

A photograph of a fire with a 'CAUTION DO NOT ENTER' sign in the foreground. The fire is bright yellow and orange, and the sign is black with white text. The sign is tilted and partially obscured by the fire.

FIRE PROTECTION and EMERGENCY MEDICAL SERVICES REVIEW

Section One Unincorporated San Diego

San Diego Local Agency Formation Commission
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Fire Protection and Emergency Medical Services Review

Section One Unincorporated Sub-Region

REPORT OF THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

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February 7, 2005

The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate safety services.

California Constitution Article 13, Section 35

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Executive Summary

PURPOSE OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES MSR

The Municipal Service Review (MSR) for fire protection and emergency medical services within the unincorporated area of San Diego County represents a comprehensive evaluation of the unincorporated region’s emergency services system. Within the area reviewed, 28 local agencies are principally responsible for providing structural fire protection and emergency medical services to just under a half million residents. SANDAG forecasts indicate that within the next 20 to 25 years, another quarter million people will be added to the unincorporated area population. Real need for emergency services will increase—along with constituents’ expectations for an effective system to provide structural fire protection and emergency medical services.

Unquestionably, the region must be positioned to respond to future need. The purpose of this MSR is to evaluate the region’s current emergency response systems and to assess the potential of the system to efficiently meet future demands.

- **Organization of regional fire protection service providers**

Agencies within the MSR region can be broadly classified as *independent* limited purpose agencies—meaning each agency has a directly elected Board of Directors—or *dependent* agencies, which indicates that districts rely on elected officials from other levels of local government as policy makers. Agencies can be further categorized as organizations that produce and deliver their own services or agencies that contract for service with another provider. The principle contractor, the California Department of Forestry and Fire Protection (CDF), is also responsible for wildland fire protection on 1.2 million acres of state responsibility area within the County of San Diego.

Regardless of classification, each of the fire protection agencies is autonomous; each local government has the ability to craft unique policies and practices and each agency is empowered, within the limits of State Law, to make independent fiscal decisions. Interdependencies that exist among the region’s fire protection and emergency medical

| INDEPENDENT DISTRICTS | PROVIDER |
|------------------------------|-------------------|
| Alpine FPD | District |
| Bonita-Sunnyside FPD | District |
| Borrego Springs FPD | District |
| Deer Springs FPD | CDF |
| East County FPD | District |
| Julian-Cuyamaca FPD | District |
| Lakeside FPD | District |
| Lower Sweetwater FPD | National City |
| North County FPD | District |
| Pine Valley FPD | District |
| Rancho Santa Fe FPD | District |
| San Diego Rural FPD | District |
| San Miguel Con. FPD | District |
| Valley Center FPD | CDF |
| Vista FPD | City of Vista |
| Mootamai MWD | CDF |
| Pauma MWD | CDF |
| Ramona MWD | CDF |
| Rincon del Diablo MWD | City of Escondido |
| Yuima MWD | CDF |
| DEPENDENT DISTRICTS | |
| San Marcos FPD | District |
| CSA 107 (Elfin Forest) | District |
| CSA 109 (Mt. Laguna) | District |
| CSA 110 (Palomar Mtn) | District |
| CSA 111 (Boulevard) | District |
| CSA 112 (Campo) | District |
| CSA 113 (San Pasqual) | District |
| CSA 115 (Pepper Drive) | City of Santee |

service agencies are primarily voluntary as no local governmental agency can exert authority over another. Accordingly, each of the region's 28 fire protection agencies performs planning and funding activities in isolation with no obligation to consider the possibility of duplicating or under-utilizing existing regional resources.

ABSTRACT OF MSR DETERMINATIONS

The MSR presents 27 determinations in the nine areas required by State Law. Determinations indicate that the unincorporated region's system for providing fire protection and emergency medical services is dysfunctional—characterized by duplicate organizations and redundant layers of management that needlessly consume public resources and limit opportunities to provide enhanced services. The region elects 108 officials to govern structural fire protection; 23 fire chiefs oversee delivery of emergency services from 28 separate, autonomous agencies. Contrast this span of control with such organizations as the Riverside County Fire Department, whose single fire chief manages emergency services over the entire unincorporated area of Riverside County *and* 17 cities; or the Los Angeles County Fire Department, which provides services to 57 cities plus unincorporated Los Angeles County—also with *one* executive position; or perhaps the San Diego County Sheriff, who oversees law enforcement activities for unincorporated San Diego County and nine contract cities.

The performance of individual fire protection agencies in response to daily emergencies and epochal local disasters has been nothing less than heroic. Nevertheless, in the absence of compelling cooperative agreements or inclusive organizational structure, the region's 28 autonomous agencies exist in an environment that results in isolated policy decisions impacting the effectiveness of region-wide service. The region's agencies have not developed a universal response criterion; do not provide a unified command; do not employ unified standards for training safety personnel; and are not able to engage in strategic regional planning that could eliminate redundancies and engender more effective use of resources. Because emergency services are divided among so many agencies—no single authority is accountable for creating and implementing a comprehensive vision for the region.

In spite of the proliferation of fire protection agencies, many unincorporated areas are not included within a public agency that provides emergency services. Approximately 2,500 parcels have been granted some level of development approval outside of a fire protection agency. Annexation of these unserved areas into fire protection agencies is problematic because State Law for allocating property tax revenues among local agencies prohibits a transfer of property tax to fund the additional service area. Residents in some unserved areas have developed volunteer organizations that depend on the vagaries of local fund-raising to keep emergency facilities operational. Other unincorporated areas rely on the largess of neighboring fire protection districts to respond—and absorb costs—or trust that CDF will be available and able to divert resources to structural fires. Within significant portions of the region, inadequate public infrastructure precludes emergency response within the industry-prescribed standards for protecting life and property. Determinations indicate that there is no long-term comprehensive strategy to improve infrastructure.

Determinations conclude that individual agencies have minimal prospects of increasing revenues to enhance the delivery of emergency services. A legacy of voter-approved initiatives and the fiscal limitations placed on special districts by State Law have restricted fire protection agencies to voter approved benefit fees as the only means to substantially increase revenue. Between the passage of Proposition 13 in 1978 and the election of 2004, there have been 73 proposals for new or increased revenues placed on local ballots by the region's fire protection agencies; voters approved only 26 of the 73 proposals. Moreover, there is now concern that future elections for new or increased fees may fail because Prop C, which was endorsed by such a large percentage of the electorate in November 2004, has created an expectation that fire protection services can be improved without costs to taxpayers. Options to increase revenues for fire protection and emergency medical services while adhering to the "no new tax" spirit of Prop C do exist, but are within the discretion of the Board of Supervisors or the State Legislature.

The Determinations in this report underscore the fact that the region's bewildering organization of unserved areas and redundant, under-funded public agencies did not evolve spontaneously; it was encouraged and given shape by short-sighted public policy choices that were adopted without a vision of how such decisions would impact public safety.

From the late 1920s, the County of San Diego contracted with the State to bring CDF coverage to the unincorporated area during non-fire seasons. In 1973, at the urging of a County-appointed fire committee, the scope of the CDF contract was expanded to provide structural fire protection to development outside of fire protection districts. In 1974—prior to the passage of Proposition 13—the County concluded that the contract was too costly and moved to phase out support. Unserved areas were encouraged to annex to agencies with fire protection services or form volunteer companies to provide emergency services in the wake of the County's departure. The County assisted the volunteers with start-up grants, public liability and compensation insurance, and dispatching services; however, there was no vision or priority to ensure that adequate safety services were provided to unincorporated area residents. Following the passage of Proposition 13, assistance to volunteer companies was phased-out. By 1982, the County Office of Fire Services was closed, the Board had rescinded the County Uniform Fire Code and financial support for the volunteer fire companies had been withdrawn.

In subsequent years, 11 fire protection districts were randomly formed to provide public agency status to many of the volunteer companies. Local agencies formed after Prop 13 cannot impose their own property tax rate—and are not eligible to share in the property tax revenue allocated to other local agencies. The Board of Supervisors voluntarily transferred a small increment of County property tax receipts to each newly formed agency and district officials—with varying levels of success—sought supplemental funding from district voters. LAFCO Determinations conclude that despite the unincorporated area being characterized by duplicate organizational structure and redundant layers of management that needlessly consume public resources, there is no central authority or cooperative organization capable of developing a cohesive strategy for funding effective emergency services.

Finally, it is concluded that unincorporated area emergency services should be integrated to create unity of command, permit strategic regional planning, eliminate redundancies, engender more effective use of resources, and stimulate region-wide enhancement of emergency services; and the Board of Supervisors should assume the lead role in securing additional funding to support structural fire protection and emergency medical services in the unincorporated area.

ENVIRONMENTAL REVIEW

Pursuant to San Diego LAFCO Administrative Procedures for implementing the California Environmental Quality Act (CEQA), this Municipal Service Review is exempt from the environmental impact evaluation process according to CEQA Section 15306. The MSR involves data collection, research, and evaluation activities that will not result in any disturbances to environmental resources.

Recommendation:

1. Find in accordance with the Executive Officer's determination, that pursuant to Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource.
2. For the reasons set forth in the Fire Protection and Emergency Medical Services Review—Section One: Unincorporated Sub-Region, approve the Municipal Service Review and associated Determinations.

Respectfully submitted,

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Executive Officer

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The Municipal Service Review

BRIEF HISTORY OF THE MUNICIPAL SERVICE REVIEW

In 1997, AB 1484 (Hertzberg) established the Commission on Local Governance for the 21st Century. The Local Governance Commission evaluated local government organization and operational issues and developed a statewide vision for defining how the State should grow, placing special attention on the Cortese-Knox Local Government Reorganization Act of 1985 and the 57 Local Agency Formation Commissions governed by the Act.

Over a period of 16 months, the Local Governance Commission held hearings throughout the State to hear testimony and collect data concerning the need for governmental reform. Representatives from the San Diego region—including San Diego LAFCO Commissioners, the LAFCO Executive Officer, and a number of elected officials from the San Diego region—provided testimony to the Commission.

In issuing its final report, the Local Governance Commission identified four recurring issues that frame the debate about the future of California:

- *The future will be shaped by continued phenomenal growth;*
- *California does not have a plan for growth;*
- *Local government budgets are perennially under siege; and*
- *The public is not engaged.*

Within this context, the Local Governance Commission concluded that LAFCO powers needed to be strengthened and that LAFCOs should be an integral participant in all regional growth and planning forums. Among other statutory changes, the Commission recommended that State Law be amended to require that spheres of influence will be regularly reviewed and updated and that LAFCOs initiate periodic regional or sub-regional municipal service reviews to help ensure the efficient provision of local governmental services.

LEGISLATION

The State Legislature recognized the validity of the Local Governance Commission's conclusions and approved AB 2838 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), which became effective in 2001. Among other requirements, AB 2838 requires LAFCOs to review adopted spheres—and update them if necessary—not less than once every five years. The five-year timeline is advisory, not mandatory; however, many LAFCOs throughout the State, including the San Diego LAFCO, have embarked on aggressive sphere update and service review programs. AB 2838 also requires the Commission to conduct countywide, regional, or sub-regional reviews of municipal services either before, or in conjunction with, sphere updates.

