



## *City Council Memorandum*

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**MEMORANDUM:** September 9, 2016

**AGENDA DATE:** September 13, 2016

**TO:** Mayor and City Council

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

**TITLE:** **DETACHMENT OF PROPERTY FROM THE GREENFIELD FIRE PROTECTION DISTRICT**

### **BACKGROUND:**

On January 12<sup>th</sup>, 2016 the City approved a Memorandum of Understanding with the Greenfield Fire Protection District which outlined a general approach that was to 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 understood that the study, to be successful, needed to be a cooperative effort with extensive assistance and involvement from LAFCO. **(Attachment No. 1)** The first step in this effort was to conduct a Fire Services Reorganization Study that identified 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 was to identified gaps—if any—in operations and resources; develop recommendations to maximize current fire protection service operations and resources; and identify “best practices” that would be appropriate for application in the Greenfield area.

In evaluating the reorganizational options for providing fire protection in the City of Greenfield, Citygate and staff identified seven prospective alternates:

1. Maintain current District model; District makes annual expenditure adjustments as necessary to maintain a balanced budget within annual revenues
2. District contracts for service with another local fire service provider
3. City detaches from the District and establishes a City Fire Department; remainder District continues to provide fire protection services to unincorporated service area
4. City detaches from the District and establishes a City Fire Department; remainder District contracts with City for fire protection services in unincorporated service area
5. City detaches from the District and establishes a City Fire Department; remainder District contracts for fire protection services from another local fire service provider

6. City detaches from the District and establishes a City Fire Department; remainder District consolidates with another local fire service provider
7. City detaches from the District and establishes a City Fire Department; remainder District dissolves

After evaluating service requirements and the financial viability of each of the seven options Citygate concurred with City staff that Option 4, (in which the City of Greenfield detaches from the District and establishes a City Fire Department, and the remainder District contracting with the City for services to the unincorporated service area) meets all desired expectations expressed by the District and the City and provides the best opportunity to sustain/enhance service levels within the community while maintaining continuity of services for the unincorporated District service area at the lowest cost. This recommended option has been discussed with the Fire Protection Board and they collectively support and agree with this recommendation.

Establishing a City funded fire department by detaching from the existing protection district is necessitated by the unique economic factors that are documented by the Citygate study. Some of these key findings most relevant to the formation of a City managed (and funded) fire department include the following:

1. The City of Greenfield's population is projected to increase by nearly 50 percent over the next 14 years to 2030, while the unincorporated area of the Greenfield Fire Protection District is projected to grow at a very modest 1.49 percent.
2. Prospective development projects in the City of Greenfield over the next 5-10 years include more than 1,300 residential units and 2.3 million square feet of commercial/industrial space.
3. Over the most recent three-year period, 90.38 percent of District service demand was in the City of Greenfield; over the same time period, 9.62 percent of service demand was in the unincorporated area of the District.
4. As future growth occurs within the City of Greenfield, demand for fire and EMS services can be expected to increase proportionately. As future growth occurs within the City of Greenfield as projected for the next 14 years, the City/District may need to consider a second staffed response resource and/or a second fire station facility to ensure response time performance to meet desired outcome expectations for urban/suburban population densities and/or to provide enhanced Effective Response Force capacity.
5. Absent award of an another two-year Federal Emergency Management Agency (FEMA) staffing grant or other significant stable revenue source by August 2016, substantial expenditure reductions will be required to achieve a balanced budget; such expenditure reductions would most likely involve a reduced daily staffing level.
6. The District is challenged to maintain an adequate roster of trained volunteer firefighters sufficiently available to respond to emergency incidents in support of the full-time on-duty personnel.

7. District employee compensation and benefits are significantly below those of other local fire agencies.
8. Future continuity of District services related to employee recruitment and retention is closely dependent on employee compensation and benefits more closely aligned with the local/regional fire service market.

