



of two members of the Board of Supervisors, two rural fire board members, two fire chiefs, and later included the LAFCO Executive Officer. The Fire Advisory Group Charter was defined as "Find a permanent solution for sustainable fire funding throughout all El Dorado County fire districts".

On September 24, 2013 the Fire Advisory Group presented its analysis of the financial condition of rural fire districts, and recommended a two-step strategy for improving fire service including short-term funding for seven rural districts, followed by a service level analysis and renegotiation of the property tax distribution. Each fire district/department with the exception of Latrobe adopted a resolution indicating their intent to participate in a long term solution. Latrobe Fire has filed for dissolution and expects to be annexed into El Dorado Hills Fire. The Board of Supervisors directed the Chief Administrative Office to return to the Board with potential funding contracts allowing disbursement of funds based on agreed financial requirements and to return to the Board with letters from each Fire Protection District Board in the County indicating their intent to participate in a long term, sustainable funding solution.

As a result of this direction, on March 25, 2014, the Chief Administrative Office returned to the Board and the Board approved a funding agreement to provide "patch" funding totaling \$812,385 to the six listed Fire Districts. The agreement included specific requirements designed to assist the Districts in moving towards the goal of sustainable funding through administrative, financial and operational re-organizations. Similar to the "Aid to Fire" contract and the funding agreements with rural fire through County Service Area #7, this was a single contract with multiple agencies to be executed in counterpart. The Fire Advisory Group and the representatives from many of the fire districts began working on "Phase 2" of the project, which included establishing service level standards mapping for urban, semi-rural, and rural fire districts. As highlighted in the September 2013 presentation to the Board this contract represents the "patch" funding to keep the rural fire districts operational while the phase 2 analysis is completed.

The funding agreement approved on March 25, 2014 included an option for a second round of funding, again with the intent of moving the Districts toward a sustainable long term solution where the Districts would not be reliant on County subsidies. During Budget hearings in September, 2014, the Board directed the Chief Administrative Office to appropriate \$815,000 to address the second round of funding.

In February 2015, the Chief Administrative Office contacted each fire district that received funding under the March 2014 agreement to determine compliance with the specific requirements of the agreement and to provide the Board with additional information towards determining whether to grant the additional one time agreement of patch funding. The letter sent and responses from each fire district are included as attachments to this agenda item. Many of the fire districts expended the patch funding on personnel cost which, while defined as an allowable expense under the March 2014 agreement, is also typically seen as an on-going expense rather than one-time in nature. While an additional patch subsidy will allow those fire districts to keep the personnel on staff, the County subsidy is not an on-going funding source. It is expected that these fire districts will continue their efforts toward long term financial sustainability without additional County assistance.

**ALTERNATIVES:**

N/A

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

Chief Administrative Office, County Counsel, Fire District Representatives

**CAO RECOMMENDATION:**

The Chief Administrative Office recommends:

- 1) The Board of Supervisors authorize the Chair to sign funding agreement XXX-XXXX providing the completion of "patch" funding discussed and presented by the Fire Advisory Group.
  
- 2) The Board authorize the Chief Administrative Office to execute an agreement with the fire districts for a total not to exceed amount of \$815,000 upon review and approval of County Counsel and Risk Management.
  
- 3) It is not recommended the County subsidize fire districts beyond this final payment. However, it is recommended the Board of Supervisors re-engage the Fire Advisory Group to continue to pursue fire district consolidation, economies of scale and any opportunities to meet the original charter of the Fire Advisory Group by finding a permanent solution for sustainable fire funding throughout all El Dorado County fire districts

**FINANCIAL IMPACT:**

Funding of \$815,000 was included in the FY2014-15 budget from the General Fund during budget hearings in September 2014.

**CLERK OF THE BOARD FOLLOW UP ACTIONS:**

Chair to sign Funding Agreement following approval of County Counsel and Risk Management.

**STRATEGIC PLAN COMPONENT:**

Public Safety

**CONTACT:**

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