



COUNTY OF HUMBOLDT

For the meeting of: January 10, 2017

Date: December 1, 2016

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer *AN*

Subject: Sustainable Community Fire Protection and Emergency Services for Areas Currently Outside of Local Jurisdictions

RECOMMENDATION(S):

That the Board of Supervisors receive a report on sustainable community fire and emergency services for areas currently outside of local jurisdictions and provide direction as necessary.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

On Dec. 8, 2015, your Board heard a report regarding efforts to support sustainable local fire and rescue services throughout the county. The report outlined the need to find solutions to the issue of fire related districts regularly responding on a "good-will" basis to areas outside of their jurisdictional boundaries and the associated need to identify organizational changes and additional revenue sources to support the continuation of fire and rescue services to those areas. Of particular concern is the area known as the Mad River-Redwood Creek Study Area, hereinafter referred to as Service Gap Area (SGA). This area spans

Prepared by Elishia Hayes, Senior Administrative Analyst

CAO Approval *Chester D. Williamson*

REVIEW:

Auditor _____ County Counsel *Sm* Human Resources _____ Other _____

TYPE OF ITEM:

____ Consent

☒ Departmental

____ Public Hearing

____ Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. F-3, C-8, G-3

Meeting of: 5/6/03, 7/28/15, 12/8/15

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor _____ Seconded by Supervisor _____

Ayes _____

Nays _____

Abstain _____

Absent _____

SEE ACTION SUMMARY

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____

By: _____

Kathy Hayes, Clerk of the Board

approximately 260,000 acres (over 400 square miles of taxable parcels) and falls to the west of the Willow Creek Fire Protection District (FPD), the east of the Blue Lake FPD and the northeast of the Kneeland FPD. Also included in this area is a large portion of the State Highway 299. Representatives from these districts have relayed a clear message to the Board of Supervisors and county personnel that such a response, out of their district boundaries, has caused an immense financial strain on their organizations.

This problem, however, is not unique to this SGA. Most fire related districts in Humboldt County respond to a number of emergency calls outside of their jurisdictional boundaries and are experiencing the associated strain on their service. In fact, 22 of the 26 fire related districts in the county have mapped response areas outside of their district, and some fire districts have reported that approximately 50 percent of the calls responded to were outside of their jurisdictional boundaries. Responding to out of district calls causes a negative fiscal impact on districts in the use of their resources and depreciation of their equipment. Furthermore, when responding out of district, fire district personnel can be taken many miles away from home base which can leave the citizens of their district vulnerable, requiring neighboring districts to act as backup. However, according to the Humboldt County Fire Chief's Association (HCFCA) 2014 annual report, a countywide mutual aid agreement memorializing the ability and willingness of each local fire service provider in the county and CAL FIRE to respond to out of district calls has been developed and maintained in the form of a Memorandum of Understanding (MOU). While such a commitment insures a quick and decisive dispatch of resources, fire districts do not receive funding for out of district response and they are not legally obligated to respond. In addition, the above-referenced MOU only pertains to mutual response between districts, and therefore, does not address response to areas that fall outside of districts.

The county has no legal mandate to provide fire protection services pursuant to the laws of the State of California. However, the county does have a legal mandate to provide ambulance services pursuant to California Health and Safety Code Sections 1797, et seq. Throughout a number of California counties, fire protection services are performed through special districts. Special districts have taxing authority and are local governments governed by an elected body, similar to the Board of Supervisors. There are counties in California that have formed countywide fire departments to ensure full coverage of their jurisdictions. For example, Orange and Ventura counties have chosen to create county fire departments to serve the unincorporated areas, as well as some select cities. These county departments also contract with the state to provide wildland fire protection in place of CAL FIRE for the State Responsibility Area (SRA). Examples of another model are Riverside and Sonoma counties which created countywide jurisdictions to provide fire protection, and contract with CAL FIRE and/or local government

resources to provide the service. In Humboldt County, a total of \$2,477,159 has been allocated for fire related services in Fiscal Year (FY) 2016-17, at the expense of the General Fund. This figure does not include the county's support of fire districts through the county's worker compensation program.

