

# *EAST CONTRA COSTA* FIRE PROTECTION DISTRICT

Hugh Henderson  
Fire Chief

TownOfDiscoveryBay CSD  
Received  
SEP 20 2016



SERVING THE COMMUNITIES OF:  
*Bethel Island*      *Discovery Bay*  
*Brentwood*        *Knightsen*  
*Byron*              *Morgan Territory*  
                            *Oakley*

September 15, 2016

Town of Discovery Bay Community Services District  
1800 Willow Lake Road  
Discovery Bay, CA 94505-9376

Subject: Fire Service and Reallocation of Proposition 13 Property Tax Funding

We are writing to all property tax supported agencies in the East Contra Costa Fire Protection District service area to seek support for our resolution requesting the state legislature to reallocate property tax revenue in our area.

The ECCFPD, utilizing an outside consultant, has recently completed a "Deployment Performance and Headquarters Staffing Adequacy Study", which is available on our website. The study concluded that ECCFPD fire service is at best only appropriate for lightly-populated rural areas and that it does not meet the needs of an area with an urban population of 110,000. The study further noted that the District cannot meet its needs through its own fire response resources; the District cannot adequately counter the risks present in the service area and the District is the most understaffed fire department the consult has seen in over a decade.

These findings are confirmed by the recently completed LAFCO Municipal Services Study. Both studies concluded that the primary reason for the inadequate fire service is a lack of funding due to significantly outdated allocation of property tax revenue.

In order to resolve this issue the District in conjunction with the cities of Brentwood and Oakley and the County completed a task force effort to identify long and short term solutions to the fires service funding issues. A long term solution that has strong public support involves the reallocation of property tax revenue among the agencies within the fire district service area. The fire district allocation of property tax revenue is significantly below the average for other fire districts within the county. This reallocation would involve a reduction in funding for the other agencies within the fire service area, but would be consistent with the priority placed on health and safety by the population within the District.

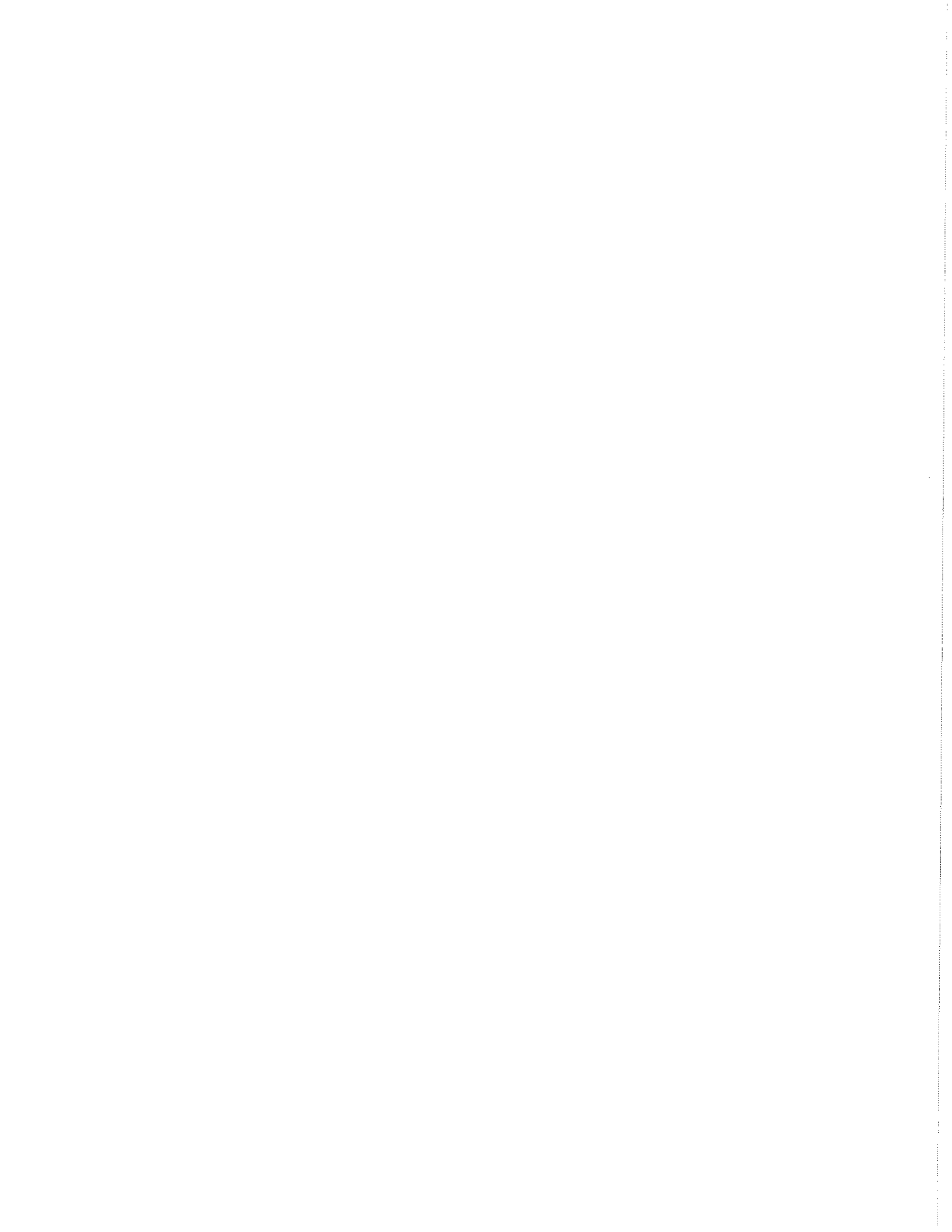
The fire district has just passed a resolution requesting state legislative action to reallocate property tax revenues. This resolution has been forwarded to the state legislature and a copy is attached for your information.