If the City were to detach from the Fire District, the rural unincorporated area of the District would remain, and as a special district would have the authority and option to provide its own fire protection services, or contract, consolidate, or share services with another provider. The remainder District would continue to have specific legal and fiscal responsibilities for fire protection and EMS in the unincorporated property of the County. The actual process of detaching property from the District and incorporating it into the City is controlled and administered by Local Area Formation Commission of Monterey County (LAFCO). In discussing the process with Executive Director Kate McKenna she has indicated that if the City Council approves the establishment of the municipal fire department (pending voter approval of a funding sources), the Commission would “conditionally” approve detachment of the city from the fire district. The Commission’s action could take place as early as December (2016). As stated, one of the conditions of approval would be the provision of a funding mechanism to make a new Greenfield Fire Department economically viable. (based on a City special election in May 2017 for a proposed parcel tax)

LAFCO’s approval of city detachment from the district will not take effect until all conditions of approval have been satisfied. If the ballot measure were to fail, then LAFCO’s approval of the detachment would remain “on hold” and would continue to have no force or effect, unless/until some other workable funding mechanism could be put into place.

After all conditions of approval have been met, LAFCO will file a Certificate of Completion with the County Recorder. There is a standard one-year window of time for meeting the conditions of approval in LAFCO’s resolution, although some limited time extensions are possible. As proposed, the detachment effective date would be July 1, 2017.

#### **BUDGET AND FINANCIAL IMPACT:**

The cost of processing and filing the Application for Detachment from the Greenfield Fire Protection District with LAFCO of Monterey County will be about \$3,000. Executive Director McKenna and her staff have been very involved with these discussions and have provided extensive amount of staff assistance to ensure the continuity of fire protection.

#### **CONSEQUENT ACTIONS**

There are five keys actions that need to take place prior the establishment of a new Greenfield Fire Department:

1. Coordinate with the Monterey County Local Agency Formation Commission the Application for Detachment and pursuant to Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56650 et seq.) and local LAFCo requirements and a property tax transfer agreement.
2. Negotiate a Tax Share Agreement with Monterey County for property detached from the Fire District.
3. Obtain District approval regarding the disposition of capital assets at detachment, the proposed contract cost and service level provided to the unincorporated property and the effective date of detachment.
4. Obtain District Board formal approval by resolution supporting the City's Application for Detachment from the District.
5. Adopt revenue sources to fund the newly created Greenfield Fire Department.

In accordance with the professional service agreement between the City and Citygate (See [Attachment #2](#), (Task 4), Citygate Project Team will, on behalf of the City and District, prepare and submit the application to LAFCO.

#### **RECOMMENDATION:**

The City and District have been working very collaboratively during the last year in close partnership with Citygate and LAFCO staff to ensure the Greenfield community continues to receive affordable high quality fire protection and EMS services. Detaching property from the District and creating a new Fire Rescue Department will have extensive benefits in the community over the next several years. Departmental employees and their collective bargaining agent, the IAFF Local 4656, all believe this reorganization will not only benefit the community but will also provide needed resources to professionalize current staff and ensure compliance with state and national staffing recommendations and requirements.

#### **POTENTIAL MOTION:**

**I MOVE TO APPROVE/DENY RESOLUTION #2016-75, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GREENFIELD TO AUTHORIZE THE CITY MANAGER TO PREPARE AND SUBMIT AN APPLICATION REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY TO TAKE AND INITIATE PROCEEDINGS TO DETACH ALL REAL PROPERTY WITH THE CITY OF GREENFIELD FROM THE FIRE PROTECTION DISTRICT; AND TO PREPARE AND SUBMIT SUCH ADDITIONAL DOCUMENTS AND NOTICES, INCLUDING ANY NOTICES REQUIRED BY CEQA OR LAFCO REGULATIONS AND RULES, TO FULLY IMPLEMENT THE INTENT OF THIS RESOLUTION AND TO INITIATE PROPERTY TAX EXCHANGE NEGOTIATIONS, AS SOON AS PRACTICAL, WITH ALL AFFECTED OR INTERESTED AGENCIES**