

## Executive Summary

### Evaluation of "County Fire Funding"

A report received and action taken at the 26 January 2010 meeting of the Santa Cruz County Board of Supervisors

County Fire (CSA 48) claims it has been operating at a deficit for a number of years, and that an increase in tax or fee revenue of \$1,840,000 per year will provide full funding. The total yearly cost of County Fire would become \$4,618,957.

The request for an increase has been expected for over a year. In 2007 County Fire initiated a similar request for a funding increase, in the lower amount of \$908,000. The 2007 request was rejected by voters within County Fire's territory.

Bonny Doon Fire and Rescue, Inc. proposes to detach from County Fire and form an independent fire district. LAFCO rejected Bonny Doon F&R's application, citing the potential of "reduced service levels in the remainder of County Fire due to the loss of revenue from Bonny Doon". Bonny Doon F&R has a pending court action, challenging the LAFCO decision.

Friends of Bonny Doon Fire (Friends) supports the formation of an independent Bonny Doon Fire District. Over the past year, Friends has recommended that County Fire prepare a "revenue neutral" fee increase proposal, with respect to Bonny Doon, Such a plan would resolve the LAFCO objection (potential reduced services elsewhere) and allow Bonny Doon F&R to continue efforts to form an independent fire district.

Friends examined the budget prepared by County Fire wherein the cost to fully fund operations is calculated to be \$4,618,957. The stated cost was adjusted (reduced) by a total of \$279,593 (-6.1%) through application of updated reduced costs for county overhead and alpha pagers of \$90,555 (-2%) and aligning stated vehicle replacement costs with current actual pricing \$189,038 (-4.1%).

The "costs" in the resultant budget totaling \$4,339,364 were then distributed between Bonny Doon and the Balance of CSA 48.

Revenues from Bonny Doon and from the Balance of County Fire (CSA 48) were identified. The TOTAL revenue from the portion of the 1% real property tax for fire service, the current CSA 48 fire fees and the proposed CSA 48 fire fees for Bonny Doon were calculated. The TOTAL revenue for the Balance of CSA 48 was also calculated.

The calculations demonstrate that the proposed fee increase, as adjusted, IS revenue neutral with respect to Bonny Doon.

Bonny Doon            Revenue \$ 782,747;    Expense \$ 635,793

Balance of CSA 48    Revenue \$3,745,276;    Expense \$3,703,571

Bonny Doon's withdrawal from County Fire CSA 48 WILL NOT financially impact service in the remainder of CSA 48.

It is possible to satisfy the funding needs and desires of both Bonny Doon and the Balance of County Fire CSA 48.

With the LAFCO objection CLEARLY disposed of, should this budget and increased funding be adopted, there appear to be no further objections to allowing the residents of Bonny Doon to decide among themselves whether or not to form an independent fire district.

Friends calls upon the County of Santa Cruz Board of Supervisors to immediately enter into discussions with Bonny Doon Fire & Rescue to resolve unaddressed asset transfer and service delivery issues.

