

**City of Sausalito and the Southern Marin Fire Protection District  
Plan for Service  
Following Annexation of City Territory into the District for  
Fire and Emergency Services**

**INTRODUCTION**

Pursuant to Section 56653 of the Government Code, the Local Agency Formation Commission of Marin County (LAFCO) requires that an application for a change of organization or reorganization be accompanied by a plan for providing services to the property. The plan is to include:

1. An enumeration and description of the services to be extended to the affected territory.
2. The level and range of those services.
3. An indication of when those services can feasibly be extended to the affected territory.
4. An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require of the affected territory if the change of organization is completed.
5. Information with respect to how those services will be financed.

The application is for the annexation of all of the territory within the Sausalito city limits, approximately 2.17 square miles, to the Southern Marin Fire Protection District (SMFD), being located in the southeastern corner of Marin County, adjacent to Highway 101. An application for and subsequent annexation of the City to the District is categorically exempt under Sections 15320 and 15061(b)(3) of the State CEQA Guidelines.

The Southern Marin Fire Protection District is an independent special district established by the Marin County Board of Supervisors in July of 1999. The District was formed by the merger of the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District and is governed by an elected seven member Board of Directors.

Both the City of Sausalito and the Southern Marin Fire Protection District have fire departments. The departments were functionally combined in 2004 through a Limited Joint Powers Agreement (as subsequently amended). Prior to this time the City was supervising its fire department with one Fire Chief and no other Chief Officers to assume

either administrative duties or to provide “incident command” at the emergency scene. Those Chief Officer duties, which are briefly listed below, are too numerous and time consuming to be performed by a single individual. Particularly a Fire Chief as the only Chief Officer of a fire department cannot practically be available 24/7/365 to supervise staff and act as incident commander at responses to incidents that are more than minor calls for service. Examples of duties are:

- Emergency Response incident command
- Fire Prevention - permits and inspections
- Ensuring Federal and State safety regulations are met for firefighting
- Line supervision and application of City rules and regulations
- Planning and liaison with other fire departments
- Fire Investigation and Public Education
- Disaster Preparedness
- Budgeting and City Fire Department Strategic Planning
- Records, invoices, payroll
- Mandated reports (NFIRS, PCR)
- Response and liaison to City Manager direction
- Coordination with other City departments

With these administrative responsibilities in mind and the need to have an incident commander on duty 24/7, the City and the District concluded that it was more cost-effective for the City to contract with the District to provide administrative services.

This functional consolidation was in recognition of the fact that both agencies had been operating separate fire departments that cooperated actively in emergency response; however, neither agency had sufficient resources by itself to respond to major emergency situations such as multiple injury accidents or serious building fires. The agencies were heavily reliant upon each other to not only respond jointly but also to provide backup response when one agency was already fully occupied with a prior emergency call.

Under the terms of the agreement the District Fire Chief and headquarters staff have managed the functionally combined department, with the City paying for these administrative services through a contract with the District. The City retained firefighters as employees although they have been supervised on a day to day basis by the District Fire Chief and headquarters staff.

The functionally combined fire department provides service to an area of approximately 11.5 square miles with an estimated population of about 29,000, including over 14,100 homes and business properties.

In addition to serving the District and City from three fire stations, the combined fire service provides both fire emergency response and paramedic ambulance service to the Golden Gate National Recreation Area under a contract that states “SMFPD will provide the full range of emergency services that it currently provides within its district including

but not limited to firefighting, technical rescue, hazardous materials responses, and emergency medical services for the assigned NPS areas of the Marin Headlands and Fort Baker.” They also provide paramedic ambulance service to the community of Muir Beach, and to the Muir Woods National Monument and provide a regional rescue unit which serves all of the above areas, the Tiburon peninsula, and the Golden Gate Bridge area.

It has been the intent of the City and the District to formally combine the departments into a single agency that will permit more reliable economies of scale and more cost-effective management of the staff and operations. To reach this objective the City and the District have worked to align their employee agreements so that employees of each agency are essentially compensated the same and operate under nearly identical personnel rules. With the completion of that alignment, the City and District are now petitioning LAFCO to approve the annexation of the City territory into the District and the District will then formally hire the fire department employees who are now on the City payroll and then provide fire and emergency response service to the enlarged District area. The terms and conditions of that employment are the subject of agreements between the City, the District and the employees, copies of which are Attachment I and II to this Plan for Service.

