

## COMMUNITY FACILITIES DISTRICT NO. 2023-1 (FIRE SERVICES) Public Comment Questions and KMPUD Answers

- 1. What are the differences between the current fire assessment and the proposed CFD?**
  1. The current assessment is billed monthly with the utility bill. The proposed CFD would be billed annually as part of the property taxes per assessed parcel.
  2. The current charge apportionment is based on \$0.04/sf combustible space/year. This results in revenue of about \$64,800/year to support the fire department. The per square foot charge has not changed since its inception in July 1997 by Resolution 97-03 (<https://www.kmpud.com/wp-content/uploads/Resolution97-03-Fire-Assessment.pdf>).
  3. The proposed CFD apportionment is based on the peak population in the service area and assigned per parcel based on benefit received related to each property. The proxy for this peak population benefit received is based on parking spaces. The proposed CDF allows for an annual adjustment capped at 6% which covers increased costs over time.
  4. The Board chose to maintain the existing Resolution 97-03 square footage assessment. The square footage assessment was fixed at the time of creation and cannot be changed without a new Proposition 218 process, which includes public hearings, balloting, and voting by property owners
  
- 2. Why expand the metric for apportionment from combustible space to peak population?**
  1. The KVFD provides a variety of services including fire related and medical assistance. The change represents a recognition that fire and medical assistance is based on peak population served.
  
- 3. Why is approval based on registered voters rather than the whole community being serviced?**
  1. California law requires all special taxes to be approved by 2/3 of registered voters. While KMPUD wants the whole community to participate in the discussion, the law is very strict in defining how a special tax is created.
  
- 4. Why is this proposal being rushed and when did the District initiate the process?**
  1. The evaluation began with the development of a Fire Services Master Plan - adopted in December 2017 (see <https://www.kmpud.com/wp-content/uploads/FSMP-ADOPTED-12.08.17.pdf>). The plan was the subject of multiple public hearings. The urgency accelerated in 2019 when we stopped providing ambulance service due to lack of adequately trained personnel required by law for operations.
  2. The District worked through 5 different models trying to find one that could work. Options included: (1) Negotiating a larger share of property taxes from Alpine, Amador, and El Dorado Counties. (2) Increasing and/or requesting a portion of the Civic Fee currently collected in Kirkwood. (3) Voluntary contributions from Kirkwood Mountain Resort (Vail). (4) Implementing a new sales tax. (4) Increasing the existing Fire Suppression Assessment.
  3. Temporary advisory committees were formed by the Board in 2019 and 2021 and they regularly reported on their progress at the Board meetings.
  4. The consultant was retained in June 2022 and the CFD proposal was discussed and reviewed by the Finance Committee and Board multiple times. Community members and members of the public have had opportunities to review and discuss (including Vail) at these meetings.

**5. Are we disregarding the District's Mission Statement by servicing non-customers outside the valley and having the community pay for this? Can the District charge for this?**

1. Emergency services operate under mutual aid agreements and our partners support each other with calls. The main cost is having trained personnel on standby and prepared to respond to an emergency. The additional costs associated with responding to an emergency are typically small.
2. KVFD does not distinguish, nor discriminate against, nor profile people needing our services regardless of from where or to they are travelling. Helping people in need is a public service.
3. In some instances, if sufficient information is collected, then the cost of providing the service can be recovered, thereby reducing costs overall.
4. The primary cost in providing emergency services is not an individual incident but the capability of providing the service.

**6. How are property taxes paid to the county currently covering the fire department?**

1. The District receives property tax revenue collected in Kirkwood from each of the Counties as follows: Alpine 20% of the base year (1985) and 20% of the growth, Amador 10% of the base year and 20% of the growth, and El Dorado 0% of the base year and 22.596% of growth. Property tax revenue is distributed by the Board to enterprise and government funds as needed to make up for operating deficits.
2. The total in FY 2021 was \$869K of which \$155K was allocated to cover deficits in the fire department budget.
3. The counties have no obligation to provide local services, for example road maintenance, snow removal, or fire. The District and community spent several years, and multiple efforts, trying to amend this arrangement as our first choice but the counties declined.

**7. Does the proposal make efficient use of property tax revenue?**

1. The District has committed to the use of property taxes for 1) Electric Fund, under loan covenants with USDA; 2) Water & Wastewater Funds, under the 2020 Water & Wastewater Rate Study; with the remainder covering shortfalls in District Employee Housing, Parks & Recreation, and Fire Department. Property taxes are fully committed each year.
2. Property taxes are used to cover any deficits in Governmental or Enterprise services. Non-governmental services are not covered by property taxes (e.g. solid waste, snow removal, etc.). See <https://www.kmpud.com/wp-content/uploads/Annual-Report-2021-22-FINAL.pdf> page 7 for details on the actual allocations from the most recent fiscal year.

**8. Does the CFD conflict with Proposition 13?**

1. No. The creation of special taxes is a commonly used, standard part of California law.

**9. What is the current level of service?**

1. The KVFD is an all-volunteer service with volunteers receiving a stipend for being on call. Over the past year, the stipend was increased and expanded housing options were offered but this had no material effect on volunteers signing up for duty shifts.
2. The number of trained volunteers has dropped precipitously. Since taking over as Chief, Chief Ansel estimates he has cycled through 100 different volunteers.

