



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

City of Sausalito Annexation by Southern Marin Fire Protection District

RECOMMENDED MOTION:

Motion of the City Council directing staff to send a Notice of Intention to File an Application for Annexation to the Southern Marin Fire Protection District by expanding the District boundaries to include the City of Sausalito.

SUMMARY

On June 20, 2011 the City Council and the Board of Directors for the Southern Marin Fire Protection District met in joint session and directed the staff to prepare the Application to the Marin County Local Agency Formation Commission (LAFCO) for annexation to the SMFPD by expanding the boundaries of the SMFPD to include the City of Sausalito under the terms and conditions specified in the staff report for that joint meeting.

The City is scheduling a public hearing on the application on September 13, 2011. LAFCO requires this public hearing as a precondition to submitting the application. LAFCO also provides that the City may, if it desires, send a Notice of Intention to file the application to interested agencies, prior to the public hearing.

In order to provide notice to these agencies, the staff is recommending that the City Council direct staff to send a "Notice of Intention to File an Application to Annex to the Southern Marin Fire Protection District." Staff will also publish a notice of the September 13 public hearing in mid-August and hold a public forum in the City Fire Station on September 8, 2011.

BACKGROUND

Since 2004, the City of Sausalito has partnered with the Southern Marin Fire Protection District (SMFPD) to provide the residents and businesses of Sausalito with high-quality fire protection and emergency services. Even before that, when the City of Sausalito operated its own fire department, the two agencies regularly cooperated in responding to major fires and other emergencies that neither one on their own had sufficient resources or personnel to handle.

The partnership has been governed by a formal contract between the City and Fire Protection District. Under this model, the SMFPD provides almost all management, operations and

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administrative services, while the City of Sausalito owns and maintains its downtown fire station and equipment and employs 15 firefighters who are managed by the Fire Protection District.

Despite the success of the current model, it has become outdated in the face of changing state and federal standards which require certain levels of firefighter staffing, training and supervision to ensure a safe and adequate response to fires and other emergencies. The contract also no longer reflects the full cost and scope of services being provided by the District.

After studying more efficient and cost-effective ways to provide Sausalito residents and businesses with high quality fire protection and emergency services, the City Council at the June 20, 2011 joint meeting with the Southern Marin Fire Protection District Board directed the staff to prepare an application to the Marin County Local Agency Formation Commission for annexation to the District by expanding the District boundaries to include the City.

There are several steps in this application process that are specified in State Statutes and are therefore, required by LAFCO in order to process and consider the application. These steps have been previously described to the City Council.

Task	Not Later Than Date
City Council meets to Adopt Resolution of Application	September 13, 2011
Public Hearing by LAFCO on the application	November 10, 2011
Protest Hearing by LAFCO	December 19, 2011
LAFCO meets to evaluate protest petition	January 12, 2012
Election	June 5, 2012

LAFCO suggests that the City consider the additional step of providing interested agencies with a Notice of Intention to File the Application. The agencies that would receive the notice in August include LAFCO, SMFPD, the GGNRA, the County, neighboring fire districts, the Marin County Employees Retirement Association, CalPERS, and the Southern Marin Emergency Medical-Paramedic System. This action is in addition to the City providing a published notice of the September 13 public hearing and holding an information forum for the community on September 8 at the City Fire Station.

The June 20, 2011 staff report to the City Council and District Board specified the terms of various agreements that will be included as part of the application. These agreements resolve issue that include how facilities and equipment will be handled and the financial terms of the annexation, to ensure that the District is able to continue providing the high quality fire and emergency services and that neither the City nor the District are financially disadvantaged by the annexation. Transfer of employees to the District are also covered in these agreements. These agreements are in the process of being drafted consistent with the parameters described in the

June 20, 2011 staff report. Final copies of the agreements will be included in the City Council packet for the September 13, 2011 Public Hearing, and submitted in the subsequent application to LAFCO.

