



Rancho Murieta CSD Security Townhall

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Tonight's Program

- Introductions
- Town Hall Objective
- Where We Are Now and How We Got Here
 - Measure J
 - History of Rates
 - Cost Allocation
 - Current Security Budget
- Options for the Future
- Security Opinion Poll and Timeline
- Work Group Signups – securitysurvey@rmcsd.com
- Open Discussion/Questions

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Objective of Townhall

- Establish a common understanding of the current status of Measure J Security services and funding
- Do we need to modify Measure J ?
- Present options for the future of Security funding and impact on District services
- Explain the Security Opinion Poll and how it fits with a possible modification of Measure J



History of Security at Rancho Murieta

- 1984 – Security was the responsibility of the RMA
- 1984 – RMA was concerned with the potential of non-payment of Security fees by the Pension Trust Fund (PTF)
- 1984 – RMA transfers responsibility for Security to Rancho Murieta CSD – Fees collected by CSD pay for Security
- 1996 – Proposition 218 changed the authority of CSD to collect fees – The new law says a Special Tax is required to fund Security
- 1997 – CSD Voters pass Measure J




Where We Are Today and How We Got Here

- Measure J was passed by the voters of Rancho Murieta in 1997
- Measure J revenue began funding the Security Department within the District
- Provided for a maximum annual tax increase of 2%
- The original rate provided for two Gate Officers and one Patrol Officer 24/7/365
- Established a first year (base-line) budget of \$687,000
- Twenty-three years later - the budget is nearly \$2,000,000 – However, we presently collect only \$1,525,000 in Measure J Special Taxes



Where We Are Today and How We Got Here Administrative Cost Allocation

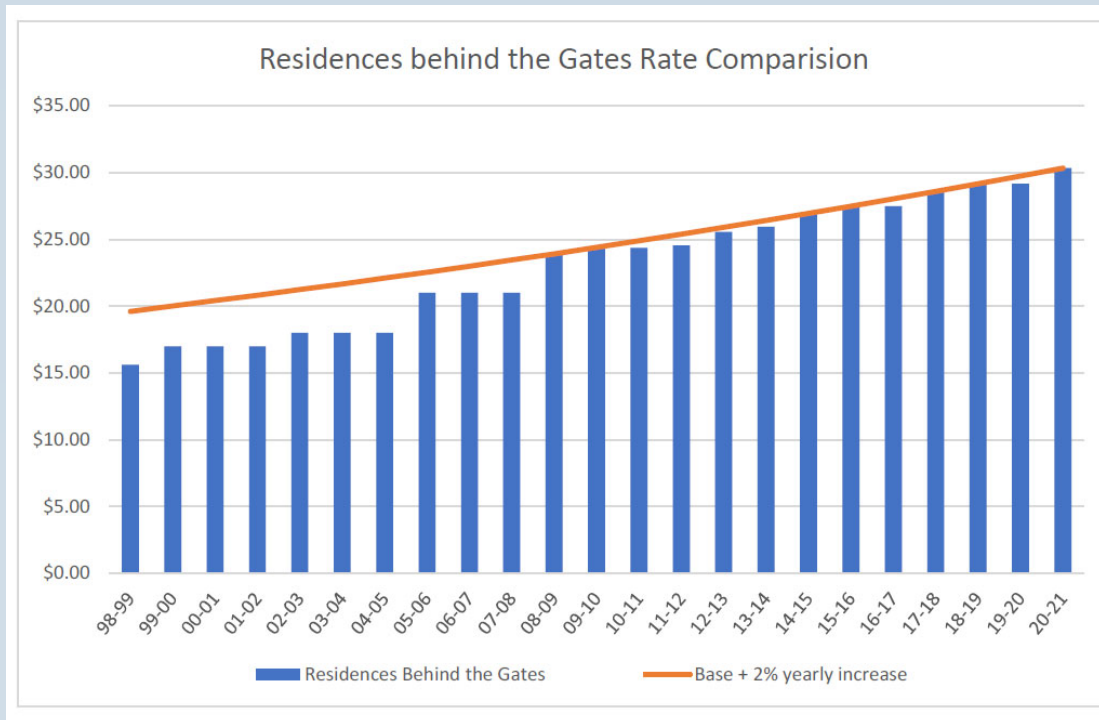
- Costs include administrative salaries & benefits, overhead, supplies, insurance, utilities, etc
- Costs are allocated across five operational departments: Water, Wastewater, Drainage, Solid Waste, and Security
- This is a standard government accounting practice, and the allocations are applied to each department based on an impartial 3rd party cost allocation study completed in 2020
- Any Security solution must maintain the appropriate allocation of costs across all five operational departments



