

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

August 8, 2012

September 12, 2012
Agenda Item 5b

Board of Supervisors Chambers
Martinez, CA

1. Chair Don Tatzin called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. Roll was called. A quorum was present of the following Commissioners:
City Members Don Tatzin and Alternate Tom Butt.
County Members Federal Glover and Mary Piepho and Alternate Candace Andersen.
Special District Members Michael McGill and Dwight Meadows and Alternate George Schmidt.
Public Member Don Blubaugh.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda
Upon motion of Blubaugh, second by Piepho, Commissioners adopted the agenda unanimously.
5. Public Comments
There were no public comments.
6. Approval of July 11, 2012 Meeting Minutes
Upon motion of Glover, second by Blubaugh, the minutes for the regular meeting on July 11, 2012 were approved unanimously.
7. LAFCO 12-02 – Mt. Diablo Health Care District (MDHCD) Reorganization – Detachment of Territory and Establishment of a Subsidiary District of the City of Concord
The Executive Officer reported on the results of the protest hearing held on July 30, 2012. One written protest was received, which is an insufficient number to either trigger an election or terminate the reorganization. Therefore, the Commission shall order the reorganization.

Staff also noted that, at its final meeting in August, the MDHCD Board approved an additional \$22,500 in grants to three organizations.

Jeff Kasper, MDHCD Board Chair, reported that the OPEB annuity was finalized, and thanked LAFCO staff and Commissioners for their efforts. Chair Tatzin thanked him for his work on moving the process along.

Kris Hunt, Contra Costa Taxpayers Association Director, thanked the Commissioners and expressed her appreciation for their work.

Upon motion of Butt, second by Piepho, Commissioners unanimously authorized the Executive Officer to execute the resolution finding insufficient protests to order an election or terminate the proceedings, and order the MDHCD reorganization subject to the terms and conditions as specified in the Commission's June 29, 2012 Resolution 12-02B approving the action.

DRAFT

Commissioner Piepho commented on the overall proceedings throughout the long process of this reorganization, recognizing the work of all those involved and the leadership of many, including the City of Concord, John Muir Health, board members of MDHCD, LAFCO staff, and others.

8. Fire Services Discussion

Commissioner Piepho opened the discussion by noting that since LAFCO's work on the Municipal Services Review (MSR), the challenges facing service providers have grown. Contra Costa County FPD (CCCYPD) will have a revenue measure on the November ballot; and East Contra Costa FPD's (ECCYPD) ballot measure in June failed, resulting in layoffs and station closures.

The Executive Officer provided brief background on the discussions and workshops held with, and the ongoing fiscal challenges faced by, the County's fire service providers since the 2009 Fire Services MSR. Local fire service providers are taking action to weather the ongoing fiscal storm, including cost reductions and cost recovery, pursuit of revenue options, renegotiation of service and labor contracts, staff reductions and layoffs, alternative service and staffing models, and fire station closures. The last comprehensive update from agencies to LAFCO was November 2011, and while LAFCO is unable to initiate significant changes in service and funding models, it can provide a forum for discussion.

Chair Tatzin remarked on the impacts of revenue cuts on inter-agency cooperation, and asked three questions of agency representatives: 1) Have you looked at charging any fees for services?; 2) Are there any boundary or sphere of influence changes you may wish to bring to LAFCO in the foreseeable future?; and 3) what, if any, impacts are the revenue cuts having on cross-boundary cooperation?

Lance Maples, Fire Chief for the City of El Cerrito and the Kensington FPD, reported that both agencies have adopted their 2012-13 budgets; have been working cooperatively and collaboratively with other West County agencies; have been negotiating with Local 1230 and have achieved some concessions to help balance budgets. Both agencies continue to struggle; will have to work together to create alternatives and strategies to maintain services at costs affordable to communities; and will have to ask communities to provide increases for these services. El Cerrito has approved a half-cent sales tax to support services already in place. El Cerrito and Kensington will always consider options to improve services. At this time they have had no staff reductions.

In response to a question from Commissioner Piepho, Chief Maples said that the half-cent sales tax is estimated to generate \$1.2 million; their total budget is \$8.2 million.