Also attached is the Notice of Intention to File the Application for Annexation.

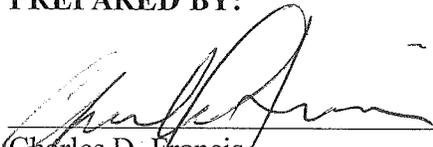
STAFF RECOMMENDATIONS

Staff recommends that the City Council adopt a motion directing the staff to send to interested agencies a Notice of Intention to File an Application for Annexation to the Southern Marin Fire Protection District by expanding the District boundaries to include the City of Sausalito.

ATTACHMENTS

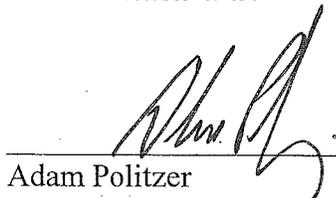
- Notice of Intention to File the Application for Annexation
- Application to LAFCO
- Plan for Service

PREPARED BY:



Charles D. Francis
Director of Administrative Services / Treasurer

SUBMITTED BY:



Adam Politzer
City Manager

**Notice of Intention to File an Application for Annexation to the Southern
Marin Fire Protection District by Expanding the District Boundaries to
Include the City of Sausalito**

TO: Marin County Local Agency Formation Commission, Southern Marin Fire Protection District, Golden Gate National Recreation Area, County of Marin, Corte Madera Fire Department, Marin County Fire Department, Mill Valley Fire Department, Tiburon Fire Protection District, the Marin County Employees Retirement Association, CalPERS, and the Southern Marin Emergency Medical-Paramedic System.

From: City of Sausalito

Since 2004, the City of Sausalito has partnered with the Southern Marin Fire Protection District (SMFPD) to provide the residents and businesses of Sausalito with high-quality fire protection and emergency services. Even before that, when the City of Sausalito operated its own fire department, the two agencies regularly cooperated in responding to major fires and other emergencies that neither one on their own had sufficient resources or personnel to handle.

The partnership has been governed by a formal contract between the City and Fire Protection District. Under this model, the SMFPD provides almost all management, operations and administrative services, while the City of Sausalito owns and maintains its downtown fire station and equipment and employs 15 firefighters who are managed by the Fire Protection District.

Despite the success of the current model, it has become outdated in the face of changing state and federal standards which require certain levels of firefighter staffing, training and supervision to ensure a safe and adequate response to fires and other emergencies.

After studying more efficient and cost-effective ways to provide Sausalito residents and businesses with high quality fire protection and emergency services, the City Council at the June 20, 2011 joint meeting with the Southern Marin Fire Protection District Board directed the staff to prepare an application to the Marin County Local Agency Formation Commission for expansion of the District boundaries to include the City.

There are several steps in this application process that are specified in State Statutes and are therefore, required by LAFCO in order to process and consider the application. These steps are summarized below along with the current schedule for consideration of the annexation..

If LAFCO approves the application, the current plan is for the City to then place a measure on the ballot that would extend the present Southern Marin Fire Protection District Parcel Tax to property in the City of Sausalito. If the tax measure is passed by the voters, then annexation would go into effect.

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LAFCO meets to evaluate protest petition	January 12, 2012
Election	June 5, 2012

LAFCO suggests that the City consider the additional step of providing interested agencies with a Notice of Intention to File the Application. This action is in addition to the City providing a published notice of the September 13 public hearing and holding an information forum for the community on September 8 at the City Fire Station.

To provide you with additional information on this annexation, we have attached a draft of the Application to LAFCO and a draft of the Plan for Service. If you have additional questions, please contact Charlie Francis, Director of Administrative Services, City of Sausalito, CA at 415-289-4105 or by email at cfrancis@ci.sausalito.ca.us.

