

**ROLLING HILLS COMMUNITY SERVICES DISTRICT
MINUTES OF JUNE 30, 2022 SPECIAL MEETING OF THE BOARD OF DIRECTORS**

1. Call to Order/Roll Call.

The teleconference special meeting of the Rolling Hills CSD held on June 30, 2022, was called to order at 7:00 pm by Vice President Brenda Collette in accordance with the Brown Act as currently in effect under the State Emergency Act, Governor Gavin Newsom’s Emergency Declaration related to COVID-19, and Assembly Bill 361, that allows attendance by Board Members, staff, and the public by teleconference. In addition to Vice President Brenda Collette, Directors Mark Magee, Ed McGowan, and Gordon Fawkes, and Board Clerk Linda Stone were present at roll call. There were two members of the public present. President Matt Sites was absent.

2. Public Comment (Items not on the agenda).

None.

3. Old Business

None

4. New Business

a. November 8, 2022 Election – Ballot Measure for Increase of Tax Per Parcel to provide Funding to Maintain and Improve Essential District Infrastructure and Services and for Other Lawful Purposes of the District. Director Gordon Fawkes, Chair of the Long-Range Funding Ad Hoc Committee, briefed the Board members about the committee’s recent meeting to finalize a recommendation to the Board for an increase in the annual tax assessment paid by property owners in the District. He described the basic methodology used to calculate to a dollar amount based on the District’s minimum needs for operations and maintenance, without taking into consideration the deferred and future maintenance needs for aging infrastructure. With an annual budget of approximately \$240,000, divided by the number of parcels excluding Sierramonte, the annual per parcel cost needed is about \$600. With Sierramonte, it is approximately \$536. Knowing that the roads will need maintenance beyond just slurry seal, the Committee said additional funds should be added. The current assessment is only \$200 per year, not having been increased since 1987.

Director Collette said that an increase of \$500, or even total of \$500 (adding an additional \$300) is unrealistic, especially given some public dissatisfaction that the amenities discussed for Berkshire Park have not happened. Director Ed McGowan commented that it is clear an increase is needed, so the Board should at least attempt to pass an increase, even if it fails. There were questions about whether an accelerator could be included, and whether the increase amount could exclude Sierramonte since it is in its own HOA. Director Fawkes revisited the results of the cost allocation analysis done previously as to each neighborhood. Mark Magee, also on the Long-Range Funding Committee, said the Board needs to step up and do what is needed. Concerns were expressed that the District’s needs have not been communicated well enough to the property owners so that they understand **why** there is a need for increase, **how** the money would be used, and the fact that without an increase, there is a grave risk of impending financial insolvency in as little as two to four years.

Discussion was opened up to the two members of the public present. Long time resident, Butch Arietta, commented that the District has done little for Springfield Meadows in the last ten years other than routine maintenance. The Board said in addition to normal maintenance, it had upgraded the lighting in Springfield Meadows to LED lighting. The issue of the speed bumps Butch unilaterally had installed came up in his comments, with his reasoning to slow people down as they enter the neighborhood. Contrary

to one of Butch's comments, the Board clarified that the school bus does, in fact, come into Springfield Meadows and enter the loop, turn around, and exit. Butch said with high gas prices and a possible recession, he does not think an increase of \$350 or \$400 will fly, as that is the reality right now. Director Collette said she doesn't like the idea of an increase either, but she mentioned the Brown Act which imposed additional requirements on CSDs, and the addition of prevailing wage requirements which have impacted the costs of operation and maintenance. Resident Adam Olson, also working with the Long-Range Funding Committee as a member at large, commented that the Board needs time to do this right. He said he is committed to supporting the Board in whatever direction it decides to go, but believes more time is needed educating the parcel owners about the why, how, and possible outcomes if increased funding for the District's maintenance and operations is not approved. Given the significant number of people affected by a potential increase, there is a need for significant time to present a focused information campaign. He believes that when people understand the need, they will want to protect their interest in their investment and support an increase. Director Fawkes said there is four months between tomorrow and the 2022 election, so the Board needs to determine if it can do a sufficient job during that time frame to educate the voters and meet the election deadlines. He said he is ready to continue work to make a case in writing to parcel owners for an increase.

Director Mark Magee made a motion to approve the draft Resolution presented for increase in the authorized tax for each parcel in the District an additional \$500 per year to provide funding to maintain and improve essential District infrastructure and services and for other lawful purposes of the District, subject to the District's General Counsel's advice and approved modifications of the resolution. There was no second to the motion. The motion died. Director Ed McGowan commented that after hearing the discussion, he does not think there is sufficient time to educate the parcel owners and doing an inadequate job in that regard will negatively affect the Board. Director Magee said he has expressed his opinion. On the next agenda, the Board will address the topic of an information campaign regarding the District's financial needs.

5. Adjournment. Upon motion and second, the meeting was adjourned at 8:16 pm.

Submitted by:

/S/

Linda Stone, Board Clerk/Secretary

Approved by Board: July 19, 2022