MUNICIPAL SERVICE REVIEW REQUIREMENTS

The term *municipal services* generally refers to the full range of services that a public agency provides or is authorized to provide. The Governor's Office of Planning and Research (OPR) concluded that LAFCO is only required to review services provided by agencies with spheres of influence. In addition, OPR determined that LAFCOs have complete flexibility in identifying which services will be reviewed, the timetable for review, and what geographic areas will be selected for review.

The statewide requirement for service reviews is a response to the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO with a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, presenting urban sprawl, and ensuring that critical services are efficiently provided.

MSR DETERMINATIONS

In preparing a municipal service review, LAFCOs are required to make a written statement of determination with respect to each of the following:

1. Infrastructure needs and deficiencies
2. Growth and population projections
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

LAFCO must make determinations regarding the provision of public services per the provision of Government Code § 56430. The municipal service review process does not require LAFCO to initiate changes of organization based on the determination; however, LAFCO local agencies, and the public may subsequently use the determinations as an informational tool to consider changes to services, local jurisdictions, or spheres of influence.

It is worth noting that local agencies are not the object of the municipal service review; rather, service reviews are intended to survey the *adequacy of public services* within specific regions. Nevertheless, because public agencies are the mechanism for providing services, the review of individual agencies is unavoidable.

Organization Of Fire Protection Agencies

Unincorporated San Diego County—1963 to present

Prior to 1963, when the State Legislature created LAFCO to oversee all jurisdictional change, 25 special districts had already formed to provide fire protection and emergency medical services in the County of San Diego:

1963 EXISTING AGENCIES: Alpine FPD, Bonita-Sunnyside FPD, Borrego Springs FPD, Bostonia FPD, Crest FPD, Encinitas FPD, Fallbrook FPD, Grossmont-Mt. Helix FPD, Lakeside FPD, Lemon Grove FPD, Lower Sweetwater FPD, Montgomery FPD, Mootamai MWD, Pauma MWD, Pine Valley FPD, Poway MWD, Ramona FPD, Ramona MWD, Rancho Santa Fe FPD, Rincon del Diablo MWD, Santee FPD, Solana FPD, Spring Valley FPD, Vista FPD, Yuima MWD.

April 18, 1967 FORMATION: CSA 7 (Rainbow)

June 1970 Board of Supervisors establishes five-member Fire Protection Study Committee; one member appointed by each Supervisor. Technical advice provided by County staff and SDSU via County grant.

September 29, 1970 FORMATION: CSA 25 (Jacumba)

September 1971 Special districts representatives seated on LAFCO. Commission adopts rules and regulations regarding special districts; thereafter, special districts must receive LAFCO approval to activate latent powers.

March 1973 County Fire Protection Study Committee releases report recommending increased fire protection role for County. Board of Supervisors establishes Office of Fire Services Coordinator and expands CDF contract, which County had maintained since early 1920s. Expanded contract provides CDF presence on State responsibility lands during the non-fire season and minimum levels of structural fire protection to unincorporated areas outside of fire protection districts. Contract cost of \$323,000 in 1972-73 increases to \$960,000 in 1973-74.¹

¹ *Fire and Emergency Services in San Diego County*, Supervisor George Bailey, Second District, County of San Diego, December 1988, pg.4.

- June 13, 1974** Board of Supervisors evaluates expanded CDF contract and determines contract-services deficient. Equity questions are also present, as contract is maintained with County general funds and major source of general fund revenue was property tax receipts—of which approximately 94 percent is paid by property owners in cities and special districts where taxpayers were already assessed a property tax rate to finance fire protection.
- Board decides to phase out CDF contract and encourage unincorporated communities to assume responsibility for their own structural fire protection. Board institutes a program to assist citizens in annexing to a special district or city with fire protection services; over 90 square miles annex and volunteer companies increase from five to 35. Program initiated to organize and train volunteer fire protection companies with hope that volunteer companies would evolve into some type of local agency or annex to existing agencies.
- July 1, 1975** Board of Supervisors terminates contract with CDF.
- 1975-1980** County General Fund assistance extended to volunteer fire protection companies; expectation that volunteer companies will form public agencies or annex to existing fire protection agencies by June 30, 1980.
- February 3, 1976** Board of Supervisors adopts Policy I-61; policy defines County role in supporting volunteer fire companies and specifically states, “no County fire department would be formed.” Board declares intent to continue funding volunteer assistance program for only five years. Office of Fire Services Coordinator responsible for implementing Policy I-61.
- June 7, 1976** **LATENT POWERS:** Rincon del Diablo MWD granted activation of latent powers for fire protection service.
- November 1, 1976** **DISSOLUTION:** Lemon Grove FPD dissolved; fire protection services assumed by City of Lemon Grove.
- November 1, 1976** **FORMATION:** CSA 89 (Santa Fe Mt./Del Dios)
- June 1978** Passage of Proposition 13. Agencies in existence prior to Prop 13 receive a portion of the one percent property tax revenue based on formulas contained in State Law; new agencies prohibited from sharing in the one percent.
- 1980-1982** Board of Supervisors extends general fund assistance to volunteer fire protection companies for an additional two years.
- June 2, 1980** **MERGER:** Poway MWD merges with City of Poway
SUBSIDIARY: Santee FPD becomes subsidiary to City of Santee

- March 2, 1981** **DISSOLVED:** Ramona FPD
LATENT POWERS: Ramona MWD granted activation of latent powers for fire protection service; assumes service responsibility of dissolved Ramona FPD.
- December 15, 1981** **FORMATION:** Deer Spring FPD
- January 11, 1982** **FORMATION:** CSA 107 (Elfin Forest)
- June 8, 1982** **FAILS AT ELECTION:** Prop F Consolidated Rural FPD; would create fire protection district over all unincorporated territory not in a city or other fire protection service agency; benefit fee to finance services requires two-thirds voter approval.
- July, 12, 1982** **FORMATION:** Valley Center FPD
- November 2, 1982** **FAILS AT ELECTION:** Prop Y Consolidated Rural FPD II; same as Prop F with substantially reduced benefit fee.
- December 31, 1982** County withdraws General Fund support from volunteer companies; dissolves uniform fire code and County Office of Fire Services Coordinator closes.
- January 10, 1983** 1st District Court ruling requires LAFCO to establish spheres-of-influence for all jurisdictions
- March 14, 1983** **FORMATION:** Julian-Cuyamaca FPD
SOI: Julian-Cuyamaca FPD
SOI: Pine Valley FPD: Pine Valley FPD annex portions of territory from failed Consolidated Rural FPD
- April 4, 1983** **SOI:** Alpine FPD
SOI: Crest FPD
SOI: Grossmont-Mt. Helix FPD
SOI: Lakeside FPD
SOI: CSA 25 (Jacumba)
SOI: Rural FPD
SOI: Ramona MWD
- May 18, 1983** **FORMATION:** Rural FPD; includes one-third area contained in failed Prop F and Prop Y.
- May 31, 1983** Board of Supervisors rescinds Policy I-61
- June 6, 1983** **FORMATION:** CSA 109 (Mt. Laguna)
SOI: CSA 109 (Mt. Laguna)
- July 1983** County agrees to extend base property tax and two percent annual increment to volunteer fire companies that reorganize into public agencies.

August 24, 1983 **FORMATION:** CSA 110 (Palomar Mt.)
SOI: CSA 110 (Palomar Mt.)

September 12, 1983 **SOI:** Spring Valley FPD

November 7, 1983 **SOI:** Fallbrook FPD
SOI: Spring Valley FPD
SOI: Deer Spring FPD
SOI: CSA 113 (San Pasqual)
SOI: CSA 7 (Rainbow)

December 23, 1983 **FORMATION:** CSA 111 (Boulevard)

January 4, 1984 **FORMATION:** CSA 112 (Campo)

February 6, 1984 **SOI:** CSA 107 (Elfin Forest)
SOI: CSA 89 (Santa Fe Mt./Del Dios)
SOI: Rancho Santa Fe FPD
SOI: Solana FPD

March 5, 1984 **SOI:** Encinitas FPD

June 4, 1984 **SOI:** San Marcos FPD
SOI: Vista FPD

June 19, 1984 **DISSOLUTION:** CSA 25 (Jacumba)

November 5, 1984 **SOI:** Mootamai MWD
SOI: Yuima MWD
SOI: Valley Center FPD
SOI: Pauma Valley MWD

February 4, 1985 **SOI:** Lower Sweetwater FPD

April 1, 1985 **SOI:** Rincon del Diablo MWD

April 8, 1985 **MERGER:** Santee FPD with City of Santee
FORMATION: CSA 115 (Pepper Drive)
SOI: CSA 115 (Pepper Drive)

July 1, 1985 **SOI:** Bonita-Sunnyside FPD
SOI: Montgomery FPD

August 5, 1985 **SOI:** Bostonia FPD

December 31, 1985 **DISSOLVED:** Montgomery FPD; fire protection service assumed by City of Chula Vista.

May 1986 Proposals received for consolidation of (a) Lakeside and Bostonia FPDs; and (b) Alpine, Crest, Grossmont-Mt Helix and Bonita-Sunnyside FPDs. Fire District Reorganization Committee appointed to review proposals.

- July 1, 1986** **SUBSIDIARY:** Solana FPD became subsidiary district to City of Solana Beach.
- October 1, 1986** **SUBSIDIARY:** Encinitas FPD becomes subsidiary to City of Encinitas.
- November 17, 1986** **DISSOLVED:** Fallbrook FPD and CSA 7 (Rainbow)
FORMATION: North County FPD
SOI: North County FPD
- January 1987** Fire District Reorganization Committee recommends two consolidations: (a) Alpine, Bostonia, Crest and Lakeside FPDs; and (b) Grossmont-Mt. Helix and Spring Valley FPDs.
- April 1987** Lakeside FPD withdraws from consolidation effort, citing uncertainty over funding levels and disagreement with Crest and Alpine FPDs over terms and conditions; Grossmont-Mt. Helix and Spring Valley continue consolidation negotiations.
- July 1, 1987** **DISSOLVED:** CSA 89 (Del Dios) and Rancho Santa Fe FPD
FORMATION: Rancho Santa Fe FPD (new)
- October 1, 1987** **SUBSIDIARY:** San Marcos FPD and City of San Marcos
- November 2, 1987** **CONSOLIDATION:** Grossmont-Mt. Helix FPD and Spring Valley FPD; emerged as San Miguel Consolidated FPD.
SOI: San Miguel Consolidated FPD
- December 24, 1987** **MERGER:** Solana FPD with City of Solana Beach
- November 1990** **FAILS AT ELECTION:** Proposal to annex 20 square miles of the unincorporated community of De Luz to the North County FPD; special tax to help fund services requires two-thirds voter approval.
- May 5, 1994** **CONSOLIDATION:** Bostonia FPD and Crest FPD; emerged as East County FPD.
SOI: East County FPD
- June 16, 1995** **MERGER:** Encinitas FPD and City of Encinitas
- February 1, 1999** Task Force on Fire Protection and Emergency Medical Services created; provides collaborative forum to discuss issues related to regional fire protection and emergency medical services.
- May 2001** LAFCO approves reorganization to dissolve Lower Sweetwater FPD and form CSA as successor agency.
- March 3, 2002** **FAILS AT ELECTION:** Proposal for dissolution of Lower Sweetwater FPD defeated 60.5 to 39.4 percent.
- May 2003** Task Force on Fire Protection and Emergency Medical Services releases preliminary estimates for consolidating unincorporated area fire protection agencies. Consolidation of all unincorporated area agencies would require approximately \$110 million

additional annual revenue; consolidation of eight east county agencies would require \$18 million in *additional* annual revenue.

