

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **2.A.**

FROM: Jerry Gruber, General Manager

Meeting Date: February 5, 2018

Subject: PUBLIC HEARING TO CONSIDER
ADOPTION OF RESOLUTION 03-2018
CALLING A SPECIAL ELECTION FOR
A PROPOSED SPECIAL TAX TO
FUND FIREFIGHTERS AND A
RELATED INCREASE IN THE
APPROPRIATION LIMIT, AND
REQUESTING CONSOLIDATION
WITH THE JUNE 5, 2018 STATEWIDE
ELECTION

RECOMMENDATIONS:

Staff recommends that the Board of Directors hold a public hearing in accordance with the requirements of Government Code Section 50077 and consider adoption of Resolution 03-2018, calling a special election to submit a proposed Ordinance to the voters for a special tax to fund three (3) full time Firefighters and a related increase in the District's appropriation limit, and requesting consolidation of the special election with the June 5, 2018 Statewide Consolidated Direct Primary Election.

FISCAL IMPACT:

According to the County Clerk-Recorder's Office, the cost of calling a special election to be consolidated with the June 5, 2018 statewide election is approximately \$10,000 to \$20,000. If the Board decides to proceed with a ballot measure to fund the three (3) full time Firefighters and it is approved by the voters, the measure will raise approximately \$300,000 annually, based upon an annual per parcel tax of \$50, which would be assessed on the estimated 6,000 parcels in Cambria.

DISCUSSION:

At its January 2018 regular meeting, the CCSD Board directed that a Special Meeting be held today to consider calling a special election to submit a measure to the voters on a special tax, in order to fund three (3) full time Firefighters. Accordingly, a noticed public hearing has been scheduled pursuant to Government Code Section 50077 to consider Resolution 03-2018, calling for the special election to adopt Ordinance 01-2018. As required by State law, the Resolution and Ordinance specify the type of tax and rate of tax to be levied, the method of collection, and the date upon which an election is to be held.

The measure also includes an increase in the District's appropriations limit. The appropriations limit was created in November, 1979 when the voters approved Proposition 4 and added Article XIIIB to the California Constitution. Article XIIIB limits the District from appropriating (i.e. authorizing expenditure of) the proceeds from tax sources in any given year. The limit for each

year is equal to the limit for the prior year, adjusted for changes in the cost-of-living and population. Various other adjustments are also required. The first year in which appropriations limits applied to state and local governments in California was fiscal year (FY) 1980-81. This limit may be exceeded if the voters approve the excess expenditures by a majority vote. This constitutional restriction on appropriations (expenditures) is in addition to the constitutional requirement that special taxes must be approved by a two-thirds (2/3) vote of the people. Therefore, to provide that the special tax does not impact the appropriations limit, pursuant to the provisions of Article XIII B the ballot measure also will provide for the District's appropriations limit to be increased by an amount equal to the special taxes that are to be imposed. It should be noted that voter-approved increases in the appropriations limit can only be in effect for four years. At the end of the four-year period, either the voters must approve another increase or the limit must return to the level it would otherwise have been.

As noted in the January staff report, the San Luis Obispo Clerk-Recorder's Office has advised that February 21, 2018 is the last day for the District to submit the required resolution calling for and placing the measure on the June 5, 2018 Statewide Consolidated Direct Primary Election ballot. The Clerk-Recorder's Office has also provided the attached Activity Schedule related to the ballot measure. In accordance with legal requirements, Resolution 03-2018 contains the following full text of the proposed measure, and the exact form of the question as it is to appear on the ballot:

<p align="center">CAMBRIA COMMUNITY SERVICES DISTRICT MEASURE _____</p>	<p align="center">YES</p>	
<p>Shall Cambria Community Services District Ordinance 01-2018, which imposes an annual special tax of fifty dollars (\$50.00) on each parcel of real property in the Cambria Community Services District to fund three (3) full time firefighters, be approved and shall the Cambria Community Services District appropriations limit be increased by the amount of this voter-approved tax?</p>		

As set forth in the Resolution and Ordinance, the special tax will be in the amount of \$50 per parcel in order to provide funding to cover the approximate \$300,000 needed to fund the three (3) full time Firefighters. This amount is based upon the approximately 6,000 parcels in Cambria. The measure also includes an annual adjustment for inflation.

As also required by statute, the Ordinance specifies that the purpose of the special tax is solely to fund three (3) full time Firefighters and that the proceeds may only be used for that purpose. It also contains accountability provisions that are required by State law for special taxes, including the creation of an account into which the proceeds of the tax will be deposited and an annual report in compliance with Government Code section 50075.3, which is to be filed with

the District Board of Directors no later than January 1st of each fiscal year in which the tax is levied.

New legislation effective January 1, 2018 requires that tax measures placed on the ballot include a ballot statement specifying the annual revenue to be raised and the rate and duration of the tax. Accordingly, the Resolution also provides that the ballot contain the following Fiscal Impact Statement:

FISCAL IMPACT STATEMENT FOR A SPECIAL TAX FOR THE PURPOSE OF FUNDING THREE (3) FULL TIME FIREFIGHTERS TO BE IMPOSED ON ALL PARCELS OF REAL PROPERTY IN THE CAMBRIA COMMUNITY SERVICES DISTRICT EACH FISCAL YEAR [Elections Code Section 13119]

Rate of tax to be levied: \$50 per parcel located in the Cambria Community Services District. The tax will also be subject to annual CPI adjustments.

Amount of money to be raised annually: \$300,000 (estimated).

Duration of the tax: The authorization to levy the tax pursuant to this Ordinance does not expire.

The tax information estimates in this statement reflect the District's current determination of the number of taxable parcels, which is based on certain assumptions. The actual amount of money raised in each year the tax is levied may vary due to factors including, but not limited to, variations in the number of taxable parcels within the District and inflation.

Attachments: Resolution 03-2018 and Ordinance 01-2018
San Luis Obispo County Activity Schedule for Placing a Measure on the Ballot
for the June 5, 2018 Consolidated Primary Election

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ RICE ___ FARMER ___ BAHRINGER ___ WHARTON ___ PIERSON ___