The City and District have completed a review of the fire and emergency services now provided to the City and District and determined that the level of such service to both the current District territory and the City territory proposed to be annexed into the District will not be reduced as a result of this proposed annexation, but will be provided more cost-effectively.

## **SOUTHERN MARIN FIRE PROTECTION DISTRICT SERVICES**

The Southern Marin Fire Protection District and the City of Sausalito fire departments operate as a single fire department and provide fire and emergency response services to both the territory within the City limits and the territory within the District boundaries. This joint operation serves the communities of Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry, approximately 1/4 of the town of Tiburon, as well as the City of Sausalito and provides fire and paramedic ambulance response to the adjacent Golden Gate National Recreation Area under contract to the National Park Service.

**STAFFING AND EQUIPMENT**

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Fire services are provided from the headquarters station at 308 Reed Street, Mill Valley, which also serves as the administrative offices, the Tamalpais Valley station at 309 Poplar Street in Mill Valley, and the City of Sausalito station at 333 Johnson Street in Sausalito. Fire prevention functions and additional administrative office space are also located at the Sausalito station.

The headquarters station in Strawberry houses an Engine, Paramedic Medium Rescue, and the Shift Battalion Chief who serves as incident commander on each shift. The Sausalito station houses a Type 1 (Municipal) Engine, Ladder Truck, and a Paramedic Ambulance. The crews at the Sausalito station cross-staff the Fireboat, and an Inflatable Rescue Boat, and are members of the Dive Team. The Tamalpais Valley station houses a Type 1 (Municipal) Engine, a Type 3 (Wildland) Engine, and a Paramedic Ambulance.

The full inventory of fire apparatus and other fire vehicles owned by the City and the District is listed below:

**Table 1: Sausalito FD Apparatus**

<b>Vehicle Make</b>	<b>Vehicle Type</b>	<b>Year Placed in Service</b>	<b>Status</b>
GMC 2500/PU	Utility	1995	Front Line
Pierce	Type 1 Pumper	2007	Front Line
Sparten/3D	Type 1 Pumper	1995	Reserve
Pierce 105' (Joint ownership by 5 fire agencies)	Quint	1994	Front Line
Achilles 16'	Inflatable Rescue Boat	2002	Front Line
Metal Craft 30'	Fire Boat	2004	Front Line

**Table 2: Southern Marin FPD Apparatus**

Vehicle Make	Vehicle Type	Year Placed in Service	Status
Ford/Explorer	Chief Vehicle	2010	Front Line
Ford/Expedition	Command	2007	Front Line
Ford/Explorer	Utility	2003	Front Line
Ford 150 PU/4X4	Utility	1995	Front Line
Ford 250 PU	Utility	1992	Front Line
Ford 250 PU	Utility	2007	Front Line
Chevrolet Tahoe	Command	2003	Front Line
Chevrolet PU	Utility	1994	Front Line
International	Type 3/Pumper	1999	Front Line
Pierce	Type 1/Pumper	2006	Front Line
HME/3D	Type 1 Pumper	1995	Reserve
Pierce*	Type 1 Pumper	2009	Front Line

The City of Sausalito will continue to own the Fire Station at 333 Johnson Street and transfer ownership of the Sausalito Fire Department Apparatus and Fire Vehicles (listed in the table above) to the District. The terms and conditions of the use of the City Fire Station by the District and transfer of the fire apparatus and equipment are the subject of an agreement included here as Attachment III. The agreement takes effect upon the effective date of the annexation of the City to the District.

The currently budgeted fire services staffing of the two agencies is as follows:

**Table 3: Currently Budgeted Fire Emergency Services Staffing**

Position	Agency	
	So Marin	Sausalito
<b>Headquarters</b>		
Fire Chief	1	
Deputy Chief	1	
Admin Services Mgr	1	
Financial Mgr	0.5	
Admin Clerk	0.5	
<b>Total</b>	<b>4.0</b>	
<b>Line Operations</b>		
Battalion Chief	3	
Captain	6	3
Paramedic/Firefighter	9	6
Firefighter/Engineer	15	6
<b>Total</b>	<b>33</b>	<b>15</b>

**SERVICES**

The Fire District provides the following services throughout its City and District service area:

**Fire Suppression**—Fire Suppression is provided through a constant staffing of 3 people (a combination of City and District employees) on a fire engine or ladder truck 24 hours per day, with a Battalion Chief on duty as the incident commander and shift supervisor. Minimum daily staffing of line fire personnel is 6 at the Main Station on Reed Street, and 3 each at the Sausalito and Tamalpais Valley stations.