Belinda Espinosa, Pinole City Manager, confirmed that Station 74 continues to be browned out, and their SAFER grant is being drawn down and expires in December 2012. The City is still in discussion with Rodeo-Hercules FPD (RHYPD) and CCCYPD to negotiate a contract for services; the cities of El Cerrito and Richmond confirmed that they will not submit proposals. Public workshops were held in January and March, and the City Council has authorized staff to engage in discussions with CCCYPD regarding their proposal. The parties will meet again in August. The City will have a measure on the November 2012 ballot to extend its existing Utility Users Tax (8% for another eight years), which generates approximately \$2 million each year in General Fund revenue. CCCYPD will have revenue enhancement measures on the November 2012 ballot, and RHYPD is looking at a possible tax in 2013. Because of these pending ballot

measures, the City anticipates that any negotiated service agreement will likely be effective July 1, 2013, and expects a final decision from the City Council in early 2013.

Daryl Louder, CCCFPD Chief, reported that the District is utilizing reserve funds to continue staffing all 28 stations, but the reserve funds will be depleted by the end of FY 2012-13, in spite of significant concessions by personnel and other efforts to reduce expenses. The District's Board of Directors approved placing a parcel tax on the November 2012 ballot; without the additional revenue, the District will be forced to close seven fire stations beginning July 2013, and an additional three in 2014. The District is currently staffed at .44 firefighter per 1,000 residents. Chief Louder commented on the fragile state of auto and mutual aid and the consequences. There was further discussion on mutual/auto aid issues.

Chief Louder emphasized that while the focus is on economic issues, there is not enough attention on the consequences of service reductions and the threat to the entire system. He noted that agencies are open to consolidation; however, it will not provide much economy at this point, as all agencies have already drastically cut their budgets. Additionally, he indicated that consolidation would not improve the automatic and mutual aid systems.

Commissioner Butt commented on the inequity of resources among the County's fire service agencies, and observed that every agency's long-term plan is based on a better economy and/or new taxes. Commissioner Meadows noted his father's life was saved by a fire department, and that fire districts have done themselves a disservice by not educating the public about the diversity of their work, particularly their medical emergency response capabilities.

In response to Commissioner Blubaugh's comments and questions about the \$75 parcel tax that CCCFPD will have on the November ballot, Chief Louder stated that the figure was calculated according to all components and variables. It will sustain the District through eight years, at which time some debt will have been paid off, the economy will hopefully be improved, and the District will be more sustainable as a result.

The consequences if this tax measure fails will be the closure of 8-10 stations, a longer response time, fewer personnel, and ultimately higher fire insurance rates for residents of the District. The District does not currently meet National Fire Protection Agency standards, and has had to curtail sending units to fight wildfires in other parts of the State.

Gerald Littleton, Chief of Crocket-Carquinez Fire Protection District (CCFPD), reported that his District, as the last paid-on-call volunteer fire district in the County, is fiscally sound. It is a full partner with the surrounding fire agencies, and has a strong community with loyal volunteers. Chief Littleton stated that he feels that the discussion should really be about overall government fiscal problems and property tax support. He referenced a discussion of fire services in April of 1959; at that time there were 28 fire agencies; now there are 10. While consolidation has worked for many districts in this county, it may not work for others. Consolidation of his District with CCCFPD, for instance, would cost his District more.

In response to Commissioner Anderson's questions, Chief Littleton noted that about 73% of their calls (about 450 per year) are for medical emergencies. The chief is the only paid full-time employee; firefighters are paid \$10 per hour for calls and training, etc.

Hugh Henderson, Chief of East Contra Costa Fire Protection District (ECCFPD), reported that on July 1, 2012, ECCFPD closed three fire stations: downtown Brentwood, Knightsen, and Bethel Island, and 30 firefighters were laid off effective June 30, 2012. ECCFPD has worked with CCCFPD to develop an auto-aid agreement for like resources; has worked with the

County Emergency Medical Services (EMS) and AMR to review medical responses within the District; and received word from FEMA that it would not receive a Safer Grant for the 2011-12 fiscal year and will apply for the next round of Safer Grants for FY 2012-13.

The cities of Oakley and Brentwood are accepting applications for new board members; staggered set-term appointments will be made in lieu of holding elections. Applications are also being accepted at the District for volunteer firefighters; once the application period is closed, the Board will determine the steps to be taken to put the volunteer program in place.