We are requesting that you review this resolution and pass a similar resolution or issue a letter of support to our state legislators in order to facilitate reallocation of tax revenues to emphasize a priority for health and safety.

Please advise us of the status of your action on this matter as quickly as possible so that we may keep our representative properly informed.

Sincerely Yours,

Hugh Henderson, Fire Chief  
East Contra Costa Fire Protection District



# *EAST CONTRA COSTA* FIRE PROTECTION DISTRICT

Hugh Henderson  
Fire Chief



SERVING THE COMMUNITIES OF:  
*Bethel Island*      *Discovery Bay*  
*Brentwood*        *Knightesen*  
*Byron*              *Morgan Territory*  
                             *Oakley*

Assembly Member Jim Frazier  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0011

September 14, 2016

Dear Assembly Member Frazier

On behalf of the East Contra Costa Fire Protection District (District), I write seeking your assistance.

To put it simply: the District lacks sufficient funds to provide fire and emergency response to the communities it was created to serve, and has few options for raising revenues under current law. For that reason, the District requests you to sponsor legislation during the next legislative session to facilitate re-allocation of property taxes to correct a historical bias against post-Prop. 13 agencies and agencies that operated entirely differently 30 years ago than they do today.

### **Proposition 13 and A.B. 8 are problems for East County.**

As you may know, the District's Board of Directors adopted a Resolution (attached) expressing support for development and enactment of a State legislative proposal to facilitate re-allocation of property tax revenues to account for changes in communities and their populations since the passage of Proposition 13 in 1978, and the associated property tax revenue allocation system adopted by the State legislature over the following two years.

**Since 1978, the population of the area served by the District has grown by more than 1000%, from approximately 10,000 to over 110,000.** The development associated with this population growth has turned our previously rural area into a combination of rural, exurban, suburban and urban areas. Furthermore, the District is a "post-Proposition 13 agency," formed in 2002 by the consolidation of three volunteer fire districts into a single District, which has since transitioned into an entirely professional service responsible for fire and medical emergency response, fire suppression and fire prevention.

The District's jurisdiction covers 249 square miles and 695 miles of public roads. The area includes two cities (Brentwood and Oakley) and diverse unincorporated areas of Contra Costa County. The service area includes state and regional park-land, a significant portion of the San Joaquin-Sacramento River Delta, active freight railroad tracks and state highways 160 and 4, as well as Vasco Road, a very busy arterial connecting Brentwood and Livermore.

**The District currently receives a 7.5% property tax allocation, or 7.5 cents of every ad valorem property tax dollar collected within its boundaries.** This amounts to 4.5 cents per dollar *less* than the average for all fire districts across Contra Costa County. For Fiscal Year 2015-2016, this discrepancy translated into the District receiving \$7 million *less* than the

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average fire district in the County to perform its fire and emergency response and fire prevention services.

