

Mountain Democrat Article

Aid to fire cuts could affect entire system

By Mike Roberts | Mother Lode News | July 05, 2009 11:50

A fiscally frustrated Board of Supervisors, desperate for some budgetary flexibility, ended the \$1.3 million annual subsidy to rural fire districts in June, an action that could change the way fire and ambulance services are provided in El Dorado County

Opposing an active, unified and vocal Fire Chiefs Association, the board instead deferred to a recommendation from the 2007-08 El Dorado County Grand Jury that criticized the aid-to-fire subsidy, arguing that it was unfair to taxpayers in unsubsidized districts.

The chiefs and the board agreed that bringing in a consultant to examine the system and provide a road map to maintaining the current high service levels in a system of geographically and demographically disparate districts with widely different funding bases.

Six Western Slope and two Tahoe districts will be directly impacted by the loss of the subsidy, but the system's strong mutual aid agreement is likely to spread the impact around the entire county.

The grand jury encouraged Garden Valley, Georgetown, Latrobe, Mosquito, Pioneer and Rescue to economize by merging with neighboring districts, but stopped short at Meeks Bay and Fallen Leaf, which are both geographically isolated.

Several rural districts consolidated in 1991 to form the El Dorado County Fire District, which despite its name is an independent agency. But others, concerned about service levels or wary of the inherent politics, declined the invitation, hesitant to sacrifice the strong cultural ties to the rural communities they serve.

The rural district subsidy's roots trace back to Proposition 13, which froze property tax at 1 percent of assessed property value in 1978. Counties subsequently set up "Tax Rate Areas" (TRAs) under AB 8 that split up the 1 percent between the county, local fire and school districts, and other governmental agencies in micro-geographies based on the percent of tax revenue received prior to Prop. 13.

Those original allocation percentages, or "increments," can only be changed with special legislation, a district merger or a district reorganization, according to Jose Henriquez, executive officer of the Local Agency Formation Commission, LAFCO.

Henriquez said he thinks that district consolidation would allow the new, larger district to reallocate the tax increments.

County Auditor/Controller Joe Harn disagreed.

"If the law provides for renegotiation of property tax revenues as Mr. Henriquez states, it would certainly be difficult to get other agencies to sacrifice their revenue in the current economic climate," he said.

The original increments that fund fire and emergency services agencies remain largely unchanged, while the agencies have transformed themselves from a collection of sleepy volunteer fire departments into a centrally dispatched network of modern fire districts that support each other through mutual aid agreements, and also provide ambulance service through a joint powers agreement with the county.

Populations in most districts grew throughout the 1980s and 1990s, as did the cost of training, staffing and equipment. The result is that districts that landed larger slices of the pie before Prop. 13 have continued to do better than the mostly rural districts that did not.

Districts with higher property values consequently generate more property taxes, exacerbating the funding inequity between urban and rural districts.

"It's gotten to where there are 'haves' and 'have nots,'" said El Dorado Hills Fire Chief Brian Veerkamp, whose district enjoys a generous 17.5 percent slice of the El Dorado Hills property tax pie, qualifying it as a premier "have" district in a system that averages 11.1 percent.

By comparison, neighboring Latrobe was apportioned a meager 5.4 percent share of its property taxes. Georgetown Fire Department receives 11.7 percent, but supports hundreds of square miles of recreation areas to the east that generate little property tax.

To address the inequity, the county instituted the "aid to fire" subsidy to eight rural fire districts in 2001, supplementing each district's property tax revenue from the county General Fund to a level equivalent to 13 percent of the district's property tax.

The chiefs argued against ending the subsidy in contentious public hearings earlier this year, arguing that the loss of supplemental funds would have "life or death consequences" throughout the county.

The board nonetheless boldly terminated the supplement, freeing up \$964,810 of reserve funds and adding another \$335,537 from the General Fund to buy the eight rural districts one last year of supplemental aid. The consultant will be paid from that funding pool.

Henriquez was given a target budget of \$100,000 to hire a consultant with no ties to any El Dorado County fire district. Proposals are due on July 31, and he hopes to award the contract shortly thereafter, with a recommendation back to the board by mid-January 2010, in time for next year's budget deliberations..

The resulting report will review county fire and ambulance operations, suggest district consolidations and reorganizations and suggest ways to garner a bigger slice of the property tax pie.