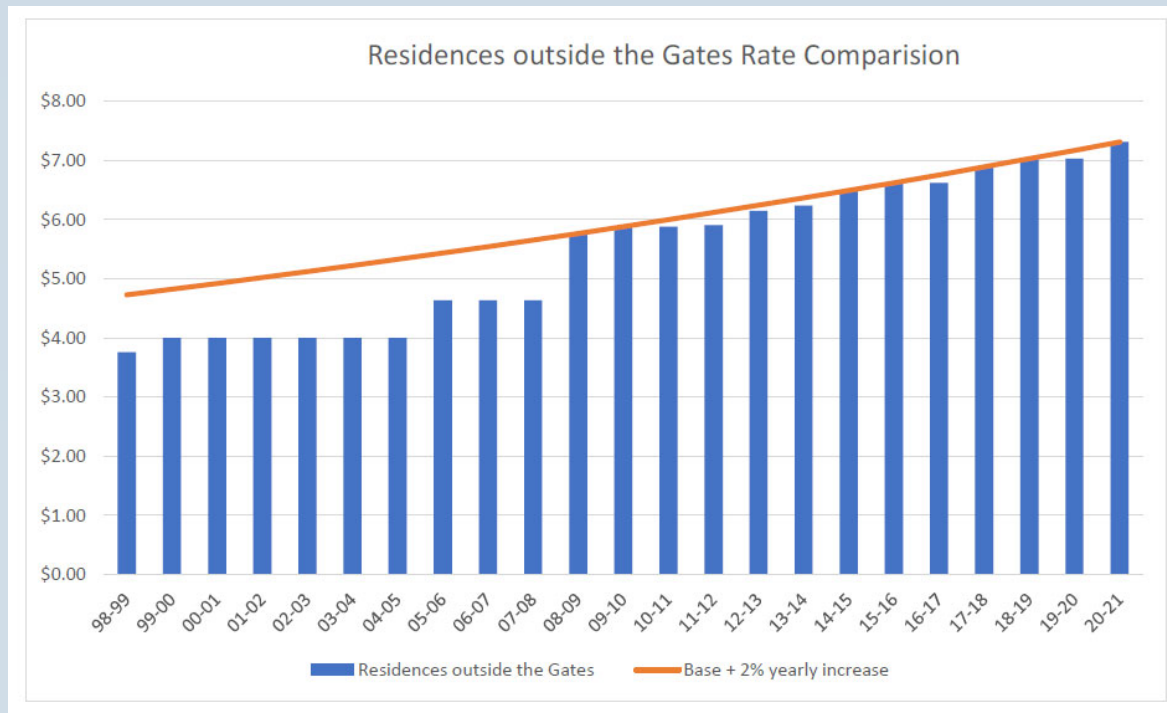
Where We Are Today and How We Got Here History of Rates

- 23 years later, the Department cost increases have exceeded the annual 2% tax increase
- The District has been supplementing the Security Department with unrestricted property tax revenues to cover the shortfall since 2016
- The budgeted actual Measure J taxes collected to fund the Security Department fell short of the expenses by approximately \$450,000 in the 2020-21 Fiscal Year
- These general-purpose property tax revenues should be allocated to fund reserves
- Not adequately funding the reserves places the district at risk of not being able to respond to equipment or infrastructure repairs/replacements