November 2, 2004 **APPROVED AT BALLOT:** Prop C; advisory vote concerning voter support for consolidation of unincorporated area fire protection agencies—provided consolidation results in better coordinated and enhanced delivery of fire protection and emergency medical services at no additional cost; a consolidated organization would be funded from existing revenues; receives 82 percent approval.

November 2004 Board of Supervisors, citing Prop C, sends letter to LAFCO requesting Commission to initiate consolidation of unincorporated area fire protection agencies.

February 7, 2005 LAFCO deliberates on initiating a consolidation / reorganization of fire protection services agencies in the unincorporated portion of the county.

Municipal Service Review Determinations

LAFCO is required by Government Code § 56430 to conduct comprehensive reviews of municipal services and prepare written statements of determinations for nine categories of inquiry. The determinations are based on an analysis of information concerning the adequacy of local service agency conditions. Determinations are not findings of fact; rather, they are “...*declaratory statements that make a conclusion, based on all the information and evidence presented.*”¹ Determinations themselves do not represent recommendations for actions; however the Commission, other agencies, or the public may use determinations to guide future decisions.

I. INFRASTRUCTURE NEEDS AND DEFICIENCIES

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO’s core missions—encouraging efficient provision of public services. Infrastructure needs and deficiencies refer to the ability of planned, as well as existing, public facilities to provide adequate public services. Infrastructure can be evaluated in terms of capacity, condition, availability, and quality plus correlations with operational, capital improvement, and finance plans. It is recognized that budget constraints may create unmet infrastructure needs; however, identification of deficiencies may promote wider understanding and support for needed improvements.

Determination 1.0 Within approximately 60 percent of the unincorporated region, public infrastructure is generally inadequate to facilitate effective structural fire protection and emergency medical services.

An indicator that regional infrastructure is adequate to meet regional fire protection and emergency medical demand is the ability of the system to respond to every emergency within acceptable time parameters. Industry research presents convincing evidence that response to structural fires must occur within eight minutes in order to contain fires to the room of origin.² The American Heart Association advises that brain damage in non-

¹ *Final Local Agency Formation Municipal Service Review Guidelines*, Governor’s Office of Planning and Research, August 2003, pg. 44.

² *Standards of Response*: Task Force on Fire Protection Services Funding, March 31, 2000. Pg. 5.

breathing victims can be avoided only if victims are resuscitated within four to six minutes.³

Within the unincorporated region, topography, lack of public roads and highways, a prevalence of private roads that do not connect or permit through access, plus large intervals between fire protection and emergency medical facilities, prevent personnel from responding within industry standards for protecting life and property to approximately 60 percent of the unincorporated region.⁴

Only two special districts—the Lower Sweetwater FPD and CSA 115 (Pepper Drive)—are able to reach all areas within their jurisdiction within five minutes or less. It should be noted that both of these districts contract for services from neighboring full service cities that retain full-time professional emergency personnel. Neither district maintains on-site facilities; nevertheless, because each agency is geographically compact, located in an urbanized area with adequate public road access, and within reasonable distances from a contracting service provider’s facilities, it is possible to achieve district-wide travel times well within industry standards.

Within 10 minutes of travel time, many agencies are able to cover substantial portions of their district; Rancho Santa Fe FPD for example, reaches 92 percent of district territory within 10 minutes. Only four agencies, Bonita Sunnyside FPD, East County FPD, Vista FPD, and the Rincon del Diablo MWD, are able to reach *100 percent* of their jurisdictions within 10 minutes. Indeed, all areas of the unincorporated region are not covered—even within 20 minutes of travel time. The inadequacy of roads and facilities within the Borrego Spring FPD, Julian/Cuyamaca FPD, the Pine Valley FPD, San Diego Rural FPD, Valley Center FPD, CSA 107 (Elfin Forest), CSA 109 (Mt. Laguna), CSA 110 (Palomar Mt.), CSA 111 (Boulevard), CSA 112 (Campo), and CSA 113 (San Pasqual) result in these agencies requiring *more than* 20 minutes to reach *some* areas within their jurisdiction.

³ Ibid.

⁴ *Standards of Response*: Task Force on Fire Protection Services Funding, March 31, 2000, pg. 5
Note: The unincorporated region contains approximately 3,576.2 square miles. Safety personnel are able to reach segments of the region that roughly correspond to 1,436.35 square miles, or approximately 40.1 percent of the total unincorporated region, within 10 minutes—a threshold that actually exceeds the industry-advised time standard of eight minutes. See Appendix: Exhibit 1, for data on specific unincorporated areas.

Determination 1.1 There is no long-term comprehensive strategy within the unincorporated region to improve or add to infrastructure for fire protection and emergency medical services.

Despite a regional fire protection and emergency medical services system that is stressed because of inadequate public road access and insufficient public safety facilities, there is no central authority or cooperative organization capable of developing a cohesive strategy for a regional remedy. Planning for structural fire protection and emergency medical infrastructure is the responsibility of multiple independent special districts, the County of San Diego on behalf of CSAs, voluntary advisory boards, and the County exercising its land-use authority. Each of these agencies performs planning and funding activities in isolation without regard to possibilities of duplicating or under-utilizing existing regional resources. No collaborative program or cooperative organization oversees planning or planning-and-funding of replacement, upgraded, or additional infrastructure components.

Further complicating comprehensive planning, the TRANSNET function of SANDAG—not the County—is primarily responsible for road funding in the unincorporated area. Please note: SANDAG, whose membership excludes special districts, develops regional programs without the input of the unincorporated area agencies that are responsible for providing emergency services.

Few special districts have formal replacement schedules or strategic plans for adding facilities; fewer still are able to maintain committed reserve funds or funded liability programs that could support planning efforts, although Alpine FPD, Rancho Santa Fe FPD, and CSA 107 (Elfin Forest) have been successful in adopting funded liability programs to ensure resources will be available when new facilities are needed. Decisions concerning apparatus replacement are generally ad hoc—driven by funding levels that disallow long-term planning. Moreover, even better funded districts seem to make apparatus appraisal and replacement decisions an annual, rather than long-term, process.

Determination 1.2 The region relies upon a complex system of automatic and mutual aid among federal, state, and local agencies, volunteer organizations, and tribal governments in order to provide fire protection and emergency medical services.

Fire protection and emergency medical agencies assess risk against available resources and formulate plans for providing services. Individual agencies rarely possess sufficient resources to cover extraordinary situations; moreover, unnecessary duplications of effort and needless expense would result if each fire protection

agency independently acquired facilities, apparatus, equipment, and personnel to create a response capability able to confront every conceivable worst-case scenario. Accordingly, a basic component of fire protection strategy is to share apparatus and personnel among agencies as requested (mutual aid) or dispatch resources automatically upon notification of an incident (automatic aid).

This concept is echoed throughout disaster planning, and has been incorporated into a strategic State Mutual Aid Plan developed under the California Emergency Services Act (Government Code § 8550 et seq.). Under the State Plan, the State, its counties, and signatory cities and fire protection districts participate in a State Mutual Aid Agreement that originated from the belief that, “*No community has resources sufficient to cope with any and all emergencies for which potential exists.*”⁵

The State is divided into regions for the purpose of mutual aid; San Diego, Imperial, Riverside, Inyo, and Mono Counties are grouped together as Region VI. In San Diego County, each city and unincorporated area fire protection agency is signatory to the State Mutual Aid Agreement. Additionally, the County, each city and each special district has adopted a local emergency plan fundamentally identical to the State Emergency Plan to facilitate cohesive operations among all mutual aid participants.

State Law designates the County of San Diego as an *operational area* for disaster response.⁶ The County operational area, in turn, is organized into eight zones with assigned zone coordinators who report to an area fire coordinator. Mutual emergency responses are initially generated from within zones; advanced to other operational area zones as required; and, if necessary, elevated to the Region VI level where the Regional Coordinator has authority to request response from other State regions.

Fire protection agencies also participate in individual automatic aid agreements with surrounding agencies. Automatic aid is designed to furnish responses within the normal operating range of participating agencies; no added support—as would be provided by mutual aid—is required. Research is incomplete; however, preliminary and anecdotal evidence seem to indicate that automatic aid within much of the unincorporated area flows primarily in one direction—from well-funded agencies to the lesser funded. In other words, agencies with minimal resources are the largest recipients

⁵ *Mutual Aid Plan*: California Fire Service and Rescue Emergency Mutual System: Governor's Office of Emergency Services, State of California, Revised March 2003, pg. 2.

⁶ Government Code § 8605.

of automatic aid. This system is a logical remedy for providing effective safety service to areas with minimal resources; however, it relies on the willingness of agencies with relatively more resources to subsidize less affluent agencies.

Determination 1.3 Unincorporated parcels that are not within a fire protection district do not participate in funding fire protection or emergency medical services; structural fire protection and emergency medical services are randomly provided to these areas.

There are 10,741 unincorporated parcels located outside of structural fire protection and emergency medical services districts. Approximately 24 percent of these parcels—2,554—are developed with some type of structure that may require the services of a fire protection and emergency medical services agency. Many of these unprotected structures are located in urban-wildland interface areas. Map 3 in the appendix displays unserved areas; area 2, which contains 61 structures, was entirely within the footprint of the October 2003 Cedar fire.

Generally, unprotected areas are surrounded by structural fire protection agencies that are sustained by property tax and benefit fee revenues. Service to unprotected areas is randomly provided by the surrounding agencies, which take action on a case-by-case basis after considering their resources and assessing the risk of **not** responding. The cost of providing emergency services to unserved areas is subsidized by tax-payers within the responding public agency.

Determination 1.4 The emergency service response of volunteer fire protection organizations is unpredictable.

Citizen volunteers have organized to provide fire protection and emergency medical services in several unincorporated communities that are not within fire protection districts (Map 1). Volunteer companies are authorized under the Health and Safety Codes; however, the companies are private—not public—organizations. Stable sources of public funds, either property tax or benefit fee revenues, are not available to the volunteers, although the County allocates minimal amounts of discretionary funds to volunteers through various grant programs.

Even volunteer organizations need funds for apparatus, equipment, training, insurance, and dispatch services. There is no way to compel benefiting property owners to fund volunteer companies and the stability of the organizations ultimately depends on the leadership and commitment of individuals. Within the last fiscal year, two volunteer companies have temporarily ceased operations

for lack of funding. The efforts of the volunteers and their supporters in raising funds and providing services are heroic; nonetheless, without sustainable public income, the volunteer companies are fragile organizations with unpredictable levels of service.

Determination 1.5 County Service Areas that provide fire protection and emergency medical services are generally restricted to volunteer, part-time emergency personnel unless funds to provide staff facilities are identified.

