



City Council Memorandum

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MEMORANDUM: January 8, 2016

AGENDA DATE: January 12, 2016

TO: Mayor and City Council

FROM: Susan A. Stanton, ICMA-CM
City Manager

TITLE: **PROPOSED MOU TO EVALUATE REORGANIZATION OF
EXISTING FIRE PROTECTION SERVICES
IN THE GREENFIELD AREA**

BACKGROUND:

During the last month, the Fire District has informed the City of its desire to consider changing the organization of the existing Fire Protection Service in the Greenfield area. On August 26, 2014 the DISTRICT failed to obtain voter approval of a Special Measure to fund emergency medical services, recruit and retain qualified personnel to provide necessary responsiveness to Greenfield homes and businesses from fire and other disasters, and to plan for the DISTRICT's long term fiscal well-being.

As discussed in the 2012 Municipal Service Review (Districts Providing Fire Protection and Emergency Medical Service in Monterey County), the Greenfield Fire Protection District is the only special district in the County to serve as the primary fire protection provider within the boundaries of a city. The DISTRICT contains almost 46 square miles with a population of approximately 17,000 people. The Greenfield Fire Protection District has provided fire protection service in and around the City of Greenfield since its formation in 1940, seven years before the City's incorporation. *It is the only special district in Monterey County that provides these services within a city's boundaries.* The DISTRICT contains more residents than any other fire protection district in the County, except for the North County and Monterey County Regional FPDs. The Greenfield Fire Protection District has changed significantly in the past 15 years. Over this period the number of annual calls received by the DISTRICT has increased from approximately 200 a year to almost 1,000, excluding calls for mutual and automatic aid.

The proposed Memorandum of Understanding outlines a general approach that will be used to evaluate the best approach for providing fire protection in the Greenfield area. In preliminary discussions with the Fire Board, both the DISTRICT and the CITY both understand that the study, to be successful, needs to be a cooperative effort with extensive assistance and involvement from Monterey County and LAFCO. The first step will be to conduct a Fire Services Reorganization Study that will identify the options to provide fire services in the CITY and in DISTRICT'S existing unincorporated area in the most cost effective manner for the recommended and appropriate service levels. The study will identify gaps—if any—in operations and resources; develop recommendations to maximize current fire protection service operations and resources; and identify “best practices” that may be appropriate for application in the Greenfield area. The process of addressing these questions is set forth in the California Government Code which is outlined in the proposed MOU and will be the basis for a professional service contract and scope of work. While there are a number of possible governance alternatives that might be studied LAFCO staff have suggested that potential reorganization scenarios that should be evaluated include, but are not limited to:

- Detachment of the CITY from the DISTRICT
- Establishment of the existing DISTRICT as a subsidiary of the CITY
- Dissolution of the DISTRICT
- Merger of the CITY and DISTRICT
- Consolidation of the DISTRICT with one more of the existing fire protection districts in the nearby area.

BUDGET AND FINANCIAL IMPACT:

As indicated in the *2012 LAFCO 2012 Municipal Service Review of Districts Providing Fire Protection and Emergency Medical Service in Monterey County*, the Greenfield Fire Protection District's per capita annual revenues **are the lowest of all fire protection districts** in the County, at \$33 a person (See below). The DISTRICT receives approximately 40% of these revenues from a voter-approved benefits assessment. The DISTRICT receives only three cents for every dollar received by the County for the 1% property tax.

