

Pliocene Ridge CSD Board Member Handbook
FIRST DRAFT Presented June 2023 (not ready for adoption)

DISTRICT STRUCTURE

The district is set up with two “ZONES” or “FUNDS” these are Fire and Streetlights. To-date PRCSD has referred to the Fire Fund as the General Fund, but there will be an item on the June 2023 agenda to consider changing it to either “The Fire Fund” or “Fire General Fund” for better clarity.

I have attached a copy of the statement that arrived with the last tax revenue check from the county. As you can see, it doesn't specify any allocation, not by fire department, nor for streetlights.

When the district was formed, the amount of money that had been historically paid to the two non-profit fire departments plus the amount historically paid for the streetlights for Alleghany and Forest City per year, was converted into a percentage of the tax base (property tax) within the new district's boundaries.

The original dollar amount was \$28,444, arrived at as follows: historical amount paid to each fire dept. (AVFD & PCVFD) \$11,462 **each** = \$22,924 for Fire Department Services plus \$5,520 in streetlight expense for Alleghany and Forest City. Moving forward, after district formation, the percentage stays the same, but the dollar amount will fluctuate as property values change.

With district formation, the PRCSD Directors decided that the best way to keep the streetlight income and expense separate from the fire income and expense was to create a ZONE for the streetlights. The original streetlight allocation of \$5,520 was converted into a percentage of the Alleghany County Water District tax rate area. Going forward that formula is used to determine the streetlight revenue each year. The County Auditor provides the dollar figure annually. Additionally, the streetlights are charged an equivalent portion of the County Management Fee each year.

The Streetlight Fund or Zone has its own budget section and a reserve fund that is used to capture any extra income at the end of each year, or conversely that can be used to make up any budget shortfalls. This ensures that Fire Fund money is not used to cover the streetlights.

The other Fund or Zone is FIRE. Most of the expenses for the two departments are tracked separately for information purposes. Several expenses cannot be tracked by department, these include the cost of insurance, the independent audit and district administration.

Pliocene Ridge CSD's Directors are fiscally responsible for managing the district as a single entity. Many of us, me included, did not understand this when the district first formed in 2004. We thought that there might be a way to continue to split the Fire Tax Revenue between the two fire departments, we quickly learned that it was not feasible to approach the district's management in that way.

The formation of a district represents a pooling of resources. Even with the drawing of such a large (115 square mile) district boundary, at the time of formation the district did not generate the tax revenue required to support the original allocation of \$28,444. This is because about 66% of the land within the district's boundaries is Forest Service Land that does not generate tax revenue. Most of the private property is in the western portion of the district, so that the Pike area generates more tax revenue than the Alleghany area where most of the public land is located.

Within the district the Board is responsible to spend funds where they are needed. The property that generates the funds does not get a prorated share. That is not how it works. Generally speaking, if taxes were divided up by the properties that generated them, then critical infrastructure would not exist within the State of California. The purpose of pooling resources is to take advantage of that structure. The district's budget has two main sections: Fire and Streetlights.

Are the Fire Departments Separate or not?

There has been disagreement about whether-or-not the fire departments are separate entities. Both answers are right depending on how you look at it.

From a strictly legal perspective, the Alleghany and Pike City Fire Departments are not separate entities because they operate under the sole authority of Pliocene Ridge CSD, sharing the same tax ID #, bank accounts, main income source and administration.

Additionally, all operating agreements with other agencies (Mutual Aid and MOUs) are between Pliocene Ridge CSD and the other agencies. This is because the fire departments do not have individual authority to enter into agreements. They are not separate legal entities from the district, they are departments within the district.

That being said, the departments do have different names attached to their respective communities and are separate in certain ways, much in the same way that Forest Service Battalions are separate. They have their own call numbers, stations, apparatus and crew. They are paged out separately for certain calls outside of the district. Additionally, Pliocene Ridge CSD earmarks money for the individual fire departments under certain circumstances including if a donor wishes to designate their donation to a specific department.

Resources:

Sierra County Auditor Van Maddox was in office when Pliocene Ridge CSD was formed. He was the “number cruncher” and has a clear understanding of the structure of special districts. He is still in office. He is a good source of information.

The California Special District’s Association is another good source of information. Pliocene Ridge CSD is a “Special District”. Other types of special districts include: Cemetery Districts, County Water Districts and Fire Districts. Districts fall under certain general rules (such as the Brown Act), but also have a unique set of rules for each type of district established by the State. These specific codes are referred to as “Enabling Legislation”.

The district’s formation documents are available online at:

<https://www.plioceneridge.org/district-formation-documents>

Pliocene Ridge CSD Bylaws & Policies are available online at:

<https://www.plioceneridge.org/bylaws-policies-procedures>

Pliocene Ridge CSD Financial information, including budgets and independent audit reports available online at:

<https://www.plioceneridge.org/financial-information>

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Auditing Department
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PRESD 4-2023

Memo

To: Pliocene Ridge CSD
From: Van Maddox, Auditor/Controller - Treasurer/Tax Collector - Risk Manager - Budget
Date: April 10, 2023
Re: Distribution of Taxes - April Apportionment

Enclosed, please find a check for tax distribution in the amount of	<u>\$ 12,759.44</u>
Current Secured Property Tax	12,759.44
Current Unsecured Property Tax	-
Prior Secured Property Tax	-
Prior Unsecured Property Tax	-
Supplemental Property Tax	-
Supplemental Unsecured	-
Timber Yield Tax	-
Homeowners Property Tax	-
Interest Apportionment	-
Property Tax Roll Fees	-
Subtotal	12,759.44
Less: Property tax solid waste on the property Tax Roll	-
Total Check Amount Enclosed:	<u>\$ 12,759.44</u>

If you have any questions regarding this payment, please contact the Sierra County Auditor's Office at (530) 289-3273