Six of the seven CSAs are staffed with volunteer part-time safety personnel, who are not quartered in CSA facilities.⁷ Before volunteer staff could be augmented with paid professional safety personnel, most CSA facilities would need to be upgraded or replaced, to provide staff housing for 24-hour shift personnel. CSA 107 (Elfin Forest) has developed a strategic financial plan to add staff quarters to its current station. The remaining five CSAs—all within rural areas—characterize their facilities as aging, inadequate in size, not compliant with current codes, or not conforming to OSHA and ADA requirements. These CSAs cite inadequate funding as the primary obstacle to creating capital programs for facility improvements.

II. GROWTH AND POPULATION PROJECTIONS

Efficient provision of public services is linked to an agency's ability to plan for future need. For example, an emergency service provider must be prepared to supply services within existing *and* future levels of demand and must also be able to determine *where* future demand will occur. The municipal service review evaluates whether projections for future growth and population patterns are integrated into the planning function.

Determination 2.0 SANDAG projections to 2020 indicate that the unincorporated region will undergo significant growth.

Because projected growth patterns should influence the location and sizing of future public facilities, it is essential that population and development forecasts be integrated into the region's planning process. SANDAG forecasts indicate that between 2000 and 2030, unincorporated area population will grow by approximately 45

⁷ The seventh district, CSA 115 (Pepper Drive) obtains services by contract from the City of Santee; the CSA has no capital assets, does not retain personnel, and has no requirement for staff housing.

percent—adding another 213,298 residents that will need emergency services.⁸ Growth will be unevenly distributed throughout the region and each fire protection and emergency medical service provider will experience distinctly different impacts on existing facilities, planning, capital needs, and staffing.

Determination 2.1 Planning for future fire protection and emergency medical services in the region is hampered by the fractured organization of service providers.

There is no local governmental mechanism to effectively coordinate planning among the network of local, state and federal agencies, and volunteer organizations, which deliver fire protection and emergency medical services to the unincorporated region. The mutual aid and incident command systems coordinate emergency responses among the agencies; nevertheless, there is no centralized authority to coordinate planning activities for improving future emergency services or to determine how resources could be allocated in a manner that would avoid duplication of effort and maximize efficiencies within the region. *The majority of developed parcels receive structural fire protection and emergency medical services from independent special districts; special districts are excluded from SANDAG membership. The Unified Disaster Council, while declaring, “...to provide for the coordination...of plans and programs designed for the protection of life and property in the entire County of San Diego” has membership restricted to the County of San Diego and 18 cities.*⁹

III. FINANCING CONSTRAINTS AND OPPORTUNITIES

LAFCOs must weigh a community’s public service needs against the resources available to fund services. During the municipal service review, financing constraints and opportunities, which have an impact on the delivery of services, are identified to enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, a service review could reveal that two or more fire protection agencies that are each deficient in training facilities and, which individually lack financial resources to construct additional facilities, may benefit from creating a joint venture to finance and construct regional training facilities.

⁸ SANDAG, Long Range Forecasts, www.sandag.org/resources/demographics.

⁹ *Unified Disaster Council Background and Functions*, County of San Diego, April 2003.

Determination 3.0 State Law delimits the type and level of revenue that is available to special districts to support fire protection and emergency medical services.

Cities and counties exercise the broad powers of taxation that are granted to general-purpose governments by the California Constitution.¹⁰ Special districts, however, are limited to revenue sources authorized by the Legislature. Each of the region's fire protection districts, municipal water districts, and county service areas is an autonomous unit of local government with sovereignty over internal fiscal issues. Nevertheless, the type of revenue sources and in some cases the level of revenue, which are available to support emergency services, are restricted by State Law.

Property tax revenue

As a result of the passage of Proposition 13 the property tax rate and property assessment practices are uniform statewide. There is, however, considerable variance in the *distribution* of property tax revenue among local governments. Generally, variation can be attributed to three factors: (1) the level of development within a local jurisdiction; (2) the existence of redevelopment agencies; and (3) perhaps most importantly, State Laws governing the allocation of property tax revenues.

- **Development impacts property tax revenue:** High property values generally yield high property tax yield. Market forces, government infrastructure investments, natural geography, and local land use choices act together to create diversely valued communities. Moreover, some communities are extensively developed with high-value homes and businesses, while others have sparse development. Differences in the extent and value of land development affect the amount of property tax revenue a community generates.
- **Redevelopment agencies divert property tax revenue:** When a local government creates a redevelopment project area, the growth in property tax revenue within the project area is diverted to the redevelopment agency rather than being shared by other local jurisdictions. Redevelopment agencies use the revenue from property tax growth to finance improvements intended to revitalize the project area. After the redevelopment work is complete—typically in 30 to 40 years—the growth in property tax revenue is reallocated among other local governments in the area.

¹⁰ California Constitution, Article XI, Section 7.

- **Formulas contained in State Law determine allocation of property tax revenue:** Immediately following the passage of Proposition 13, the Legislature adopted temporary measures to allocate the reduced property tax revenue among counties, cities, and special districts and to provide some fiscal relief to local agencies with drastically reduced revenues. In what became known as the *bailout*, SB 154 allocated post-Prop 13 property tax revenues on a *pro-rata* basis. For example, if a special district received 25 percent of the property tax revenue within a tax rate area prior to 1978, then following Proposition 13, the district would continue to receive 25 percent of the reduced revenue within the tax rate area. Senate Bill 154 also provided \$848 million in state funds to counties, cities and special districts and the State assumed \$1.04 billion in county costs for Medi-Cal, SSI-SSP, AFDC and food stamps.

In subsequent legislation, AB 8 provided a permanent solution for distributing property tax revenues. AB 8 adopted the allocation formula contained in SB 154; however, rather than providing the block grants of SB 154, AB 8 increased the *share* of property tax revenue allocated to local governments by shifting property tax revenue away from schools. School losses were back-funded from the State General Fund.

In the mid 1980s, the Legislature required counties to shift some of their property tax revenue to cities that had never received property tax revenue, or had relatively low levels of property tax revenue. In FY 1992-93 and then again in FY 1993-94, the Legislature *permanently* shifted property tax revenues from counties, cities, and special districts back to schools in roughly the same proportion as the benefit received under AB 8. The shift provided the State's General Fund with partial relief from supporting schools.

In November 2004, state voters approved Proposition 1A, which establishes a constitutional amendment protecting local property tax revenue. Property tax revenue cannot be reallocated by the State unless approved by two-thirds vote of the Legislature and the Governor declares a *significant financial hardship*. Notwithstanding legislative approval and gubernatorial declarations, no reallocation may occur until FY 2008-09 and revenue shifts will be considered loans.

Special tax revenue

After the property tax, special taxes are the principal revenue source for funding fire protection operations. Section 4, Article XIII A of the California Constitution authorizes cities, counties,

and special districts to impose non-ad valorem special taxes with two-thirds approval of the electors. Through a series of court cases, the California Supreme Court found all taxes levied by special purpose districts to be special taxes—even if proceeds are used for general purposes. Accordingly, the primary alternative that fire protection districts can use to generate revenue requires two-thirds approval of the voters. The two-thirds requirement was reinforced in 1986 by Proposition 62—a statutory initiative intended to close Proposition 13 loopholes—and again in 1996, by Proposition 218, which created the *Right to Vote on Taxes Act*.

Fees

Fire districts impose fees for a variety of services including issuing service availability letters and plan checks. The California Constitution defines fees as charges that do not exceed the reasonable cost for providing the regulation, product, or service for which fees are charged. Proposition 218 introduced procedural requirements on fees imposed as an incidence of property ownership.

Mitigation fees

The County has adopted an ordinance establishing a mitigation fee program for the unincorporated area. The County collects fees during the building permit process on behalf of the fire protection agencies. Mitigation fee revenue must be used exclusively for capital facilities and equipment.

Assessments

Assessments are levies against real property, based on special benefit conferred upon the property. Proposition 13 restrictions concerning voter approval of taxes do not apply to special assessments; indeed, in 1979, the California Supreme Court found that: *...A special assessment is charged to real property to pay for benefits that property has received from a local improvement and, strictly speaking, is not a tax at all.*¹¹ In 1996, Prop 218 introduced extensive substantive and procedural requirements for imposing new assessments, increasing existing assessments, and even for continuing some existing assessments. Several fire protection agencies subsequently asked voters to replace existing assessments with fees.

¹¹ County of Fresno v. Malmstrom, (1979) 94 Cal. App 3d 983-984.

Bonds

Bonds are used to finance the acquisition and construction of public facilities and real property and may *not* be used for equipment purchases or to pay for operations and maintenance. Until 1978, local agencies had the ability—with two-thirds voter approval—to issue general obligation bonds to finance public facilities and impose property tax rates to discharge the bond debt. Proposition 13 restricted the imposition of additional property tax rates and effectively terminated the use of general obligation bonds. In 1986, California voters approved Proposition 46, a constitutional amendment that restored the authority of local government to issue general obligation bonds. Each bond measure requires approval by two-thirds of a jurisdiction's voters.

Community Facilities Act of 1982

Fire districts are specifically authorized by the Fire Protection District Law of 1987 to finance capital facilities or pay for fire protection services with a special tax outlined in the Mello-Roos Community Facilities Act. The Mello-Roos was specifically designed to facilitate passage of the two-thirds special tax. A Community Facility District can overlay an entire jurisdiction or it may be limited to a specific area; however, if there are *fewer* than 12 registered voters in the area, only landowners are able to vote. Landowner-developers, who vote in a CFD, can levy a special tax and pass the tax lien on to subsequent buyers.

Local Public Safety Protection and Improvement Act of 1993

The Local Public Safety Protection and Improvement Act of 1993 (Proposition 172) placed an additional one-half percent State sales and use tax rate in the State Constitution effective January 1, 1994. Revenues from the additional tax are to be used exclusively for local public safety activities, including police and sheriff departments, fire protection, county district attorneys, county probation and county jail operations. Counties are eligible to participate if boards of supervisors resolved to support the measure by August 1, 1993, or alternatively, if a majority of county voters approved the measure. In San Diego County, Proposition 172 was put before the voters and gained approval in the November 2, 1993 election by 51.81 percent.

Revenue from the one-half percent tax is intended to offset part of the revenue loss incurred by cities and counties from the 1992-93 and 1993-94 shift of local property tax revenue to schools.¹²

¹²*Policy Brief: Reversing the Property Tax Shifts*, Legislative Analyst Office (Sacramento, 1996) p. 6.

Implementing legislation provides specific criteria for how the revenues will be allocated to cities and counties. Briefly, funds are deposited to a Public Safety Augmentation Fund in each county and distributed to eligible cities based on the amount of revenue that was shifted from each city to schools; monies not distributed to cities are allocated to the county.

Although the Legislature recognizes fire protection as critically important to public safety [Government Code § 30052(b)(1)], the State Law implementing Proposition 172 does not explicitly identify every category of local government that provides fire protection services. Mechanisms in the law allocate funds to cities and counties to compensate for erosion to city and county budgets from property tax shifts; no similar provision is made to allocate funds to fire protection districts, even though district budgets were also affected by property tax shifts.