General Fund Contribution to Fire

Proposition 172 Revenue Sharing	216,833
Measure Z Fire Chief's Assoc.	1,838,542
Mad River-Redwood Creek Study Area	252,855
Cooperative Dispatch	130,236
County Service Area (CSA) #4 Assessment Revenue	(197,744) *
Contract with CalFIRE for CSA #4	<u>236,437 *</u>
*CSA #4 total cost to General Fund - \$38,693	
Total	\$ 2,477,159

Per the California Subdivision Map Act (SMA), before approving a tentative map, or a parcel map for which a tentative map was not required, for an area located in a state responsibility area, the legislative body of a county must make an important finding related to fire protection. The SMA requires that a finding is made that structural fire protection and suppression services will be available for the subdivision through a county, city, special district, political subdivision of the state, or any other entity that is organized solely to provide fire protection services that is monitored and funded by a county or other public entity. However, this requirement does not apply to subdivisions for the managed production of resources consistent with the Open Space Element of the county's General Plan. In 2015 Humboldt County successfully pursued legislation through Assembly Bill 644 which provides an exception for open space subdivisions resulting in parcels smaller than 40 acres. If an exception is allowed, the property may be subject to a binding and recorded restriction prohibiting the development of a habitable, industrial, or commercial building or structure.

Humboldt County is a rural county with vast amounts of resource lands and although rare, proposed open space subdivisions would fall under the exception. The requirements of the SMA will have a more significant effect on proposed subdivisions of rural residential lands, particularly in more developed areas adjacent to existing fire related districts or areas that receive fire protection from fire companies not associated with a district. It should be anticipated that subdivision proposals will be made that cannot be approved without an annexation or a district formation, requiring a burdensome and potentially prohibitive process for a single property owner or small development proposal.

Counties of similar size to Humboldt County provide fire service in the following manners:

- Kings County has a county fire department that serves the unincorporated areas of the county. The Kings County Fire Department also contracts with two cities for fire services. Over 17 percent of the Proposition 172 (Prop 172) revenues received by Kings County is allocated to fire services, with the majority of the funding coming from property taxes. Kings County has a population of 152,000 people, spans 1,389 square miles, and has a General Fund budget of \$227.5 million.
- Shasta County has a county fire department that is administered through a cooperative agreement with CAL FIRE, to serve the unincorporated areas not served by an independent fire district or a city fire department. Shasta County has three fire districts and two community service districts. This agreement with CAL FIRE provides three staffed engines at a reduced rate as well as staff to administer the departments dispatching services, fire marshal/captain, fleet maintenance, clerical support and training. Shasta County has a population of 179,000 people, spans 3,400 square miles, and has a General Fund budget of \$231.5 million.
- Mendocino County has no role in providing fire service, other than covering the cost of dispatch through a contract with CAL FIRE. Prior to FY 2016-17, no portion of Prop 172 revenues received by Mendocino County was allocated to fire districts. During budget development for FY 2016-17 the Mendocino County Board of Supervisors directed that \$564,874, or approximately 7 percent, of Prop 172 funding be used to support the 22 local fire districts located therein. Mendocino County has a population of 88,000 people, spans 3,506 square miles, and has a General Fund budget of \$183 million.
- Nevada County does not have a direct role in providing fire services. All fire services are provided by special districts or non-profit organizations such as the Fire Safe Council. Ten percent of Prop 172 funding received by Nevada County is allocated to the special districts. Nevada County has a

population of 99,000 people, spans 958 square miles, and has a General Fund budget of \$71.4 million.

