



MEMORANDUM

TO: CITY COUNCIL/ HOUSING SUCCESSOR TO THE FORMER REDEVELOPMENT AGENCY

FROM: STEVEN ADAMS, CITY MANAGER *SA*

SUBJECT: CONSIDERATION OF VOTE ON BALLOT FOR THE FIVE CITIES FIRE PROTECTION AND EMERGENCY RESPONSE SERVICES ASSESSMENT

DATE: MARCH 11, 2014

RECOMMENDATION:

It is recommended the Council/Housing Successor to the Former Redevelopment Agency direct the City Manager to vote "yes" on all ballots for the Five Cities Fire Authority Fire Protection and Emergency Response Services Assessment for properties owned by the City and Housing Successor to the Former Redevelopment Agency.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The total cost to the City for the assessments for all the properties owned by the City and the Housing Successor to the Former Redevelopment Agency is approximately \$2,757 per year. The assessment will increase by 4% per year. Since the proposed assessment district will fund service enhancements, there will not be a direct financial savings to the City. However, since it will fund equipment replacement that is not currently budgeted, there will be a substantial long-term financial benefit to the City from avoiding future costs that would otherwise occur.

BACKGROUND:

At the October 8, 2013 meeting, the City Council approved directing the City's representative on the Five Cities Fire Authority Board of Directors to support pursuing a benefit assessment district for the Five Cities Fire Authority. As a property owner in the City, the City and Housing Successor to the Former Redevelopment Agency received ballots to vote on the proposed assessment and will be charged an assessment for a number of properties. Therefore, the City Manager is seeking the authority and direction to submit the ballots. The deadline for submittal is April 4, 2014.

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ANALYSIS OF ISSUES:

Ballots were received for a total of 86 parcels, only 52 of which have proposed assessments based on the values of the property. For single-family homes on an acre or less, the annual assessment is proposed to be a maximum of \$66. Multi-family dwellings have a proposed assessment of \$49.24 per unit. Other properties are assessed according to their parcel size and property type.

The benefit assessment district is proposed in order to provide funding to maintain six full-time positions currently paid for on a temporary basis through a Federal Emergency Management Agency (FEMA) grant. Funding will also be provided for equipment and apparatus replacement and joint dispatch services. The assessment is based upon an Engineer's Report that determined the eligible costs and methodology for assessing each parcel. Attached is information provided by the Five Cities Fire Authority along with the ballots regarding the proposed benefit assessment district.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Direct the City Manager to submit the ballots with a "yes" vote on all ballots in support of establishing the Five Cities Fire Protection and Emergency Response Services Benefit Assessment District;
2. Direct the City Manager to submit the ballots with a "no" vote on all ballots in opposition to establishing the Five Cities Fire Protection and Emergency Response Services Benefit Assessment District; or
3. Provide staff other direction.

ADVANTAGES:

The establishment of the benefit assessment district will provide an ongoing funding source for the Five Cities Fire Authority to: 1) maintain staffing levels to effectively meet the OSHA mandate of "2 in/2 out" in a timely manner with regard to providing fire suppression services in response to fire incidents; 2) establish an equipment and apparatus replacement fund; and 3) provide joint dispatch services.

DISADVANTAGES:

The assessment will provide a relatively minimal annual cost to the City for City properties and will create a new assessment fee that some property owners in the City may be opposed to.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

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PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, March 6, 2014 and on the City's website on Friday, March 7, 2014. No comments were received.

Attachments:

1. Official Notice and Ballot Information Guide

**OFFICIAL NOTICE AND BALLOT
INFORMATION GUIDE**

FOR THE PROPOSED

**FIRE PROTECTION AND EMERGENCY
RESPONSE SERVICES ASSESSMENT**



FOR

FIVE CITIES FIRE AUTHORITY

How Much Is the Proposed Assessment?