The cities of El Cajon, Escondido, La Mesa, Oceanside and Vista dedicate a portion of Prop 172 receipts specifically to city fire department functions. Other cities deposit Prop 172 monies into their General Fund that, in turn, funds fire protection and law enforcement. The County—which does not provide fire protection services—uses its annual Prop 172 revenue to fund law enforcement activities through the Sheriff, District Attorney, and Probation Department. Fire protection districts do not receive a direct allocation from the Public Safety Augmentation Fund and the districts have been unsuccessful in persuading the county to earmark a portion of its discretionary Prop 172 revenue to support unincorporated area fire protection.

Determination 3.1 Inflexible property tax allocation formulas inhibit extension of fire protection and emergency medical services to unserved areas.

Codified property tax revenue allocation formulas are a classic example of what economists call a zero-sum game. All shares of property tax revenue are apportioned among existing jurisdictions; if an additional jurisdiction were to seek inclusion in the mix of agencies receiving a portion of the revenue, other jurisdictions must agree to a proportionate reduction in their shares.

For fire protection districts, evidence of the allocation formulas' failure occurs in two areas. First, fire protection agencies formed after 1978 are not eligible to receive property tax revenue—unless another agency voluntarily shares a portion of its revenue. In San Diego County, eleven fire protection service agencies have formed since 1978 and the Board of Supervisors conveyed a small increment of County property tax revenue to each new district.

Without the County’s voluntary action, however, none of the post-Prop 13 agencies would be receiving property tax revenue.

Second, expansion of existing district boundaries to provide fire and emergency services to unserved territory does not generally result in a transfer of property tax to the annexing agency. Accordingly, when new development in the unincorporated area annexes into a fire protection district, the district does not receive a share of property tax for providing service to the annexed area. It should be noted that provisions in State Law give fire protection districts the right to refuse proposed annexation of new territory; however, it has always been assumed that districts will comply with annexation requests and absorb the cost of providing service to additional territory. Districts generally receive a negotiated portion of revenue from annual growth in property valuation for annexed parcels.

Determination 3.2 Opportunities to augment revenues for fire protection and emergency medical services in the unincorporated region are limited.

Opportunities to augment revenues fall into two broad classes: (1) categories of *new* revenue that require voter approval; and (2) categories of revenue under the discretion of local governments. Aside from the inherent problems of gaining voter approval for increased taxes—lobbying for any new revenue violates the spirit of Prop C, which voters resoundingly approved in November 2004. Prop C presented a Board of Supervisors’ advisory measure that inquired whether voters supported consolidation of unincorporated area fire agencies provided consolidation resulted in better coordinated and enhanced delivery of fire protection and emergency medical service. Arguments in favor of Prop C indicated that...*additional funding should come from existing taxpayer dollars, not new taxes*. Prop C passed by 81.01 percent—with significant majorities approving in all precincts.

Categories of revenue that require voter approval

- **Voter-approved fee:** The only significant source of funding for fire protection districts formed after the passage of Proposition 13 is voter-approved benefit fees. Voters within each district have the authority—with two-thirds consenting—to implement local benefit fees for fire protection and emergency medical services. If past elections are an indicator of future performance, however, the two-thirds threshold raises a major hurdle to increasing revenues. Voters denied two proposals in 1982, which would have formed a fire protection

district over the entire unincorporated area because of the funding issues tied to the formations. In 1990, a proposal that would have annexed 20 square miles of unserved territory to the North County Fire Protection District did not receive voter approval, again, because the annexation was conditioned on a special tax that would have help pay for fire protection and emergency medical services.

Between 1979 and 2004 there have been 73 proposals for new or increased revenues placed on local ballots by fire protection agencies in San Diego County. Only 26 of the 73 proposals received the necessary two-thirds voter support. Had majority vote been sufficient, 27 additional proposals would have passed—still little more than half of all attempts to gain voter-approved increases in revenue.

- **Transient Occupancy Tax:** Another option for enhancing revenues with voter concurrence—an option that is *not* within the purview of fire protection districts—is an increase in the County Transient Occupancy Tax (TOT) rate with proceeds specifically dedicated to unincorporated area fire and emergency medical services. At the County’s existing level of taxable transient occupancy development, a three percent increase in the County’s nine percent TOT rate would generate about \$1 million in annual revenues.

TOT would seem to be a relevant source of funding for agencies that expend a significant portion of their resources on transient populations. A disproportionate amount of fire protection district response—approximately 70 percent—involves emergency medical incidents and a significant portion of emergency medical incidents involves non-residents. For example, tourists seasonally impact the Borrego FPD; fire districts with State or U.S. Highways are frequently called upon to provide vehicle rescue services to travelers who are not residents of the district.

Dedicating TOT proceeds to fire and emergency services would again require approval by two-thirds of unincorporated area voters. City of San Diego voters have rejected an increase in the City TOT rate in two recent elections. The first attempt, which failed in March 2004, required two-thirds approval. A November 2004 proposal, which sought to increase the City TOT rate to 13 percent, required only majority approval. It also failed: 58.41 percent NO to 41.59 percent YES.

Categories of revenue under the discretionary authority of local governments

Local government has three primary options to fund fire protection and emergency medical services while adhering to the “*no new tax*” spirit of Prop C. Each of the following funding options are within the discretionary authority of local or State government; none requires voter approval:

- **Capture growth in Prop 172 revenue:** In San Diego County, Proposition 172 gained majority approval in the November 1993 election. Fire protection districts requested to be included in the distribution, citing evidence that public support for Proposition 172 had been directed towards fire protection services. Notwithstanding the fire community’s request, the fund has been allocated among the County and eligible cities. Although the Legislature recognizes fire protection as critically important to public safety [Government Code § 30052(b)(1)], the State Law implementing Proposition 172 does not explicitly identify every category of local government that provides fire protection services. Mechanisms in the law allocate funds to cities and counties to compensate for erosion to city and county budgets from property tax shifts; no similar provision is made to allocate funds to fire protection districts, even though district budgets were also affected by property tax shifts.

In San Diego County, the manner in which Prop 172 funds have been disbursed is generally similar to other counties; the funds are split between the County and cities. Only a few counties have distributed Prop 172 proceeds to special districts. Nevertheless, fire protection organizations statewide lobby for change—maintaining that voters passed Prop 172 with the assumption that fire protection and emergency medical services would benefit. In May 2004, Fresno County agreed to share *...the growth in Prop 172 funds with all fire districts that suffer a net loss due to ERAF.*¹³ The Fresno distribution occurs at the end of the fiscal year, once actual funds are known. If no growth or negative growth occurs, no funds will be shared and the Fresno Board of Supervisors has reserved the right to revisit their decision.

In FY 2001-02, San Diego County received \$173 million from the one-half percent sales tax; \$181.15 million in FY 2002-03; and \$197.67 million in FY 2003-04.¹⁴ Growth in the latest period produced approximately \$16.5 million in new revenue. Growth, along with reoccurring Prop 172 revenue is

¹³ Board of Supervisors Agenda, Fresno County, May 18, 2004, Item 10, pg.6.

¹⁴ Source: County of San Diego Property Tax Services, October 21, 2004.

committed to various County law enforcement functions. Clearly, administrators of these offices would be hesitant to surrender any amount of revenue; nonetheless, allocation of Prop 172 revenue is a discretionary decision made by the Board of Supervisors. The Board's decision should factor in the voters' intent to support fire protection services—and to do so with existing revenues per the intent of Prop C.

- **Reprioritize an increment of County General Fund revenue:** Of the several governmental fund types maintained by the County of San Diego—General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds—only the General Fund represents true discretionary revenue. The General Fund is the primary operating fund and through the Fund's reasoned use the County can address life safety needs of the region without increasing taxes.

One of the most arduous policy decisions that elected officials must make may be to prioritize General Fund expenditures; numerous needs beckon—limited resources exist. Notwithstanding the difficult decisions to be made, it is within the discretionary authority of the Board of Supervisors to allocate General Fund monies to unincorporated area fire protection. Moreover, dedicating a portion of the approximate \$2.76 billion annual fund to fire protection would not be a new role for the County. Prior to 1975, county general funds maintained a contract with CDF to provide non-fire season protection. Between 1975 and 1983, general funds assisted volunteer fire departments and maintained a County Office of Fire Services Coordinator.

Emulating the County's past role in supporting fire protection and emergency medical services would also affirm the County's commitment to one of its core values; *to provide for the safety and well-being of those San Diego communities, families, individuals, and other organization we serve.*¹⁵

- **Shift property tax revenue:** Allocation of local property tax revenue is determined by codified formulas that implement Proposition 13. (See Determination 3.0 for details.) Individual local agencies receive an allocation based on the property tax rates that were imposed prior to Prop 13. Agencies, which imposed high rates prior to 1978, receive a share of current revenue that is proportionately larger than the shares of agencies that had imposed lower tax rates. Additionally,

¹⁵ *County of San Diego Guiding Principles: County of San Diego, CAO Proposed Operational Plan Fiscal Years 2004-2205 and 2005-2006*, pg. 15.

formulas governing allocation, and repeated shifts in property tax to support education have penalized counties, cities, and special districts to the benefit of the State, which is responsible for preserving specific levels of education funding under Proposition 98.

The legacy of voter initiatives, legislative reactions, and local adjustments surrounding property tax has rendered the state/local fiscal relationship nearly incomprehensible. Moreover, Prop 13, SB 154, AB 54, Prop 98, legislative property tax shifts, and other machinations that control the distribution of property tax revenue produce wide variations in the level of property tax revenue received by individual local governments. The State's cost for education is lower in San Diego County than in other counties because the County's allocation to education is proportionately higher. In San Diego County, approximately 63 cents of every property tax revenue dollar is allocated to education—whereas the statewide average is 52 cents. Equalizing San Diego's allocation with the statewide average would yield approximately \$250 million annually that could be dedicated to fire protection services. It would be the State's responsibility to back fund educational losses.

There is limited precedent of legislative successes in addressing property tax inequities. AB 3334 in 1996, AB 661 in 1997, AB 2471 in 1998, AB 1880 in 2000, and AB 1568 and 1047 in 2003 all attempted to modify counties' shares of property taxes; each died in committee. As recently as September 2004, Governor Schwarzenegger vetoed SB 1909, which sought to transfer property tax revenue from education to counties that receive less than 11 percent of the local allocation.

In November 2004, state voters approved Proposition 1A, which establishes a constitutional amendment to protect local property tax revenues. Future property tax cannot be shifted by the Legislature to schools or used to support state-mandated programs, or for *any other purpose*, unless approved by two-thirds vote of the Legislature and the Governor declares a *significant financial hardship*. Notwithstanding gubernatorial declarations, no reallocation may occur until FY 2008-09 and any revenue shift will be considered a loan that must be repaid.

A property tax shift in San Diego County could not be carried out voluntarily; it would require State legislation to shift local revenues away from education funding and to secure State monies to fulfill Prop 98-mandated levels of education funds.

In view of Prop 1A and the State's continuing fiscal condition, the prospect of the State back funding education funds to cover shifts to local government seems dim. It would also be necessary to determine whether Prop 1A would disallow shifts in favor of local government in the same manner as it disallows shifts away from local government.

