

Fire Services Organization Study

City of Sausalito
Fire Department



Southern Marin
Fire District

*City Council Update
June 15, 2010*

Phase I - Findings in Brief

- Given size and costs, both agencies are co-dependent on each other
- A city-only fire agency is not cost-effective
- At a minimum, the headquarters only cost-sharing and governance structures need improvements and should be understood as not being a long-term effective solution.



Annexation of the City into the District

- Benefits are:
 - Most stable long term
 - All residents and property subject to the same tax and fees
 - District Board is elected by residents of both the current District and the City.



Annexation Rules

- The existing Southern Marin FPD special tax *could* carry over and apply to property within the City
- For the ad valorem taxes, the tax sharing provisions apply. This requires a tax sharing agreement accepted by LAFCO and the County that shifts sufficient revenue from the City to the District to pay for the extra District fire expenses after annexation.



Available Revenues

Fire District Special Tax	Unimproved Property	Each Living Unit	Per sq ft of Structural Improvements	Per Parcel for County Tax Administration
Tax Rate	\$45	\$90	\$.12	\$2

Added Revenue Needed by the District	City Ambulance and Permit Revenue	Special Tax Applied to City Parcels	Property Tax Transferred to the District
\$2,926,074	\$118,588	\$560,000	\$2,247,486

The property tax transfer represents about **34 percent** of all property tax related revenue received by the City in FY 2007-08.



Annexation of the City into the District

- The City no longer is fiscally responsible for fire services as regulations and needs change
- There is a single layer of representation between the voters and the District Board, compared to a full contract for service or JPA arrangement that has an appointed governance committee
- Total contribution by the City to the District will be approximately \$2,926,074, based on FY 2007-08 costs
- Since this is to compensate the District for the added cost of providing services in the larger area, it turns out to be somewhat *less than* the cost based on a composite measure of service used in the contract model.

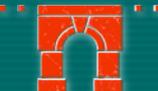


Timeline of the Next Phase

- The City and the District, in Phase I, received an analysis of the costs and advantages of various alternatives to providing fire service cost effectively
- Phase II resolves the details of consolidating the two fire departments and takes the City and District to the point where you can make a final decision on submitting an application to LAFCO.



Task	Description	Who	Best Case Timeline When
Authorize Phase II Scope of Work	<ol style="list-style-type: none"> 1. Assist the City and District in the meet and confer process with employees and an employee transition plan; 2. Complete a draft of the LAFCO required application and Plan for Service and other documents; 3. Determine the process and form of Property Tax Exchange Agreement and assist the City and District in negotiating this agreement; 4. Assist in the process of determining whether and how the District Special Tax might apply to the City properties; 5. Assist in resolving issues concerning ownership, maintenance and replacement of fire apparatus and fire stations 	City and District	<u>15-Jun</u>
Begin Meet and Confer with Employees		City and District with Citygate's assistance	<u>15-Jul-10</u>



Task	Description	Who	Best Case Timeline When
<p>Meet with County Counsel, Auditor Controller and LAFCO to determine process and form of Property Tax Agreement between the City and District</p>		<p>Citygate and LAFCO</p>	<p><u>15-Jul-10</u></p>
<p>Meet with County Election Officials and County Counsel to determine the alternate forms of ballot language for a Special Tax measure</p>	<p>The City has several choices regarding how it takes a Special Tax measure to the electorate. If a Special Tax measure is approved, it needs to be in a form that does not inadvertently cause problems for the District in its administration and should avoid creating two separate tax zones that require separate future elections if a change in the Tax is needed.</p>	<p>City and Citygate</p>	<p><u>15-Jul-10</u></p>
<p>Special Tax Election</p>	<p>An election to determine whether the District Special Tax should be applied to the City, if annexation to the District occurs.</p>	<p>City and County Election Officials</p>	<p>Sometime between <u>January and March 2011</u></p>