In response to the Chair's questions, the Chief noted that there are no plans for changes in the District's SOI.

Eighteen months ago the District Board examined fees for services; the Board has again instructed staff to make further explorations of this option.

At this point it could take from 7- 23 minutes for units to reach a call in Discovery Bay (as the extreme example).

Commissioner Piepho thanked Chief Henderson for his service to the community and commented on the failed tax and regional service impacts, as well as financial impacts to residents and businesses in terms of insurance rates.

In response to a question about the feasibility of volunteer firefighters, Chief Henderson stated that the District runs approximately 6,000 calls per year. They need to find people willing to volunteer at that level, train them (about 240 hours of basic training), give them medical screenings, etc. The cost to start a volunteer program is about \$9,000-10,000 per person. In order to make the program viable, they will need 40-50 fully functional, fully trained volunteers. The pool of applicants to date has been fairly low, with 22 applications so far; retention is also an issue. In a volunteer program like this, the turnover rate is expected to be high.

Michael Banks, Fire Chief, City of Richmond, apologized for his late arrival due to a minor flare-up at the Chevron Richmond Refinery (following the August 6th Level 3 fire). He reported that the Department is down six positions, which will continue to be unfunded in this current fiscal year; there are currently 85 sworn personnel and four non-sworn staff. They have seven stations open, eight fire companies responding to emergencies, and 25 personnel on duty each day. The Department has been participating, with personnel from CCCFPD, El Cerrito Fire, Pinole Fire, and RHFPD, in a series of training sessions. The Department is looking into acquiring a fire boat. Auto and mutual aid relationships are good.

Stephen Healy, representing Chief Randall Bradley for Moraga-Orinda Fire District (MOFD), stressed that the District's urban-semirural-rural area presents special challenges for fire protection and EMS services demanded by its residents. To date MOFD has not experienced cuts or layoffs; 70% of the District's budget is allocated for personnel costs to serve its five stations. Of the 2,600 calls in 2011, 62% were medical emergencies. The FY 2012-13 budget has been approved, using over \$900,000 of the District's reserve fund. Fire Station 43, which is seismically unsound, is being replaced and will be completed by November 2013; and in FY 2012-13 the District will begin a major renovation of Station 41.

In response to Commissioner Piepho's question, Mr. Healy explained that the District recovers costs for responses to vehicle accidents, and nets approximately \$15-20,000 per year.

DRAFT

Mr. Healy added that the impact on MOFD of the closure of the CCCFPD Lafayette station has been minimal to date; it's too early to determine any long-term impact and the District will continue to monitor.

Charles Hanley, Rodeo-Hercules FD (RHFD) Chief, noted that revenues continue to decline for the District due to property tax diversions and State take-aways. The District responds to 3-15 calls per day, and the response time is 6-15 minutes for five units to arrive at a working fire. The District was turned down on a grant proposal because it cannot meet response time standards.

Currently the City of Pinole has contracted with the RHFD for "Fire Chief and Administrative Services."

The District Board has explored additional revenue streams, and based on the results of a voter survey, may develop a revenue ballot measure for June of 2013. The District continues to explore and implement all other possible options to reduce costs and generate additional revenue. It has been heavily impacted in the past by redevelopment and the decline in property tax revenue.

In response to questions from Commissioners, Chief Hanley stated that if the District had half of the tax revenues that had been designated for redevelopment it would be fully staffed; the District is at a point of just barely functional, and if it were to experience 15 calls per day it could not function. There are fees for services in place, but they bill only those from outside of the District's area, and fees are insufficient to solve the problem.

Richard Price, San Ramon Valley FPD (SRVFPD) Chief, stated that his District is committed to providing mutual aid in the region, and has auto aid agreements in place. They charge some fees for services, including ambulance. The District's response to the economic downturn is that they are not as quickly filling vacant positions and are using reserve funds; they are able to solve their problems internally. Currently they are in negotiations on their labor contract.

Commissioner Piepho congratulated the Chief on the District's innovative services, including a program that is getting national attention and allows trained residents to dispatch responders in the vicinity of an incident.