IV. COST AVOIDANCE OPPORTUNITIES

LAFCO's role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. The municipal service review explored cost avoidance opportunities including, but not limited to: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, buildings, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing.

Determination 4.0 Fire protection and emergency medical services in the unincorporated region are characterized by duplicate organizational structures and redundant layers of management that needlessly consume public resources.

Twenty-three fire chiefs oversee the provision of safety services in the unincorporated region. Special districts employ 12 full-time professional fire chiefs and six volunteer chiefs. Another tier of management is added by the four city fire chiefs, who oversee services provided by contract to special districts, and by the Regional Chief of CDF, which also contracts with six special districts. Within the professional agencies, there are layers of positions below fire chief and multiple non-safety positions that are duplicated across the region.

Contrast this span of control with such agencies as the Riverside County Fire Department, whose *single* fire chief manages emergency services to the entire unincorporated Riverside area *and* 17 cities; or the Los Angeles County Fire Department, which provides services to 57 cities plus unincorporated Los Angeles County—also with *one* executive position.

V. OPPORTUNITIES FOR RATE RESTRUCTURING

When applicable, the municipal service review will review rates charged for public services to examine opportunities for rate restructuring without impairing the quality of service. Agency rates will be scrutinized for: (1) rate setting methodologies; (2) conditions that could impact future rates; and (3) variances among rates, fees, taxes, charges, etc., within an agency. Service reviews may identify strategies for rate restructuring that would further the LAFCO mission of ensuring efficiency in providing public services.

Determination 5.0 **It is reasonable to assume that most post-Proposition 13 agencies will be unsuccessful in obtaining voter approval for fee increases sufficient to meet need.**

The only significant source of funding for fire protection districts formed after the 1978 passage of Proposition 13 is a voter-approved benefit fee. Between 1979 and 2004 there were 73 proposals for new or increased fees placed on local ballots by unincorporated area fire protection agencies; voters approved only 26 of the 73 proposals. Moreover, some district officials are now concerned that all future elections for new or increased fees will fail because Prop C, which was endorsed by such a large percentage of the electorate, has created an expectation that fire protection services can be improved without cost to taxpayers.

VI. OPPORTUNITIES FOR SHARED FACILITIES

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources. For example, service providers in San Diego County currently share communication centers. Sharing facilities and excess system capacity decreased duplicative efforts, may lower costs, and minimizes unnecessary resource consumption. The service review inventories facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning future shared facilities and services are also considered.

Determination 6.0 **Responsibility for fire protection and emergency medical services in the unincorporated region is segregated into numerous service providers with duplicating organizational structures and overlapping operational capabilities.**

Sixteen fire protection districts, five municipal water districts, and seven county service areas fund structural fire protection in specific communities (Map 1). Wildland fire protection is provided to 1,234,551 acres of state responsibility area by CDF. A network of volunteers and tribal fire protection departments provide minimal levels of structural fire protection and emergency medical services in unincorporated areas, which are not included in a special district. CDF will respond to structural, vehicle, and other fire within state responsibility areas—if fire-fighting resources are available. CDF will also respond to a variety of non-fire emergencies

With the exception of CDF, which has clear statutory responsibility for providing wildland fire protection to state responsibility areas (Public Resources Code § 4102), State Law does not require the presence of fire protection services in unincorporated areas. Counties are compelled to fund certain services, for example, law enforcement, animal control and planning; remarkably, counties are *not* obligated to dedicate public resources to fire protection. Nevertheless, most counties in California have recognized the need for some level of structural fire protection and only a few counties, including the County of San Diego, do not participate in funding fire protection.

From the 1920s until 1975, the County of San Diego funded a contract with CDF to provide minimal levels of non-fire season fire protection within unincorporated territory that was not included in a fire protection district. Funding structural fire protection in the unincorporated area, however, has been customarily considered a local issue. As areas of the County developed to the point where fire protection was desirable, communities incorporated into cities or formed special districts and taxed themselves to pay for fire protection services. The willingness of unincorporated communities to financially support fire protection determined the level of service—or whether fire protection service was provided at all.

Following voter approval of Proposition 13 in 1978, cities and special districts were barred from imposing additional property tax rates and agencies turned to benefit fee assessments to help fund emergency services. Notwithstanding the diminished funding opportunities, the proliferation of new distinctly separate special districts to provide structural fire protection continued. Between December 1982 and April 1985—encouraged by County policy that voluntarily transferred nominal amounts of property tax revenue from the County General Fund—11 additional special districts for fire protection were formed.

VII. GOVERNMENT STRUCTURE OPTIONS INCLUDING ADVANTAGES AND DISADVANTAGES OF CONSOLIDATION OR REORGANIZATION OF SERVICE PROVIDERS

The Municipal Service Review provides a tool to comprehensively study existing and future public service conditions; to evaluate options for organization that would accommodate growth; and ensure that critical services are effectively and efficiently provided. LAFCOs may examine efficiencies that could be gained through (1) functional reorganizations within existing agencies; (2) formation of new special districts; (3) special district dissolutions and consolidations; (4) mergers of special districts with cities; (5) establishment of subsidiary districts; (6) annexations or detachments from cities or special districts; (7) amending or updating spheres-of-influence; or (8) any additional reorganization options found in Govt. Code § 56000 et seq.

LAFCO is not required to initiate changes of organization based on service review conclusions; however, LAFCO, local agencies, and the public may use service review determinations to pursue subsequent changes to service structures, local jurisdictions, or spheres of influence.

Determination 7.0 One hundred and eight elected officials govern structural fire protection and emergency medical services in the unincorporated region.¹⁶

Fifteen independent Fire Protection Districts, maintain three to seven-member boards of directors. One dependent Fire Protection District is governed by a five-member city council. Five Municipal Water Districts each has a five-member board of directors; and the five-member Board of Supervisors is the legislative body for seven County Service Areas. The governance layer is further inflated

¹⁶ County of San Diego Registrar of Voters, December 2004

within six CSAs, where local advisory boards are elected to direct the activities of each CSA's volunteer organization.

Determination 7.1 There is no mechanism to extend publicly funded fire protection and emergency medical services to unserved areas.

Despite the prevalence of service providers, there are still more than 2,500 developed parcels outside of a structural fire protection agency (Map 3). Residents in unprotected areas depend on the largess of surrounding agencies to respond to emergencies beyond their boundary. Volunteer agencies attempt to provide emergency services in several unserved communities; however, the volunteers are chronically under-funded and because they are not chartered as public agencies may choose to provide—or not provide—services as available funds allow. CDF responds when not otherwise engaged but has no legal obligation, nor is CDF funded, to provide structural fire protection.

SANDAG forecasts predict that unincorporated population—currently at 469,493—will swell to 682,791 by 2030.¹⁷ New development will inevitably occur in unserved areas; the resources of surrounding agencies will be further impacted and the risk factor for the entire region elevated.

Determination 7.2 There is no effective mechanism to comprehensively plan, fund, and administer an integrated system for regional fire protection and emergency medical services.

The organization of local government is commonly misunderstood to be hierarchical—special districts positioned as a base, cities layered over special districts, counties at the apex, with each superseding layer exercising oversight on layers below—when in fact, each unit of local government is autonomous. Local government is structured to install each state-authorized subdivision of local government with a level of sovereignty that allows it to govern without intrusion from other units of local government. In the absence of criminal actions, the electorate is sole overseer of each unit of local government. Even the relationship between the Board of Supervisors, as legislative body for CSAs, and each CSA's volunteer operational level is somewhat obfuscated because the volunteers, having incorporated as 503(c)(3) non-profit organizations, are exempt from Board of Supervisor scrutiny.

¹⁷ SANDAG Long-range forecasts: www.sandag.org/resources/demographics

Because of local sovereignty, the planning, funding, and operational functions of structural fire protection and emergency medical services in the unincorporated region are performed in isolation by 28 public agencies, augmented by volunteer and tribal organizations. There is no mandatory or cooperative mechanism in which the policy decisions made by the agencies' 108 elected officials can be coordinated. Moreover, elected officials from special districts are not included in the membership of SANDAG or other regional organizations that develop cooperative regional programs.

In 1961, all San Diego County cities and the County signed a joint powers agreement that created the Unified San Diego County Emergency Services Organization and the Unified Disaster Council (UDC) as the Organization's governing and policy making body. The County Office of Emergency Services serves as staff to the UDC. The primary purpose of the UDC is to provide for coordination of plans and programs designed for the protection of life and property within the *entire* County of San Diego.¹⁸ Special districts, however, are not included in UDC membership—voting membership is restricted to the County and the 18 cities.

The Chairperson of the Board of Supervisors, as the permanent Chair of the UDC, and the UDC Coordinator—who is selected from the County Chief Administrative Officer or the City Manager and/or Chief Administrator of any participating city—represent the interests of the unincorporated area of the County. Unincorporated area fire protection districts benefit from the various programs developed by the UDC, including the Hazardous Materials Incident Response Team (HIRT), the Terrorism Working Group, and the Regional Communication System, which was implemented in cooperation with the Sheriff. Nevertheless, regional policy decisions and regional emergency planning is made without input from unincorporated area fire protection and emergency medical services agencies.

The performance of individual agencies is without fault. Nevertheless, in the absence of compelling cooperative agreements or over-riding organizational structure, the region's 28 autonomous make isolated policy decisions that impact the effectiveness of region-wide service. The region's agencies have not developed a universal response criterion; do not provide a unified command; do not employ unified standards for training safety personnel; and are not able to engage in strategic regional planning that could eliminate redundancies and engender more effective use of resources.

¹⁸ County of San Diego, Unified Disaster Council Background and Functions, April 2003.

Determination 7.3 Fire protection and emergency medical services within the unincorporated area should be integrated to create unity of command, permit strategic regional planning, eliminate redundancies, engender more effective use of resources, and stimulate region-wide enhancement of service.

The Board of Supervisors, one-or-more boards of directors of fire protection agencies, residents of the unincorporated area or LAFCO should initiate actions to consider functional or structural integration of fire protection and emergency medical services in the unincorporated area of the County of San Diego.

Various schemes for integrating safety services present different sets of opportunities, obstacles, and possible secondary effects. Minimally, proposals to develop a regional system must be scrutinized for potential to solve current shortcomings; for the likelihood of generating direct and indirect costs and the ability to generate new revenue if required; and for issues surrounding personnel, including labor negotiations and equalizing compensation.

Several models, which might achieve an integrated system, are briefly described below:

- **County Fire Department:** The Board of Supervisors could initiate actions leading to the County of San Diego assuming operational responsibility for fire protection and emergency medical services in the unincorporated region. The Board could initiate a reorganization with LAFCO that would request dissolution of all unincorporated area fire protection districts.¹⁹ LAFCO approval of the reorganization would include terms and conditions to substantiate the County's obligation to assume emergency services within the unincorporated region. The County Fire Department's service area would include all unincorporated territory, including previously unserved areas. The assets and property tax increment of each dissolved special district would transfer to the County for deposit in the County General Fund. The assets of volunteer organizations are, for the most part, private property and not subject to State Law regarding transfer of public property.