**Insufficient Funds = Insufficient Fire Protection.**

At its current property tax allocation level, the District has funding to operate only 3 fire stations, meaning District firefighters can cover less than 25% of the total road miles in the District within the recommended travel time (4 minutes) for fire response in urban areas.<sup>1</sup> The District cannot provide adequate fire and emergency response or fire prevention services to its residents, or to protect public or private property, without additional funding to open more stations and employ more staff.

A recently-completed study of District performance and capacity found: "The District will need nine District-staffed fire stations plus the CAL FIRE Sunshine station agreement [to meet the nationally recognized] goal of a 4-minute travel time for urban population density areas and 8-minute travel time for suburban and rural population densities."<sup>2</sup>

The report went on to conclude: "The District's *travel time* response time for five engines to serious fires, known as the Effective Response Force (ERF or First Alarm), ranges from 19:21 to 21:27 minutes/seconds and far exceeds an urban area coverage goal of 8 minutes, and even exceeds recommendations for rural areas. The District does not have an adequate multiple-unit response to serious fires anywhere in the District."<sup>3</sup>

**Without property tax reallocation, there is no clear path to acquire the funding needed to meet the common-sense national standards for fire and medical emergency response.**

Since its creation, the District has engaged in numerous efforts to increase funding available for fire and emergency response services in hopes of approaching national standards. These efforts have done little to ameliorate the District's long-term structural deficit or the District's acute financial crisis. A mix of new State and local funds, including property tax re-allocation, is needed.

**East Contra Costa Fire Protection District is not alone.**

On August 25, Chief Michael Schwartz from the North Tahoe Fire Protection District spoke before the Little Hoover Commission. His August 8 written testimony cites to problems much like East Contra Costa Fire's, only property taxes in our area fell 40% between Fiscal Years 2008-9 and 2012-13.

Chief Schwartz stated:

The majority of the NTFPD's operating revenue (~80%) comes from property taxes. However, in accordance with Proposition 13, property taxes in CA are capped at a 2 percent growth per year unless the property is sold or has been

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<sup>1</sup> *Deployment Performance and Headquarters Staffing Adequacy Study* presented by Citygate Associates, Inc., June 20, 2016.

<sup>2</sup> *Ibid.*

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previously devalued under Proposition 8. Since many of the homes sold during the recession were sold for less than their previous tax value, the property tax revenue received by the district was subsequently lowered. Between FY 2008/09 to FY 2012/13, property taxes decreased approximately 6 percent. The economy has begun to slowly recover and modest increases have been realized.

In general, A.B. 8 provides a share of the total collected property taxes to each local government that provides services. These proportionate shares of property taxes were determined during the mid-1970s, a time when rural fire districts were often volunteer or part time paid and required lower tax rates, these tax rates are now their historical percentages.

Countless local agencies – including many fire districts – would make the same statements as Chief Schwartz.

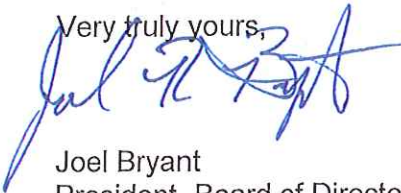
**East Contra Costa Fire Protection District seeks your help.**

East Contra Costa Fire Protection District Board of Directors Resolution No. 2016-21, attached, encourages State action – which you could lead – to alter property tax revenue allocations as part of a long-term solution to the District's structural deficit and acute financial crisis. Alternatively, we invite a legislative change to modify the requirements for facilitating local governments' voluntary re-allocation of ad valorem property taxes, thereby empowering the District to address its critical funding shortage directly with neighboring agencies.

The District is aware of no bills awaiting the Governor's signature that address this sort of tax re-allocation, despite the drastic need in this community – and many others – for distribution of property taxes based on communities' *current* characteristics, rather than data from nearly 30 years ago. We respectfully encourage you to examine this problem on behalf of the East Contra Costa Fire Protection District, and others like it, as well as the public we strive to serve every day.

If representatives of the District can be of any assistance to you in responding to our call for help, or if you would like to meet regarding the concerns and potential solutions we've raised, please contact Fire Chief Hugh Henderson at 925-240-2131 or [hhenderson@eccfpd.org](mailto:hhenderson@eccfpd.org), or me at [jbryant@ci.brentwood.ca.us](mailto:jbryant@ci.brentwood.ca.us).