Pat Frost, Director of Contra Costa Health Services/Emergency Medical Services (EMS), explained that EMS oversees medical services in the field (pre-hospital care) and works collaboratively with fire agencies to improve responses on all medical emergency calls; and that the fire agencies are critical for first response purposes, especially in high-risk cases of heart attacks and strokes.

Ms. Frost has been working with all of the chiefs to identify cost saving measures. Since the 2009 MSR was released, eight fire stations have closed, more are in danger of closure, and many agencies are balancing their budgets with reserve funds. The question is how well we want to protect the public safety net; at a certain point the EMS system could be irreparably harmed. Ambulances alone cannot fulfill first response needs in the same way that a combination of fire agency resources and ambulances can.

Leslie Mueller, General Manager of American Medical Response (AMR), stated that AMR relies on fire agencies to get to medical emergencies first. AMR covers 99% of the County with 350 staff members who are distributed throughout the County to respond flexibly and quickly; they are often housed at fire stations. On July 1, in response to ECCFPD's reductions, AMR placed

a Quick Response Vehicle (QRV) with one person on Bethel Island. Not including QRVs, AMR has 42 units deployed in peak time periods, and 37-38 in off-peak times.

Vince Wells, President of United Professional Firefighters of Contra Costa County Local 1230, which represents personnel at six of the ten fire agencies, stated that ECCFPD has had budget problems since its inception, and now other districts are also having increasing difficulty with their budgets. Since 2010, nine stations have been closed or destaffed. In El Cerrito, concessions have twice been made by Local 1230. The workload on all personnel represented by Local 1230 has increased a great deal with layoffs. Local 1230 is in a contract with CCCFPD until 2014; has no contract with the City of Pinole; is in negotiations leading to a possible agreement with MOFD; has set dates for negotiations with ECCFPD; and has a long-term contract in place with El Cerrito.

In response to Commissioner questions, Mr. Wells stated that depending on the fire district, Local 1230 gets up to 300 applicants for any vacancies. Often, once applicants have tested, they will go to larger, more stable fire districts elsewhere outside of Contra Costa County.

Commissioners agreed that the situation is unnerving and dire, and that it is not financially viable nor operationally viable. The public has come to rely on fire service agencies to respond to all emergencies that are not police related. Ten years ago consolidation could have been discussed as a cost-saving measure, but that is no longer the case. It has been a disservice to the public that fire protection districts were not renamed something like “all-hazard response districts” that would more clearly reflect what the districts actually do. The public needs to engage and recognize that the districts are very vulnerable.

It was agreed that LAFCO should continue to serve as a forum and clearinghouse for an ongoing conversation.

Chief Maples encouraged LAFCO Commissioners to stay fully engaged. The local agencies need this platform, and should be invited back for additional open discussions regularly.

Commissioner Piepho asked if the multi-year comparisons on cities’ assessed values could be updated with a total percentage of changes from 2008-09 to 2012-13, and additional information regarding the impacts of recent redevelopment legislation on revenue designated for fire protection services.

9. Response to Contra Costa County Grand Jury Report No. 1211 – “Contra Costa County Fire Protection and Emergency Services, Leveraging Combined Strengths to Address Individual Weaknesses”

The Executive Officer noted that LAFCO received the Grand Jury report on June 7, and that a response is due no later than September 6. The draft response was provided for Commissioners’ consideration.

Upon motion of Piepho, second by Blubaugh, Commissioners unanimously approved the response to Grand Jury Report No. 1211 and directed staff to forward prior to September 6.

10. Library Services MSR Update

The Executive Director reported that the MSR consultant has worked with County Library staff and the City of Richmond to obtain a substantial amount of new information. Also, the consultant conducted site visits to the Richmond, Bay Point, Pittsburg, Antioch, Walnut Creek, and San Ramon libraries. The Public Review Draft will be ready for release in September or October.

Upon motion of Piepho, second by Blubaugh, Commissioners unanimously received the report.

11. Correspondence

There were no comments on the correspondence.

12. Commissioner Comments and Announcements

Commissioner Piepho reminded Commissioners to submit their information to staff for the CALAFCO Annual Conference.

13. Staff Announcements and Pending Projects

The Executive Officer had no further announcements.

The meeting was adjourned at 4:17 p.m.

Final Minutes Approved by the Commission on September 12, 2012.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

DRAFT