**Emergency Medical Services**—This is provided under operational guidelines of the Southern Marin Emergency Medical Paramedic System (SMEMPS), a Joint Powers Agency (JPA) in which other fire agencies in the area participate. Transportation of patients is generally to the nearest medical facilities in Marin County, which are Marin

General Hospital in Greenbrae and Kaiser Terra Linda. The District will also, in some cases, transport patients to medical facilities in San Francisco.

SMEMPS resources are located at:

Medic 31  
333 Johnson Street  
Sausalito, CA 94965

Medic 32  
4301 Paradise  
Tiburon, CA 94920

Medic 33  
309 Poplar Street  
Mill Valley, CA 94941

Medic 34  
26 Corte Madera Ave.  
Mill Valley, CA 94941

Rescue 9 (medium duty rescue)  
308 Reed Street  
Mill Valley, CA 9494

**Hazardous Materials Response**—All line personnel are trained as Hazardous Materials First Responders. To mitigate significant Hazmat incidents, the District is a member of the Marin County Hazardous Materials Team JPA with other departments in Marin County. Personnel from SMFD and various other Marin fire agencies staff this team. The District is also a designated Decontamination Unit for incidents in the Southern Marin area.

**Marin County Urban Search and Rescue Team** -- Southern Marin Fire Protection District currently has eight participating members, including one City of Sausalito line firefighter, on the county wide USAR Team which is comprised of a forty-eight member staff, each trained at least to the Rescue Systems One Level. The team is considered a "multi-hazard" discipline, since it may be needed for a variety of emergencies or disasters.

**USAR Water Rescue**—There is a water rescue element to the Marin County Urban Search and Rescue Team. This component is classified as a Type I Swiftwater/Flood Search and Rescue Team (SF SAR Team) and responds to water rescue calls within both the City and the District.

**Southern Marin County Dive Team**--The Southern Marin Dive Team is a resource available for water rescue and dive emergencies in the Southern Marin Fire Protection District and City service areas as well as other areas in Marin County. The Rescue Vehicle and associated equipment cache is located at Southern Marin Fire Protection District Main Fire Station 9. Due to the station's close proximity to Richardson Bay, the inflatable rescue boat (IRB-1) with a crew of fully equipped personnel is located at the Sausalito fire station, where they can be deployed quickly. The SMDT also has the capability of transporting its personnel, equipment and rescue boat to other waterways as needed.

**Public Education and Fire Prevention**—Programs are provided that disseminate information relating to fire and other life safety hazards. The programs include visiting schools, giving instruction in first aid, CPR and disaster preparedness.

**LEVEL AND RANGE OF SERVICES AND TIME OF SERVICE AVAILABILITY**

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Upon annexation, all of the above services will immediately be provided to the new larger District area at the same level as now provided within both the City and District territory.

**UPGRADE OF FACILITIES AND EQUIPMENT WILL NOT BE NEEDED**

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All of the City and District equipment now available to and being used by the District to provide services will continue to be available to and be used by the District pursuant to the provisions of the agreement transferring ownership of City fire apparatus and fire vehicles to the District. This equipment will continue to be operated out of the three fire stations now used by the District. No improvement or upgrade of facilities and equipment is needed to provide services to the area within the City of Sausalito City limits.

**HOW SERVICES WILL BE FINANCED – CURRENT COSTS**

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**City of Sausalito**

Currently the City of Sausalito employs fifteen firefighters and includes the cost of their salaries and benefits in their annual budget. They also pay the District a share of the headquarters costs pursuant to a contract under which the District provides Headquarters services to the City, including supervision of its line fire staff. The City is responsible for a share of materials and supplies, sets aside funds to replace fire apparatus as it ages, and expends funds for other administrative costs such as consultant fees to work on the issue of merger with the District. The detail of fire service costs for the City over the past two years is reflected in the following table.

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**Table 4: Detail of City Fire Service Costs**

	Operating Costs	HQ Contract Costs Paid to the District	Vehicle Replacement Funds Reserved	Other Administrative Expenses
<b>FY 2009-10</b>	\$2,800,802	\$108,415	\$190,081	\$21,831
<b>FY 2010-11*</b>	\$3,024,717	\$109,458	\$118,869	\$52,514

Unaudited end of year data

The following table shows the City fire service cost trend for the past three years.