At the time of the Dec. 8, 2015 report, your Board directed the Fire Services Subcommittee to work with staff to research solutions to the issues described above, including consideration of those areas that might be appropriate for inclusion in a County Service Area (CSA), to develop a proposal for interim financial support, and to report back in time for the mid-year budget review. On Feb. 9, 2016, during mid-year budget review, your Board directed the County Administrative Office (CAO) to accept one-time proposals from current Measure Z recipients to request the allocation of the remaining unspent Measure Z funds to support and enhance service sustainability. On Feb. 26, 2016, the HCFCA submitted a supplemental proposal requesting an allocation of unspent Measure Z funds to address the needs in the SGA as a stop-gap measure, while a long-term solution was sought. On March 15, 2016, your Board approved HCFCA's request and allocated \$63,214 to be split between the three FPD's mentioned above to support the continuation of their response to the SGA during the time frame of Jan. 1, 2016 through June 30, 2016.

On Feb. 19, 2016, the CAO submitted an application to the Citizen's Advisory Committee to request an additional Measure Z allocation during FY 2016-17 to continue the stop-gap funding for the response to the SGA, while planning for a long-term solution continued. On June 28, 2016, your Board approved the allocation of \$252,855, again to be split between the three FPDs to address the lack of dedicated local fire and rescue coverage in the SGA during the time frame of July 1, 2016 through June 30, 2017. MOU negotiations with the Blue Lake, Kneeland and Willow Creek FPDs have been initiated, but are not yet finalized.

In FY 2017-18, the CAO will not submit an application on behalf of the FPD's for Measure Z funding, the responsibility for requesting such funding will lie on each individual FPD and/or the HCFCA. While this funding source will not sunset until 2020, it is not ongoing. Other sources of funding will need to be identified should your Board choose to support services to the SGA long-term.

Another finding of this analysis is that one or two funding sources will not be sufficient to cover the estimated cost of services for the SGA. For that reason, the Fire Service Subcommittee has been working diligently to formulate a package of funding options that may, if combined, support the provision of services to the SGA.

The following are options for your Board to consider when contemplating long-term support to the SGA:

1. **County Service Area.** The evaluation of the formation of a CSA has been ongoing since the December 8, 2015 Board meeting referenced above. The CSA Law (Government Code 25210.1 et seq) was created in the 1950's to give county board of supervisors a method to finance and provide public facilities and services, such as emergency response, to the residents and property owners of unincorporated areas. The formation of a CSA as a means to provide sustainable services to the SGA has some potential, but also has challenges that will be difficult to overcome and should be carefully considered.

The successful formation of a CSA would create a new jurisdiction with the responsibility of providing local fire and rescue services to the area within its boundaries. The formation of a CSA would require a majority vote of the people who reside within the proposed CSA boundaries. The Board of Supervisors would be the governing body for the CSA, and the county would be administratively responsible for ensuring the uninterrupted delivery of service. The county does not have its own fire department and currently provides fire services through contract. The logical fire departments to contract with for the SGA are the Blue Lake, Kneeland and Willow Creek FPDs

because of their adjacency to the area. However, the county would have the right to contract with whichever service provider it chooses, and any of the three FPDs could choose not to contract or renew a contract with the county. If one of the three FPDs did not renew its contract, it could be challenging to find a new service provider that could deliver the same level of response.

The purpose of forming the CSA is to establish an official service boundary supported by an appropriate revenue-generating mechanism. Based on cost estimates provided by the involved FPDs, funding, in the amount of \$253,000, is needed on an annual basis to support a sustainable fire and rescue response to the SGA. The county is working with the FPDs to obtain annual audits, as required by law, to verify the accuracy of this stated funding need. If CSA formation is chosen as the mechanism to address service needs in the SGA, it will be critical for the county and the involved FPDs to work cooperatively to confirm CSA boundaries; agree on revenue sources; and conduct extensive outreach to inform residents of the benefits of forming a CSA and the costs associated therewith.