As a County department, fire protection and emergency medical services in the unincorporated area would be funded from the General Fund and be subject to the County's annual discretionary budget process. A County Fire Chief would be an appointed office selected by the Chief Administrative Officer unless the County Charter was changed to add Fire Chief to the

¹⁹ Reorganization means two or more changes of organization initiated in a single proposal (Government Code § 56073).

list of offices appointed directly by the Board of Supervisors.²⁰ Another option—also requiring a County Charter change—would establish a County Fire Chief as an elected office, comparable to the Office of Sheriff. Operational responsibilities could be carried out by county staff within the Public Safety Group or by contract staff similar to the model used by the Riverside County Fire Department—where even the County Fire Chief is a contract employee from CDF. Either mode of providing service would require a County bureaucracy to oversee administration.

Centralizing unincorporated area emergency services under the County would provide unity of command and allow the public agency with land use authority to also coordinate regional planning with strategic planning for emergency services. The redundancies of multiple agencies and elected offices would be eliminated. It would also be hoped that a single agency could use resources more effectively; however, such notions would need to be carefully examined within context of the additional county bureaucracy that would be needed.

- **Consolidated Fire Protection District:** The Board of Supervisors, LAFCO, one or more affected special district, an affected school district, or registered voters by petition, could initiate actions for LAFCO to consider consolidating all fire protection agencies into a single agency. A consolidated agency could provide unity of command under one Chief, removing several dozen duplicate positions and allow for strategic planning over that portion of the unincorporated region that is currently served by multiple fire protection districts. Areas that are currently unserved would not be included in a consolidated agency. Depending upon the number of board members selected for the new agency, more than a hundred elected official positions could be eliminated.

Consolidated agencies inherit the property tax allocation of the parent district(s). Agencies formed before Proposition 13 would convey property tax revenue based upon pre-1978 rates; the fire protection districts formed after 1978 would pass on a property tax legacy that the County voluntarily transferred to new fire protection districts. Fees, which voters in several fire protection districts have approved, would also transfer to a consolidated agency. Because there is such a wide disparity among the revenues of fire protection districts, it would be appropriate to form *service zones* to retain current revenues

²⁰ *Charter of the County of San Diego*, Section 501.

within specific areas.²¹ Enhancing services within zones would depend upon efficiencies that could be generated by a centralized operation and an influx of *new* revenue; however, if fiscal and service inequities were not addressed—the same issues that currently bedevil individual agencies would plague a newly created fire agency.

The Task Force on Fire Protection and Emergency Medical Services has released a preliminary study, which concluded that an additional \$110 million is required annually to upgrade unincorporated area fire protection services. No new source of revenue would become available as a result of consolidation. Prop C, moreover, eliminates *new* fees—the principle source of new revenue for fire protection districts—as a potential revenue source; proponents must pursue redevoting current revenue streams to fund fire protection and emergency medical services. Generally, the County and the State oversee discretionary revenues that could be redirected to fire protection and emergency medical services; any reallocation would require their assistance and support (see Determination 3.2 for description of revenue sources).

If a proposal for consolidation were initiated by LAFCO, a petition by 10 percent of the voters or landowners within any one affected district would be sufficient to trigger an election over the entire region. If an election were necessary, a majority of voters within *each* district must approve consolidation. Under this scenario, voters within one exceptionally small district could terminate a consolidation of the other twenty-seven fire protection districts.

If a proposal for consolidation were initiated—not by LAFCO—but by the Board of Supervisors, a district board, or by a petition of property owners or registered voters, protest and election characteristics change. Protest petition signatures to trigger an election rise to 25 percent of the voters or landowners within any of the affected districts; elections are held either area-wide or within protesting districts depending upon whether a district’s directors also protested the consolidation.

- **Consolidated Fire Protection District with expanded boundary:** An action that would cause all current fire protection agencies to be combined into a single agency and concurrently take in unserved territory cannot be processed as a *consolidation*. State Law requires that such a proposal be

²¹ Health & Safety Code § 13950

processed as a *reorganization*. Procedurally, current agencies would be dissolved and a new agency—covering the entire unincorporated region—would be formed. LAFCO is prohibited from initiating a district formation; however the Board of Supervisors could adopt a resolution initiating a reorganization that would include dissolution of the current districts plus formation of a new countywide fire protection district.

The issues involved with forming a district over the entire unincorporated area would be similar to the issues encountered in a proposed consolidation. Unity of command, global planning, and elimination of redundancies would be positive aspects; however, including unserved territory makes securing additional funding even more crucial. Territory that is unserved by a fire protection district does not generate property tax or benefit fee revenue for emergency services; accordingly unserved areas would bring limited resources to a new agency. Presumably, the volunteer fire protection companies would transfer their assets and expertise to the new agency; however, it must be emphasized that transfer would be voluntary.

A protest petition with signatures from a majority of voters or landowners within the entire reorganization area would terminate the reorganization; in the absence of sufficient protest, an election would be mandatory. An elections would require majority approval and would be held within the entire reorganization area.

- **Form a new Fire Protection District as an overlay; retain existing fire protection agencies:** Board of Supervisors, one or more district boards, or voters or property owners could initiate formation of a fire protection district to overlay all existing fire protection and emergency medical services agencies. Existing districts would remain sovereign—retaining elected boards of directors, property tax increments, and any voter-approve benefit fees. Contracting with the overlaying district to provide emergency services would create a de-facto regional system that could unify command and allocate resources more efficiently. The boundary of the new FPD could be coterminous with the boundaries of existing districts or it could include additional unserved areas.

Issues of formation are similar to the examples already presented; as with other models of organizing regional emergency services, formation of an overlaying district would not in itself generate new revenues. Contracting agencies

would pay for services, however the fundamental inadequacy of current funding would still exist unless new money was infused into the system. A means to fund unserved areas would need to be determined before unserved areas could contract with the new agency. A district formation election would be automatic unless sufficient protest was received to terminate proceedings.

- **Structural JPA:** Public agencies in the unincorporated region could form a joint powers authority (JPA) designed to unify delivery of emergency services. Membership in a JPA would be voluntary; however, the purpose of the Authority would be to provide a unified command structure for providing fire protection and emergency medical services over the entire region. The JPA process would create a partnership between existing agencies and would not require LAFCO approval. A JPA would not decrease the current number of agencies or abridge the discretionary powers of agencies; however, an Authority board of directors comprised of member-agency representatives would assume governance over regional emergency services operations, regional emergency services planning, and allocation of regional resources for fire protection and emergency medical services.

A JPA formed under current State statutes²² would not require voter approval; however, if State legislative action were sought to create a special regional authority, voter approval might become necessary. Membership in a JPA would not need to be limited to unincorporated agencies—JPA models used in other counties include cities and special districts or cities and county government. Unserved areas of the County would not be eligible to participate unless the areas received public agency representation by annexing to an existing special district or by forming a new district. Alternatively, the Board of Supervisors could become a financially contributing partner in the JPA to sponsor unserved, unincorporated areas.

A JPA could develop and oversee a unified command structure, reorganize personnel to eliminate redundant positions and allocate resources globally to provide enhanced fire protection and emergency medical services to the entire region. The Authority would be funded by member agencies; therefore, a threshold for JPA membership would be an adequate, stable revenue base. Because agencies with insufficient income would be unlikely candidates to join the JPA, it is possible that unless current regional revenues are

²² Government Code § 6500 et. seq.

augmented, the unity of command, economies of scale, and service enhancements offered by the JPA would not be available to the entire region. Moreover, territory that is not currently included in a public fire protection agency would not be eligible for JPA membership—unless represented and funded by the Board of Supervisors.

- **Functional JPA:** Public agencies in the unincorporated region could form a JPA to regionalize specific functional roles such as training, dispatch, geographic information services, or apparatus maintenance. The functional JPA would focus on creating economies of scale and cooperative sharing of resources, rather than creating unity of command and eliminating redundant positions. A functional JPA—like the structural model—would be voluntary and would require neither LAFCO nor voter approval. A functional JPA would not decrease the number of current agencies or infringe on local control.

Fire protection agencies, which currently receive inadequate revenues, would have difficulty participating in the benefits that could be generated by a functional JPA. Like the structural model, member agencies would fund the Authority—and while a JPA could be designed to allow members to *buy-in* at different levels—it is possible that agencies with minimal and/or unstable revenue bases could still be excluded.

Membership in a functional JPA would be available to cities; however, identical to a structural JPA, unserved areas of the County would not be eligible to participate unless public agency status was achieved or the Board of Supervisors sponsored and funded membership for the areas.

Determination 7.4 Agencies representing fire protection and emergency medical services within the unincorporated area and the County of San Diego are encouraged to establish a high-level governance planning Task Force to develop a comprehensive fire protection system. Cities should be encouraged to participate.

There is no regional planning organization with the authority to establish goals and objectives for integrating unincorporated area fire protection and emergency medical services. A Task Force of policy makers should be convened to make committed decisions regarding the priorities for creating a regional fire protection and emergency medical authority.

Determination 7.5 The Board of Supervisors should assume lead role in securing additional funding for enhanced structural fire

protection and emergency medical services in the unincorporated region.

The Board of Supervisors, assisted by the Task Force on Fire Protection and Emergency Medical Services, and the San Diego Fire Chiefs Association, is the appropriate body to provide leadership in locating a funding source to support a regional fire protection and emergency medical services agency.

The Board of Supervisors presented an advisory measure to the voters in November of 2004, which inquired whether voters supported consolidation of unincorporated area fire agencies provided consolidation resulted in better coordinated and enhanced delivery of fire protection and emergency medical services. Arguments in favor of Prop C indicated that...*additional funding should come from existing taxpayer dollars, not new taxes.* Prop C passed by 81.01 percent—with significant majorities approving in all precincts. In validating the notion that additional funding must come from *existing* revenue, there is an expectation that fire protection services can be improved without cost to taxpayers; this expectation will undoubtedly complicate the passage of future benefit fee elections. The spirit of Prop C also removes the possibility of increasing the County Transient Occupancy Tax.

The remaining possibilities for enhancing unincorporated area revenues—dedication of growth in Prop 172 receipts, reprioritizing County General Fund disbursements; and a property tax shift—are either within the County’s domain or require State legislation that would be prompted by County interests.

Determination 7.6 The Unified Disaster Council should research whether the organization could be restructured to include special districts as voting members.

The UDC was organized under the California Emergency Services Act. Government Code § 8610 stipulates that disaster councils may be created by counties, cities, or cities and counties. The UDC should research whether special districts could be seated as voting members—possibly under County of San Diego sponsorship. Alternatively, it should be determined whether it is mandatory for the UDC to be formed under the California Emergency Service Act or whether it would be permissible to disband the current UDC and form a new Council under more liberal provisions contained in State Law.

Determination 7.7 The Task Force on Fire Protection and Emergency Medical Services should attain official status by being placed within an agency that has authority to implement

fire protection and emergency medical services policy or to receive funds to support Task Force missions.