Very truly yours,



Joel Bryant  
President, Board of Directors

cc. Board of Directors, East Contra Costa Fire Protection District  
Fire Chief Hugh Henderson, East Contra Costa Fire Protection District  
Gus Vina, City Manager, City of Brentwood  
Bryan Montgomery, City Manager, City of Oakley  
David Twa, County Administrator, Contra Costa County

Enclosure

# *EAST CONTRA COSTA* FIRE PROTECTION DISTRICT

Hugh Henderson  
Fire Chief



SERVING THE COMMUNITIES OF:  
*Bethel Island*      *Discovery Bay*  
*Brentwood*        *Knightsen*  
*Byron*               *Morgan Territory*  
                             *Oakley*

Senator Steven M. Glazer  
1350 Treat Blvd #240  
Walnut Creek, CA 94597

September 14, 2016

Dear Senator Glazer

On behalf of the East Contra Costa Fire Protection District (District), I write seeking your assistance.

To put it simply: the District lacks sufficient funds to provide fire and emergency response to the communities it was created to serve, and has few options for raising revenues under current law. For that reason, the District requests you to sponsor legislation during the next legislative session to facilitate re-allocation of property taxes to correct a historical bias against post-Prop. 13 agencies and agencies that operated entirely differently 30 years ago than they do today.

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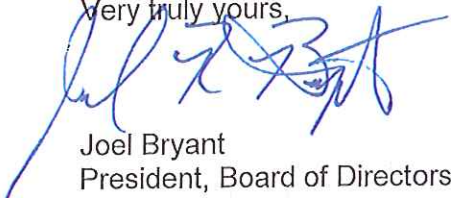
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Very truly yours,



Joel Bryant  
President, Board of Directors

cc. Board of Directors, East Contra Costa Fire Protection District  
Fire Chief Hugh Henderson, East Contra Costa Fire Protection District  
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Enclosure



# *EAST CONTRA COSTA* FIRE PROTECTION DISTRICT

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Hugh Henderson  
Fire Chief



SERVING THE COMMUNITIES OF:  
*Bethel Island      Discovery Bay*  
*Brentwood          Knightsen*  
*Byron                Morgan Territory*  
*Oakley*

July 21, 2016

Mr. Harold Bray  
473 Coronation Dr.  
Brentwood CA, 94513

Dear Mr. Bray:

I write to advise you and your organization, East County Voters for Equal Protection (ECV), that the Board of Directors (Board) of the East Contra Costa Fire Protection District (District) has adopted a Resolution (attached) expressing support for State legislative action to facilitate re-allocation of property tax revenues to account for changes in our community since the passage of Proposition 13 in 1978 and the associated property tax revenue allocation system adopted by the State legislature over the following two years.

**The resolution is *not* an endorsement of, an expression of support for, nor a statement of opposition to, ECV's proposed method of property tax revenue sharing as presented to the Board at its April 4, 2016 meeting.**

Rather, Resolution No. 2016-21 encourages State action to alter property tax revenue allocations as part of an ongoing, long-term solution to the District's structural deficit and acute financial crisis.

The District appreciates all efforts to identify potential sources of revenue to support the provision of fire and medical emergency response services in East County now and in the future. However, the District cannot endorse any proposal that requests other agencies to consider violating State law. As presented to the District at the Board's April 4 meeting, ECV's proposed plan for the District to seek and accept tax revenue transfers from other agencies in its service area may require those other agencies to consider taking actions that would violate State law. (Please refer to the legal analysis of the ECV proposal included in the May 2, 2016 Board meeting agenda packet.)

Moreover, past experience has demonstrated that Proposition 13 reallocations can take many years to implement, if successful.

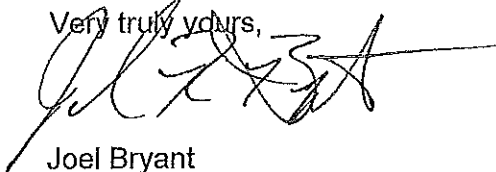
Finally, while additional revenues from any sources would be helpful to the District, ECV's proposal as we understand it would not provide sufficient additional resources to address community needs as evidenced in the recently-completed master plan presented by City Gate Associates at the Board's June 20 special meeting.

When combined, these three factors – (1) the legal concerns associated with the ECV proposal as presented to the Board, (2) the period of time required for ECV's proposal to have a true impact, if adopted, and (3) the limited funds available under the proposal as compared to District

needs – make the proposal inconsistent with the District's goal of achieving long-term financial stability in the near term. Accordingly, the District cannot – and the community should not – consider the proposal, alone, to be an adequate funding solution for East County fire and medical emergency services.