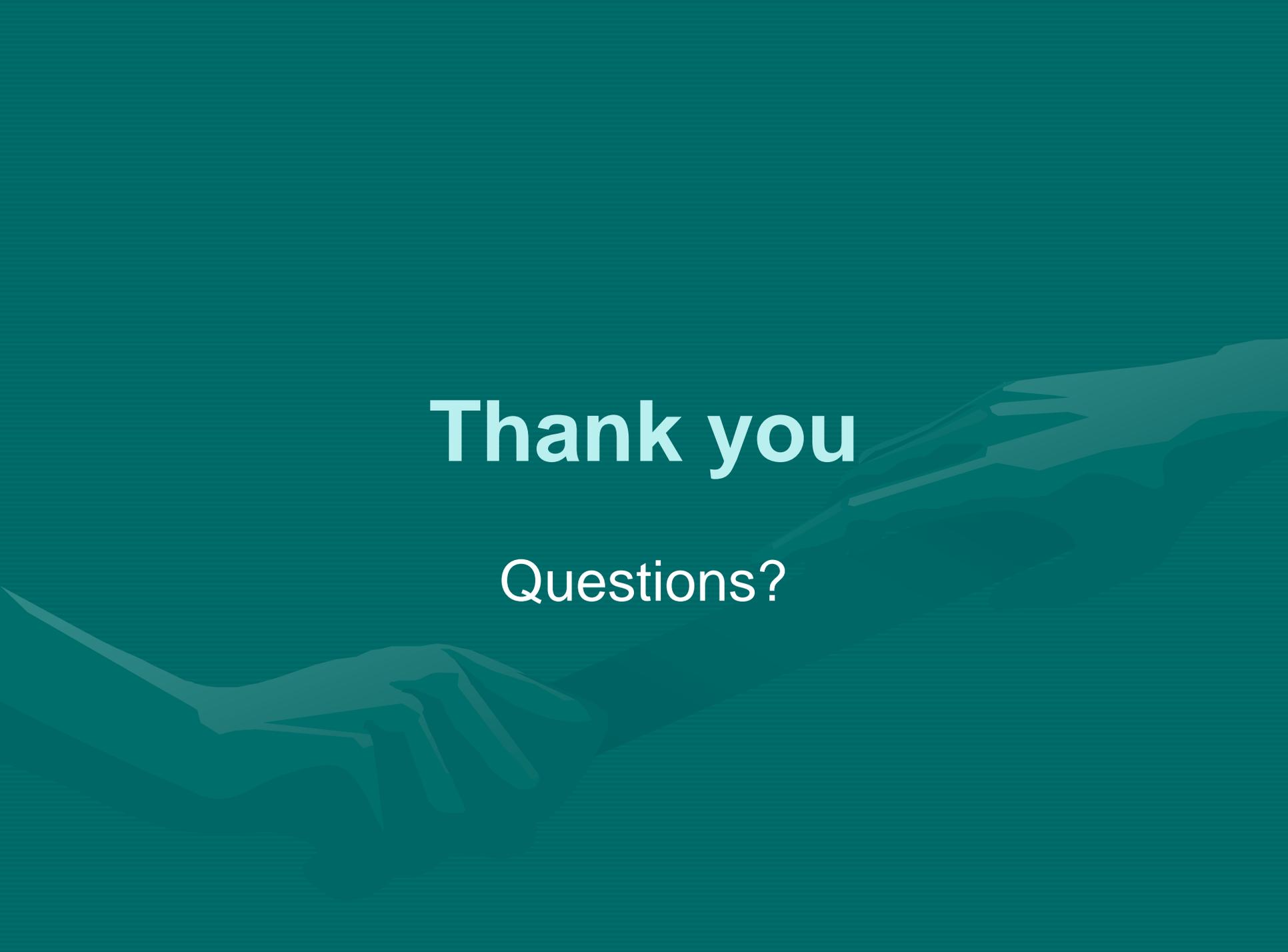
Task	Description	Who	Best Case Timeline When
Approve Notice of Intention to file the Resolution of Application to LAFCO	At least 21 days before the adoption of the resolution, the legislative body may give mailed notice, to interested agencies, of its intention to adopt a resolution of application to LAFCO.	City Council and District Board	Within 30 days of certification of the election results
Adopt Resolution of Application	Publish Notice of Public Hearing 21 days prior to the date of adoption	City Council and District Board	Within two weeks following approval of the resolution
File Resolution and Supporting Documents with LAFCO		City and District	15-May-10
Public Hearing by LAFCO	A public hearing must be held by LAFCO within 90 days of issuing the "certificate of filing". The public hearing can be continued for a maximum of 70 days.	LAFCO	14-Jul-11
LAFCO holds protest hearing	If there are insufficient protests, LAFCO will make its decision at this meeting.		8-Sep-11



Next Steps

1. The City Council can provide policy to proceed with Phase II and develop its preferred approach to financing and annexation with the Fire District with the goal of long-term sustainability
2. At the end of Phase II, the final costs and agreements would then be presented to the City Council for consideration and direction to initiate the necessary steps with LAFCO.





Thank you

Questions?