The Task Force on Fire Protection and Emergency Medical Services was convened in December 1999 to explore recommendations contained in a LAFCO study on funding fire protection and emergency medical services in San Diego County. In addition to LAFCO representatives, members of the Task Force represent fire protection districts, labor groups, CDF, the County Fire Marshall's Office, County EMS, the Fire Chief's Association, and tribal fire companies. Membership is voluntary. Supervisor Jacob has served as Task Force Chairwoman; LAFCO has provided staff support.

The Task Force has standing subcommittees that have developed a number of successful programs and secured significant additional funding for unincorporated area fire protection organizations. Early in 2004, the Task Force released a study that appraised the costs and benefits of consolidating unincorporated area fire agencies; the Task Force subsequently moved to support consolidation and requested LAFCO to initiate proceedings for a phased consolidation beginning with eight agencies in eastern San Diego County. Task Force support for consolidation was conditioned upon the County providing leadership in assuring that additional on going funding for fire protection services would be provided.

The Task Force has achieved a great deal; underlying its potential to accomplish even more is the fact that the Task Force is a truly voluntary organization, which lacks funding or the authority to implement its vision. To increase the Task Force's effectiveness, it should be placed within a governmental organization that has the authority to develop policy, implement programs, and one that can provide the Task Force with stabilizing long-term fiscal support.

VIII. EVALUATION OF MANAGEMENT EFFICIENCIES

Management efficiency refers to the effectiveness of an agency's internal organization to provide efficient, quality public services. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review evaluated management efficiency by analyzing agency functions, operations, and practices—as well as the agency's ability to meet current and future service demands. Services are evaluated in relation to available resources and consideration of service provision constraints.

Determination 8.0 **There are indicators that significant management efficiency could be gained by consolidating the functions of the region’s fire protection and emergency medical agencies.**

Management-to-staff-ratios within individual agencies are reasonably low; when viewed as a regional system, however, the level of management is unduly high. Twenty-three fire chiefs oversee the provision of safety services in the unincorporated region. Layers of positions below fire chief and multiple non-safety positions are also duplicated across the region. A regional fire protection organization could eliminate redundancies among functions and rededicate personnel to purposes that would enhance fire protection services. For example, economies of scale could allow a regional system to retain professional training officers, or geographic information system professionals—whereas most fire protection districts do not have the resources to maintain such positions.

Determination 8.1 **Consolidating the human resource function of individual agencies could moderate high rates of employee turnover.**

Many fire protection agencies within the region experience high rates of employee turnover. Anecdotal evidence indicates that turnover is stimulated by the dissimilar compensation packages provided by the region’s fire protection agencies. A perpetual cycle of costly turnover is fueled by firefighters training and gaining experience with unincorporated agencies that offer relatively low wage and benefits levels—only to move to agencies within the region with more generous compensation at the earliest opportunity. Entire sub-regions become in essence “training camps” for the region’s more affluent agencies. Costs attributable to turnover within the region are significant; even volunteer agencies must invest approximately \$2,800 to \$4,000 towards training every new volunteer.

If personnel issues were addressed regionally instead of being performed in isolation by 28 separate agencies, it is possible that turnover would be reduced. The fulfillment of such notions depends on the availability of revenues to transform purely volunteer departments into paid organizations and to gain a level of parity among the various compensation packages.

IX. LOCAL ACCOUNTABILITY AND GOVERNANCE

In making a determination of local accountability and governance, LAFCO will consider the degree to which the agency fosters local accountability. Local accountability and governance refers to

public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision-making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering rate changes and work and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations and disclose results to the public.

Determination 9.0 No single authority is accountable for fire protection and emergency medical services in the unincorporated region.

Accountability for emergency services in the unincorporated area is filtered through a disquieting murkiness of jurisdictions and bureaucracies. State Law establishes the County of San Diego as “*operational area*” for the purpose of coordinating the local emergency plan with the State Emergency Plan. Within the operational area, the San Diego County Emergency Service Organization, a JPA between the County of 18 cities, coordinates and facilitates regional emergency plans and programs through its governing and policy making body—the Unified Disaster Council. UDC membership does not include special districts and the UDC *does not have policy, funding, or operational accountability for the unincorporated region’s numerous fire protection organizations.*

The Chairperson of the Board of Supervisors, as permanent Chair of the UDC, represents the interests of the unincorporated area on the UDC; however, the Board of Supervisors *does not have policy, funding, or operational accountability for the unincorporated region’s numerous fire protection organizations.*

An Operational Area Fire and Rescue Coordinator, who is elected by the San Diego County Fire Chiefs, assumes incident command and coordinates resources within the operational area during emergencies that involve multiple jurisdictions. The Operational Area Fire and Rescue Coordinator *does not have policy, funding, or operational accountability for the unincorporated region’s numerous fire protection organizations.*

Citizens are unsure whether CDF, a State agency responsible only for wildland fire in State responsibility areas, is accountable locally because CDF responds intermittently to local structure or vehicle fires when resources are available. CDF does provide structural fire protection by contract within six special districts, however, oversight is limited to providing contracted-for levels of service; CDF *does not have policy, funding, or operational accountability for the unincorporated region’s numerous fire protection organizations.*

None of the regions 28 fire protection agencies is subservient to another agency for the purpose of speaking globally or demanding accountability. Moreover, the 28 agencies engage in a network of automatic and mutual aid—unquestionably an essential component of emergency service delivery—but one that further obfuscates exactly which agency is accountable.

During extraordinary emergency incidences, the fire protection community is celebrated for its ability to seamlessly respond. The fact remains, however, that no elected or appointed official is authorized to speak for regional fire protection and no one is accountable when emergencies don't contain themselves to political boundaries.

Determination 9.1 The unincorporated region's fire protection and emergency medical services agencies generally limit their activities to services authorized by state charter or principle act.

No incident of an independent agency engaging in an activity that is not delineated in its principle act was reported; however, CSA's should examine the extent to which agency resources support other community activities.

Many of the volunteer associations that support operations within County Service Areas incorporated as 501(c)(3) non-profit organizations. Non-profit status provides benefits to the volunteer organizations and tax benefits encourage donations; however, there are questions surrounding potentially privately held public assets, and whether the activities, which the volunteer organizations support, are defined by the districts' principal act.

Determination 9.2 The Board of Supervisors should evaluate the retention of public assets by non-profit corporations.

Capital assets held by the nonprofit organizations, which administer fire protection operations for CSAs, would not automatically transfer to a consolidated agency. Approximately \$2.5 million in fire protection facilities, apparatus, and equipment are held by 501(c)(3) nonprofit organizations. Nonprofits support the activities of volunteer fire departments that provide fire protection and emergency medical services within six CSAs. The seventh CSA, No. 115 (Pepper Drive) receives fire protection services by contract from the City of Santee. CSA 115 has no assets and does not have a volunteer fire department.

When the Board of Supervisors determined to close the Office of Fire Services, which had provided support to numerous volunteer fire departments, most departments requested formation of a County Service Area or a Fire Protection District. A County

Service Area is an administrative arm of the County—entirely separate from the volunteer fire department that preceded the CSA. Volunteer fire departments provide structural fire protection and emergency medical services; CSAs provide a public mechanism to fund the services.²³ CSA 107 (Elfin Forest), 109 (Mt. Laguna), 110 (Palomar Mt.), 111 (Boulevard), 112 (Campo) and 113 (San Pasqual) were formed as public agencies to receive public funds from property tax revenue and, in some cases, voter-approved special taxes.

Each of the six volunteer fire departments has subsequently incorporated or formed an association as a 501(c)(3) nonprofit organization. The volunteers and their communities are engaged in recurrent fund-raising to augment property and special tax revenue. The nonprofit status offers tax benefits to the organization and to persons making charitable contributions to the volunteer department. The assets retained by the nonprofits—including items purchased with public funds—are not publicly owned and, therefore, could only be transferred to a consolidated agency *voluntarily*.

²³ Board of Supervisors Information Development Form: *Agreement Between County and Five Volunteer Fire Departments*, July 28, 1987.

APPENDIX

Exhibit 1: Travel Time By Road Miles Covered ²⁴

| | MILES COVERED IN: | | | Approx. Sq. miles within agency | Approx. sq. miles covered in 10 min | Stations |
|------------------------------|-------------------|------------|------------|---------------------------------------|---|----------|
| | 5 minutes | 10 minutes | 20 minutes | | | |
| INDEPENDENT DISTRICTS | | | | | | |
| Alpine FPD | 55% | 98% | 100% | 28 | 27.4 | 1 |
| Bonita-Sunnyside FPD | 95% | 100% | 100% | 5.5 | 5.5 | 1 |
| Borrego Springs FPD | 50% | 75% | 85% | 305 | 228.8 | 1 |
| Deer Springs FPD | 50% | 95% | 100% | 47 | 44.7 | 2 |
| East County FPD | 55% | 100% | 100% | 11.3 | 11.3 | 2 |
| Julian-Cuyamaca FPD | 60% | 80% | 90% | 86 | 68.8 | 2 |
| Lakeside FPD | 88% | 95% | 100% | 55 | 52.3 | 3 |
| Lower Sweetwater FPD | 100% | 100% | 100% | 0.5 | 0.5 | 0 |
| North County FPD | 70% | 95% | 100% | 92 | 87.4 | 5 |
| Pine Valley FPD | 60% | 75% | 85% | 75 | 56.3 | 1 |
| Rancho Santa Fe FPD | 65% | 92% | 100% | 45 | 41.4 | 3 |
| San Diego Rural FPD | 55% | 65% | 75% | 690 | 448.5 | 14 |
| San Miguel Con. FPD | 95% | 99% | 100% | 45 | 44.6 | 7 |
| Valley Center FPD | 35% | 80% | 90% | 84.5 | 67.6 | 2 |
| Vista FPD | 75% | 100% | 100% | 19 | 19.0 | 4 |
| Mootamai MWD | 0% | 65% | 100% | 1 | 0.65 | 0 |
| Pauma MWD | 10% | 30% | 95% | 6.9 | 2.1 | 0 |
| Ramona MWD | 82% | 90% | 100% | 75 | 67.5 | 2 |
| Rincon del Diablo MWD | 70% | 100% | 100% | 19.1 | 19.1 | 5 |
| Yuima MWD | 10% | 30% | 100% | 21 | 6.3 | 0 |
| DEPENDENT DISTRICTS | | | | | | |
| San Marcos FPD | 80% | 98% | 100% | 9 | 8.8 | 3 |
| CSA 107 (Elfin Forest) | 45% | 65% | 90% | 9.7 | 6.3 | 1 |
| CSA 109 (Mt. Laguna) | 45% | 60% | 70% | 33.4 | 20.0 | 1 |
| CSA 110 (Palomar Mountain) | 25% | 35% | 85% | 35.5 | 12.4 | 1 |
| CSA 111 (Boulevard) | 40% | 65% | 85% | 77.8 | 50.6 | 1 |
| CSA 112 (Campo) | 50% | 65% | 90% | 50.4 | 32.8 | 1 |
| CSA 113 (San Pasqual) | 15% | 30% | 98% | 16.8 | 5.0 | 1 |
| CSA 115 (Pepper Drive) | 100% | 100% | 100% | 0.7 | 27.4 | 0 |

²⁴ Source: *Standards of Response*; Task Force on Fire Protection Services Funding, March 31, 2000.

