or taxpayers for or against the establishment of the Fire/EMS Financing District, the extent of the Fire/EMS Financing District, or the furnishing of specified types of public facilities or services will be heard. At the Hearing, protests against the establishment of the Fire/EMS Financing District, the extent of the District, or the furnishing of specified types of services within the Fire/EMS Financing District may be made in writing by any interested person or taxpayer. Written protests may be mailed in advance to:

Santa Lucia Community Services District
63 Rancho San Carlos Road
Carmel, CA 93923

If 50 percent or more of the registered voters residing within the territory proposed to be included in the Fire/EMS Financing District, or the owners of one-half or more of the area of the land in the territory proposed to be included in the Fire/EMS Financing District and not exempt from the special tax, file written protests against the establishment of the Fire/EMS Financing District, and protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to create the Fire/EMS Financing District or to authorize the Special Tax shall be taken for a period of one year from the date of the decision of the legislative body.

If the majority protests of the registered voters or of the landowners are only against the furnishing of a specified type or types of facilities or services within the Fire/EMS Financing District, or against levying a specified special tax, those types of facilities or services or the specified special tax shall be eliminated from the resolution of formation.

Q: What are the boundaries of this new District and why are we not involving our neighbors at Rancho San Clemente and White Rock?

A: The newly formed Fire/EMS District is proposed to have boundaries that are coextensive with the boundaries of the CSD. The District explored other options and avenues on how to best fund this increase in service. After discussions with neighboring properties, it was clear that they would likely not support a tax for this level of service.

Q: What is ISO?

A: The Insurance Services Office (ISO) provides insurance companies with advisory information for underwriting risk and establishing insurance rates in communities. An ISO rating, also known as a Public Protection Classification (PPC), is a score from 1 (highest rating) to 10 which indicates how well-protected the community is by the fire department. Lower-numbered ratings mean that a department is better prepared to respond to fires within its district. Amongst other things, inspectors look at staffing levels and training, response times, water supply, emergency communications, and risk reduction including fire prevention, education, and investigation.

Q: Where is our current fire station and what equipment is present?

A: The Preserve has a fire station located at 121 Rancho San Carlos Road. Equipment housed on property consists of:

MCRFPD Owned Equipment

- Type II Wildland / Structural Engine - 650 gallons, 500 GPM pump

SLCSD Owned Equipment

- John Deere 700 XLT Dozer
 - 2,000 gal. water tender
 - Ten “Enforcer” foam units installed in patrol/operations vehicles
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Q: Can we purchase our own fire truck and have our personnel respond?

A: The short answer is yes, however, Preserve staff are not professional firefighters. ISO inspectors might degrade our rating as a result and insurance carriers could then use this as an additional reason to cancel or raise premiums. Secondly, by utilizing MCRFPD’s trained personnel around the clock, medical response will be enhanced significantly. MCRFPD currently employs approximately 60 Firefighter/Emergency Medical Service (EMS) personnel. If passed, the new program will provide rotating shifts involving MCRFPD firefighter/EMS personnel. Approximately thirty (30) of the staff hold Emergency Medical Technician (EMT) certification while the other thirty (30) hold Advanced Life Support (ALS) paramedic certification. Based on the rotation schedule, we would have a paramedic (ALS) approximately half of the shifts. Each rotation would be 24 hours in duration. All MCRFPD EMT’s have completed an expanded scope of service training. This training allows EMTs to utilize a more advanced and secure airway adjunct (supraglottic airway). Additionally, EMT’s will now be able to apply a continuous airway pressure (CPAP) device to patients experiencing severe respiratory distress.

Q: How are our current property taxes funding fire and medical services?

A: As background, the allocation of your property tax payment to Monterey County is roughly as follows:

Monterey County-wide programs	34%
County Library	4%
Mo Co Office of Education	5%
Carmel Unified School District	36%
Monterey Peninsula College	8%
Monterey Peninsula Water Dist.	4%
Monterey County Regional Fire Protection District	9%

More importantly, as an agency formed after the advent of Proposition 13, and with no predecessor agencies, the District receives no property tax allocation that directly benefits The Preserve community, other than fire.

Q: Where will the Firefighter/EMS personnel reside overnight?

A: A condition of the agreement with MCRFPD will provide for overnight accommodations for the new shift. Staff is proposing temporary accommodations to meet this requirement with an understanding that full-time sleepover quarters will be completed as budgeted in the Brush Management and Fire Safety Fee.

Q: What is our current call volume?

A: Currently, the SLP has a low annual call volume for Fire and/or EMS related responses. In 2022, thirty-three (33) 911 calls required response from MCRFPD. Three were off property, while the remainder were on Preserve property. Comparatively, other areas of MCRFPD’s responsibility experienced three-thousand, six-hundred eighty-three (3,683) responses in 2022. Here is a breakdown of 2022 911 calls on Preserve properties:

Ranch Club	16	53%
Residents	9	30%
CSD	3	10%
Golf	1	3%
SLPA	1	3%

Q: How is the CSD faring within its five-year plan?

A: The Santa Lucia Community Services District launched its first five-year plan FY 2016-2021. “The Plan” was created and intended to provide the community with future insight into the financial goals of the District. It also provided a legal platform for the community to approve or disapprove property related fees in five-year increments. Our second five-year plan covers the years 2022-26. Here is a brief summary of how we have operated to plan over the past six (6) years:

FY 2016-2021

The Plan FY 2016 – 2021, contemplated a starting Unrestricted Net Position (“UNP” or “Reserves”) of \$3.72M. Following audited financials FYE 2021, results indicated a UNP of \$4.54M or, a net gain in UNP of \$820K. Expectations per plan were to build up the UNP over the five years by \$1.4M. Additional capital spending was higher than originally anticipated upon the creation of the plan, primarily due to the four-year drought ending in 2016, and the Soberanes Fire, also experienced in 2016.

FY 2022-2026

The Plan FY 2022 – 2026 was created in the first quarter of 2021. Similar to our first-year experience in our first five-year plan, higher capital expenses of \$1.52M were realized as the District began construction on a new water treatment plant, purchased equipment for waste collection and fire prevention, and started the process to drill two new wells. Audited financials FYE 2022 indicated an ending UNP of \$3.75M. The UNP net difference over the past six years is approximately \$23K. Despite not having built up the District’s reserves as desired, the District has successfully navigated drought, fires, and a pandemic.

Looking ahead, the District is forecasting higher costs than originally planned FY 2022-2023. The primary factors impacting the projections in the plan include higher inflation, drought, insurance hikes, and payroll increases. Five-year projections were created with a 3.5% increase YOY in operating expenses; however, the last two years have shown an increase of 17% in operating costs mainly in utilities, fuel, and labor. As for capital improvements, the District continued the exploration process of drilling two (2) new wells to mitigate three (3) years of drought. These costs were higher than planned due to the cost of materials and labor, however, consideration in future years of the plan will help offset some of these advances in planned expenses. The five-year plan projects the UNP to be at \$4.56M at YE 2023. As always, the District will continue to explore opportunities to control expenses wherever possible. We will continue to provide you with future updates and if necessary, amend the plan based on your approval. We appreciate your support! If you would like to view the District’s five-year plan(s), please visit our website at SantaLuciaCSD.org.