**Table 5: City Fire Department Costs**

	FY 2008-09	FY 2009-10	FY 2010-11 Revised Budget
<b>Total Annual Fire Department Costs</b>	\$3,057,221	\$3,121,129	\$3,305,648

With the exception of ambulance revenue, fire related expenses are charged to the City's General Fund, whose revenue source includes unrestricted revenue such as property tax, sales tax, franchise and business license fees. The City does not levy a special tax or assessment to support fire costs. The ambulance revenue for FY 2009-10 was \$110,702 and in FY 2010-11 it was \$148,032.

Expressed as a percentage of Property Tax Revenue, the cost of supporting City fire services has absorbed about half of the City's annual property tax revenue. Expressed as a percentage of total tax revenue, fire service costs have absorbed a little over one-third of total tax revenue. And expressed as a percentage of total City General Fund Operating Revenue, fire service costs have absorbed a little over a quarter of the City revenue. The table below provides the detail for each of the past three years.

**Table 6: Fire Service Costs as a Percentage of City Annual Revenue**

	FY 2008-09	FY 2009-10	FY 2010-11 Revised Budget
<b>Percentage of Property Tax Revenue</b>	47%	47%	51%
<b>Percentage of All Tax Revenue</b>	34%	35%	38%
<b>Percentage of All General Fund Operating Revenue</b>	25%	25%	26%

Importantly, the City has been able to balance its General Fund budget even while operating revenues have remained relatively flat for the past three years. This has been

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done principally through the use of some limited term revenue and restrictions in salaries and benefits. The table below reflects the operating revenue and the Undesignated Reserves that the City has been able to maintain.

**Table 7: City General Fund Revenue and Reserve History**

	FY 2008-09	FY 2009-10	FY 2010-11 Revised Budget
<b>Annual Operating Revenue</b>	\$12,467,075	\$12,313,495	\$12,581,650
<b>Unrestricted Reserve</b>	\$1,775,993	\$1,600,335	\$1,760,940

**Southern Marin Fire Protection District**

The District is a single purpose fire district, and so all of its expenditures are for the fire service.

- For FY 2009-10 the District expended \$8,821,765. However, annual operating expenditures were \$8,255,085 when one-time capital expenditures and vehicle depreciation are subtracted. This compared to revenue of \$8,999,717.
- For FY 2010-11, Preliminary Unaudited data similarly reflects total annual expenditures of \$8,650,432, of which \$8,288,698 were annual operating expenses. This compared to annual revenue of \$9,082,890.

Offsetting these expenses the District had the following sources of revenue:

**Table 8: District Revenue Sources in Fiscal Year 2009-10**

Revenue Source	Approximate Percent of Total District Revenue
Property Tax	71%
Special Parcel Tax	9%
ERAF <sup>1</sup>	6%
Other Fees and Charges	13%

1. ERAF: Educational Reimbursement Augmentation Funds returned to the District through the County pursuant to various state laws that shifted property tax revenue away from Counties, Cities and Districts.

In spite of the recession, the District annual revenue has remained stable for the past four years as reflected in the table below:

**Table 9: District Revenue and Expense History**

	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11 Unaudited</b>
<b>Annual Revenue</b>	\$8,488,736	\$9,239,726	\$8,999,717	\$9,082,890
<b>Annual Expense</b>	\$7,531,830	\$8,139,945	\$8,821,765	\$8,650,432

As a result of this stability, District reserves were \$4,373,611 on June 30, 2010, and an unaudited estimate of \$4,806,069 on June 30, 2011. It is anticipated that the District has sufficient fiscal strength to absorb responsibility for serving throughout the city limits of Sausalito if the City transfers sufficient permanent revenue to the District to offset the incremental added cost of providing the service.

**HOW SERVICES WILL BE FINANCED- AFTER ANNEXATION**

This incremental added cost of providing fire services to the City of Sausalito is \$2,969,250 less an average of about \$111,000 in ambulance revenue that would be earned by the District following annexation. This is less than the \$3,305,648 expended by the City in FY 2010-11, based on unaudited preliminary results. This savings reflects the fiscal benefit from a merger that is more cost effective and provides a more integrated fire services operation.

