

INDIAN WELLS CITY COUNCIL

January 30, 2025



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, City Finance Director
Subject: **Approval to Call a Special Election to be held on May 6, 2025, To Submit to the Registered Voters in the Fire Access Maintenance District No. 1 (FAMD) the Proposal of a New Special Tax within the FAMD for the Purpose of Providing Security, Street Maintenance and Repair, and Landscape Services, as Directed by the Board of Directors of the FAMD**

RECOMMENDED ACTIONS:

Council **APPROVES** Fire Access Maintenance District No. 1 (FAMD) request calling for a Special Election to be held on May 6, 2025, for all registered voters in the FAMD; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

SUMMARY:

Pursuant to City Ordinance 413, the City Council is required to adopt an annual resolution authorizing the placement of the Fire Access Maintenance District (FAMD) Special Parcel Tax on the county tax roll. This special parcel tax generates revenues to fund security, street maintenance, and landscape upkeep within the District.

At its regularly scheduled meeting on January 9, 2025, the FAMD Board formally requested that the Indian Wells City Council authorize a special election to consider an annual FAMD tax levy increase. The proposed increase is intended to ensure the continued provision of the current level of operational services within the District. Additionally, it seeks to establish a capital reserve program to address anticipated future capital improvement projects, thereby ensuring the District's long-term sustainability.

By proactively addressing future funding needs, the proposed levy increase not only preserves the high-quality services residents have come to expect but also positions the District to respond effectively to emerging infrastructure requirements. Building a dedicated capital reserve ensures that funds are available for significant projects without

placing undue financial strain on the District in future years, thereby reinforcing fiscal responsibility and strategic planning.

The FAMD Board of Directors desires to raise the special tax as:

	<u>Current</u>	<u>Proposed</u>
Improved	\$1,030	\$1,514
Unimproved lot, 1 acre or less	\$700	\$1,029
Unimproved lot, greater than 1 acre	\$550	\$809
Country Club	\$190,000	\$279,300

The FAMD Board of Directors proposes including an annual special parcel tax escalation factor based on the greater of 3% or the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers in the Riverside-San Bernardino-Ontario Area, measured from January of the preceding year to January of the current year.

BACKGROUND:

The timing of this proposal is critical. Approval at the January 30, 2025, City Council meeting is essential to meet the statutory minimum 88-day notice requirement, allowing the FAMD Board to conduct the Special Election on May 6, 2025.

The FAMD Board has proactively gathered community support and raised awareness for the ballot initiative. These efforts include:

- Actively canvassing the District to engage residents and promote understanding of the proposal.
- Approving and distributing educational materials to inform stakeholders.
- Forming resident committees to address key issues and solicit additional community input.

The City will play a pivotal role throughout the balloting process. City staff will:

- Participate in and provide support at FAMD-led educational sessions.
- Collaborate with the FAMD Board to develop presentation materials aimed at enhancing public awareness.
- Manage and oversee the Special Election and Public Hearing processes in compliance with applicable regulations.

FISCAL IMPACT:

There will be no fiscal impact on the City as the FAMD will bear all costs associated with the ballot and election process. At its January 9, 2025, meeting, the FAMD Board approved a supplemental appropriation to fully fund these expenses.

This initiative reflects a coordinated effort to ensure the District's long-term financial sustainability while maintaining transparency and active engagement with residents.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Resolution