



Board Agenda Item 6

DATE: June 30, 2026

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Majority Protest Hearing on Benefit Assessment for Fire Protection and Emergency Medical Services in Fresno County Service Area 50

RECOMMENDED ACTION(S):

Conduct majority protest hearing and receive ballots from owners of property within Fresno County Service Area 50, prior to the close of such majority protest hearing, as required under California Constitution Article XIII D, Section 4 (Proposition 218), on a proposal to increase the annual fire protection and emergency medical services benefit assessment for such District, and upon completion of such majority protest hearing, approve item A or B, as applicable, as determined by the Board of Supervisors (“Board”):

- A. If the Board finds that there is not a majority protest against such proposal to increase the annual assessment, the Board may adopt a Resolution authorizing the proposed increased assessment for Fresno County Service Area 50, effective July 1, 2026; or**
- B. If the Board finds that there is a majority protest against such proposal to increase the assessment, make the determination that there is such a majority protest and abandon proceedings regarding such proposal to increase the assessment, and direct the Department of Public Works and Planning to hold a public meeting with the Fresno County Service Area 50 community to discuss immediate cost saving steps.**

There is no Net County Cost associated with the recommended actions. Fresno County Service Area 50 (“CSA 50”) currently provides fire protection and emergency medical services to approximately 1,229 parcels (1,093 EDUs) in the Auberry community. The proposed increase to the annual fire protection and emergency medical services benefit assessment (assessment) is recommended to:

- Fully fund CSA 50 operating costs;
- Maintain an operating reserve of approximately 50% of annual costs;
- Fund an annual capital replacement reserve beginning in FY 2026-27; and
- Improve the financial condition of CSA 50.

The proposed assessment is expected to increase by approximately \$21.58 per EDU, or about 23% (from \$92.26 to \$113.84), generating approximately \$124,427 in the first year (FY 2026-27). There is a “majority protest” if the valid ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the valid ballots submitted, and not withdrawn, in favor, with each ballot weighted according to the proportional financial obligation of the affected property. If there is a majority protest, the increased assessments cannot be approved by your Board. This item pertains to a location in District 5.

ALTERNATIVE ACTION(S):

Staff have not identified any viable alternative. CSA 50 serves as the funding mechanism for fire protection and emergency medical services provided by the Auberry Volunteer Fire Department (AVFD). If your Board declines to conduct the majority protest hearing as recommended, or if a majority protest occurs, the proposed benefit assessment cannot be imposed. While CSA 50 has sufficient reserves to temporarily sustain payments under current AVFD agreement in effect through June 30, 2026, including the annual reimbursement amount of \$104,200, these reserves will be depleted in the near term. Once reserves are exhausted, CSA 50 will be unable to fund its contract with AVFD, maintain essential equipment, or support minimum fire protection and emergency medical service levels for the community.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. All costs associated with CSA 50, including those associated with the majority protest hearing, are paid by the parcels in CSA 50, which receive special benefit from fire protection and emergency medical services.

If there is a majority protest by owners of property within CSA 50 so that the proposed benefit assessment could not be charged, there would be insufficient funds to meet the ongoing obligations of CSA 50, including funding the contract with the AVFD for fire protection and emergency medical services, once existing reserves are exhausted. Also, Department of Public Works and Planning (Department) staff would hold a public meeting with the CSA 50 community to discuss immediate cost-saving steps and possible ramifications, which could include reductions in fire protection and emergency medical service levels, the inability to fund required equipment replacement, or the potential for dissolution of CSA 50.

DISCUSSION:

1. History and location.

CSA 50 was established in 2003 to provide a stable funding mechanism for fire protection and emergency medical services for the Auberry community. Services are delivered through a reimbursement agreement with the AVFD, a California nonprofit corporation that has provided fire and EMS services in Auberry since 1957. CSA 50 contains approximately 1,229 parcels and 1,093 EDUs.

2. Current assessment.

The current annual assessment for CSA 50 is \$92.26 per EDU, generating approximately \$102,500 in annual revenue. This assessment has not been updated since 2003. Due to increasing operational and equipment needs, current assessment revenues are no longer sufficient to meet service demands, particularly following recent increases in AVFD's actual costs.

3. Recent increase in service costs.

In May 2025, your Board approved Amendment I to Agreement No. 21-227, with AVFD for fire protection and emergency medical services, increasing the annual maximum compensation payable to AVFD to \$104,200 for FY 2024-25 and FY 2025-26 to cover rising operating costs associated with the purchase of a water tender and essential equipment upgrades. This increase, combined with inflationary pressures and escalating equipment replacement needs, has resulted in annual expenditures exceeding existing revenues. As a result, CSA 50 has relied on reserves to sustain current service levels.

4. Proposed benefit assessment.

The proposal to update CSA 50's annual assessment is being made because current revenues cannot sustain ongoing costs of fire protection and emergency medical services. The proposed assessment for FY 2026-27 is \$113.84 per EDU, generating approximately \$124,427. This represents an increase of \$21.58 per

EDU (from \$92.26 to \$113.84), or about 23%, and will align CSA 50's funding with its contractual and operational costs. The proposed assessments are attached to this agenda item as Exhibit B.

Future adjustments of up to 3% annually may be applied to address inflation and ensure long-term financial stability. The assessment methodology is based on Equivalent Dwelling Units (EDUs) that proportionately allocate costs to properties receiving special benefit.

The proposed assessment increases will allow CSA 50 to:

- Fund CSA 50 operating costs;
- Maintain the Board-required operating reserve of approximately \$65,000 (50% of annual O&M costs);
- Fund a \$20,000 annual capital replacement reserve beginning in FY 2026-27; and
- Improve the long-term financial condition of CSA 50.