The proposed assessment for your property or properties for fiscal year 2014-15 is printed on the Official Ballot included with this notice and information guide. For single-family homes on an acre or less, the annual assessment is proposed to be a maximum of \$66.00, while the proposed assessment for other residential property types is based on the number of dwelling units and parcel size. Multi-family dwellings have a proposed assessment of \$49.24 per unit, which is same amount for a condominium. Commercial, industrial and other properties are assessed according to their parcel size and property type. For example, retail stores would be assessed \$32.59 per quarter acre of property size. The Fire Authority is committed to assessing only the portion of the maximum allowable rate necessary. If a lower rate will meet the Fire Authority's funding needs, the Fire Board will assess at a lower rate. The total estimated amount assessed to the entire area subject to this assessment would be approximately \$1,004,125.66 for fiscal year 2014-15.

Will This Assessment Increase in the Future?

The assessment will be continued in future years as long as the Fire Board approved the annual resolution for continuation of this assessment. In future years after 2014-15, the assessment can only be adjusted for inflation by an amount equal to the change in the Southern California Consumer Price Index, but not to exceed 4% per year. This annual adjustment, which must be reviewed and approved annually at a public meeting, will help keep the assessment revenues in line with the cost of providing fire protection and emergency response services in future years.



100% of the funds from this proposed assessment would be required by law to be used for fire protection and emergency response services in the district



When seconds count, the dispatch services this measure would fund are critical for protecting property and life

Method of Voting

To complete the enclosed official ballot, mark the oval next to either Yes or No, sign the ballot, fold it in half and place it in the provided postage paid return envelope and mail to Five Cities Fire Authority, c/o League of Women Voters, PO Box 1420, San Luis Obispo, CA 93433. You may also hand deliver it at the public hearing (see below for the times and location). Only official ballots which are signed and marked with the property owner's support or opposition will be counted. Ballots are due before the end of the public hearing on Friday, April 4, 2014.

If you lose your ballot, require a replacement ballot, or want to change your vote, call the Five Cities Fire Authority at (805) 473-5490 for another ballot. See the enclosed ballot for additional instructions. Ballots are weighted by the proposed amount of assessment and will be tabulated accordingly. The assessment shall not be imposed if, upon the conclusion of the public hearing, weighted ballots submitted in opposition to the assessment exceed the weighted ballots submitted in favor of the assessment. If a majority of weighted ballots returned are in support, the assessment may be levied for fiscal year 2014-15 and may be continued in future years to fund fire protection and emergency response services as directed by the Fire Board.

Why Did You Receive This Ballot?

You are a property owner served by the Five Cities Fire Authority and are being asked to vote on a proposed funding measure to ensure continued and improved fire protection and emergency response services in the Arroyo Grande, Grover Beach, Oceano, and Halcyon communities.

Your ballot is your opportunity to participate in deciding whether local funding should be approved for continued and improved fire protection, fire suppression, and emergency response services. Your vote on this matter is important because only returned ballots will be counted.

The Five Cities Fire Authority

The Five Cities Fire Authority was established in 2010 by a joint powers agreement between the City of Arroyo Grande, the City of Grover Beach and the Oceano Community Services District, to more effectively provide fire protection and emergency response services to the local community.

The Fire Authority is managed by a three person Fire Board composed of one elected official each from Arroyo Grande, Grover Beach and Oceano. Regular board meetings are held on the third Friday of every month at 2:00 p.m., at the Grover Beach City Council Chambers, 514 S. 8th St., Grover Beach, CA 93433. The public is encouraged to attend.

The Fire Authority is a full service fire agency, and maintains fire equipment for both structural and wild land firefighting. In addition to fire protection and emergency response services, the Fire Authority provides public education, fire prevention programs, and other community focused programs.

The Fire Authority currently employs one Chief, one Battalion Chief, an administrative staff person, nine full-time firefighters at the rank of Captain, six full-time firefighters at the rank of Engineer, and 25 part-time hourly reserve firefighters. There are also an additional six temporary firefighters employed through a FEMA grant that expire in September of 2014.

Public Accountability Standards

The funds from this assessment can only be used to provide fire protection and emergency response services within the Fire Authority area. The revenues and expenditures for this assessment will be regularly audited by an independent auditor and will be presented annually at a public hearing.

