



MEMORANDUM
COUNTY EXECUTIVE OFFICE - TAHOE DIVISION
County of Placer

TO: Honorable Board of Supervisors **DATE:** February 27, 2024
FROM: Jane Christenson, County Executive Officer
BY: Stephanie Holloway, Deputy County Executive Officer
SUBJECT: Eastern Placer County Fire Services Ad Hoc Committee Update

ACTION REQUESTED

1. Receive a presentation from County Executive Office staff on the Eastern Placer County Fire Services Ad Hoc Committee discussions and provide direction to staff on options for further action

BACKGROUND

On August 29, 2023, the Placer County Board of Supervisors formed a limited duration Eastern Placer Fire Services Ad Hoc Committee to advance discussions related to ongoing funding communication from the Truckee Fire Protection District regarding Annexation #7 (aka: Zone 7) within the Martis Valley area of Placer County and to perform an analysis of options and alternatives for local fire district supplemental funding needs and service streamlining. The Committee is composed of two members of the Placer County Board of Supervisors: Supervisor Gustafson and Supervisor Holmes.

Ad Hoc Committee Update

After formation, the Eastern Placer Fire Services Ad Hoc Committee met on five occasions: September 19th, October 4th, November 3rd, December 18th of 2023 and February 8th, 2024. During the September meeting, County Executive Office (CEO) staff provided the Committee members with detailed history of Annexation #7 and historical correspondence between the County and the Truckee Fire Protection District (TFPD). At the second meeting on October 4th, the Committee and staff were joined by representatives of the TFPD, including TFPD Board members Gary Botto, Victor Hernandez and Fire Chief Kevin McKechnie. During the second meeting, TFPD Board members and Fire Chief provided additional context for the Placer Ad Hoc Committee members and CEO staff related to the position of the district on the history of Annexation #7 and current financial needs of the TFPD to serve this area. County CEO staff provided a basis of understanding for the TFPD representatives related to the proportion of the Property Tax dollars allocated to County General Fund and the demands of the eastern Placer region for General Fund dollars. An open discussion then occurred between meeting attendees which resulted in a suggestion to conduct additional background research of fire service operating and capital funding sources associated with new developments within Zone 7 which could provide additional avenues for further coordination between the TFPD and the Placer Ad Hoc Committee.

The third meeting of the Ad Hoc Committee again included the above representations from the TFPD as well as a representative of the TFPD fiscal team and representative from County Counsel. County CEO staff provided the Ad Hoc members with a summary of the current TFPD annual budget associated with Station 96; the primary facility servicing Zone 7 and the Martis Valley area within the TFPD. This initial budget analysis was performed by County budget analysts from budget materials on the TFPD website. After this meeting, County staff provided the budget analysis to the Fire Chief and TFPD fiscal team. Truckee Fire staff reviewed the budget analysis and provided staffing clarifications which reflect the current service delivery for the TFPD.

In addition to current TFPD operating expenses and revenues, CEO staff also provided the Ad Hoc members with a summary of the long-term capital improvement needs included in the TFPD Fire Impact Fee Nexus Study (November 2021) and the Capital Improvement Plan (CIP) and Mitigation Fee Annual Expenditure Plan. The Mitigation Fee Act (Government Code 66000 et seq) allows local agencies, including fire protection districts, to collect mitigation fees from new developments to offset the project's impact on the local agency's existing provision of services. However, the ability to levy fees is an authority that remains with a County's Board of Supervisors. Mitigation fees collected and administered by the Truckee Fire Protection District must be in accordance with Government Code 66000 et seq. A legal requirement for new development projects to pay fire mitigation fees for these capital needs consistent with Government Code 66000 et seq was established by the County Board of Supervisors on August 28, 1990 and codified as Chapter 15.36.010 of the County Code. As a condition for collecting mitigation fees, Government Code 66000 et seq requires a fire protection district to prepare a CIP subject to the Board of Supervisors approval. The CIP outlines long-term capital improvement needs and intended use of the fire mitigation fee proceeds to fund the costs of new facilities, station expansions, and new equipment and apparatus.

The Truckee Fire Protection District Fire Impact Fee Nexus Study Update, and the annual CIP update and Mitigation Fee Expenditure Plan were adopted by the Truckee Fire Protection District Board of Directors on November 16, 2021, by approval of resolutions 17-2021 and 18-2021, respectively, following review during a noticed public hearing.

On January 11, 2022, your Board approved the Truckee Fire Protection District Fire Impact Fee Nexus Study Update and annual CIP update and Mitigation Fee Expenditure Plan. In accordance with the GC 66000 et seq, annual updates are required for both the CIP and Mitigation Fee Expenditure Plan. Your Board approved the current update of the Truckee Fire Protection District CIP and Mitigation Fee Expenditure Plan for fiscal year 2022/2023 on January 24, 2023.