Assessment recommendations are designed to fund CSA 50's short- and long-term costs of providing service and fairly allocate costs to all benefiting parcels. The proposed assessments are based on the reasonable cost of providing service and do not exceed the proportional cost of the service attributable to the parcel.

5. Reserve status

On November 7, 2006, the Board of Supervisors adopted a policy requiring special districts to maintain a reserve equal to 50% of a three-year rolling average of annual operating costs. CSA 50 currently maintains a fund balance of approximately \$94,534, which exceeds the County's 50% operating-reserve target for FY 2025-26. However, absent an updated assessment, these reserves will be depleted in the near term due to AVFD's increased contract costs and rising operating and equipment needs. Once reserves are exhausted, CSA 50 will be unable to meet its contractual obligations to AVFD or maintain minimum fire protection and emergency medical service levels in the community.

The proposed increase will increase the annual fire protection and emergency medical services assessment to better align with actual costs to provide services, starting on July 1, 2026, assuming no majority protest, and your Board's approval of the higher assessment proposed in this item.

6. Meeting with community.

On April 23, 2026, Department staff met with the CSA 50 property owners and discussed the possibility of initiating the Proposition 218 process to restructure and increase the assessments due to insufficient funds to maintain fire protection and emergency medical services.

7. Notices to community; meeting with community.

On May 12, 2026, your Board adopted a resolution initiating the Proposition 218 assessment proceeding for CSA 50 and setting the majority protest hearing for June 30, 2026. On May 15, 2026, as required by Article XIII D, Section 4 of the California Constitution (Proposition 218), a notification for the Protest Hearing (Notice) was mailed to all record owners of parcels within CSA 50 subject to the proposed increased benefit assessment. The Notice (Exhibit C) explained the basis for the proposed assessment, the procedure for submitting a ballot, and the financial impacts of the proposed assessment on CSA 50.

The Notice also explains that if the number of timely, valid ballots in opposition to the proposed assessment exceeds those in favor, your Board may not increase the assessment.

On June 10, 2026, Department staff met with the CSA 50 property owners and residents to explain the

proposed increase to the fire protection and emergency medical services assessment. Additionally, staff explained the Proposition 218 process and the ramifications of a majority protest.

8. Ramifications of majority protest.

If protests from a majority of property owners in CSA 50 are not received before the close of the protest hearing, your Board may approve the recommended assessment increase. If so approved, the increased assessment will become effective on July 1, 2026, and will be levied on the FY 2026-27 tax roll.

However, if the number of timely, valid ballots in opposition to the increased assessments exceed those in favor by the close of the majority protest hearing, then there will be a majority protest, and the increased fee cannot be imposed. If a majority protest occurs, CSA 50 would then be limited to its remaining fund balance and would exhaust reserves in the near term. Once reserves are depleted, CSA 50 would no longer be able to fund its reimbursement contract with AVFD, support required equipment replacement or maintain minimum fire and emergency medical service levels. Department staff would meet with the CSA 50 community to discuss cost-saving steps and potential long-term ramifications, including reductions in service or possible district dissolution.

Assessment Ballot Process and “Majority Protest”

The process for levying a benefit assessment on real property must conform to the requirements of Proposition 218, as passed by the voters of the State in November 1996, and placed in the California Constitution as Articles XIII C and XIII D. The requirements applicable to assessments are in Article XIII D, Section 4. These requirements apply to the assessment proceeding before the Board in this item.

A notice, including an assessment ballot, was mailed to all property owners within the CSA 50 on May 15, 2026, 45 days before the protest hearing before the Board today.

For an assessment ballot to be counted, it must be properly executed and delivered, as follows:

- (1) By U.S. mail so that it is received by the Clerk of the Board no later than 9:30 A.M. on June 30, 2026;
or
- (2) Otherwise delivered to the Clerk of the Board no later than 9:30 A.M. on June 30, 2026; or
- (3) Delivered at the Board’s majority protest hearing on June 30, 2026, before the close of public testimony during said hearing.

Assessment ballots will remain unopened and in the charge of the Clerk of the Board until they are opened and tabulated after the conclusion of public testimony at the majority protest hearing.

The following types of assessment ballots have been available to property owners of the specially benefitted parcels:

Substitute assessment ballots (for change or withdrawal of an assessment ballot, or owner claims that he or she did not receive or lost the assessment ballot, or that the assessment ballot is unusable).

New owner assessment ballot (for changed ownership after date of Engineer’s Report).

Co-owner assessment ballots (for more than one of the record owners of a parcel wishes to submit an assessment ballot for his or her interest).

The foregoing alternate forms of assessment ballots are provided by the Clerk of the Board once the property owner executes an appropriate County request form. All such alternate forms of assessment ballots will relate to the same proposed assessment and will be counted in the same manner as a standard assessment ballot.

All properly completed and timely returned assessment ballots will be tabulated only after the conclusion of the majority protest hearing. The proposed assessment shall not be imposed if the total weighted value of the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the total weighted value of the assessment ballots submitted, and not withdrawn, in favor of the proposed assessment (i.e., a "majority protest"). All assessment ballots are weighted according to the proportional financial obligation of the affected property.

REFERENCE MATERIAL:

BAI #35, May 12, 2026
BAI # 14, May 20, 2025
BAI # 12, August 19, 2003

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - CSA 50 Boundary Description and Map
Exhibit B - CSA 50 Assessment Roll
Exhibit C - Notice
On file with Clerk - Engineer's Report
On file with Clerk - Resolution

CAO ANALYST:

Maria Valencia