

Addendum to PRCSD STAFF report for meeting date 6/15/2023

The following requests were received via email from the Pike Community Support Foundation's Treasurer Denise Ruane: Requests in BOLD with my (Rae Bell's) answers in regular text.

- Staff report refers to a phone call from Roland questioning distribution of funds. That conversation did not occur via telephone, but during a PRCSD meeting. My recollection was that this was phone call to me. Either way, the conversation took place and I later regretted that I did not do a better job answering the question.

- Staff report refers to a spreadsheet in The Hydrant, stating Alleghany's numbers include donations. Why are donations to the District reflected in District expense reports? The numbers used in The Hydrant's spreadsheet were taken from the District's reports; donations from PCVFD to PRCSD were deducted from Pike's numbers, as actual District expenses were to be presented. If donations to the District for Alleghany are present in the District expense report, then the Alleghany expense number reflected in the Hydrant's spreadsheet is necessarily inflated. But again I ask why donations to the District would be reflected in District expense reports? Why would donations to be booked as expenses of the District?

Donations often go into the reserve funds and then they are used to cover expenses. The expense figure shows only the total expense. It does not divulge the income source(s). In my opinion the bigger question is why this comparison of only a few expense accounts during a specific period of time was being made in this way.

- The BOD Handbook draft states "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." District formation documents tell a different story, and I remain curious regarding the origin of those numbers. Please refer to the formation documents and correct the Handbook draft to reflect the information there. (The BOD limited the formation budget of the District to the total of the previous year's ((not "the amount of money historically paid")) entities' budgets, which, WITH OTHER FEES, totaled the \$28,444. As the District's portion of the property taxes from related properties did not reach the limit agreed upon, the balance (\$15,136) was taken from CSA#2 to reach the \$28,444 total. There was never any conversion into a percentage of the tax base.)

I disagree. The dollar figure had to be converted into a percentage of the tax base, that is what determines the district's tax payments going forward. The draft handbook reflects how the LAFCO process was explained to us at the time of district formation. I have sent a copy to Van Maddox to review for accuracy. It is a DRAFT.

- BOD Handbook draft also states "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." This is simply wrong. Again, outside of the dollar amount, the District formation documents tell a different story. Please refer to the formation documents, specifically the letter and spreadsheet from Mr. Copren, and correct the

draft. There were other fees involved in the calculation as reflected in Mr. Copren's spreadsheet. Again, other than the total of \$28,444, not one of the figures quoted in the draft is accurate.

If you look at page 57 of the formation documents it shows that the figure WITH streetlights would be \$28,444 and without the lights it would have been \$22,924. While I no longer remember the exact figures, I was at the meetings, and I remember the debate about whether to include the streetlights.

As the staff report ultimately becomes official record of the District, its validity is important. The above quoted statements need to be corrected to be accurate.

The Handbook is clearly marked as a FIRST DRAFT.

Additionally, when presenting personal opinion, as is the case with the summary and description in the staff report of the Hydrant article, it might be better within the text to remind the readers that it is that - only one person's opinion and/or interpretation.

The header at the top of the staff includes this language: Prepared by Secretary/Treasurer Rae Bell Arbogast– *disclaimer: any opinions expressed in this document belong to the author and do not represent the official stance of the district.*

I agree that I could have stated that again within the text of my report. I will pay more attention to this in the future.