The county currently has one CSA, known as CSA #4, to provide fire protection services to the residents of the area generally described as the greater Trinidad area, which includes West Haven, Patrick's Point, and the lagoons. A benefit assessment was approved by property owners through an election conducted in 2003 (agenda item dated May 6, 2003 F-3). The assessment is not to exceed \$37, per benefit unit, and is adjusted annually by inflation based on the Consumer Price Index. A standard residential property is typically comprised of four benefit units. For many years, the county has contracted with CAL FIRE to provide fire protection services to the greater Trinidad area. The formation of the CSA and the implementation of a benefit assessment has been highly supported by the community.

The process of forming a CSA will involve community outreach; a Board hearing to adopt a resolution; followed by a Local Agency Formation Commission (LAFCo) application; and a hearing process. The CSA formation process will take at least one year to complete and an election will be required, making the outcome difficult to predict. LAFCo fees will be incurred in an amount ranging from \$5,000 to \$10,000, in addition to an investment of county staff time and the cost of an election. It is estimated that the total cost of forming a CSA could reach \$100,000 and would need to come from the General Fund.

In order to fund a CSA the following tax option(s) would need to be considered:

- a) **Special Parcel Tax.** A special parcel tax is a tax levied by an agency for some special purpose, in this case emergency services. A special parcel tax is voted on by secret ballot at an election of the registered voters residing within the identified area. A special parcel tax requires a two-thirds majority vote to pass. Any registered voter may vote; the voter does not need to be a property owner.

There are many different special tax options including: a flat tax (one tax amount applied to all taxable parcels); or different tax rates based on status (improved or unimproved); or use (residential, commercial, industrial, etc.) of the parcels. Revenue potentials have been evaluated by using a Geographic Information System analysis of the mapped potential CSA with the aim of generating \$253,000 in revenue. If one tax amount were applied to all parcels it would take a flat tax in the amount of \$125 per parcel to meet the revenue needs. This would, however, cause a much larger increase in taxes for property owners of multiple parcels. As a result, it could be anticipated that land owners who own up to hundreds of parcels would oppose such a tax. In order to obtain the support of such land owners, the flat tax amount would need to be

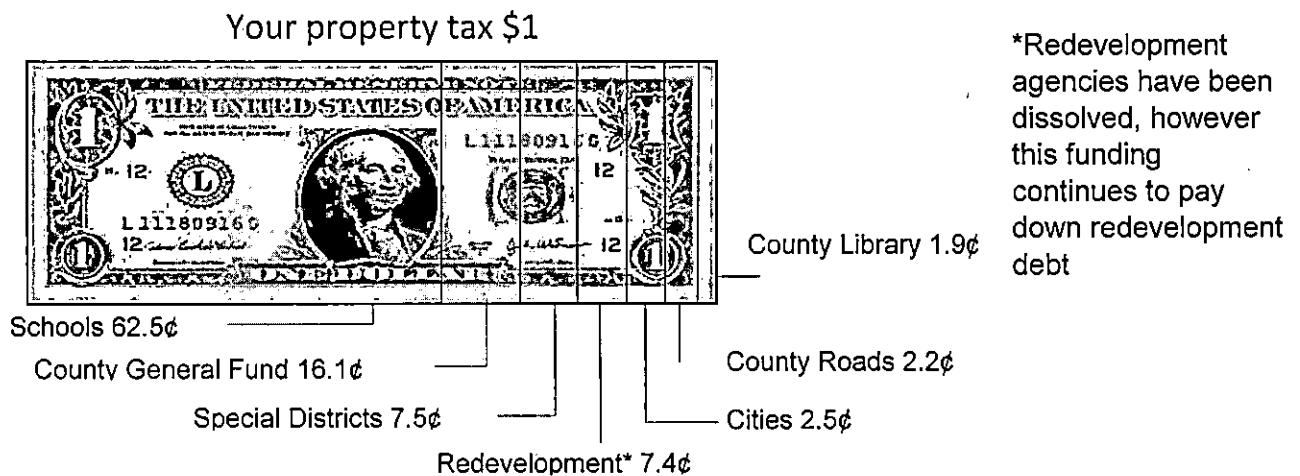
substantially reduced, causing a shortfall in revenues. Taxing improved and unimproved parcels at different rates is based on the assumption that improved parcels are more likely to be inhabited, representing a larger demand on emergency services than unimproved properties. If this methodology were implemented, a tax of \$200 on improved parcels and \$100 on unimproved parcels would be required to meet the funding needs. These taxes are believed to be too high to obtain voter approval.

