



Board Agenda Item 10

DATE: September 12, 2017

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Proposal from Fresno County Fire Protection District for extended service coverage

RECOMMENDED ACTION(S):

Provide direction to staff regarding a proposal from Fresno County Fire Protection District to provide fire and emergency response to County territory not served by a designated agency.

Fresno County Fire Protection District (FCFPD or District) provides fire suppression, prevention, rescue, emergency medical services, and hazardous material emergency response and other services relating to the protection of lives and property within its territorial limits. FCFPD is offering to extend those services to areas within the County that are not now served by a recognized fire protection agency. In exchange, the District is seeking reinstatement of the property tax augmentation eliminated by the Board in FY 2008-09.

FISCAL IMPACT:

There is no fiscal impact with this item. Depending on input and direction provided, staff will return to the Board with specific recommendations and any associated fiscal impacts.

DISCUSSION:

FCFPD has approached the County with a proposal to provide enhanced fire and emergency services to territories within the County that are beyond the boundaries of the District. Those areas are shown on the attached map and referred to as "Unprotected Area". In exchange, the District is asking that the County reinstate funding eliminated in FY 2008-09 due to the recession to partially offset revenue that was lost as a result of the Educational Revenue Augmentation Fund (ERAF) shift that was imposed by the State in the late 1990's.

In addition, the District has been asked to modify or eliminate their Community Facilities District (CFD 2010-01) Mello-Roos fees, in CFD 2010-01. CFD 2010-01 Zone 1 is the Millerton New Town area. CFD 2010-01 Zone 2 is the balance of the District. The question is whether to ask the District to abandon or simply modify Zone 2 fees.

From a historical perspective, Proposition 172 (Prop 172), a one-half percent public safety statewide sales tax, was enacted to partially backfill the loss of revenue from ERAF. The Board initially chose to use those funds to augment revenues for the Sheriff, District Attorney and Probation. In 2004, the Board chose to include fire districts which had suffered an ERAF loss within the definition of essential public safety entities. There were two such districts - FCFPD and Fig Garden Fire Protection District. The inclusion of those districts was only to occur when there was growth in the Prop 172 revenues. The distribution of Prop 172 funds to the districts occurred from FY 2003-04 thru FY 2007-08. Thereafter, due to the general state of the economic downturn, the Board elected to return to the original distribution.

The particular points of the proposal and Staff's requests for direction are as follows:

1. Based on calculations done by the District, the initial baseline funding would start at \$1,559,979. This amount was derived through a formula that relates the Prop 172 partial backfill to the loss in revenue from the ERAF shift. This amount would change from year to year by a growth factor based on which methodology is used. It is important to note that Prop 172 revenues are not being considered for this purpose.
 - a. The baseline amount would rise or fall equal to the percentage increase or decrease in Prop 172 revenues, or
 - b. The baseline amount would rise with the allowable increase in assessed valuation for property tax purposes, keeping within the maximum Proposition 13 limits of 2%.
 - c. In either case, there would be a six-year phase-in of funding such that the first year would be approximately 16.67% of the initial baseline, the second year would be 33.33% of the baseline as modified by the growth factor, and so forth. A chart showing the effect of the phase-in is included as Attachment A. In that example, the growth factor was set at 2% per year.
2. The District is being asked to modify or eliminate its fee structure related to its CFD 2010-01 Zone 2. Staff is requesting input as to the extent of the modifications being sought. It is important to note that CFD 2010-01 was imposed by the District and only the District, following a proper, legally prescribed process, can make a change to the existing fee structure. Questions to consider are as follows:
 - a. Should the request be to simply modify or eliminate the fees altogether?
 - b. Would a re-setting of the fees to zero during the term of the agreement between FCFPD and the County be sufficient?
 - c. Should this action by the District be a condition precedent to the payment of any funds by the County?
3. The District is asking that the County seek to include language within its Master Tax Sharing agreements negotiated with the cities to standardize the transition plans required by the Local Agency Formation Commission (LAFCo) as part of annexation processes.
4. The District will be required to develop a service plan for the territories to be served under this proposal. In addition to delineating the scope of the proposal, the plan will be submitted to LAFCo for approval. LAFCo has authorized its Executive Officer to approve such plans rather than necessitating a hearing by the Commission.
5. Due to the nature of the proposal, a long-term arrangement is being sought. Given the proposed phase-in of the funding, the term would be for 20 years with 10-year renewals. Standard termination clauses such as non-sufficient funds would necessarily need to be included.
6. The District would be responsible for outreach to Bald Mountain Fire Protection District, CSA 50 (Auberry Volunteer Fire District), CSA 31 (Shaver Lake Volunteer Fire District) and Orange Cove Fire Protection District as existing agencies may be supported and/or impacted by the anticipated extension of service by FCFPD. It is anticipated that the smaller volunteer companies would welcome the added support such as training opportunities, and equipment service, repair and acquisition savings.
7. The Amador Plan agreement will continue to be between the County and Cal Fire.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Map
Attachment A

CAO ANALYST:

John Hays