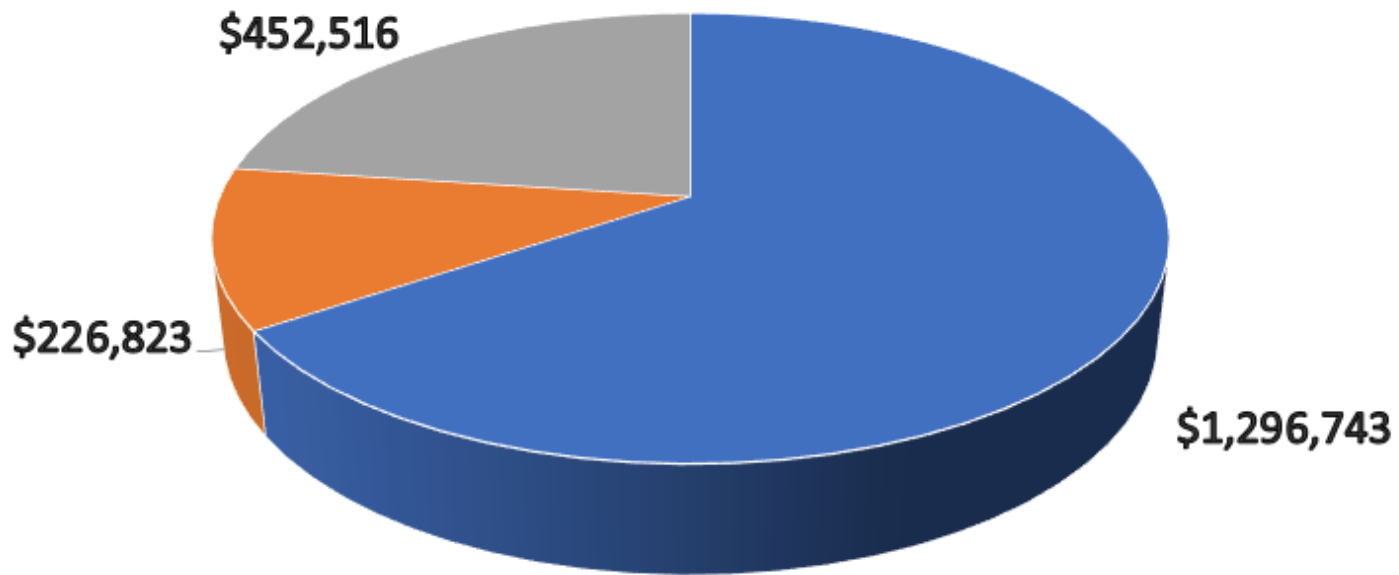
Where We Are Today and How We Got Here History of Rates – Behind the Gates



Where We Are Today and How We Got Here History of Rates – Outside the Gates

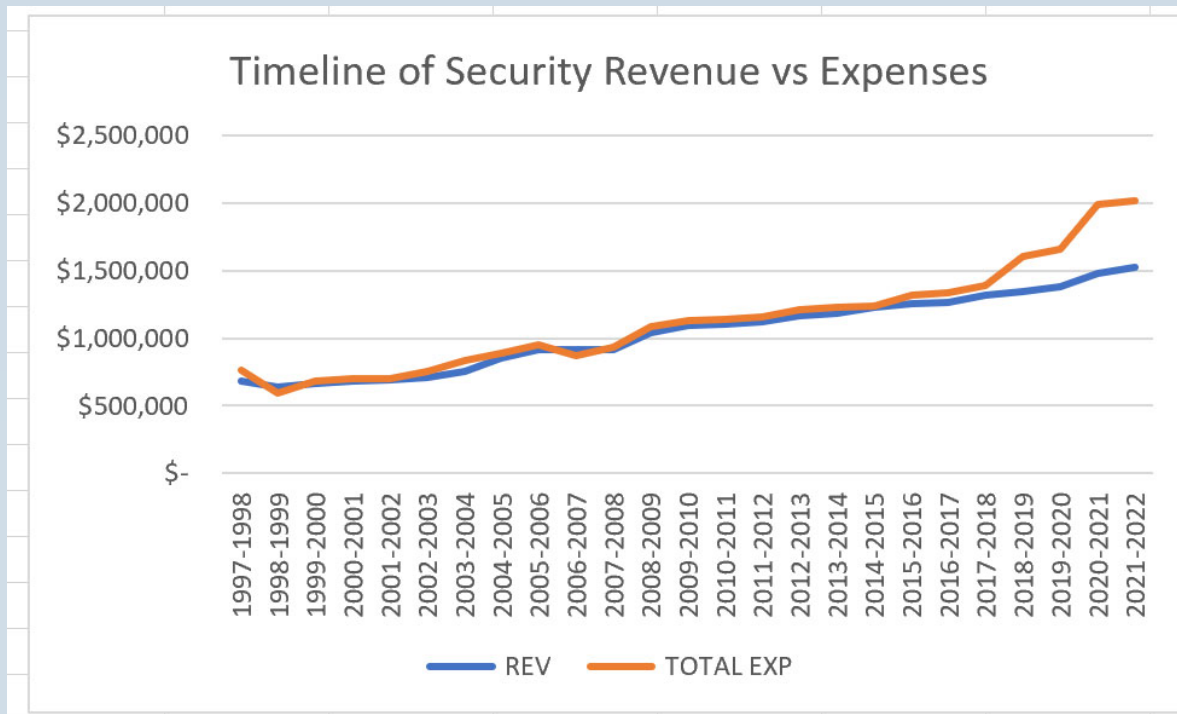


Security FY 2021-22 Revenue Breakdown



■ Measure J Residential ■ Measure J Commercial ■ General Fund

Where We Are Today and How We Got Here History of Rates





Where We Are Today and How We Got Here FY 2021-22 Security Department Budget

Budget Items	Type	Amount
Special Tax and Other Income	Revenue	\$ 1,568,266
Gate Operations	Expense	\$ 905,846
Patrol Operations	Expense	\$ 770,718
Security Leadership	Expense	\$ 344,217
	Deficit (property tax revenue subsidy)	(\$ 452,516)