Seeking the necessary support from registered voters for the approval of a special parcel tax would require an extensive amount of outreach and education and the outcome would be uncertain. Obstacles to approval are: the need for a high tax rate to meet revenue targets; the inability to guarantee what agency would be providing the services from year to year; the lack of one cohesive community identity within the SGA; and a number of vehicle collisions that may not even involve tax paying property owners. For these reasons, it is not recommended to rely solely on a special parcel tax to meet the revenue needs of a CSA for the SGA. The likelihood of a special parcel tax gaining approval from registered voters within the SGA would be increased if it were combined with other revenue generating mechanisms resulting in a lower tax and a more equitable cost allocation.

- b) **Benefit Assessment.** An alternative to a special parcel tax is a benefit assessment. Benefit assessments are based upon a special benefit provided to property not persons. Property owners within the area, where the assessment will be levied, are notified of a hearing date and given the opportunity to submit ballots opposing or supporting the assessment. Non-property owners, such as renters, cannot participate in the assessment balloting, even if they are registered voters. A benefit assessment is not approved if the number of “weighted” ballots received in opposition exceed the number of “weighted” votes in favor. Benefit assessment proceeding notices and balloting are done by mail; ballots can be returned by mail or delivered to the public hearing. The number of votes cast by a property owner is determined by the amount of benefit that the particular piece of property receives. The ballots are not “one ballot, one vote.” Ballots pertaining to a benefit assessment proceeding are public record and must be retained by the agency. If a fire district provides services other than fire protection (i.e. medical aid response), a benefit assessment may not be appropriate as the sole funding source since medical aid response is not a benefit to property and benefit assessments can support only services that directly benefit property. Benefit assessments cannot be used to support responses to medical aid, traffic collisions, or “wildland or watershed fire suppression on land located in a state responsibility area” because these services are considered to provide “general benefits.” The establishment of a benefit assessment would also encounter many of the obstacles to approval as those identified for a special parcel tax above.
2. **Property Tax Exchange.** On June 6, 1978, California voters approved Proposition 13 (Prop 13), a property tax limitation initiative. This amendment to California’s Constitution limited the property tax rate to 1 percent of a property’s assessed value plus the rate necessary to fund local voter-approved bonded indebtedness and limited future property tax increases.

Prior to 1978, real property was appraised cyclically, with no more than a five-year interval between reassessments. Since property values were systematically reviewed and updated, assessed values were usually kept at or near current market value levels. In contrast, under Prop 13, properties are reassessed to current market value only upon a change in ownership or completion of new construction (called the base year value).

Prop 13 transferred the authority to determine where property tax revenues go to the state legislature. Generally, property taxes are allocated within a county based upon the historical sharing of the property tax received by local agencies prior to Prop 13. The 1 percent property tax is typically allocated to a number of local agencies as shown below.



Prop 13 had a positive impact on homeowners as their property tax rates became far more predictable. However, the negative impact of Prop 13 is that local governments compete for a fixed piece of the 1 percent property tax. Property tax is the county General Fund's largest source of discretionary revenue.

While your Board can approve the sharing of property tax with the FPD's, it is recommended to only share a small percentage of the growth. This is because the property tax base and growth is a vital revenue source for the General Fund, and any reductions in those revenues could result in the need to reduce other essential services, including public safety. Property tax growth is only a significant source of revenue in areas experiencing high levels of new development. It is estimated that such tax sharing could generate from \$1,000 to \$5,000 in revenue on an annual basis to address the SGA. On July 28, 2015 (item C-8), your Board authorized the CAO to enter into negotiations for a property tax exchange with Fieldbrook-Glendale Community Services District. A contract to share a little over 2 percent of secured property tax revenue attributable only to change in base value (i.e. property tax growth) was executed on March 8, 2016.

