

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JANUARY 23, 2019

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

**AGENDA ITEM #12: STUDY SESSION ON OPTIONS FOR ALTERNATIVE
GOVERNANCE MODELS FOR FIRE SERVICE**

RECOMMENDATION

None, this is a receive and file item; however, direction can be provided to staff regarding future study sessions or items to research further.

REASON FOR RECOMMENDED ACTION

At the June 2018 meeting, the Commission directed staff to schedule a study session to discuss the current state of fire districts. The study session was held on September 26, 2018, with the direction to study the San Diego model for fire services and report back.

BACKGROUND

The challenges for the continuation of poor, rural fire districts in this County have been well documented, at LAFCO and by other studies, most notably by the 2010 Fire and Emergency Services Study conducted by Citygate and the El Dorado Grand Jury. As a result, the findings will not be reiterated here. This report speaks more to the possible governmental reorganization options that are available to the stakeholders should they choose to pursue them.

The Status Quo Option (active participants: all FPDs)

The first option to explore is for LAFCO to do nothing. Some districts are trying to find solutions on their own. Rescue FPD is exploring a Schedule A Contract with CALFIRE (the latter would provide personnel to staff stations for a negotiated price), while Diamond Springs-El Dorado FPD is pursuing an Amador Contract with CALFIRE (provides year-round staffing of CALFIRE stations which would normally be closed during the “non-fire” season) to enhance its own personnel. The voters in Mosquito FPD will be considering increasing their special taxes to support their fire department in

a special election later this year. Finally, North Tahoe FPD will likely annex Meeks Bay FPD. These options are being pursued by their respective boards of directors because they think these options best suit their circumstances.

Analysis

While there is no legal requirement for LAFCO or any other party to “do something,” there is no doubt that the impetus is there to provide better service in the wake of the Camp Fire in Butte County and the Tubbs Fire in Napa, Sonoma and Lake Counties (not to mention El Dorado County’s own Angora and King Fires). Having 13 fire suppression providers for a county with a population of less than 200,000 people can lead to redundant staffing and the lack of coordination of resources, however unintentional that may be. In addition, it is important not to lose sight of one of the conclusions Citygate came to in its Fire and Emergency Services Study. Citygate found that emergency response times in El Dorado County are within industry guidelines; however, fire suppression services have a *weight of attack* problem. That is, the system does not field sufficient resources to keep potentially serious emergencies contained and small.

In addition, while the districts have done an excellent job with harmonizing some aspects to their operations (joint purchasing of equipment, training and dispatch of the closest engine), there is no doubt that there are limits to that coordination without a unified management and command structure. Indeed, each fire district is purposely empowered by California statutes and its Constitution to operate as an autonomous entity without intrusion from other local governments. But because of that operational independence, the planning, funding, and operational functions of structural fire protection services are performed with various degrees of isolation. This is to be expected in a system with 65 independently elected officials and 13 fire chiefs. While the performance of individual agencies is without fault, it is inevitable that the effectiveness of countywide service is impacted by having the 13 agencies making isolated policy decisions. In short, this lack of coordination introduces inefficiencies that dry up funds that could be better used to improve the weight of attack problem.

The Orange County Model (active participants: all FPDs, possible role for the County)

The Orange County Fire Authority (OCFA) is the product of a joint powers agreement between Orange County and 22 member cities. The legislative body of the OCFA includes 2 Orange County Supervisors and elected officials from the member cities. In addition to structural fire protection and emergency medical services, the State contracts with OCFA to provide wildland fire protection in State Responsibility Areas in Orange County. OCFA personnel provide service to approximately 551 square miles from 61 fulltime and 20 reserve OCFA stations. OCFA is a single department with a unified command and operation. It employs a single fire chief as well as all of its subordinate personnel.

Analysis

With the ambulance JPAs, there is already a comparable experience in this county of how this type of structure would work. However, unlike the ambulance JPAs, where the member agencies employ personnel and retain control for those in their employ,

management and compensation, under the OCFA model, the component El Dorado County FPDs would pool and transfer its assets, revenues and personnel to the JPA. The JPA would then be the employer and provider of services within the total service area created by its member agencies. Despite the continued existence of the FPDs as political entities, the deployment, coordination and planning of resources would be under the management of the JPA and its unified command structure.

Please note that legislative changes created by last session's AB 1912 (Rodriguez), by which JPA members jointly share the total retirement liability of its employees, may make the formation of new, personnel-heavy JPAs more difficult.

The San Diego Model (active participants: County, FPDs)

In order to understand what is happening in San Diego, the setting must be set. Fire suppression in San Diego was (and still is) provided by a mixture of city, tribal and volunteer fire departments, six county service areas, CALFIRE, and fire protection districts. Prior to 10 years ago, there were also large areas within the unincorporated San Diego County that were outside the jurisdiction of any fire department. The shortcomings of this hodgepodge system were highlighted by the Cedar Fire in 2003. Among other conclusions, the lack of preparation and poor coordination between the fire districts was criticized in several post-fire assessments. Another contributing factor that made response so problematic was the existence of the aforementioned areas outside of a fire agency.

From a fiscal standpoint, the County of San Diego had created a "Fire Enhancement Program" to provide financial assistance to several rural fire districts that were created post-Proposition 13. Similar to the County of El Dorado's now-cancelled Aid to Fire, this was a voluntary allocation of discretionary General Fund revenue to fund fire protection and emergency medical services in the unincorporated area. Unlike Aid to Fire, the Fire Enhancement Program had several components, including grants, awards for equipment, and funding for Schedule A and Amador contracts with CALFIRE to enhance or cover areas outside of a fire protection district.

