

Fire District Annexation Study

Contra Costa County FPD

East Contra Costa FPD

Rodeo-Hercules FPD

(Preliminary Findings)

July 2021

Background

- The analysis from Phase One preliminarily determined that annexation of ECCFPD is feasible and viable for CCCFPD.
- Phase Two of the Study was authorized by CCCFPD, ECCFPD and RHFPD.
- Phase Two is a comprehensive five (5) year forecast of financial, operational and feasibility analysis of annexation of ECCFPD & RHFPD into CCCFPD. The intent is to conduct a study for a potential annexation of the East Contra Costa Fire Protection District (ECCFPD) and the Rodeo-Hercules Fire District (RHFD) inclusive of ECCFPD.
- Phase Two includes Contra Costa County's Local Agency Formation Commission (LAFCO) Service and Sphere Review Requirements found in CGC sections 56430 and 56425.

Timeline

- Tentative Consolidation Annexation Feasibility Process / Schedule (Timeline subject to change and approval needed from the Fire Board to advance to from Phase II to Phase III)
- Phase I (CON & CCE) 8/2020-12/2020- **COMPLETED**
- Phase II entire process: 12/2020- 7/2021*
- Phase II Update - 4/14/2021 Board Meeting - **COMPLETED**
- Phase II Preliminary Findings- June 2021- **Today**
 - 7/22 CCCFPD
 - 7/21 RHFPD
- Phase II Study Conclusion- (Executive Summary, Findings, Conclusion, Recommendations)
 - (Action / resolutions to accept study and intent to approach LAFCO to continue with annexation process)
 - 7/13 CCCFPD, 7/14 ECCFPD, RHFPD no date set.
- Phase III LAFCO (entire process) six to seven months from filing of application.
- Phase IV RDO / CCE Fire Boards transfer of authority sometime after all real property transfers are complete.

December 2020- June 2021

Processes Completed or Near Completion:

- Project Initiation & Development of a Work Plan
- Procurement of Information & Data for All Organizations
- Review & Comparing Organization and Community Overview
- Review & Comparing Management Components
- Review Each Organizations Staffing & Personnel Management
- Review Each organizations Support Programs
- Review Each Organizations Capital Facilities & Assets
- Review Service Delivery & Performance—Resource Deployment
- Identifying Opportunities for Annexation
- Completing Fiscal Analysis
- Completed AP Tritons Stakeholder Input & Interviews
- Completed Employee Surveys
- Drafting Proposed Recommendations

Phase Two Preliminary Findings- Overview

- Contra Costa County Fire Protection District (CCCFPD) Specifics
- East Contra Costa Fire Protection District (ECCFPD) Specifics
- Rodeo Hercules Fire Protection District (RHFPD) Specifics
- All Agencies (CCCFPD, ECCFPD, RHFPD) Specifics
- Other

Phase Two Preliminary Findings- CCCFPD

- CCCFPD is a large, well-funded all-risk fire department.
- CCCFPD has a stable and growing revenue stream.
- CCCFPD's processes for funding facility remodeling and new fire stations new fire stations will streamline the process of improvements throughout the annexed service areas.
- CCCFPD has a unique bilingual education program for the juvenile fire starter team. This program would translate well to ECCFPD and RHFDP.

Phase Two Preliminary Findings- ECCFPD

- ECCFPD has previously experienced a significant reduction in funding due to an economic downturn, resulting in a decrease in staffing and the closure of fire stations.
- ECCFPD cannot meet the increased call load in the communities served with existing personnel and equipment levels without relying on mutual aid and automatic aid agencies.
- ECCCFD struggles to create a sustainable funding system that will provide adequate services and response times to serve the communities properly. ECCFPD is experiencing some level of revenue growth.
- ECCFPD is projected to receive over \$500,000 annually from developer fee revenues
- All existing ECCFPD personnel will be absorbed into CCCFPD. The potential annexations will not result in layoffs.
- The combined organization contemplates adding personnel for specific expansion of services in FY 21/22, with the re-opening of an unstaffed station and the staffing of a ladder company at an existing station.
- Annexation will result in the implementation of Advanced Life Support (Paramedic) level service on ECCFPD apparatus.

