

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MAY 21, 2008

REGULAR MEETING

TO: Francesca Loftis, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #7: **CONSIDER GRAND JURY FINAL REPORT ON FIRE
DISTRICT CONSOLIDATION AND DETERMINE THE NEED
FOR A RESPONSE**

RECOMMENDATION

Staff recommends that the Commission:

1. Consider the section of the Grand Jury's "Final Report Part II" relating to the consolidation of West Slope's fire protection districts;
2. Determine whether LAFCO should submit a formal response to its findings; and
3. Direct staff and the Chair to act accordingly.

REASON FOR RECOMMENDED ACTION

The Grand Jury's "Final Report Part II" finds that the consolidation of the nine West Slope fire protection districts would result in direct financial savings to the County of El Dorado and to indirect savings to residents. While the only Grand Jury determination affecting LAFCO is for the Commission to "actively encourage consolidation or merger agreements," the Commission may want to submit a response.

BACKGROUND

The Grand Jury's *Final Report, Part II* (refer to Attachment A) considers and addresses the issue of fire district consolidation. Echoing a finding that was also discussed in the Commission's *Countywide Fire Suppression and Emergency Services Municipal Service Review* (adopted August, 2006, the pertinent section on consolidation of the fire agencies is attached to this report as Attachment B), the Grand Jury notes that the FPDs function as an operationally integrated unit. The report also discusses that six FPDs also receive financial assistance from the County. Both of these findings lead to

the Grand Jury's conclusion that it is financially and logistically feasible to consolidate nine of the West Slope's 10 fire suppression agencies into a single entity (not included in the Grand Jury's consolidation discussion is Cameron Park CSD because it is a multi-purpose agency).

From the discussion found in the Fire MSR, the question of district consolidation is not just of operational (fiscal and infrastructure) feasibility but also a political calculation. When done correctly, consolidation achieves a balancing act between fiscal viability, operational coordination and community identity. For some areas of El Dorado County, the fire station and its crew are the most visible signs of local government. In other areas, the recent housing boom and the accompanying rush of new residents have somewhat diluted the historic communities ties and the sense of identity that go back generations. As another counter argument, other counties with large FPDs or a single countywide fire protection district have been able to maintain multiple communities of interest in other ways. Historical investments in local fire departments have also resulted in a variance of service levels and service capacities.

In short, there are multiple factors that must be taken into account when considering consolidating districts than achieving savings through economies of scale; however, the larger question is whether cost savings sufficiently offset the social implications of losing a local department. Given the fiscal situation most small districts currently face, it may be that, short of raising assessments or special taxes to keep the district financially viable, the only way to maintain the continuance of service to its residents is either to consolidate all of the districts into one FPD or to merge smaller districts with those that are in firmer financial ground.

If the answer is to consolidate, then the secondary question is how active LAFCO should be to encourage this consolidation. The spectrum of action ranges from the Commission initiating the consolidation of districts (Government Code §56375(a)); to waiting for the agencies to initiate those proceedings; or to discourage the consolidation through the denial of a petition seeking such action. In the past, the Commission has favored that the agencies initiate the consolidation proceedings on their own. While the Grand Jury does not actively recommend that LAFCO initiate the proceedings, this item was included in the Agenda in case the Commission wishes to send a response. If so, the Commission should direct staff and the Chair to act accordingly. A response should be submitted to the Grand Jury by July, 2008.

Attachments

- Attachment A: "Consolidation of Fire Protection Districts" Section of the El Dorado County 2007-2008 Grand Jury's *Final Report, Part II* (April 2008)
- Attachment B: Cost Avoidance and Government Structure Options Sections of the *Countywide Fire Suppression and Emergency Services Municipal Service Review*