The report should also provide a matrix of response time targets for both rural and urban areas based on the available funding, population density, topography, recreational usage, traffic and the presence of U.S. Forest Service and Cal Fire stations.

District 1 Supervisor John Knight will be looking for funding strategies, including exemptions from Proposition 172's so-called "ERAF Shift," which redirects 10 percent of a district's tax revenue. He'd also like to know how special districts might get a piece of the proposition's half-cent public safety sales tax, which currently goes to counties and cities only.

Henriquez said he'd like to see guidelines for forming Proposition 218-compliant "benefit districts" to augment funding for specific fire and emergency services.

General Plan calls for basic fire support

The problem, said Chief Veerkamp, is that new rural residents expect urban-type response from fire and emergency medical services, but their districts don't generate enough property tax to pay for it.

Veerkamp cites recently approved development on Williamson Act land in Latrobe that generates very little property tax, "but when they have an emergency they expect top notch service."

The fire chiefs argue that the General Plan obligates the county to ensure prompt response to new and existing rural residents under General Plan Policy 5.7.2.1: "Ability to provide fire protection to existing developments shall not be reduced below acceptable levels as a consequence of new development."

Complicating matters, recreation areas have swollen in popularity outside rural fire districts like Georgetown. That's a trend county officials would like to encourage; the seasonal visitors feed the local economy and pump sales taxes into county coffers. "But they don't pay a nickel toward fire or EMS," said Veerkamp. "That's why there has to be an equalization to a minimum amount of protection."

El Dorado Hills impacts

Latrobe currently has two firefighters on duty 10 hours a day, five days a week, with limited staffing on weekends and evenings, said Veerkamp. "We get dispatched to every one of those off-hours calls."

Veerkamp worries that Latrobe and Rescue, both former recipients of aid-to-fire, might have to curtail services, leaving El Dorado Hills taxpayers to pick up the fiscal slack. "I'm a firm believer in auto-aid and the closest resource," he said. "But if you are going on more [calls] than you are receiving, it costs you."

Veerkamp said he won't be surprised if the consultant recommends one or both of his neighbors consolidate with either County Fire or El Dorado Hills, and hopes that there's adequate funding to maintain current response times.

El Dorado Hills has proposed consolidations with both Rescue and Latrobe in the past. Neither was well

received.

El Dorado Hills Fire Board President Jim Hartley was involved in those discussions. "They're getting the cow for free with the closest resource policies," he said. "So why should they pay for the milk?"

Low hanging fruit

"Consolidation is thrown around as if it will fix everything," said Rescue Fire Chief Tom Keating, who was a strong proponent of hiring the consultant, despite an understanding that the report might consolidate him out of a job.

"That question won't go away until someone comes in and provides an unbiased review of each agency," he said, adding that he'd be open to a consolidation proposal if it provides "improved service levels and a savings for taxpayers."

Joe Rose, president of the El Dorado County Fire Board, has been through several district mergers and testifies from first-hand experience that consolidation is not a global solution. "Each agency merger has its own issues," said Rose. "The challenges include inequities in pay and benefits, differing staffing levels on engine companies and the fact that some agencies are much better trained."

The El Dorado County Fire District did not attempt to alter the property tax increments of its component districts when it consolidated.

Reorganization - District boundary shifts could lead to better services in some areas, and Henriquez said he thinks such district reorganizations also open the door to reallocating tax increments, at least for the affected properties.

ALS Engine Companies - Many fire officials said they think that staffing Advanced Life Support engine companies in rural areas will reduce overall EMS costs. Placing trained paramedics in rural stations to provide initial medical response would allow ambulances to be stationed more efficiently in the central "core" area of the county, and dispatched to rural areas as needed.

"We've got some ambulances positioned based on politics rather than patient need," said Veerkamp.

District 4 Supervisor Ron Briggs added that the volunteer programs in very rural areas aren't as "vibrant" as they once were. As family and income pressures on young working men and women have increased, the time for all the required training is too demanding for most otherwise eligible and willing young men and women. As a result, "There are less of them and the training varies greatly from full time firefighters in other districts," he said.

"It's imperative that we figure out what's needed throughout the county and load it into the property tax based on the service levels built into the General Plan," said Veerkamp.

Rescue Chief Keating summed up why county fire officials are counting on the report. "These are big emotional issues; that's why we elect boards to represent our communities, and why we need an independent perspective in here telling us what resources will be lost, and what response times will become if we cut off aid to the eight districts. This has to be done right."

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