The San Diego model consists of many technical pieces that would make this report too exhaustive for purposes of this discussion. As a result, it will be represented in very broad terms. The San Diego model has two basic components. First was the activation of the latent power of fire suppression services on a county service area. CSA 135 encompasses most of the unincorporated portions of San Diego County. The first step in making this component happen was that the County of San Diego accepted the responsibility for fire suppression. Counties are not legally required to provide this service. In anticipation, San Diego's Department of Planning and Land Use prepared a "Conceptual Reorganization of San Diego County Fire Services" document that served as a service plan (what services are to be provided, how they will be provided, their costs and the identification of revenues that will be used to cover those costs). The San Diego Board of Supervisors then contracted with CALFIRE to provide staffing and respond to emergencies within CSA 135's fire service area.

The second component has been the annexation of "Phase I" agencies into the CSA 135. Within this group are all areas outside of a fire suppression agency and at least 7 local agencies and volunteer fire departments. Excluded from Phase I agencies were cities, all tribal reservations, four municipal water districts and a couple of agencies that

requested either permanent exclusion or a postponement to “Phase II.” Since the adoption of this plan in 2007, San Diego LAFCO has been in the process of methodically annexing territory into CSA 135. The only setback to this process occurred fairly recently when the Julian-Cuyamaca volunteer fire fighters were successful in obtaining a sufficient number of signatures to trigger an election on the question of annexation of the Julian-Cuyamaca FPD service area. The election is scheduled to occur later in 2019.

Upon absorption, all revenues (property tax, special taxes and benefit assessments) and assets were transferred to CSA 135. Regarding areas outside of FPDs, CSA 135 extended service to that area as well; however, because of quirks introduced by Proposition 13 and subsequently by Assembly Bill 8 (which implemented Proposition 13), it is not possible for CSA 13 to receive a percentage of property taxes on the base property taxes. Property tax monies received through the absorption of these areas will be limited to revenues from the annual increase in assessed value. To shore up the funding gap, the County of San Diego had to reprioritize other General Fund monies to cover the cost of service to these areas.

Voters approved Measure A on the November 2018 ballot. This clean-up measure, among other things, recognizes the San Diego County Fire Authority as an organizational unit with the Office of the Chief Administrative Officer. San Diego LAFCO staff hope that this approval makes the Fire Authority eligible to have a dedicated portion of property tax revenue.

Analysis and Where Staff is Headed

Of the options presented here, the San Diego model seems to be the best suited to the current circumstances, addressing the issue of sustainable fire suppression under a unified command. Again, the goal of the unified command is to ensure resources are deployed efficiently and effectively. A secondary, but no less important, goal is to capture as much savings as possible within the system to begin addressing the weight of attack problem that exists in the county. Whatever cost savings can be achieved by eliminating redundancies through a unified command means more funds that can be used to improve the weight of attack problem.

Similar to the San Diego model, the County of El Dorado would apply to LAFCO to activate the latent fire suppression powers of CSA 7 under Government Code 25213(b), providing LAFCO with a map of the metes and bounds as well as a service plan. But the true starting point should be the County doing a proper cost-benefit analysis of fire services and further explore the financials of this proposed fire authority. Assuming that all requirements under the law are met and LAFCO approves the activation of the power, the County can do one of the following:

- A. Create its own fire department/authority to provide services. This would entail the County being the direct employer and manager of services; or
- B. Outsource the provision of services, either to CALFIRE, some of the larger fire departments or a JPA composed of the larger fire departments

This structure opens the door for FPDs to apply for dissolution and have the County assume the provision of fire suppression services within their service area. The boundaries of the FPD become service zones, retaining the currently-available

revenues within a specific area (e.g. special taxes or benefit assessments). Doing it in this manner is necessary because:

- 1) State Law prevents two agencies from providing the same service on the same geographic area; therefore, the assumption of services by CSA 7 is not automatic;
- 2) This ensures the comprehensive transfer of assets, liabilities and revenues from the FPD to CSA 7, as well as any contracts that all involved parties desire to continue; and
- 3) It is likely that some FPDs will choose to remain an independent fire department. For those districts that opt-in, LAFCO, the County and its partners can provide assistance to make it a smooth transition. Those districts that opt-out can continue operations and pursue other avenues to sustainability on their own.

The opt-in system also allows for a more methodical ramp-up and coordination of events as one independent special district winds down operations and CSA 7 takes over service. Besides the total number of districts that will ultimately opt-in, it is unknown how quickly districts will choose to opt-in if and once this option is available.

Next Steps

The size of this report hides the complexity that this type of reorganization entails, not just from a LAFCO perspective but also from a logistical standpoint. The dangers of providing too much information are that either it can make a report so dense the reader loses the forest for the trees or the discussion can be taken sideways by some minor-yet-controversial detail. As a result, the discussion was limited to the broad themes as to whether this endeavor should be pursued. Given the limited detail provided here, the discussion should focus on these key questions:

- 1) Does the Commission want to pursue any of these options? If so, which one?
- 2) If it is not ready, what additional information does the Commission want staff to provide? Is another study session necessary?
- 3) If the Commission is leaning in the same direction as staff, which is to pursue the San Diego option?
- 4) What further direction does it want to give staff?