Attachments

- Application to LAFCO
- Plan for Service

MARIN LAFCO
APPLICATION QUESTIONNAIRE

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

I. GENERAL INFORMATION

1. Please check the method by which this application was initiated:

Resolution of Application
 Petition

2. Does the application possess 100% written consent of each property owner in the subject territory? Yes No

3. A. Application is submitted for the following boundary change:
(BE SPECIFIC; i.e., "annexation," "reorganization".)

Annexation of the area encompassed by the City of Sausalito into the Southern Marin Fire Protection District

B. The reason the proposed action(s) has been requested:
(BE SPECIFIC; i.e., "annexation to sewer district for construction of three homes")

Annexation of the City of Sausalito into the Southern Marin Fire Protection District for the provision of fire protection. Both the City of Sausalito and the Southern Marin Fire Protection District operate fire departments. Currently both departments are managed by a single headquarters section, with the City and the District sharing the costs. The District Fire Chief also serves as Fire Chief for the City. The line operations of the two departments have been functionally consolidated so they train and operate as a single department, although each agency currently retains a portion of the firefighter work force on its separate payroll.

Annexing the City into the District for purposes of fire protection will complete the consolidation of the two fire departments. This will permit economies of scale in the department operations, consolidate the work force under a single set of personnel rules which will facilitate management of the department, and create a single financing structure for the fire operations.

4. State general location of proposal:

The area proposed to be annexed to the Southern Marin Fire Protection District is the territory within the municipal boundaries of the City of Sausalito.

5. Is the proposal within a city's boundaries?

Yes
Which city? Sausalito

No _____. If the proposal is adjacent to a city, provide city name: _____.

6. Is the subject territory located within an island of unincorporated territory?

Yes ____ No X

7. Would this proposal create an island of unincorporated territory? Yes ____ No X.

If yes, please justify proposed boundary change:

8. Provide the following information regarding the area proposed for annexation:

(Attach list if necessary.)

The proposal boundary is identical to the City of Sausalito boundaries and includes all parcels within the City's incorporated area.

A. Assessor's Parcel Number(s)

Site Address(es)

B. Total number of parcels: _____.

9. Total land area: 2.17 sq miles. Approximately .3 sq miles is underwater.

II. LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

None _____

2. Indicate current land use:

(i.e., number of dwellings, permits currently held, etc.)

The attached Tables 2-2 and 2-3 from the City of Sausalito General Plan reflect the land use and development potential within the City limits.

3. Indicate the current zoning (either city or county) title and densities permitted:

See attached City Zoning Map.

4. Has the area been rezoned? No _____ Yes _____

Not Applicable

5. Describe the specific development potential of the property:

(Number of units allowed in zoning.)

See attached Tables 2-2 and 2-3 and GP Map G-4 from the City of Sausalito General Plan reflecting the land use and development potential within the City limits.

III. ENVIRONMENT

1. Is the site presently zoned or, designated for, or engaged in agricultural use?

Yes _____ No X

If yes, explain: _____

2. Will the proposal result in a reduction of public or private open space?

Yes _____ No X

If yes, explain: _____

3. Will service extension accomplished by this proposal induce growth in:

- A. This site? Yes _____ No X N/A _____
- B. Adjacent sites? Yes _____ No X N/A _____
- C. Unincorporated? Yes _____ No X
- D. Incorporated? Yes _____ No X

4. State general description of site topography: Sausalito is characterized by a diverse topography which encompasses steep, wooded hillside towards the west and shoreline tidal flats to the east. The relief of the region is 975 feet at the southwestern border of the City limits adjacent to the Golden Gate National Recreation Area and sea level along the eastern border of the City limits along the shoreline adjacent to Richardson's Bay. The topography of the area from north to south consists of a series of parallel, elongated ridges, intervening valleys, and ten open drainage ways.

5. Indicated Lead Agency for this project: City of Sausalito

5. Indicate Environmental Determination by Lead Agency: City of Sausalito and the Southern Marin Fire Protection District with respect to annexation of the City of Sausalito to the Fire District dated _____.