Friends of Bonny Doon Fire - County fire Budget Consideration

v1.5 3/8/2010

3 Sheets, 8 Pages Total

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Index	Description	Current Year		5 Stations		FofBDF		FofBDF WITH INITIAL ADJUSTED	Percent Bonny Doon Apportioned	Bonny Doon Cost	Balance of CSA 48 Cost
		Sched 9 2009/10	Recommended	3/0 Staffing 2011/2012	Proposed	INITIAL ADJUSTMENTS	Foot Notes				
<b>Expenditures - Volunteers</b>											
(1)3100	Reg Pay Permanent	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3105	Overtime Pay Permanent	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3110	Regular Pay-Extra Help	\$42,000.00		\$112,500.00	fn 6	\$0.00		\$112,500.00	25.00%	\$28,125.00	\$84,375.00
3140	Differential Pay	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3150	OASDI-Social Security	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3155	PERS	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3160	Employee Insurance And	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3165	Unemployment Insurance	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3170	Workers Comp Insurance	\$24,183.00		\$44,183.00	fn 6	\$0.00		\$44,183.00	25.00%	\$11,045.75	\$33,137.25
10000	SALARIES & BENEFITS	\$66,183.00		\$156,683.00		\$0.00		\$156,683.00	na	\$39,170.75	\$117,512.25
<b>Expenditures - Operational</b>											
(2)3210	Clothing	\$25,000.00		\$109,150.00	fn 4	***TBD***		\$109,150.00	25.00%	\$27,287.50	\$81,862.50
3235	Radio	\$3,000.00		\$3,000.00		\$0.00		\$3,000.00	40.00%	\$1,200.00	\$1,800.00
3240	Telephone [Telcom Services]	\$1,360.00		\$1,000.00		\$0.00		\$1,000.00	40.00%	\$400.00	\$600.00
3241	Telephone -non telcom	\$2,700.00		\$2,700.00		\$0.00		\$2,700.00	0.00%	\$0.00	\$2,700.00
3305	Other Ins	\$40,000.00		\$41,636.00		\$0.00		\$41,636.00	25.00%	\$10,409.00	\$31,227.00
3405	Maintenance - structure	\$18,000.00		\$26,400.00	fn 8	\$0.00		\$26,400.00	50.00%	\$13,200.00	\$13,200.00
3430	Medical, Dental, Lab Supplies	\$18,000.00		\$24,000.00		\$0.00		\$24,000.00	25.00%	\$6,000.00	\$18,000.00
3450	Memberships	\$900.00		\$750.00		\$0.00		\$750.00	0.00%	\$0.00	\$750.00
3451	Misc Expense -Haz Mat Contrib	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3476	Serv & Sup - Other	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3484	Duplicating Services	\$60.00		\$60.00		\$0.00		\$60.00	0.00%	\$0.00	\$60.00
3490	Photocopy/Printer Supplies	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3491	Postage	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3493	Supplies	\$1,000.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3505	Acct/Auditing Fees	\$24,307.00		\$24,307.00	fn 9	\$0.00		\$24,307.00	20.00%	\$4,861.40	\$19,445.60
3545	Tech Support	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3550	County Overhead	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3575	Data Processing	\$5,350.00		\$2,350.00		\$0.00		\$2,350.00	0.00%	\$0.00	\$2,350.00
3590	DPW	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3612	Fiscal Agent Fees	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3635	Management services	\$0.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3637	Medical Services	\$20,560.00		\$25,110.00		\$0.00		\$25,110.00	25.00%	\$6,277.50	\$18,832.50
3650	Planning Services	\$3,200.00		\$0.00		\$0.00		\$0.00	0.00%	\$0.00	\$0.00
3665	Professional Services	\$2,316,670.00		\$2,902,506.00	fn 1	\$0.00		\$2,902,506.00	see fn 1	\$288,858.00	\$2,613,648.00

