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RESOLUTION NO. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

TERMINATING THE AGREEMENT TO PROVIDE FUNDING
FOR FIRE PROTECTION AND EMERGENCY MEDICAL
SERVICES FOR CERTAIN FIRE DISTRICTS, AND MAKING
PROVISION FOR ADDITIONAL APPROPRIATION
FOR FISCAL YEAR 2009/2010

WHEREAS, the County is a party to an agreement (“Agreement”), dated August 28, 2001, as amended, with the Fallen Leaf Lake Fire Protection District, Garden Valley Fire Protection District, Georgetown Fire Protection District, Latrobe Fire Protection District, Meeks Bay Fire Protection District, Mosquito Fire Protection District, Pioneer Fire Protection District, and the Rescue Fire Protection District (herein collectively referred to as “Districts”) pursuant to which the County agreed to provide additional funding to the Districts for fire protection and emergency medical services (“Supplemental Funds”);

WHEREAS, said Agreement remains in effect unless terminated by the parties. The County may terminate the Agreement effective as to any fiscal year by giving notice of termination not later than ten (10) days after adoption of the final budget for that year. It is now within the time frame for termination of the Agreement as of fiscal year 2009/2010;

WHEREAS, in order to cancel the Agreement the County is required to make a specific finding that the allocation of Supplemental Funds for the purposes set forth in the Agreement, considered in light of the competing demands for County resources, would impair the provision of other important services or the achievement of County objectives;

WHEREAS, the downturn in the economy and circumstances having to do with the State of California’s budget have negatively impacted the County’s budget situation such that continued funding of the Agreement would impair the provision of other important services or the achievement of County objectives, thereby necessitating termination of the Agreement as of fiscal year 2009/2010;

WHEREAS, pursuant to the Agreement, approximately \$964,810.00 is being held in a trust fund for distribution to the Districts in the event of termination of the Agreement by County to provide for transition funding for the Districts;

WHEREAS, in order to minimize financial hardship to the Districts as a result of the termination on the Agreement, the County is willing to appropriate an additional \$335,537.00 during fiscal year 2009/2010 for payment to the Districts so that the distribution of the trust account, plus the additional amount, shall equal the amount distributed to the Districts under the Agreement in 2008/2009, less \$100,000.00 which shall be retained by the County to fund a LAFCO study of the feasibility of achieving efficiencies in fire service delivery, including consolidation of districts;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Findings. The Board of Supervisors hereby finds that the allocation of Supplemental Funds to the Districts for the purposes set forth in the Agreement, considered in light of the competing demands for County resources, would both impair the provision of other important services and the achievement of County objectives. This finding is based, without limitation, on the following facts:

1. The State of California, and the United States in general, have suffered a severe economic downturn which threatens to continue for an extended period of time;
2. The severe economic downturn has dramatically, negatively affected the revenue sources of the County. For example, sales tax revenues for the fourth quarter of 2008 were down 15.9% from the same period in 2007. The assessed value of all property in the County, used for calculating property taxes, is estimated to be flat or somewhat negative, as compared with a traditionally rising assessed value.
3. The State of California, due to its budget problems, has already deferred payment for several services required to be provided by the County, thus negatively affecting the County's cash flow.
4. In light of the fiscal hardships experienced, the County has already cut approximately 188 positions, or about 10% of its workforce, with a concomitant reduction in County services.
5. In light of its worsening budget crisis, the State of California is further considering, and likely will take, additional fiscal actions which will have an adverse impact on the County from deferring payments for services, to cutting funding for specific programs, to a suspension of Proposition 1A to allow a "borrowing" of property taxes from the counties and other local agencies. The tax borrowing under Proposition 1A alone would potentially result in a loss to the County in excess of \$6,300,000.00 during fiscal year 2009/2010.

6. As a result of actions by the State of California, as well as the continuing state of the economy, the County will have to take further action to dramatically decrease expenditures, possibly including additional layoffs;
7. Payment of the full amount of the Supplemental Funds to the District of \$1,300,000.00 would require approximately 16 additional layoffs of County staff, with concomitant reductions of service, or other reductions in services to make up for the loss of \$1,300,000.00. These reductions would be in addition to the reductions in service that may be necessary as a result of worsening economic circumstances or actions of the state. Thus, continuing the Agreement in effect would impair provision of other important services and the achievement of County objectives.

Section 2. Termination of Agreement. The Agreement is hereby terminated as of fiscal year 2009/2010, effective July 1, 2009. Notice of such termination shall be provided to the Districts as specified in the Agreement.

Section 3. Distribution of Trust Fund. The \$964,810.00 held in the Trust Fund shall be paid to the Districts in accordance with the Agreement within 30 days of this termination, and shall be allocated among the Districts in accordance with the Agreement.

Section 4. Additional Appropriation. To minimize the hardship on the Districts as a result of the termination of the Agreement, and realizing that the amount in the Trust Fund is less than the total amount of Supplemental Funds which the Districts would have received under the Agreement, the Board of Supervisors shall include in the 2009/2010 fiscal year budget an additional, one time only, appropriation of \$335,537.00 for the Districts, representing the difference between the amount in the Trust Fund and the total amount of Supplemental Funds that would have been payable under the Agreement. Said amount shall be payable to the Districts not later than January 31, 2010. The County shall be entitled to withhold from that payment up to \$100,000.00 to pay for the study called for in Section 5 of this resolution. The remainder - \$235,537.00 - shall be allocated among the Districts in the same manner as the Trust Fund.

Section 5. Feasibility Study. The Board of Supervisors shall utilize the \$100,000.00 withheld from the Districts pursuant to Section 4 of this resolution to fund a LAFCO study providing an overall evaluation of fire and EMS services within El Dorado County, including the current dispatch services. The scope of work for the study shall substantially include, but not be limited to, the topics set forth in the Proposed Scope of Work for Fire Service Consultant, attached hereto at Exhibit "A". Exhibit "A" is subject to modification by the County and LAFCO, it being a general expression of understanding between the County and Districts.

Section 6. Cooperation Between the Parties. The Board of Supervisors hereby expresses its intent to work cooperatively with the Districts to explore ways to address their long term financial viability including, but not limited to, completing the feasibility study called for in Section 5 of this resolution, possibly implementing the

recommendations of the study, and consideration of resumption of Supplemental Funding at such time as the County's fiscal situation allows for such funding.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on the ____ day of _____, 2009, by the following vote of said Board:

ATTEST
SUZANNE ALLEN DE SANCHEZ
Clerk of the Board of Supervisors

Ayes:
Noes:
Absent:

By _____
Deputy Clerk

Chairman, Board of Supervisors