3. **Proposition 172 Revenue Exchange.** Fire districts currently receive a 2 percent share of the Proposition 172 revenue. In FY 2016-17, fire districts will receive an estimated \$216,833 in Prop 172 revenues. Based on the HCFA formula for distribution, Willow Creek FPD would receive \$6,406, Blue Lake FPD would receive \$2,533, and Kneeland FPD would receive \$938 of this funding. A significant portion of this funding would go to the Humboldt Bay Fire Department, a total of \$141,912. Your Board could encourage the HCFA to negotiate a redistribution of this funding in order to more equitably support the sustainability of all fire departments. Furthermore, your Board could choose to increase the percentage of the county's Prop 172 revenues currently shared with the fire districts. If the HCFA formula remained unchanged, your Board would need to increase the HCFA share of Prop 172 by nearly 50 percent in order to reach the \$253,000 target for the SGA. This option should be evaluated carefully as any increases in revenue sharing would result in a decrease in revenues to the General Fund; thereby, reducing funding for public safety departments such as the Sheriff and District Attorney.

While the majority of California counties do not share Prop 172 funds with fire districts, there are some who have opted to share, such as, Colusa County which shares 13 percent and Nevada County which shares 10 percent. Mendocino County has historically not given fire districts a share of Prop 172 funding; however, in FY 2016-17 their Board opted to support local fire districts by providing an allocation of approximately 7 percent. Sonoma County gives half of the growth which equates to approximately 2 percent of the total Prop 172 revenues.

4. **Development Impact Fee.** An impact fee is a fee that is approved by the county and imposed on a new or proposed development project for the purpose of defraying all or a portion of the cost of fire related facilities attributable to that development project. Impact fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population growth. Given the SGA is experiencing minimal growth, it is not anticipated that such a fee would generate much revenue at all. However, it is an option to consider and may have more merit in the future if significant growth were to take place.
5. **Fees for Services.** There is also the potential to recover, from the receiving party, the cost of certain emergency responses through the subrogation process that allows an outside agency the authority to file claims on behalf of the county. While the full potential of this revenue source is unknown, it does have merit for further exploration, and is already being employed by the Blue Lake and Willow Creek FPDs for recovery of costs associated with vehicle collisions on Highway 299 outside of their respective districts including a portion of the SGA.

County staff initiated research into the countywide use of fees for service to cover the costs of fire and rescue responses to all SGAs. George Hills Company (GHC) was recommended by the California State Association of Counties Excess Insurance Authority for their fire subrogation services. GHC submitted a proposal to contract for their services and proposes an upfront fee of \$5,000 to get procedures in place and fire districts trained on the process of filing claims. This would take the burden off FPD's to manage claims as many may not have the capacity or staff to perform this work. In addition, GHC would impose a monthly fee of \$2,500 plus 20 percent of recovered fees.

Two requests for information were submitted to Carl Warren and Company, who also provides subrogation services. A response was received indicating this is a service they would not be able to offer. In addition, seven requests for information were sent to neighboring counties that currently contract with GHC for subrogation services. One response was received from Lake County, citing a reduction in service after the retirement of their longtime representative. However, upon addressing the lack of service with GHC, a new team of administrators was assigned and service rapidly improved. Another response was received from Colusa County, who noted GHC does a good job of managing claims, however there have been times of contention with Colusa County's attorneys due to legal concerns regarding the handling of claims by GHC.