3665 Professional Services						\$19,850.00	\$19,850.00	0.00%	\$0.00	\$19,850.00
3670 GIS	n/a	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
3790 Legal Notices/gis	\$600.00	\$600.00	\$0.00	\$0.00	\$0.00	\$600.00	\$600.00	0.00%	\$0.00	\$600.00
3800 Equipment Lease	\$291.00	\$291.00	\$0.00	\$0.00	\$0.00	\$180.00	\$180.00	0.00%	\$0.00	\$180.00
3825 Small Tools	\$11,000.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$13,000.00	\$13,000.00	25.00%	\$3,250.00	\$9,750.00
3970 Management Charges	\$50,100.00	\$50,100.00	\$0.00	\$0.00	\$0.00	\$48,000.00	\$48,000.00	25.00%	\$12,000.00	\$36,000.00
3975 Special Misc Expenses	\$19,500.00	\$19,500.00	\$0.00	\$0.00	\$0.00	\$25,250.00	\$25,250.00	0.00%	\$0.00	\$25,250.00
4105 Special Dist. Expenses	\$67,000.00	\$67,000.00	fn3	(\$22,000.00)	\$0.00	\$47,500.00	\$47,500.00	25.00%	\$11,875.00	\$35,625.00
4110 Subscriptions	\$500.00	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
4154 Education & Training	\$15,380.00	\$15,380.00	\$0.00	\$0.00	\$0.00	\$18,875.00	\$18,875.00	25.00%	\$4,718.75	\$14,156.25
4168 Travel/Mileage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
4175 Service Center Charges	\$6,000.00	\$6,000.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%	\$0.00	\$2,000.00
4176 Serv Cntr Replacement [Reserve]	\$528.00	\$528.00	\$150.00	\$0.00	\$0.00	\$150.00	\$150.00	0.00%	\$0.00	\$150.00
4177 Service Center Depreciation	\$9,706.00	\$9,706.00	\$2,145.00	\$0.00	\$0.00	\$2,145.00	\$2,145.00	0.00%	\$0.00	\$2,145.00
4310 Utilities	\$25,200.00	\$25,200.00	fn 7	\$0.00	\$0.00	\$25,200.00	\$25,200.00	40.00%	\$10,080.00	\$15,120.00
4825 Prin on Certs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
4865 Int on Certs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
20000 SERVICES & SUPPLIES	\$2,685,912.00	\$2,685,912.00	\$3,387,719.00	(\$22,000.00)	\$0.00	\$3,365,719.00	\$3,365,719.00	0.00%	\$400,417.15	\$2,965,301.85
(3)5191 Contributions to other Agency	\$44,748.00	\$44,748.00	\$17,000.00	\$0.00	\$0.00	\$17,000.00	\$17,000.00	0.00%	\$0.00	\$17,000.00
5280 Contributions to other Agency	\$15,000.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00	20.00%	\$3,000.00	\$12,000.00
5283 Other Charges - Other	\$51,000.00	\$51,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
5980 County Overhead	\$122,555.00	\$122,555.00	fn 2	(\$68,555.00)	\$0.00	\$54,000.00	\$54,000.00	20.00%	\$10,800.00	\$43,200.00
30000 OTHER CHARGES	\$233,303.00	\$233,303.00	\$154,555.00	(\$68,555.00)	\$0.00	\$86,000.00	\$86,000.00	0.00%	\$13,800.00	\$72,200.00
(4)9225 Intra Fund Transfer - Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
40000 COST APPLIED	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00
(7)9695 Contingencies	\$300,000.00	\$300,000.00	\$300,000.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00	25.00%	\$75,000.00	\$225,000.00
70000 CONTINGENCIES	\$300,000.00	\$300,000.00	\$300,000.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00	0.00%	\$75,000.00	\$225,000.00
(8)6610 Buildings & Improvements	\$50,000.00	\$50,000.00	\$40,000.00	\$0.00	\$0.00	\$40,000.00	\$40,000.00	20.00%	\$8,000.00	\$32,000.00
8404 Equipment	\$0.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	20.00%	\$2,000.00	\$8,000.00
8409 Mobile equipment	\$400,000.00	\$400,000.00	\$570,000.00	(\$189,037.97)	\$0.00	\$380,962.03	\$380,962.03	see fn 5	\$97,405.06	\$283,556.96
80000 FIXED ASSETS	\$450,000.00	\$450,000.00	\$620,000.00	(\$189,037.97)	\$0.00	\$430,962.03	\$430,962.03	20.00%	\$107,405.06	\$323,556.96
SubTotal Manual	\$3,735,398.00	\$3,735,398.00	\$4,618,957.00	(\$279,592.97)	\$0.00	\$4,339,364.03	\$4,339,364.03	Percent	\$635,792.96	\$3,703,571.06
Manual Sub Total	\$3,735,398.00	\$3,735,398.00	\$4,618,957.00	(\$279,592.97)	\$0.00	\$4,339,364.03	\$4,339,364.03	Bonny Doon	\$635,792.96	\$3,703,571.06
	Current Year	5 Stations	FofBDF	FofBDF	FofBDF	ADJUSTED	ADJUSTED	Bonny Doon	Bonny Doon	Balance of
	Sched 9	2011/2012	ADJUSTMENTS	ADJUSTMENTS	ADJUSTMENTS	ADJUSTED	ADJUSTED	Cost	Cost	CSA 48 Cost
	2009/10	3/0 Staffing	Foot	Foot	Foot	Foot	Foot	Apporportioned	Apporportioned	
	Recommended	Proposed	Notes	Notes	Notes	Notes	Notes			