The Martis Valley Community Plan (MVCP) was also discussed by the Ad Hoc Committee with TFPD members at the November 3rd meeting. The TFPD Fire Chief has asserted that the

current funding structure associated with public fire protection service standards does not sustain the TFPD's desired level of service.

The Public Facilities and Services Chapter of the MVCP (Fire Protections/Emergency Response Services: Policies 6.H.1 through 6.H.22) encourages a standard for Insurance Service Organization (ISO) ratings and response times for future development in the MVCP area as follows:

Policy 6.H.1. The County shall encourage the Truckee Fire Protection District and the Northstar Community Services District to maintain the following minimum fire protection standards (expressed as Insurance Service Organization (ISO) ratings): a. ISO four in urban areas b. ISO six in suburban areas c. ISO eight in rural areas

Policy 6.H.2. The County shall encourage the Truckee Fire Protection District and the Northstar Community Services District to maintain the following standards (expressed as average response times to emergency calls): a. four minutes in urban areas b. six minutes in suburban areas c. ten minutes in rural areas.

Policy 6.H.3 The County shall require new development to develop or fund fire protection facilities, personnel, and operations and maintenance that, at a minimum, maintain the above service level standards.

As outlined to your Board previously, property taxes are apportioned by the County Auditor Controller to taxing entities in accordance with Proposition 13, which capped property tax rates at 1% and apportioned a share of this property tax revenue among local agencies, and Assembly Bill 8, which was enacted to implement Proposition 13 and established the rules for apportioning property tax revenue to agencies and districts, basing its formula on revenue received during the three fiscal years before passage of the proposition. The County Auditor Controller's office continues to administer both legislations in accordance with State law. Additional consideration of voluntary tax exchange or other funding is the purview of the Board of Supervisors.

The 2019 Voluntary Tax Exchange Agreement between Placer County and the TFPD includes a negotiated 40% contribution to the TFPD of the Placer County Fire Control Funds for Tax Rate Areas within the boundary of Zone 7; a proposal by the TFPD at the time of the agreement. The TFPD Board and staff have requested additional property tax exchange funding beyond the currently agreed to amount in the 2019 Voluntary Tax Exchange Agreement on the basis that inadequate funding exists to deliver current and expanded service levels within the Placer County portions of the TFPD as outlined in the February 23, 2023 letter.

On December 18th, the Ad Hoc Committee met with CEO staff to discuss options for further consideration by the full Board of Supervisors. The Ad Hoc Committee met on February 8th and were joined by County Staff as well as representatives of the TFPD Board and Chief. The final

meeting provided transparency of the options discussed with the District.

Options:

As a result of the Ad Hoc Committee meetings, the County Executive Office has prepared the following options for your Board to consider in response to the February 23, 2023 written funding request provided by TFPD.

Option 1: Determine that the current 2019 Voluntary Tax Exchange Agreement between Placer County and the TFPD remains the desire of the County Board of Supervisors and conclude the Eastern Placer County Fire Services Ad Hoc Committee.

Option 2: Direct staff to begin negotiation of a subsequent Voluntary Tax Exchange Agreement under Revenue & Taxation Code Section 99.02 to be brought back to the Ad Hoc Committee and Board for consideration.

- 2A: Increase funding to the TFPD to include 100% of Board allocated County Fire Control Fund associated with Tax Rate Areas within Annexation #7 (Zone 7)
- 2B: Evaluate an alternate financial contribution model from County General Fund to ensure delivery of the above public fire service standards based on cost-of-service projections and outside of existing revenue sources (existing Voluntary Tax Exchange, Mitigation Fees and/or Community Facilities District funding).

Conclusion:

At the August 29, 2023 meeting of the Placer County Board of Supervisors which formed the Eastern Placer Fire Services Ad Hoc Committee, County CEO staff suggested the potential to commission a consultant study to identify potential options to address the concerns raised by the TFPD. This study has not been initiated. As a result of discussions with TFPD staff on the operating budget, capital and mitigation program research carried out to date, County CEO staff do not believe that hiring a consultant is necessary at this time to collect additional fiscal information.

Further direction from your Board to County CEO staff is desired regarding the request for funding from the TFPD. As outlined in past presentations to your Board and public record information, the issue of funding for services associated with Zone 7 of the TFPD continues to be unresolved from the position of the TFPD Board and staff. Placer County staff are seeking direction from your Board on whether to proceed further with a subsequent funding agreement or continue with already agreed upon voluntary funding and conclude the Eastern Placer County Fire Services Ad Hoc Committee.

FISCAL IMPACT

There are no fiscal impacts associated with the requested action

Honorable Board of Supervisors
February 27, 2024
Eastern Placer County Fire Services Ad Hoc Committee Update
Page 5

ATTACHMENTS

None