District	Time Period	a. Annual Revenue	b. Fund Balance	c. Fund Balance as a Percent of Annual Revenue ("b/a")	d. Estimated Population	e. Per Capita Annual Revenue ("a/d")	f. Average Portion of County 1% Property Tax
Aromas Tri-County FPD ¹	FY 2009-10	\$1,248,614	\$683,105	55%	5,543	\$225	14c/\$1
Cachagua FPD ²	FY 2009-10	\$270,468	\$267,220	99%	978	\$277	0c/\$1
Carmel Highlands FPD	FY 2009-10	\$2,144,354	\$2,450,671	114%	1,036	\$2,070	25c/\$1
Cypress FPD	FY 2009-10	\$3,907,238	\$6,792,067	174%	7,565	\$516	15c/\$1
Gonzales Rural FPD	FY 2009-10	\$144,238	\$3,954	3%	619	\$233	15c/\$1
Greenfield FPD	FY 2008-09	\$562,232	\$104,184	19%	16,986	\$33	3c/\$1
Mission Soledad Rural FPD	FY 2008-09	\$203,207	\$86,275	42%	1,143	\$178	8c/\$1
Monterey Co. Regional FPD ³	FY 2009-10	\$11,881,918	\$2,931,165	25%	31,508	\$377	13c/\$1
Monterey Pen. Airport Dist. ⁴	FY 2009-10	\$1,752,156	N/A	N/A	N/A	N/A	N/A
North County FPD	FY 2009-10	\$6,114,330	\$2,039,173	33%	37,720	\$162	11c/\$1
Pebble Beach CSD ⁵	FY 2009-10	\$4,304,691	N/A	N/A	4,514	\$954	N/A
South Monterey Co FPD	FY 2008-09	\$467,857	\$880,229	188%	4,513	\$104	1c/\$1
Spreckels CSD ⁶	FY 2008-09	\$73,548	N/A	N/A	536	\$137	N/A
County Service Area 74 (EMS) ⁷	FY 2009-10	\$1,565,000	\$1,500,000	96%	415,057	\$4	0c/\$1

If Measure U had passed in August 2014, the tax rate would have been \$73.00 for the first dwelling unit and \$58.40 for each additional dwelling unit on residential property, \$36.50 for each unimproved lot (vacant/ parking), \$50.37 for agricultural/open space property, and \$0.05 per square foot of building area for commercial/industrial/office/recreational property within the DISTRICT. In an effort to obtain voter approval of the measure in August, the DISTRICT was extremely conservative with the proposed tax. However, even if Measure U had passed, it would have been inadequate to properly fund recommended Fire staff, purchase needed equipment and accumulate sufficient resources to meet future growth in the CITY.

As a municipal corporation, the CITY has more flexibility in funding Fire Protection compared to a Special District which has more restrictive funding options. The proposed Study will also evaluate the various funding options that might also be considered to properly fund fire protection in the Greenfield community. This discussion will also involve Monterey County due to the size of unincorporated property in the DISTRICT.

REVIEWED AND RECOMMENDED:

Fire Protection and Emergency Medical Service is of critical importance to the Greenfield Community. The current Fire Board has done a remarkable job in attempting to provide these functions to the community with limited resources. *However, it is simply not possible to provide this service, and ensure staff safety and availability, with the current revenue source.*

Irrespective of what governance model or organizational structure that is used to provide this function in the CITY, the community will need to be educated as to the importance of Fire and EMS in the community and a realistic revenue source identified to properly fund this Department.

Properly funding Fire and EMS is critical to the safety of the community and the future redevelopment of the CITY. This effort will require the same extensive dialog in the community that was successfully employed to obtain voter approval of Measures V & W in November 2014.

CONSEQUENT ACTION:

The Fire Protection Board will be considering the proposed MOU during the next week. If approved, the CITY will obtain the assistance of a professional consultant to perform this study. With the assistance from LAFCO staff, the CITY has been working with project managers from Citygate Associates to develop a scope of service outlined in this proposed MOU. Citygate Associates, LLC, founded in 1990, is dedicated to assisting public sector agencies to improve services. Citygate's Fire Protection and Emergency Medical Services practice area conducts consolidation/reorganization feasibility analysis, deployment and station location analysis, master and strategic plans, organizational efficiency studies, risk assessment studies, performance audits, staffing studies, and GIS for districts, cities, and counties throughout the United States. Citygate has completed many recent projects that are very similar to the operational, financial, and reorganization work requested in this study

Once Citygate Associates finalizes a proposed scope of work and fee, it will be reviewed with the Fire District and LAFCO and recommended for approval by the City Council. The DISTRICT does not have any available funds to conduct this study.

POTENTIAL MOTION:

I MOVE TO APPROVE/DENY THE PROPOSED MOU TO EVALUATE THE REORGANIZATION OF EXISTING FIRE PROTECTION SERVICES IN THE GREENFIELD AREA