Calculation of DEFICIT with current Revenue

REVENUE	Current Year Sched 9 2009/10 Recommended	5 Stations 3/0 Staffing 2011/2012 Proposed Plan
90100 Property Tax - Current Secured	\$1,691,903.00	\$1,646,469.00
90110 Property Tax - Current Unsecured	\$41,879.00	\$40,279.00
90150 Supplemental Prop Tax - cs	\$19,000.00	\$19,000.00
90151 Supplemental Prop Tax - cu	(\$191.00)	(\$191.00)
90430 Interest	\$40,000.00	\$40,000.00
90440 Rents and Concessions	\$0.00	\$0.00
90495 State Aid - Prop 172	\$0.00	\$0.00
90830 State - Home Owners Prop Tax	\$14,279.00	\$14,244.00
90852 State - Other Tax Relief Subvent	\$0.00	\$0.00
91095 Fed - Misc Grants	\$0.00	\$0.00
91304 Inspection Charges	\$70,000.00	\$0.00
91340 Private School Day Care	\$100.00	\$0.00
91618 Other Environmental Se	\$51,000.00	not found
92022 Cost Recovery - Other	\$8,000.00	\$8,000.00
92042 Management serv - Pajaro Dunes	\$10,000.00	\$10,000.00
92047 Other Charges Current svcs	\$4,000.00	\$0.00
92367 Contrib Fm Other Funds (CSA 48 fees)	\$950,915.00	\$950,915.00
92375 Insurance Proceeds	\$0.00	\$0.00
*NONE* Fire Marshal	not found	\$49,100.00
92384 Other Revenue	\$0.00	\$0.00
SUB TOTAL - Current Revenue	\$2,900,885.00	\$2,777,816.00
Fund Balance Available	TBD	\$0.00
TOTAL FUNDING	\$2,900,885.00	\$2,777,816.00
Manual Total	\$2,900,885.00	\$2,777,816.00
Funding-Cost (PROJECTED DEFICIT)	(\$834,513.00)	(\$1,841,141.00)
Manual: Funding-Cost	(\$834,513.00)	(\$1,841,141.00)

fn 1  
(2)3665

Professional Services - Cal Fire Contract  
\$2,902,506 Staff cost for 5/3 Station/Staffing  
Eliminate one Amador Station (Fall Creek), when Bonny Doon District begins operation  
\$2,613,648 Staff cost for 4/3 Station/Staffing  
\$288,858 Apportioned to Bonny Doon for Staffing (Prof Svcs)  
\$2,613,648 Apportioned to Balance of CSA 48

**ADDITIONAL APORTIONMENT TO BONNY DOON POSSIBLE**

Given the 5/3 cost of \$2,902,506 and the savings due to eliminating one AMADOR station of \$288,858, elimination of ALL FIVE Amador stations would leave a cost of \$1,169,358. Some yet to be determined portion of the \$1,169,358 is applicable to Bonny Doon. If County Fire were to be disbanded, per Staff Recommendation #1, 20% or \$233,872 would be applied.  
NOTE: The inclusion of a second line item needs further explanation.

\$68,555.00

fn 2  
(3)5980

Expense - County Overhead  
REDUCED in OHead - (had risen prior year)  
Was \$122,555, NOW \$54,000  
REDUCTION \$ 68,555.00  
FDAC meeting Jan 2010  
reported by: D Muir  
REDUCTION

fn 3  
(2)4105

Expense - Special District  
DISCONTINUE County Comm Alpha Pagers  
FDAC meeting Jan 2010  
reported by:K Lineberry  
REDUCTION

\$22,000.00

fn 4  
(2)3210  
(2)4105

Expense - Clothing, PPE, etc  
Expense - Special District  
DOUBLE LISTING  
Cleaning of PPE is an object of BOTH accounts  
Clarify account and amount  
Adjustment to be determined

TBD

fn 5

Expense - Mobile equipment  
NOTE: No opinion on the soundness of the Vehicle Replacement Plan is offered here.  
The Staff recommendation is considered "as is" for the following evaluation.  
IF/When Staff discloses a fully developed Vehicle Replacement plan, it will be evaluated.