We invite and encourage ECV and its members to remain engaged and involved in supporting the District, and to keep the District informed of any alterations to ECV's proposal that address the concerns outlined above. We hope to work with you to further the District's immediate and long-term ability to provide the fire and emergency response services needed to protect our community members' lives and property.

Very truly yours,



Joel Bryant  
President, Board of Directors

- cc. ✓ Board of Directors, East Contra Costa Fire Protection District  
Fire Chief Hugh Henderson, East Contra Costa Fire Protection District  
Gus Vina, City Manager, City of Brentwood  
Bryan Montgomery, City Manager, City of Oakley  
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Enclosure

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT  
BOARD OF DIRECTORS  
STATE OF CALIFORNIA**

\* \* \*

**RESOLUTION NO. 2016-21**

**SUPPORTING STATE LEGISLATIVE ACTION TO FACILITATE  
RE-ALLOCATION OF PROPERTY TAX REVENUES**

**WHEREAS**, the voters of the State of California adopted Proposition 13 in 1978, amending the State Constitution, including by capping ad valorem tax on real property at 1% of the value of each parcel and restricting growth of ad valorem property taxes to 2% per year for each parcel, absent a change in ownership; and

**WHEREAS**, the State legislature responded by adopting Senate Bill 154 and, a year later, Assembly Bill (A.B.) 8 to allocate ad valorem property tax revenues to cities, counties, school districts and special districts, primarily based on county-wide proportions of property taxes allocated by each county before Proposition 13; and

**WHEREAS**, A.B. 8 also established a method for each county to distribute future revenues attributable to ad valorem tax growth; and

**WHEREAS**, these allocations varied by category, such that urban, suburban and rural fire districts received different proportional levels of the ad valorem tax allocations available within their jurisdictions; and

**WHEREAS**, at the time allocations were established under A.B. 8, the communities now served by East Contra Costa Fire Protection District (ECCFPD) received fire and emergency response and fire prevention services from the Bethel Island Fire District, the Oakley Fire District, and the East Diablo Fire District, the last of which previously had been formed by the merger of the Eastern Fire Protection District, the Brentwood Fire Protection District, and the Byron Fire Protection District; and

**WHEREAS**, when these small special districts were combined to form ECCFPD, their allocations were combined, creating a tax allocation of 7.5 percent of every property tax dollar collected within the new bigger district; and

**WHEREAS**, since 1978, the population of the 249-square mile ECCFPD has grown by more than 1,000%, from approximately 10,000 to 110,000; and

**WHEREAS**, this growth and extensive development in the region has changed the character of the area significantly such that a previously rural area, with an extensive volunteer firefighter network, is now a combination of rural, exurban, suburban and urban areas without any volunteer fire fighter services; and

**WHEREAS**, in Fiscal Year 2015-2016, the 7.5 cents of each dollar collected by ECCFPD in ad valorem property taxes equated to a total of \$11.6 million, which is 4.5 cents

per dollar less, and approximately \$7 million less, than the average for all fire districts in Contra Costa County; and

**WHEREAS**, ECCFPD residents lack a local forum or mechanism for re-allocation of property tax revenues to finance necessary improvements in the District's ability to provide fire and medical emergency protection and response services; and

**WHEREAS**, only the State legislature and Governor can alter the formula that distributes ad valorem property taxes.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the East Contra Costa Fire Protection District that ECCFPD calls upon and encourages the State Legislature and Governor to re-allocate ad valorem property taxes, or to alter the requirements for facilitating re-allocation of ad valorem property taxes, to recognize the past four decades of development, change and growth of communities such as eastern Contra Costa County, and to address the resulting inequities and underfunding of essential public safety services in these communities.

**BE IT FURTHER RESOLVED** that the Fire Chief is directed to transmit a copy of this Resolution to the ECCFPD's delegation in the State legislature.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the East Contra Costa Fire Protection District at a regular meeting held on the 11th day of July, 2016 by the following vote:

AYES: Barr, Bell, Kenny, Johansen, Pope, Stonebarger, Young

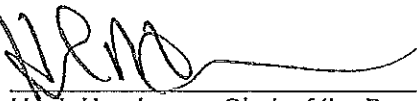
NOES:

ABSENT: Bryant, Morgan

ABSTAIN:

  
Joel Bryant  
President, Board of Directors

ATTEST:

  
Hugh Henderson, Clerk of the Board