Annexation of the City to the District is Categorically Exempt under Section 15320 CEQA Guidelines. (Title 14, California Code of Regulations Section 15000, et seq.).

Section 15320 of the CEQA Guidelines provides that changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised" are exempt. Both the

City and the District have the power to provide fire services within their current respective boundaries.

In addition, the consolidation is exempt pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the consolidation may have a significant effect on the environment.

(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)

Please provide the names and addresses of persons who are to be furnished copies of the Agenda, Executive Officer's Report, and Notice of Hearing:

<u>Name</u>	<u>Address</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Name and Address of Applicant: _____

Telephone Number: H (____) _____ W (____) _____

_____	_____
Signature	Date
_____	_____
Signature	Date

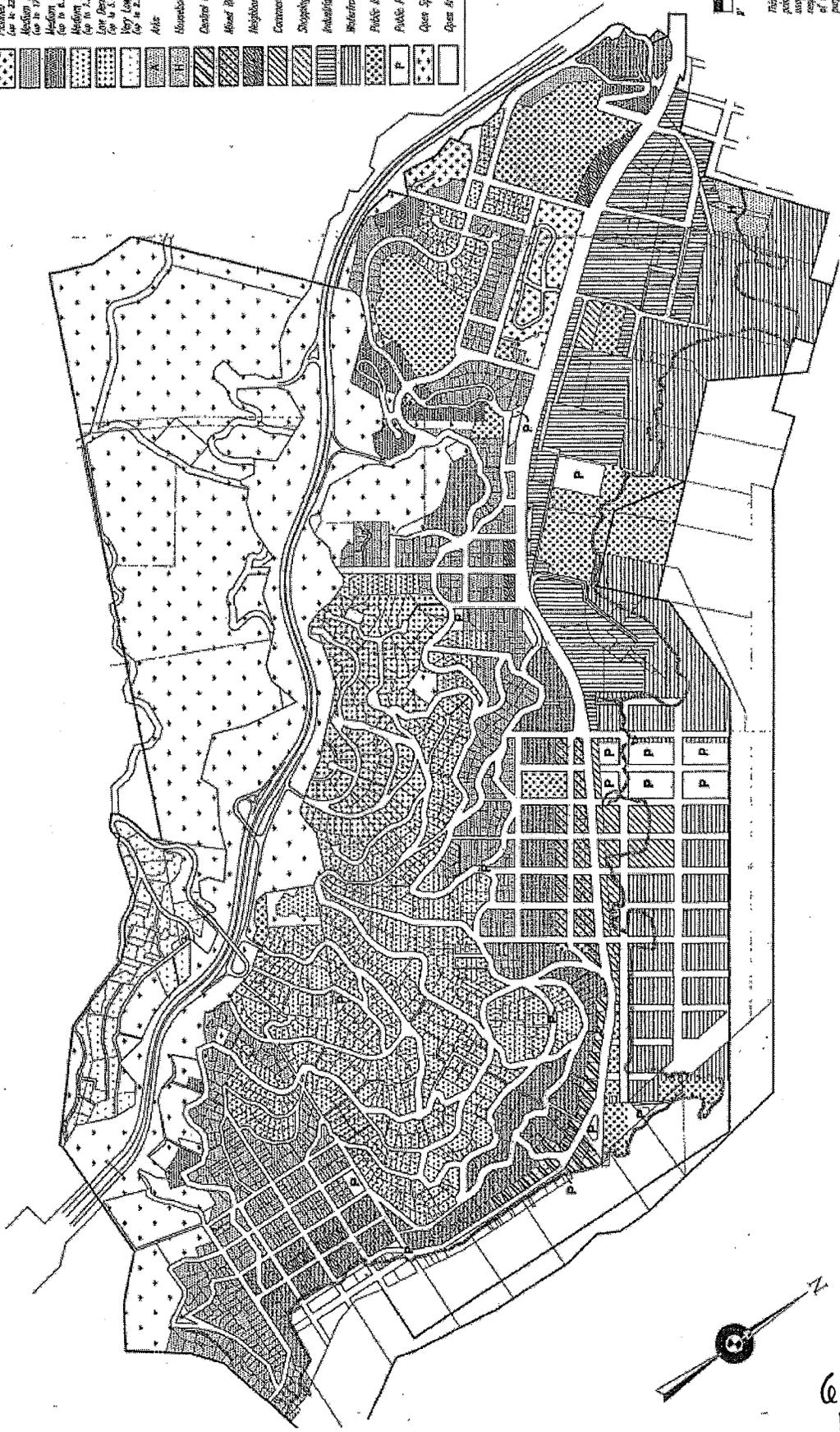
Application Questionnaire Item II-5

Land Use Map from City of Sausalito General Plan

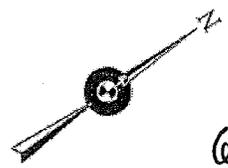
LAND USE
CITY OF SAUSALITO - GENERAL PLAN

LEGEND

[Pattern]	High Density Residential (up to 22 dwelling units per acre)
[Pattern]	General Entertainment, Residential (up to 22 dwelling units per acre)
[Pattern]	Medium High Density Residential (up to 17 dwelling units per acre)
[Pattern]	Medium Density Residential (up to 8.7 dwelling units per acre)
[Pattern]	Medium Low Density Residential (up to 7.3 dwelling units per acre)
[Pattern]	Low Density Residential (up to 6.5 dwelling units per acre)
[Pattern]	Very Low Density Residential (up to 2.2 dwelling units per acre)
[Pattern]	Arts
[Pattern]	Homebased
[Pattern]	Quaint Commercial