Phase Two Preliminary Findings- RHFPD

- RHFPD is a smaller district that has seen growth in property value but has experienced a projected (budgeted) decline in property tax revenues.
- Property tax revenues continue to be negatively impacted by the dissolution of redevelopment agencies and the continued property development within City of Hercules Redevelopment Area. This impact will continue until 2025 when the Recognized Obligation Payments of the redevelopment agency and its successor are extinguished .
- RHFPD cannot meet the increased call load in the communities served with existing personnel and equipment levels without relying on mutual aid and automatic aid agencies.
- RHFPD Measure O and the 1998 Benefit Assessment District funds will continue to be committed to funding services within the RHFPD service area.
- RHFPD and CCCFPD share battalion chief coverage as Battalion 7. RHFPD has minimal administrative support.
- All existing RHFPD personnel that desire to do so will be absorbed into CCCFPD. The potential annexations will not result in layoffs.

Phase Two Preliminary Findings- All Agencies

- All three districts currently participate in a Regional Communications center. An opportunity exists to reduce operating and administrative costs through the proposed annexation while increasing service levels significantly.
- There are no deployment-related impediments to annexation.
- Combined projected recurring revenues are sufficient to provide for combined currently projected recurring expenses and anticipated expansion of services in CCCFPD and ECCFPD through the fiscal projection period identified in the project scope of work.
- Funding exists through existing reserves and future development fees, and other non-recurring receipts to provide for fire station construction, apparatus acquisition, and debt service on existing obligations on a combined basis through the fiscal projection period identified in the project scope of work.
- Annexation will enhance and standardize training throughout the area.
- Annexation is projected to result in cost savings due to combining technology infrastructure, fleet maintenance, and other administrative functions.

Phase Two Preliminary Findings- All Agencies

- Command and Control of multi-company incidents will be improved as a result of annexation.
- Annexation will enhance and standardize public education outreach.
- Each fire district has a comprehensive and extensive training program; however, training emphasis was inconsistent between organizations.
- There appear to be minimal differences between the three organizations relating to specific code enforcement.
- Through existing reserves and future development fees, funding exists, and other non-recurring receipts to provide for fire station construction, apparatus acquisition, and debt service on existing obligations on a combined basis through the fiscal projection period identified in the project scope of work.
- Combined projected reserve balances never fall below 35% (\$76,000,000) through the fiscal projection period identified in the project scope of work.

Phase Two Preliminary Findings- Other

- On November 3, 2020 voters throughout the county approved Measure X authorizing an additional county-wide sales tax of 0.5% for 20 years. Per the measure's language, the intent was to support essential services, including emergency response and others.

Phase Two Preliminary Results

- As stated at the April 2021 update, and as of this presentation, there are still no indications that there are any financial or organizational findings that would prevent the recommendation in July, to continue to move forward with the annexation process.

Timeline & Questions

- Tentative Consolidation Annexation Feasibility Process / Schedule (Timeline subject to change and approval needed from the Fire Board to advance to from Phase II to Phase III)
- Phase I (CON & CCE) 8/2020-12/2020- **COMPLETED**
- Phase II entire process: 12/2020- 7/2021*
- Phase II Update - 4/14/2021 Board Meeting - **COMPLETED**
- Phase II Preliminary Findings- June 2021- **Today**
 - 7/22 CCCFPD
 - 7/21 RHFPD
- Phase II Study Conclusion- (Executive Summary, Findings, Conclusion, Recommendations)
 - (Action / resolutions to accept study and intent to approach LAFCO to continue with annexation process)
 - 7/13 CCCFPD, 7/14 ECCFPD, RHFPD no date set.
- Phase III LAFCO (entire process) six to seven months from filing of application.
- Phase IV RDO / CCE Fire Board's transfer of authority sometime after all real property transfers are complete.