Legislation Details (With Text)

File #:	18-0760	**Name:**	Fresno County Fire Protection District MOU for Extended Service Coverage
		In control:	Administrative Office
On agenda:	7/10/2018	**Final action:**	7/10/2018
Enactment date:		**Enactment #:**	Agreement No. 18-381

Title: Provide direction to staff regarding your Board's preferred implementation option with the Fresno County Fire Protection District to provide fire and emergency response to County territory not serviced by a designated agency

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agenda Item, 2. Agreement A-18-381 with FC Fire Protection District, 3. Exhibits A-D2, 4. Attachment A, 5. Additional Information

Date	Ver.	Action By	Action	Result
7/10/2018	1	Board of Supervisors	Conducted Hearings	Pass

DATE: July 10, 2018

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Fresno County Fire Protection District MOU for Extended Service Coverage

RECOMMENDED ACTION(S):

Provide direction to staff regarding your Board's preferred implementation option with the Fresno County Fire Protection District to provide fire and emergency response to County territory not serviced by a designated agency

Option 1: **Approve and authorize the Chairman to execute a 20-year retroactive Memorandum of Understanding with the Fresno County Fire Protection District, effective July 1, 2017 through June 30, 2037, which may be extended for additional consecutive 10-year periods (or 5-year periods based on Board direction).**

Option 2: **Approve and authorize the Chairman to execute a 10-year retroactive Memorandum of Understanding effective July 1, 2017 through June 30, 2027 (subject to approval by County Counsel and Auditor-Controller), which may be extended for additional consecutive 10-year periods (or 5-year periods based on Board direction).**

Fresno County Fire Protection District (FCFPD) 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 (Exhibit A). The FCFPD is offering to extend those services to areas within the County that are not served by a recognized fire protection agency. In addition, FCFPD is willing to modify its Communities Facilities District (CFD) program in three important areas. The removal of all

Non-Conforming Property from both CFD Zones; removal of Single-Family Residence unless as part of a sub-division of three or more housing units; and a refined definition of commercial and industrial properties subject to the CFD resulting in an estimated reduction of billings by approximately 37% as depicted in Attachment A. In exchange, the FCFPD is seeking reinstatement of the property tax augmentation eliminated by the Board in FY 2008-09.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended action and not reinstate the property tax augmentation.

RETROACTIVE AGREEMENT:

The recommended agreement is retroactive to July 1, 2017 as Board direction was received in September 2017, which was followed by additional agreement review and approvals from all departments involved.

FISCAL IMPACT:

Anticipated costs will vary depending on which option is chosen by your Board.

Option 1: Includes a phase-in of funding for the first six years, which starts at approximately 17% of baseline needs and increases by approximately 17% annually, with a 2% growth factor until funding reaches 100% of baseline as detailed in Exhibit D-1. The baseline amount of $1,555,979 approximates what the allocation would have been to the FCFPD if it were not eliminated in FY 2008-09. Total cost over the 20-year base agreement is $33,810,950. Should the option to extend the agreement an additional 10 years be exercised, the total cost would increase by $25,316,882 for a total of $59,127,832.

Option 2: Includes the phase-in funding for the first five years; however, it reduces the baseline needs dollar amount from $1,555,979 to $1,000,000 as detailed in Exhibit D-2. The baseline amount of $1,000,000 approximates what the FCFPD would have received in FY 2008-09 at the beginning of the Great Recession. Additionally, this option reduces the term of the agreement to a 10-year base agreement totaling $8,909,319. Should the option to extend the agreement an additional five years be exercised, the total cost would increase by $6,343,696 for a total of $15,253,015. Should the option to extend the agreement an additional 10 years be exercised, the total cost would increase by $13,347,648 for a total of $22,256,967.

DISCUSSION:

For historical reference, in 1993, voters passed Proposition 172 (Prop 172), a one-half percent public safety statewide sales tax to partially backfill the loss of revenue from the State's redirection of local property taxes to schools through the Education Revenue Augmentation Fund (ERAF). The Board initially chose to use these funds to augment revenues for the Sheriff, District Attorney and Probation. In 2004, the Board chose to include fire districts that 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 discontinue the distribution to the fire districts.

FCFPD approached the County with a proposal asking that the County reinstate the funding eliminated in FY 2008-09 due to the recession. In exchange, the District would 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 (Exhibit B) and referred to as "Unprotected Area".

The District would also modify their CFD program which includes removal of all non-conforming property from

both Zone 1 (Millerton New Town area) and Zone 2 (the remainder of the District), removal of single family residence unless as part of a sub-division of three or more housing units, and a refined definition of Commercial and Industrial projects subject to the fees (Attachment A).

Option 1: Based on calculations done by the District, and confirmed by the County Administrative Office, 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 assessed valuation for property tax purposes, keeping within the maximum Proposition 13 limits of 2%. It is important to note that Prop 172 revenues are not being considered for this purpose. There will 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 Exhibit D-1 for option 1 and D-2 for option 2. In these examples, the growth factor was set at 2% per year.

Due to the nature of the proposal, the FCFPD is seeking a long-term arrangement. Option 1 is a term of 20 years with 10-year renewals (or 5-year renewals based on Board direction).

In addition to extending services to areas of the County currently not served by a recognized Fire Agency, the FCFPD shall provide funding ($10,000 credit for each group per year) to be used for emergency resources, fire prevention and code enforcement services, training and mandate compliance, and apparatus repair and maintenance for the volunteer fire companies (Huntington Lake Volunteers, Big Creek Volunteers, Pine Ridge Volunteers, Mountain Valley Volunteers, and Hume Lake Volunteers) as detailed in Exhibit C.

The District will also provide the same services on a discounted basis to Bald Mountain Fire District, CSA 50 (Auberry Volunteers), and CSA 31 (Shaver Lake Volunteers) as existing agencies may be supported and/or impacted by the anticipated extension of service by the 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

Option 2: Includes the same phase-in funding percentages and growth factor as option 1. However, it reduces the baseline funding to $1,000,000 and reduces the term to 10 years with 10-year renewals (or 5-year renewals based on Board direction).

This option would require a minor revision of the agreement and be subject to additional review by County Counsel and the Auditor-Controller prior to execution by the Chairman.

The Amador Plan agreement between the County and Cal Fire will not be effected by this agreement.

OTHER REVIEWING AGENCIES:

The FCFPD Board of Directors has reviewed the agreement as presented for option 1. Should your Board approve recommended action option 1 or option 2, the FCFPD Board will meet to approve. The Fresno County Chairman of the Board will execute the agreement upon receipt of the signed agreement from the FCFPD.

REFERENCE MATERIAL:

BAI #10, September 12, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement
Exhibits A-D2

Attachment A

CAO ANALYST:

Ronald Alexander