

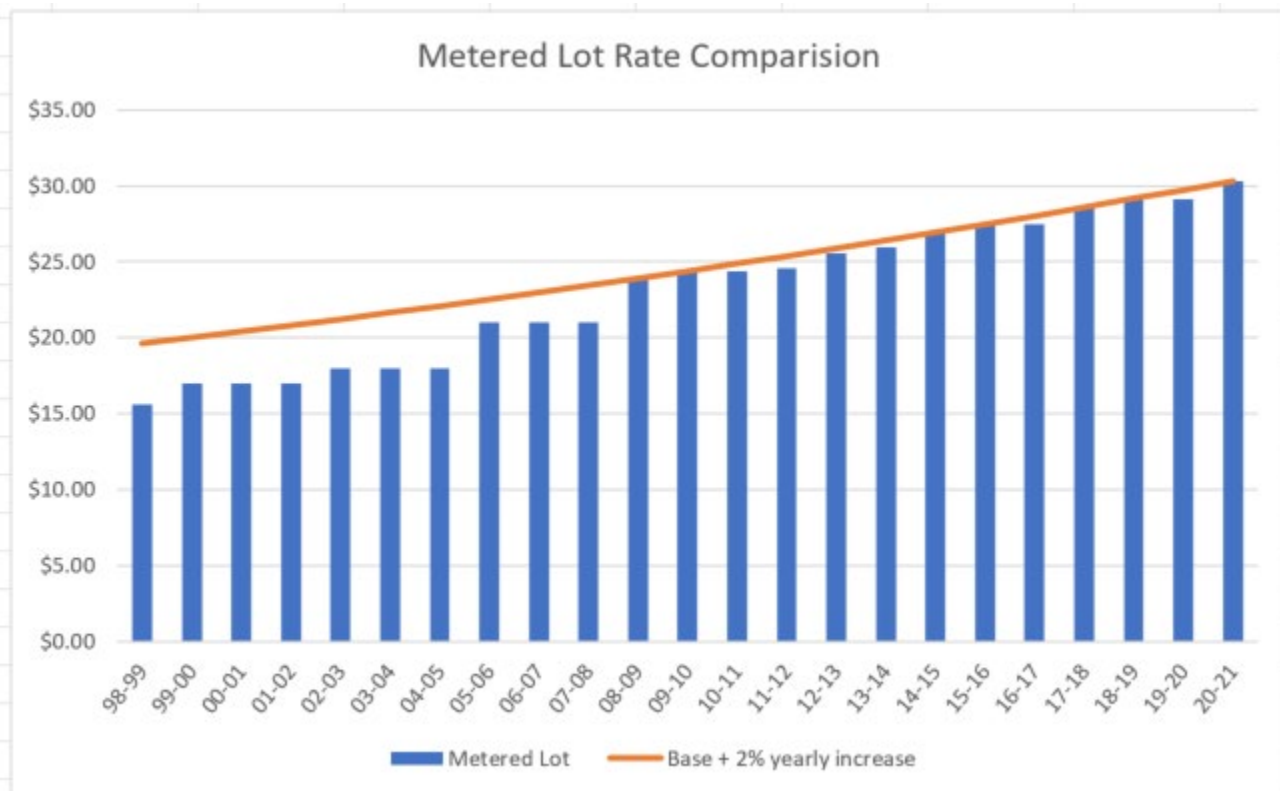
# MEMORANDUM

**Date:** September 16, 2020  
**To:** Board of Directors  
**From:** Tom Hennig, General Manager  
**Subject:** Security Department Revenue, Funding, and Service Options

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## HISTORY

In 1997, the voters of Rancho Murieta approved Measure J, which created a special tax to fund the Security Department. Measure J established a baseline for Security rates. Initially the rates charged to the various customers were less than approved by the voters. (see chart below) For the first few years, the District charged less than the voter approved rates in order to meet budget requirements. As the years progressed, the Security budget demands increased beyond the revenue produced from the tax. In recent years, the security tax was not sufficient to meet budget requirements and the District began to supplement the special taxes with discretionary property taxes. Over the past five years, property taxes have contributed more than one million dollars towards the annual Security budget. Funding the Security budget with general purpose property taxes is not sustainable, and changes to Security operations or the funding mechanism needs to be determined.



## DISCUSSION

Measure J, which created the special tax has a maximum annual increase of 2%. Each year the rates were adjusted to meet the budgetary requirements. Around 2015, the cost for Security began to exceed the maximum available tax revenue. For fiscal year 2020-21, the budgeted cost of Security exceeds tax revenue by more than

\$480,000. Over the next few months, the District will review the options for continued operations of the Security Department. Below is a list of discussion items developed for the Board's consideration.

1. Use of SSD for patrol and police enforcement and related costs.
2. Use of a "blend" of SSD/Security enforcement and related costs.
3. Contracting of a totally privatized patrol system vs CSD officers.
4. Dedicated and separated security outside the gated community.
5. CSD Patrol officer costs.
6. Peak hour and seasonal expanded Security operations.
7. Optimized, appropriately equipped enforcement in undeveloped areas inside the gated community.
8. Amounts of patrol in specific areas and frequency of patrol.
9. Department reserves that will be required to equip the department.

### **SUMMARY**

This discussion will establish a framework for moving forward with a proposal to modify how the District provides Security services, within available revenues, to residents and businesses within Rancho Murieta. District staff will return to the Board in October or November with an update to the options available for management of the Security Department.