[Pattern]	Main Residential & Commercial
[Pattern]	Neighborhood Commercial
[Pattern]	Commercial Interfront
[Pattern]	Shopping Center
[Pattern]	Industrial
[Pattern]	Recreation
[Pattern]	Public Institutions
[Pattern]	Parks Parks
[Pattern]	Open Space
[Pattern]	Open Area



This base map was developed primarily for General Planning usage. The City of Sausalito is not responsible for errors or omissions of this map beyond its intended purpose.



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Land Use Tables from City of Sausalito General Plan

Table 2-2
Residential Development Potential by Land Use Category

<u>LAND USE DESIGNATION</u>	<u>EXISTING # OF UNITS</u>	<u>NET ACRES</u>	<u>UNITS PER ACRE</u>	<u>POTENTIAL UNITS¹</u>
Very Low	33	26.23	1.26	23
Low	121	32.2	3.75	8
Medium-Low	891	118.3	7.53	83
Medium	90	10.92	9.34	18
Medium-High	1619	120.1	13.50	114
Planned Development	283	12.77	15.00	0
High	1000	34.42	24.26	182
Arks	7	.35	20.00	0
Houseboats	7	4.82	1.45	6
Marinship Overlay	44	71.00	.08	0
Central Commercial	77	4.92	15.60	0
Mixed Residential and Commercial	50	6.04	8.40	0
Neighborhood Comm.	18	5.50	3.30	0
Total	4240			434

¹ The maximum number of potential units is based on each lot being developed to the full density entitlement.

Table 2-3
Commercial Development Potential by Land Use Category

<u>LAND USE DESIGNATION</u>	<u>EXISTING SQUARE FEET</u>	<u>NET ACRES</u>	<u>MAXIMUM POTENTIAL COMMERCIAL SQ. FT.²</u>
Central Commercial	325,598	5.82	38,100 sq. ft.
Mixed Residential & Commercial	216,249	6.04	46,600 sq. ft.
Neighborhood Comm.	111,573	5.50	5,100 sq. ft.
Comm. Waterfront	69,090	5.90	39,000 sq. ft.
Shopping Center	19,000	1.47	0 sq. ft.
Industrial	944,858	62.85	91,000 sq. ft.
Waterfront	91,808	27.5	112,200 sq. ft.
Total	1,778,176		432,000 sq. ft.