3. Most volunteers do not live in Kirkwood, so their service depends on driving to Kirkwood and this is increasingly subject to road conditions making the arrival time very problematic.
4. We have shifts for which no volunteers are available and the Fire Chief is increasingly forced to cover vacation shifts. There have been shifts with no coverage approximately 25% of the time this season.
5. To be qualified (volunteer or professional firefighters) to enter a burning building a person must be in possession of a California Firefighter 1 Certificate issued by the California Office of the State Fire Marshal. There is also an OSHA requirement for firefighter safety too. Only two qualified firefighters can go in at time, and there must be two firefighters available and ready to go inside for rescue. This is sometimes referred to the two in two out rule. EMT's individuals must be certified through the California EMS Authority and local EMS Agency which is Mountain Valley EMS. Currently, KVFD only has one qualified volunteer (Chief Ansel).

**10. Is housing available for volunteers?**

1. Housing is not the current limitation, but yes, there is a dedicated 2 bedroom, 2 bath employee housing unit with 4 beds currently available. Additionally, the existing fire quarters are also available and can sleep 2 more fire firefighters.
2. The District has purchased condos twice in the past 5 years when we had a temporary shortage. The most recent purchase was recently sold when demand dropped due to changing residences for staff.
3. When the District purchases or sells a property, it is discussed at a Board meeting and/or committee. There has never been a situation where a real estate transaction was not discussed in a public meeting.

**11. What are the current funds and expenses for the KVFD?**

1. The fire assessment fee revenue is about \$64,800/year and only changes if there is an increase in the size of existing structures or new structures are built.
2. The operating expenses net of depreciation are budgeted at \$208,000 (see <https://www.kmpud.com/wp-content/uploads/Operating-Budget-FY-22-26-1.pdf> (pages 1 and 2) for details.
3. The deficit is covered by allocating property taxes. In FY 2021 this was \$154,867.
4. Recently the Fire Department's Non-profit organization 501C3 has contributed some funds to enable an increase in the volunteer stipend above the level in the budget

**12. Should vacant lots be included in the CFD? Do they present a fire risk?**

1. Vacant lots do not contribute to the peak population and thus are not subject to the CFD until construction occurs.
2. Vacant properties do not present a structural fire risk nor medical emergency risk. The entire valley presents a risk of wildfire risk.

**13. Are the staffing and expenses too high for a relative small number of calls per month?**

1. Emergency services need to be staffed to provide proper response time regardless of the day or time of the emergency call. Thus, expenses are not based on an expected number of calls.

**14. Can our community afford this and will it add to existing debt?**

1. The CFD will not have an impact on existing debt which resides with the respective services provided by KMPUD.

2. This proposal leaves it to the voters to decide the level of emergency services provided. The community could decide to have less than full-time emergency support. The actual level of support is recommended by staff to be two qualified personnel at all times. The CFD proposal provides a maximum amount for a fully outsourced, professional staff.

**15. Can a joint structure with Vail reduce the cost**

1. Nothing in the CFD prevents some formalized structure with Vail. Historically this has not happened but if there is a solution regarding a contractual commitment with Vail, the District welcomes the dialogue.

**16. Should all residences be treated equally rather than differentiated by single family verses condo?**

1. There is no way to know the exact population per household so the treatment uses parking spaces as a proxy. In that regard, the single-family residences are assigned two spaces and the condominiums are assigned one.

**17. Why is the permanent staff the proposed size?**

1. There are two aspects to the proposed CFD. The first is the ability to collect revenues up to a maximum of \$513/parking space in Fiscal Year 2023-2024. The second is to potentially contract with Amador Fire Protection District (AFPD see <https://amadorfire.org/>) or another agency to provide personnel to have two trained fire and EMT on site 24/7.
2. Under an arrangement where AFPD provides all the labor, their activities would be limited to fire and EMT services and maintenance. They would not be available for non-fire/medical emergency services.

**18. Do we know actual rental rates by season and how they compare? Does any of the rental tax come back to the District?**

1. That information is not available to the District.
2. The District receives a portion of the Transient Occupancy Tax from Alpine County only.

**19. When will we know the proposed costs and the tax rate per APN?**

1. The initial costs will be based on additional analysis and contract negotiations that will begin if the voters approve the CFD in July. The results of that analysis will be presented at a Board meeting for an initial cost. Each year, the KMPUD Board will examine the costs for the next year through public board meetings and will submit the next years change to the counties to be included as a line item in the property taxes.

**20. Please provide financials to explain the expected costs?**

1. A description of the maximum costs and their allocations is briefly described in the most recent board presentation (page 12) that can be found at <https://www.kmpud.com/wp-content/uploads/PUD-CFD-Presentation-4-3-23-V5.pdf>. A fact sheet for the CFD proposal is available at <https://www.kmpud.com/kirkwood-meadows-public-utility-district-community-facilities-district-no-2023-1/>. See also the KMPUD February 2023 Board Packet for more detailed information.

**21. What is the history of calls and their time and season?**

1. The Fire Services Master Plan has details of all call for the years 2006 through 2016. See pages 8 and 9 at <https://www.kmpud.com/wp-content/uploads/FSMP-ADOPTED-12.08.17.pdf>