Initial analysis of the claim potential has been completed using CAL FIRE call logs and the potential revenue (based on 2013-2015 data); claims can go back three years. It is estimated that three years of claims would generate approximately \$574,000 for all potential claims occurring outside of a district boundary throughout the county between 2013 and 2015, or an average of approximately \$191,300 per year. \$52,800 is the estimated revenue generated specifically through claims in the SGA, or an average of \$17,600 per year. This does assume an ability to collect on all responses to calls for service. Subrogation is an option to consider countywide and, with the direction of your Board, a Request for Proposals could be issued in order to receive more detail about what firms have to offer and the potential benefits. Please note, however, that subrogation

will only have limited application in the SGA if a CSA is formed. This is because the new CSA will have the obligation to provide services to residents of the CSA, and therefore be unable to recover costs from residents.

6. **Measure Z.** Measure Z funding has been allocated in FY 2015-16 and FY 2016-17 to provide stop-gap funding to address the needs of the SGA. In total, \$316,069 has been allocated to Willow Creek FPD, Blue Lake FPD and Kneeland FPD. Measure Z will sunset in 2020. Prior to the sunset of Measure Z, your Board could evaluate the desire to place Measure Z on the ballot for renewal, and also determine the rate and term of the tax if it were to continue. Renewal of Measure Z will require a majority vote of the people of Humboldt County. As long as Measure Z funding remains available, your Board has discretionary authority to allocate those funds to address the needs of the SGA.
7. **Measure S.** On Aug. 9, 2016 your Board unanimously approved placing a local commercial marijuana cultivation measure on the Nov. 8, 2016 ballot which passed. Revenues generated from this would maintain essential services such as public safety, mental health services for children and families, drug prevention and rehabilitation services, and environmental clean-up and restoration. While it will take a significant amount of time to reach full potential, it is estimated that this tax could generate upwards of \$7 million in revenue in future fiscal years. While the revenue potential of Measure S remains unknown, it should be considered as a future funding option.

In addition to identifying potential revenue sources to support the SGA, your Board could take the below action(s):

8. **Continue to provide technical support.** Your Board could request staff to continue to provide support for the annexation of portions of the SGA into existing fire related districts. Bringing more land into the district increases the revenue potential on the current, or any future, assessments that are in place. Staff currently work with districts in such a manner through the HCFCA's Measure Z project.
9. **Contracting with new service providers.** Negotiations can take place with other agencies to provide fire and rescue services in the SGA.
10. **Take no action.** A final option is to take no action at this time. As previously mentioned, the county is under no mandate to provide fire services to the residents of the county and, as such, it is within your Board's discretion to take no additional action at this time.

Staff requests that your Board provide direction on the options described in this report to potentially support fire services with fire and rescue service providers. Your Board could choose one option or a combination of options to address the needs of the SGA.

FINANCIAL IMPACT:

Funding for staff time associated with the research and development of possible solutions to addressing sustainable fire service needs has been included in the FY 2016-17 budgets for Planning and Building, the Board of Supervisors, and the CAO.

Each option below presents an ongoing impact to the General Fund, and will need to be weighed carefully against other county needs such as deferred maintenance and required Americans with Disabilities Act (ADA) improvements. Long-term financial sustainability for both the General Fund and fire service is

imperative. Any contribution from the General Fund to fire services impacts the county's ability to provide county services, particularly during times of fiscal stress.

The General Fund impact depends on the funding option(s) your Board selects. Below are estimates of the potential ongoing cost to the General Fund for each funding option. In addition, it is likely that an additional position allocation will be required to properly address the county's fire service needs. The scope of that position will be determined by the direction provided by your Board.

County Service Area. The formation of a CSA, to address the needs of the SGA, has the potential to cost the General Fund up to \$100,000. In addition a special parcel tax and/or a benefit assessment will be needed to address the funding needs.

Special Parcel Tax. The imposition of a special parcel tax requires an election that would necessitate extensive and costly outreach to be performed by county staff. Estimating the cost associated with the formation of a special parcel tax is difficult at best. Such a tax may require the assistance of an attorney, engineers, multiple county departments and possibly a consultant with expertise in this area. The cost for a consultant alone could range from \$15,000 to \$25,000. In addition, there would be an expense associated to the election required to impose the tax. Such expenses could range from \$5,000, if the election is held in a focused tax area, to approximately \$50,000 for a county-wide election. If the tax were to become controversial, that would increase the costs even more. It is estimated that the cost to the General Fund to impose a special parcel tax could cost a minimum of \$25,000 with a possible maximum of \$100,000.