The City and the District have entered into an agreement, Attachment IV, that will permanently transfer to the District a share of the City's annual property tax allocation. The amount of this transfer is reduced by

- 1) \$111,000 in ambulance revenue,
- 2) Attributes to the City one-third or \$133,000 of the GGNRA contract revenue and this revenue will be received by the District along with their current two-thirds share of that contract revenue,
- 3) The City will assume responsibility for post retirement medical benefit costs of 6 employees who are close to retirement and will make an amortized annual payment for 30 years to the District of approximately \$58,000 per year to cover the unfunded liability for post retirement medical benefits of the remaining 9 City employees to be employed by the District,

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Based on the property tax records for Fiscal Year 2009-10, this amount will be sufficient to fund the estimated incremental added cost of providing the District's services to the property and populace within the Sausalito City limits. Sources of revenue for the District to fund the incremental added cost of providing service with the City limits are illustrated in the table below. The property tax transferred to the District will only represent 21% of General Fund Operating Revenue, compared to the 26% now being used for fire services by the City as reflected in Table 6.

**Table 10: Sources of District Revenue**

Added Revenue Needed by the District	City Ambulance & Permit Revenue	City Share of GGNRA Contract	Post Retirement Benefit Payment	Property Tax Transferred to the District
\$2,969,250	\$111,000	\$133,000	\$58,000	\$2,667,250

**FINANCIAL ALTERNATIVES TO ANNEXATION**

The City and the Fire District asked Citygate Associates to analyze the proposed annexation of the City into the District for fire protection services. In the study, they were asked to look at the fiscal impact on the City if the annexation did not proceed.

While the full report prepared by Citygate Associates is Attachment V, in summary they found that the under the current contract whereby the City line fire personnel have remained as City employees, the amount that the City pays the District for the Headquarters services and for supervision of City fire personnel is less than should be paid if the cost were determined based on measures such as personnel supervised, relative population or assessed value. The table below summarizes the measures for cost allocation that are included in the study:

**Table 11: Sausalito Share of Measures of Service**

Measures of Service	Southern Marin	Sausalito	Sausalito Share of the Total
Assessed Value	\$4,816,258,598	\$2,597,633,714	35.04%
Population	21,500	7,596	26.11%
Calls for Service	1,130	847	42.84%
Line Staff on Duty	10	5	33.33%
Fire Stations	2	1	33.33%
Composite Measure			34.13%

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If the “Composite Measure” in the table above were used to determine the amount the City should pay for Headquarters and supervisory services, the cost would increase from the present \$108,415 per year to \$503, 428.

Were the City instead to fully consolidate its fire services with the District, with the City employees becoming District employees, the District would then provide “all” fire services to the City under a Full Contract for Service. This approach would be in lieu of annexation. Under this approach and applying the “Composite Measure” to determine the City’s share of the cost of services, the City fire service FY 2009-10 cost would increase from \$3,121,129 (which includes the current \$108,415 administrative contract with the District) to \$3,970,982. An annual cost increase of \$849,853.

The annexation approach to fire service reorganization would fully makeup for all added costs to be incurred by the District and provide the District with opportunities for greater administrative efficiency as a result of fully consolidating the two fire departments and would cost the City less than the present unsustainable arrangement.

Annexation creates a total of \$184,062 annual improvement to the City’s General Fund.

- The provision of fire protection services through annexation to the Fire Protection District can be funded with a lower amount of property tax revenue than is currently being allocated in the FY 2011-12 budget by the City for that purpose. The City’s net annual savings after annexation compared to the budgeted FY 2011-12 cost is \$44,062 and the City budget remains structurally balanced.
- In addition, annexation further enables the City to use the remaining monies in the equipment replacement fund to liquidate the outstanding CalPERS side fund, which is a currently unfunded liability of the City’s associated with the City participation in the CALPERS pension system. This results in an additional annual savings of \$140,000.

## ATTACHMENTS

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Attachment I: Employee Transfer Plan and Implementing MOU Sideletter

Attachment II: “Agreement Regarding Financial and Personnel Conditions of Annexation”

Attachment III: Agreement Regarding District use of the City Fire Station and Transfer of Ownership of City Fire Apparatus and Equipment to the District- “Lease of Premises and Equipment Disposition Agreement”

Attachment IV: Property Tax Agreement – “A Resolution of the City Council of the City of Sausalito Accepting a Negotiated Exchange of Property Tax Revenues Between the City of Sausalito and the Southern Marin Fire Protection District”

Attachment V: Citygate Associates Report “Sausalito and Southern Marin Fire Protection District Fire Phase I Briefing with FY 2009-10 Data”