The Problem

- Current Measure J Security revenues do not cover Security Services

The Solution

- Implement one of the following options
 - Option 1 – “Retain Measure J Funding Level”
 - Option 2 – “Amend Measure J to Fund Current Security Services”
 - Option 3 – “Amend Measure J to Increase Security Services”



Options for the Future - **Option 1** “Retain Measure J Funding Level”

- Scale back security services to meet available Measure J funding
- No utilization of general fund dollars
- This would no longer allow us to support one Patrol Officer 24/7/365 (still allows for two Gate Officers)



Options for the Future - **Option 2** – Status Quo “Amend Measure J to Maintain Current Security Services”

- Retain two gate officers and one patrol officer 24/7/365
- Requires a vote to amend Measure J to increase the existing cost of living adjustment above 2%
- Sample increase per lot per month for 2021-22:
 - Murieta Gardens II – \$74 Total \$6.17 per month
 - Murieta Village - \$74 Total \$6.17 per month
 - Residential Behind the gate increase - \$171 Total \$14.25 per month
 - Commercial will vary based on type and location



Options for the Future - **Option 3** “Amend Measure J to Increase Security Services”

- Two gate officers and one patrol officer 24/7/365
- Plus – behind the gates, the cost of an additional ½ time patrol officer and ½ time gate officer (Patrol monthly cost for ½ time - \$13,870; Gate monthly cost for ½ time - \$12,410)
- Requires a vote to amend Measure J to increase the existing cost of living adjustment above 2%
- Sample increase per lot per month for 2021-22:
 - Murieta Gardens II - \$53.16 Total \$4.43 per month
 - Murieta Village - \$53.16 Total \$4.43 per month
 - Residential Behind the gate - \$118.92 Total \$9.91 per month
 - Commercial will vary based on type and location



Summary of Funding Options

Options	Funding Impact
Option 1 – “Retain Measure J Funding Level”	Scaled back services, no property tax subsidy, loss of patrol officer
Option 2 – “Amend Measure J to Maintain Current Security Services”	Murieta Gardens II and Village will increase approx. \$74 annually; Residential (North and South) will increase approx. \$171 annually
Option 3 – “Amend Measure J to Increase Security Services”	Murieta Gardens II and Village will increase approx. \$127 annually; Residential (North and South) will increase approx. \$290 annually



Summary of Options for the Future Pros/Cons

Options	Pros	Cons
Option 1 – “Retain Measure J Funding Level”	No increases in security fees to residents	Decrease in current security services
Option 2 – “Amend Measure J to Maintain Current Security Services”	No changes in current security services	Additional cost for all residents
Option 3 – “Amend Measure J to Increase Security Services”	Increased staffing for residents behind the gates to address community security concerns	Additional cost (beyond Option 2) for residents residing behind the gate



Security Opinion Poll

- A vote to amend Measure J will cost approximately \$180,000
- The poll will be conducted by a 3rd party consultant, True North and polling questions will be solicited from a pool of Rancho Murieta voters
- The poll will determine if there is an appetite for Option 2 or 3 above, or if the District must simply revert to Option 1 “Retain Measure J Funding Level”
- Questions for the Opinion Poll will be developed utilizing community input from stakeholder meetings
- All residents will have the option to volunteer for stakeholder meetings; meeting participants will be selected by consultant
- More information regarding the stakeholder meetings will be provided by True North Consulting in the next several weeks

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Security Opinion Poll Estimated Timeline

- Tonight's Townhall meeting
- Stakeholder working groups/meetings July/August 2021
- Survey questions to be finalized by the Finance Committee and presented to CSD Board September 2021
- Conduct polling activities October 2021
- Present polling results to Finance Committee December 2021
- Presentation to the CSD Board December 2021
- Potential Addendum to Measure J outreach Jan/June 2022
- Possible vote on Addendum to Measure J in June 2022 General Election



Stakeholder Working Groups – Register by July 9

- Members selected by True North Consulting
- Interested volunteers to register via the securitysurvey@rmcsd.com
- Registration form available on the District web page
- Five working groups
- Working groups limited to 10 members
- Each group will contain a mixture of residential voters and commercial representatives
- Registration forms to be emailed or dropped off at RMCSD location
- **Registration deadline is July 9 at 5 PM**

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Open Discussion/Questions

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