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PLAN FOR PROVIDING SERVICES

**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 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

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 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:

Sausalito FD Apparatus

Vehicle Make	Vehicle Type	Year Placed in Service	Status
GMC 2500/PU	Utility	1995	Front Line
Pierce	Type 1 Pumper	2007	Front Line
Sparten/3D	Type 1 Pumper	1995	Reserve
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

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 II. 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:

Currently Budgeted Fire Emergency Services Staffing

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

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 are 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

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

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

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 and a share of materials and supplies. These direct costs of the City's share of fire services were \$2,909,217 in Fiscal Year 2009-10. In addition the City incurred \$21,831 for other administrative costs such as consultant fees to work on the issue of merger with the District and \$190,081 set aside by the City toward replacement of the City owned fire apparatus.

All except \$110,702 of the City's 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. This small amount not charged to the General Fund is revenue received from ambulance services.

The District expended \$8,821,765 in Fiscal Year 2009-10, all for fire services since the SMFPD is a single purpose district. However, annual operating expenditures were \$8,255,085 when one-time capital expenditures and vehicle depreciation are subtracted. The City of Sausalito reimbursed the District \$108,415 pursuant to a contract under which the District provides Headquarters services to the City, including supervision of its line fire staff. Offsetting these expenses the District had the following sources of revenue:

District Revenue Sources in Fiscal Year 2009-10

Revenue Source	Approximate Percent of Total District Revenue
Property Tax	71%
Special Parcel Tax	9%
ERAF ¹	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.

The table below shows the Special Parcel Tax rate applied to residential and commercial property. If a Special Parcel Tax is approved by Sausalito voters, this same rate would apply within the City and become part of the revenue funding the ability of the District to provide fire services within the expanded boundary that would include the City territory.

Annual Southern Marin FPD Special Tax Rate

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

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

District Revenue and Expense History

	FY 2007-08	FY 2008-09	FY 2009-10
Annual Revenue	\$8,488,736	\$9,239,726	\$8,999,717
Annual Expense	\$7,531,830	\$8,139,945	\$8,821,765

As a result of this stability and the District's reserves of \$4,373,611 on June 30, 2010, it is anticipated that the District has sufficient fiscal strength to absorb responsibility for

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servicing 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.

This incremental added cost of providing fire services to the City of Sausalito is \$2,969,250 less \$ 110,702 in ambulance revenue that would be earned by the District following annexation.

The City and the District have entered into an agreement, Attachment III, 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 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 to cover the unfunded liability for post retirement medical benefits of the remaining 9 City employees to be employed by the District,
- 4) The agreement also provides that there will be an election to determine if the District's current Special Parcel Tax rate will be applied to the City upon annexation. If that election results in voter approval of the parcel tax within the City of Sausalito, the amount of transferred property tax will be reduced by the amount of the \$600,000 in anticipated Special Parcel Tax revenue.

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.

Added Revenue Needed by the District	City Ambulance and Permit Revenue	City Share of GGNRA Contract	Post Retirement Benefit Payment	Special Tax Applied to City Parcels	Property Tax Transferred to the District
\$2,969,250	\$111,000	\$133,000	\$58,000	\$600,000	\$2,067,250

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 IV, 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:

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%

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 cost would increase from the present \$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.

Attachment I: Memorandum of Understanding between the City, the District and City of Sausalito Fire Department Employees.

Attachment II: Agreement Regarding Terms and Conditions of the District use of the City Fire Station and Transfer of Ownership of City Fire Apparatus and Equipment to the District.

Attachment III: Revenue and Property Tax Agreement

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