



CAMERON PARK COMMUNITY SERVICES DISTRICT

2502 Country Club Drive
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AGENDA

Regular Board of Directors' Meetings are held
Third Wednesday of the Month

SPECIAL BOARD MEETING

Tuesday, June 13, 2023

6:30 p.m.

Cameron Park Community Center, Assembly Hall

2502 Country Club Drive, Cameron Park

Teleconference Teams Meeting

[https://teams.microsoft.com/l/meetup-](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzQ0MjMzZmEtZmQwOC00ZDMzLWlwMDctYThjNGQ0NDIwZDFk%40thread.v2/0?context=%7b%22Tid%22%3a%227546519e-2cd5-4e2c-bed5-ac3d46eec8ff%22%2c%22Oid%22%3a%224f4c82c7-da83-408c-81ac-1e0e85add9b4%22%7d)

[join/19%3ameeting_YzQ0MjMzZmEtZmQwOC00ZDMzLWlwMDctYThjNGQ0NDIwZDFk%40thread.v2/0?context=%7b%22Tid%22%3a%227546519e-2cd5-4e2c-bed5-ac3d46eec8ff%22%2c%22Oid%22%3a%224f4c82c7-da83-408c-81ac-1e0e85add9b4%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzQ0MjMzZmEtZmQwOC00ZDMzLWlwMDctYThjNGQ0NDIwZDFk%40thread.v2/0?context=%7b%22Tid%22%3a%227546519e-2cd5-4e2c-bed5-ac3d46eec8ff%22%2c%22Oid%22%3a%224f4c82c7-da83-408c-81ac-1e0e85add9b4%22%7d)

Board Members

Sidney Bazett	President
Monique Scobey	Vice President
Eric Aiston	Board Member
Tim Israel	Board Member
Dawn Wolfson	Board Member

AGENDA

CALL TO ORDER

1. Roll Call
 2. Pledge of Allegiance
-

Public testimony will be received on each agenda item as it is called. Principal party on each side of an issue is allocated 10 minutes to speak, individual comments are limited to 3 minutes except with the consent of the Board; individuals shall be allowed to speak on an item only once. Members of the audience are asked to volunteer their name before addressing the Board. The Board reserves the right to waive said rules by a majority vote.

ADOPTION OF THE AGENDA

The Board will make any necessary additions, deletions, or corrections to the Agenda and motion to adopt the Agenda.

3. Adopt the Agenda
-

RECOGNITIONS AND PRESENTATIONS

Board of Directors receives informational presentations and expresses appreciation to members of the community, District staff, or the Board for extra efforts as volunteers, committee members or community-minded citizens.

4. Presentation – Fire and Emergency Services in Cameron Park

Mike Blankenheim, Unit Chief, CALFIRE

and

Don Ashton, Consultant, Municipal Resource Group

OPEN FORUM FOR NON-AGENDA ITEMS

Members of the public may speak on any item not on the agenda that falls within the jurisdiction of the Board of Directors.

ADJOURNMENT

Please contact the District office at (530) 677-2231 or admin@cameronpark.org if you require public documents in alternate formats or accommodation during public meetings. For the public's information, we are now taking email requests at admin@cameronpark.org for future notification of Cameron Park Community Services District meetings.



Agenda Transmittal

DATE: June 13, 2023

FROM: Jill Ritzman, Interim General Manager

AGENDA ITEM #4: **PRESENTATION – FIRE AND EMERGENCY SERVICES IN CAMERON PARK**

RECOMMENDED ACTION: None, presentation only.

Introduction

In May 2023, Cameron Park Community Services District (District) contracted with Municipal Resource Group for consulting services. Don Ashton, consultant, is providing analysis and guidance to finalize an agreement with CALFIRE for fire and emergency services in Cameron Park, and is making recommendations for sustainability for future services.

Presentation

A Special Meeting of the Board of Directors is being held on June 13, 2023, for a presentation that includes the following:

- Mike Blankenheim, CALFIRE Unit Chief, presents staffing levels and agreement costs in a slide presentation; and
- Don Ashton, consultant, presents his conclusions and recommendations for fire and emergency services in Cameron Park (Attachment A).