Current Workload & Costs

	Sausalito	Southern Marin FPD
Population	7,532	21,500
Calls for Service (2008)	762	1,259
Expenditures FY 2007-08 (less large capital and vehicle replacement fund payments)	\$2,824,484**	\$7,531,830

**Of the FY 2007-08 actual expenditures, \$63,971 was for payment of the administrative services under the contract with the Southern Marin FPD. This amount was increased to \$104,652 in FY 2008-09.



Current Headquarters Cost Sharing

- Price and formula do not take into account the incident command staff/equipment (B/C's)
- City only pays for 1/3rd of Fire Chief and Admin Assistant
- Full cost of Headquarters and Supervisory functions for the District are \$1,350,000 and City paid only about 8 percent of this in FY 08-09
- No dedicated/trained Fire Marshal
- Does not take into account overlapping time/costs lost in personnel administration.



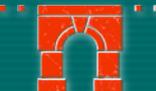
Cost Sharing in Contract for Service Alternatives

- Cost share formulas that reflect all expenses and divide cost in proportion to workload and or risks
- Typical formula components:
 - Assessed value
 - Population
 - Calls for service
 - Line firefighters on-duty per day
 - Number of fire stations.



Sausalito Share of Measures of Service

Measures of Service	Southern Marin	Sausalito	Sausalito Share of the Total
Assessed Value	\$4,756,436,825	\$2,410,374,432	33.6%
Population	21,500	7,532	25.9%
Calls for Service	1,259	762	37.7%
Line Staff on Duty	10	5	33.3%
Fire Stations	2	1	33.3%
Composite Measure			32.8%



Sausalito Headquarters Cost Share

*Current FY 08-09 Cost = **\$104,652***

Measures of Service	HQ Cost Without Battalion Chiefs	Sausalito Share	HQ Cost With Battalion Chiefs	Sausalito Share
Assessed Value	\$575,000	\$193,200	\$1,350,000	\$453,600
Population	\$575,000	\$148,925	\$1,350,000	\$349,650
Calls for Service	\$575,000	\$216,775	\$1,350,000	\$508,950
Line Staff on Duty	\$575,000	\$191,475	\$1,350,000	\$449,550
Fire Stations	\$575,000	\$193,200	\$1,350,000	\$453,600
Composite Measure	\$575,000	\$188,600	\$1,350,000	\$442,800



Cost of Alternatives

Contract /JPA or Reinstate Fire Department			Merge with District	
Current Contract Sausalito	Full Contract or JPA Sausalito	Full Fire Department Sausalito	City of Sausalito	Transferred to District
\$2,824,452	\$3,375,878	\$4,375,536	-	\$2,926,074



Cost of Alternatives

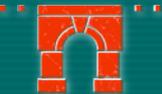
	Full Contract/JPA or Reinstate the Fire Department			Merge the City into the District	
	Current Contract Sausalito GF	Full Contract Sausalito GF	Full Fire Department Sausalito GF	City of Sausalito GF	Transferred to District
<i>Revenues:</i>					
Property Taxes-Non Fire	3,794,136	3,794,136	3,794,136	4,252,514	
Property Taxes Fire	2,705,864	2,705,864	2,705,864		2,247,486
Ambulance Revenues	118,588	118,588	118,588		118,588
Special Fire District Tax					560,000
All other revenues	7,500,000	7,500,000	7,500,000	7,500,000	
Total Revenues	14,118,588	14,118,588	14,118,588	11,752,514	2,926,074
<i>Expenses:</i>					
Fire Department	2,824,452	3,375,878	4,375,536	-	2,926,074
All other Departments	11,294,136	11,294,136	11,294,136	11,294,136	
Total Expenses	14,118,588	14,670,014	15,669,672	11,294,136	2,926,074
Fund Balance Impact:	-	(551,426)	(1,551,084)	458,378	-

Other Fiscal Issues – Full Contract for Service

- Retirement liability
- Retiree medical costs
- Apparatus and station replacement costs
- Fire Prevention service - staff/contract
- Governance:
 - Service levels
 - Personnel costs
 - Asset replacement.



Only Two Practical Choices



Full Contract for Service

- Benefits:
 - Management of employees is simplified under a single MOU and set of personnel rules
 - A single accounting system is maintained by the District, avoiding duplication
 - The City no longer will need to negotiate with Fire employees
 - The City and District can adopt performance measures to gauge the delivery of services.



Annexation of the City into the District

- Very similar benefits, plus:
 - Most stable long term
 - All residents and property subject to the same tax and fees
 - District Board is elected by residents of both the current District and the City.



Separate City Fire Department Costs

Labor Expenses	Material and Supply Expenses	Vehicle Replacement	Total
\$3,777,494	\$432,449	\$165,593	\$4,375,536