Benefit Assessment. A benefit assessment cannot be used as a sole source of funding to cover fire and medical responses. A benefit assessment, similar to the special parcel tax, can be levied only on those properties currently lying within the FPD or CSA boundaries. The costs associated with the imposition of a benefit assessment would be similar to those associated with the imposition of a special parcel tax. It is estimated that the cost to the General Fund to impose a benefit assessment could cost a minimum \$25,000 with a possible maximum of \$100,000.

Property Tax Exchange. A property tax exchange between the county and the FPDs represents a more significant source of revenue in areas experiencing rapid growth. It is estimated that each property tax sharing agreement could generate from \$1,000 to \$5,000 in revenue on an annual basis; which would result in a reduction to General Fund revenue.

Proposition 172 Revenue Exchange. Fire districts currently receive a 2 percent share of the county's Prop 172 revenues, equaling \$216,833 in FY 2016-17. Any increase in this share will reduce allocations to public safety departments in the General Fund, such as, the District Attorney and Sheriff.

Development Impact Fee. While the imposition of development impact fees would have a fairly minimal impact on the General Fund, it will also generate minimal revenue to address the SGA as this area is experiencing minimal growth. This is an option that has merit in areas where growth is taking place.

Fees for Services. Recovering the cost of emergency response services provided in the SGA through the subrogation process will take county staff time and cooperation with the FPDs. An initial proposal estimates an annual cost of \$35,000, plus staff time, and 20 percent of the recovered fees; a cost to the General Fund. In addition to the cost of staff time coordinating the collection of claims, it should be noted that it will be challenging to identify a staff member who has not only the knowledge of this industry, but also the time available to commit to this project without jeopardizing other necessary job functions.

Measure Z. A total of \$316,069 of Measure Z funding has been allocated in FY 2015-16 and FY 2016-17 to provide stop-gap funding to address the needs of the SGA. As long as Measure Z funding remains available, your Board has discretionary authority to allocate those funds to address the needs of the SGA. Any allocation of Measure Z funding will reduce the funding available for allocation to address other public safety needs such as road repairs, sheriff patrols, and crime investigation and prosecution.

Measure S. Revenues generated from Measure S can be allocated to maintain essential services such as public safety, mental health services for children and families, drug prevention and rehabilitation services, and environmental clean-up and restoration. Your Board has discretionary authority to allocate Measure S funds to address the needs of the SGA. Any allocation of funding will reduce the funding available to address other public safety needs such as those previously mentioned.

Continue to provide technical support. Support for the annexation of land, to bring areas currently lying out of district into existing fire related districts, will require extensive staff time and coordination with LAFCo. Bringing more land into the district increases the revenue potential on the current, or any future, assessments that are in place. Staff currently work with districts in such a manner through the HCFCA's allocation of Measure Z funding. A total of \$90,980 was allocated in FY 2016-17 to evaluate areas of concern across the county.

Contracting with new service providers. Negotiations can take place with other agencies to provide fire and rescue services in the SGA. The cost of this on the General Fund is hard to determine as negotiations would need to take place. It could be anticipated that it would be comparable to the contracts proposed with Willow Creek, Blue Lake and Kneeland FPDs.

Take no action. A final option is to take no action at this time. The county is under no mandate to provide fire services to the residents of the county and as such, it is within your Boards discretion to take no additional action at this time. As previously mentioned, \$2.4 million has been allocated in FY 2016-17 for fire related services. If no additional action is taken, those allocations will remain the same for the remainder of the fiscal year, adding no additional cost to the General Fund.

This report supports the Board's Strategic Framework by creating opportunities for improved health and safety and protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion

ATTACHMENTS: N/A