After the presentation, the Board of Directors will take the opportunity to ask clarifying questions of Ashton and Blankenheim, and will receive public testimony regarding Ashton's recommendations. No action will be taken by the Board after the presentation.

Next Steps

On June 21, 2023, at the District's Regular Board of Directors meeting, District staff expects to make final recommendations for a CALFIRE agreement as an action item for the Board's consideration. This recommendation will consider the Board's and

community's input from the June 13th Special Meeting of the Board of Directors. In addition, staff expects to make recommendations for a Fiscal Year 2023-2024 Preliminary Budget.

The District Board of Directors welcomes the community's attendance and participation in these important issues.

Attachments

A: Report from Don Ashton



June 6, 2023

Jill Ritzman, Interim General Manager
Cameron Park Community Services District
2502 Country Club Drive
Cameron Park, CA 95682

Dear Mr. Ritzman:

As you are aware, through the Municipal Resource Group, the Community Services District (CSD) requested that I provide assistance in reviewing the challenges facing fire services. Specifically, I was asked to provide recommendations as to how to best move forward for the immediate needs of ensuring fire services upon expiration of CalFire's contract on June 30, 2023, as well as steps to be considered to ensure the long-term sustainability of fire services in Cameron Park.

Attached for your review is a report of my findings and recommendations for consideration. I want to emphasize that based on discussions with other fire service professionals and members of the Cameron Park community, CalFire has a history of providing outstanding fire services to Cameron Park, and they agree that closing Station 88 not only weakens those services in Cameron Park, but negatively impacts fire services throughout the West Slope of El Dorado County. In addition, CalFire has been an outstanding partner through this process by identifying ways to reduce their costs as much as possible.

Considering the fiscal challenges facing the CSD, but also taking into consideration the negative impact to Cameron Park and the West Slope if Station 88 is closed, I am recommending an approach that allows for Station 88 to remain open for at least one year through a combination of reductions to other service areas where feasible, allocating high than anticipated property tax growth to fire services and, if necessary, using available fund balance.

I want to emphasize that if the CSD supports this recommendation, it does not 'solve' the challenges facing the long-term sustainability of fire service in Cameron Park. The CSD will be faced with some difficult decisions, and I encourage the CSD to begin those conversations with the community as quickly as possible.

I am available to answer any questions, including discussing my report, with the Board of Directors and/or members of the Cameron Park Community if that would be helpful.

Sincerely,

Don Ashton

Don Ashton, MPA
Consultant, Municipal Resource Group

PURPOSE/BACKGROUND:

Effective May 23, 2023, the former General Manager requested assistance in reviewing the challenges the Cameron Park Community Services District (CSD) was having regarding fire services, and to provide a report of recommendations relative to the immediate need for a new contract effective July 1, 2023, as well as longer term options to assist in establishing sustainable fire services in Cameron Park.

Currently, CalFire operates the following two fire stations in Cameron Park:

- Station 88, located at 2961 Alhambra Drive
- Station 89, located at 3200 Country Club Drive

On April 19, 2023, the CSD Board of Directors considered a recommendation from staff to execute a five-year contract with CalFire which included 'browning out' (e.g., closing) Station 88. The Board of Directors did not take any action at that time, recognizing the current contract for fire services expires on June 30, 2023. (*Item 15, April 19, 2023*).

SCOPE/METHODOLOGY:

This process included a review of CSD staff reports relative to fire services, the proposed contract with CalFire for the period of July 1, 2023 – June 30, 2028, revenue and expense projections provided by CSD and CalFire staff, a review of current year property tax revenues and prior year property tax growth, and discussion with stakeholders including CSD Board of Directors, the General Manager, local fire chiefs, CSD staff and some community members.

FINDINGS:

Current Status:

The current agreement between the CSD and CalFire became effective July 1, 2018, and expires on June 30, 2023. CSD staff made a recommendation to the Board of Directors to approve a five-year contract with CalFire.