Why Is A Funding Measure Needed?

The Fire Authority currently receives dedicated funding from the general budgets of the cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District. It does not directly receive any revenues from local property taxes and does not have an independent source of funding.

The Fire Authority has operated within its limited budget since it was created, and has implemented significant cost cutting strategies including administrative staff reductions, deferred maintenance, re-negotiated pension and benefit plans, and has maintained static salary rates.

A one-time FEMA grant currently funds six temporary fire fighters, but this grant expires in September of 2014. The loss of this firefighting staffing would significantly reduce emergency effectiveness and potentially increase emergency response times, particularly in the case of multiple calls. Funding from this proposed ballot measure would help address this staffing level shortfall. Also, the Fire Authority seeks to provide a higher level of fire suppression service with improved communication and dispatch services, improved apparatus replacement and improved equipment replacement. Funding from the proposed measure will not be used for salary increases.

In addition, the current funding for fire protection and emergency response services has not kept pace with the increases in demand for these services, as well as higher, more costly, standards of care, maintenance costs and training requirements. The Fire Authority has continued to improve its service levels while maintaining a limited budget.



All funds from this measure will be used in the community, including creating new full-time positions for local firefighters



Five Cities Fire Authority firefighters use modern live-saving equipment that would be provided for with this measure

How Was The Assessment Determined?

The total annual cost of additional firefighter positions, improved communication and dispatch services, improved apparatus replacement and improved equipment replacement, and other services to be funded by the assessment is allocated to each property based on the estimated special benefit received.

The method of benefit allocation is based on the relative special benefit to a property in relation to a single family home, the type of property, and its size. The total proposed amount of assessment for your property is shown on the enclosed ballot. If you own multiple properties, your ballot will show the total proposed assessment amount for each one.

The types of special benefit would primarily include increased safety and protection of real properties. An Engineer's Report describing the proposed improvements, method and basis upon which the amount of the proposed assessment was calculated, special benefits, budgets and proposed assessment for each parcel is available for review at 140 Traffic Way, Arroyo Grande, CA 93402.

What Would This Measure Provide?

The increased funding to the Authority by this assessment would:

Ensure Rapid Emergency Response Times

The Fire Authority will be able to fund firefighter positions that are necessary to ensure rapid emergency response. OSHA requires that personnel use self-contained breathing apparatus, that a minimum of two firefighters work as a team inside the structure, and that a minimum of two firefighters be on standby outside the structure to provide assistance or perform rescue. Essentially, the "2 in, 2 out" rule protects our firefighters but also requires sufficient staffing levels.

Maintain Fire Protection and Emergency Services

The funding from this measure would allow the Fire Authority to maintain professional firefighters staffed at the Arroyo Grande, Grover Beach, and Oceano fire stations, 24 hours every day to provide fire protection and rescues, and to respond to emergencies.

Keep Fire Protection Under Local Control

The proposed funding ensures that the local community maintains oversight over the quality, expenditures, and policies of the Fire Authority through the elected Fire Board and citizen participation.

Fire Equipment, Apparatus and Communications

The measure would create a replacement budget for aging equipment and to start saving for apparatus replacement. This dedicated funding would allow the Fire Authority to have up-to-date and up-to-standards equipment and apparatus for years to come.

This measure would create a replacement budget for necessary fire fighting apparatus and equipment



Public Hearing

A public hearing will be held on Friday, April 4, 2014, at 2:00 p.m. at the Grover Beach City Council Chambers at 154 S. 8th Street, Grover Beach, California, and will be continued on Friday, April 18, 2014 at 2:00 p.m. at the same location. You are invited to attend the public hearing. Tabulation of the returned ballots will commence after the close of the public input portion of the hearing on April 4, 2014, and the results of the tabulation are expected to be announced at the continuation of the public hearing on April 18, 2014.

Additional Information

For additional information concerning Five Cities Fire Authority services, the proposed assessment, or this ballot, please contact:

Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, CA 93402
(805) 473-5490