\$570,000.00

(8)8409

ANNUAL CONTRIBUTION IS STATED BY STAFF AS  
Fleet Replacement Cost is stated to be \$7,900,000.00  
Three reserve engines are included in Vehicle Replacement Plan at FULL RETAIL  
INCLUSION OF RESERVE ENGINES IS QUESTIONED AND DISALLOWED  
Note that Eight Fire Engines were listed on the 2007 Plan  
Note that in 2010 ELEVEN Engines are listed.  
3 Engines @ \$500,000.00 each

- fn 6 Apportionment 25% to Bonny Doon  
Based on expected full strength volunteer count  
20 of 77, 25 of 100
- fn 7 Apportionment 40% to Bonny Doon  
Based on number of volunteer stations and usage.  
(includes McDermott, Martin Road & Fall Creek)  
Fall Creek upon transfer of real estate
- fn 8 Apportionment of 50% structure to Bonny Doon  
(includes McDermott, Martin Road & Fall Creek)  
Fall Creek upon transfer of real estate
- fn 9 Apportion 20% of Property Tax Administration Fee to Bonny Doon  
Based on parcel counts

Total cost 3 Engines \$1,500,000.00  
 Contribution rate of 0.072153  
 Remove 3 Reserve Engines from Plan  
 OVER CONTRIBUTION, ANNUAL (\$108,228.00)  
 UNIT COST OF EQUIPMENT IS QUESTIONED

The Costs listed for Fire Vehicle Replacement MUST be examined.  
 Cost are compared to the estimate made for 2007 fee increase attempt

Year	2010	2007
Fire Engine	\$500,000.00	\$350,000.00
Tanker/Water Tender	\$450,000.00	\$300,000.00
Rescue	\$190,000.00	\$134,000.00
Pickup-Utilities	\$50,000.00	

Costs appear to be out of proportion to period inflation and emission requirement changes.  
 At the November 18, 2009 FDAC meeting, the purchase price for a new Fire Engine to be delivered in early 2010 was stated to be \$379,130.00

The following is accepted as 2010 Fair Market Pricing

Fire Engine	\$415,000.00
Tanker/Water Tender	\$365,000.00
Rescue	\$155,000.00
Pickup-Utilities	\$45,000.00

THE FLEET COST, is adjusted to Fair Market Pricing.

8 Engines	\$3,320,000.00
3 Water Tenders	\$1,095,000.00
5 Rescue	\$775,000.00
2 Pickup-Utilities	\$90,000.00
REDUCED FLEET TOTAL COST	\$5,280,000.00

Specific Apportionment to Bonny Doon, Vehicles

2 Engines	\$830,000.00
1 Water Tender	\$365,000.00
1 Rescue	\$155,000.00
Bonny Doon Total	\$1,350,000.00

**FINAL ALLOCATION of annual Contribution		
Contribution Rate	0.072151899	
	Fleet Cost	Annual Contrib.
Original Estimate (B.D. + CSA48)	\$7,900,000.00	\$570,000.00
Remove 3 Reserve Engines	(\$1,500,000.00)	(\$108,227.85)
Sub Total	\$6,400,000.00	\$461,772.15
Reduce Fleet Cost per above	(\$1,120,000.00)	(\$80,810.13)
Sub Total	\$5,280,000.00	\$380,962.03
Apportion to Bonny Doon	(\$1,350,000.00)	(\$97,405.06)
TOTAL to Balance of CSA 48	\$3,930,000.00	\$283,556.96
Bonny Doon Total	\$1,350,000.00	\$97,405.06