The staff report also states the following actions to be taken:

- The 'browning out' (e.g., closure) of Station 88.
- Staff will track what happens with the first responder fee for its impact on revenue.
- SAFER and other grants are in the process to provide funding that would allow additional staff and the possible re-opening of Station 88, but only for a limited time.
- Additional revenue sources are needed in the future, so a possible tax measure/benefit assessment should be examined.
- Explore a fee for service with properties where the district responds frequently.
- Consider an RFP process the next contract cycle and build in sufficient time to truly study our situation (begin in year 3 of the proposed contract extension, FY 2025/26).
- Look into the feasibility of separating fire services from the CSD to be provided by another entity.
- Possibly partner/merge with neighboring (*fire*) districts to reduce administrative costs.
- If financial situation warrants, move ambulance out of the CSD.

The Board of Directors did not take any action on this recommendation and continued the matter to their June 21, 2023, Board meeting.

It should also be noted that on April 19, 2023, the CSD approved a professional services agreement with AP Triton to develop a comprehensive 10 – 15-year master plan for the CSD in the amount of \$40,810. (*Item 14, April 19, 2023*). The scope of work identifies the following four sections:

- 1) Conduct a baseline assessment of the current conditions and current service performance of the Cameron Park Fire Department.
- 2) Assess the potential future community conditions, service demand and risks that the organization may be expected to serve.
- 3) Assess the future community conditions, service demand and fire protection risks that the organization can be expected to serve, including an analysis of community growth projections.
- 4) Recommend staffing, equipment and capital facilities strategies to meet the communities needs now and into the foreseeable future.

Fiscal Findings:

The Interim General Manager estimates the CSD currently has approximately \$3 million available in one time Fund Balance, which is consistent with prior year budgets, that could be used to operate Station 88 and provide additional time for longer term solutions. (*Confirmation of this amount is pending from the CSD's outside auditor and is not available at the time of finalizing this report.*)

Based on documentation provided by CSD and CalFire staff, the costs for services taking into consideration the closure of Station 88 exceed the revenues currently allocated toward fire and ambulance services in each of the years of the contract as follows (*See Attachment 1, Page 1 for details*):

- FY 2023/24:	(\$148,291)
- FY 2024/25:	(\$166,421)
- FY 2025/26:	(\$184,917)
- FY 2026/27:	(\$203,762)
- <u>FY 2027/28:</u>	<u>(\$222,762)</u>
Total over five years:	(\$926,110)

If Station 88 remains open under the proposed staffing plan, the projected deficit increases as follows (*See Attachment 1, Page 2 for details*):

- FY 2023/24:	(\$616,833) (11 person, 2 Battalion Chiefs)
- FY 2024/25:	(\$600,801) (12 person, 1 Battalion Chief)
- FY 2025/26:	(\$663,493) (12 person, 1 Battalion Chief)
- FY 2026/27:	(\$730,626) (12 person, 1 Battalion Chief)
- <u>FY 2027/28:</u>	<u>(\$802,473) (12 person, 1 Battalion Chief)</u>
Total over five years:	(\$3,414,226)

As detailed in the attachments, the cost to provide ambulance services as well as the revenue received from the JPA is included in the assumptions. CalFire staff estimate that the budgeted costs to provide ambulance services exceed the revenue from the Joint Powers Authority as summarized below; however, this is a worst-case scenario as it is possible actual costs may not exceed the revenue from the JPA:

- FY 2023/24: (\$194,445)
- FY 2024/25: (\$199,167)
- FY 2025/26: (\$204,126)
- FY 2026/27: (\$209,332)
- FY 2027/28: (\$214,798)

The expenditure assumptions by CalFire staff identify fire and ambulance costs increasing by 5%/year for each year of the contract term. The revenue assumptions identified by CSD staff identify property tax, which is the primary revenue source funding fire services, increasing 4%/year for each year.

Revenue Assumptions:

The April 19, 2023, staff report projects 4% property tax growth from FY 2023/24 through FY 2027/28. A review of prior year actual property tax revenues identified that property tax revenues increased by an average of 4.4% from FY 2017/18 through 2022/23, based on actual property tax revenue received through May 30, 2023, property tax revenue grew by approximately 5.8%.

While assuming 4% growth is a reasonable assumption in FY 2023/24, the CSD should note that a 4% property tax growth assumption carries some risk in future years considering the current economic climate and that there are very limited opportunities for additional development within the CSD to increase the property tax base. ***As a result, it is advised that the CSD identify contingency plans in the event the property tax growth slows to between 2% - 3%.***

CSD staff also assume approximately \$100,000 per year in additional revenue related to the 'First Responder Fee'. The CSD approved a First Responder Fee of \$213.75 per call at their August 17, 2022, Board meeting. This is a practice used by fire districts to cover enhanced services of Advanced Life Support (ALS) on engines and is charged on medical aid calls where engine personnel assist in patient care. There are times when the engine arrives to the call prior to an ambulance and the ALS model allows those in need of medical attention to begin receiving medical aid as soon as possible.

Factors contributing to the shortfall:

- 1) It is essential that all stakeholders keep in mind that many rural fire districts throughout California are facing financial challenges. While some of the challenges facing the CSD can be contributed to past decisions, the long-term sustainability of rural fire districts is challenging since costs are increasing faster than revenues. More specifically, costs are increasing faster than property tax revenue growth.¹ Attached is a chart that identifies the financial gap created assuming an annual

¹ Firehouse – CA County's Fire Districts Face Money Issues, Disbanding (August 2019). <https://www.firehouse.com/careers-education/news/21092665/san-luis-obispo-ca-countys-fire-department-face-money-issues-disbanding-firefighters>

cost increase totaling 5% per year, and property tax increases of 3%, 4% and 5% per year (*Attachment 2*).

- 2) Historically, it was common practice, especially in rural fire districts, to provide two firefighters per engine. However, industry standard to ensure the safety of fire fighters is to now provide three firefighters per engine at all times, which increases costs. Based on information from CalFire, the only Fire Districts on the West Slope in El Dorado County that meet industry standard are El Dorado Hills, El Dorado County Fire and Diamond Springs.

CalFire is providing as much flexibility as possible to provide time for the rural communities they support to increase revenues while transitioning to the higher staffing model, and for Fiscal Years 2023/24 and 2024/25 they are not increasing staffing to the 3.0 model. However, at some point this will be required which will result in additional cost increases.

- 3) Based on information provided by the prior General Manager, approximately 62% of the property tax revenue allocated to the CSD is used to fund fire services, and 38% to fund other programs, services, and fixed costs (such as insurance and pension obligations). Based on input from multiple individuals who are familiar with District operations, historically the CSD allocated 70% toward fire services and 30% to other programs and services. At the time of writing this report budget documents were not available to confirm if this is accurate.
- 4) Based on a review of budget documents, beginning in FY 2019/20 and through FY 2021/22, Salary & Benefit Costs for CSD employees increased by a total of 14.9%, an average of approximately 5% per year over three years. However, the FY 2022/23 budget saw an increase in Salary & Benefit Costs totaling 18.8%.

Opportunities for additional revenue:

- 1) Property Assessment:

A property assessment, if approved, would generate the greatest influx of new revenue to the fire system in Cameron Park. Such an assessment would be an identified amount that is collected through the property tax bill that is paid by property owners and could be applied to developed or undeveloped properties. In order to implement such an assessment, it will require approval of 2/3 (66%) of voters within the CSD.

The Board of Directors should keep in mind the following in regard to moving forward with a ballot initiative for an assessment.

First, currently there are approximately 6,900 taxable parcels within CSD boundaries. While a much more detailed analysis would need to be completed, in order to generate approximately \$1 million/year which is the minimum amount needed to staff Station 88 and cover all ambulance

Firehouse – Fire Districts Struggle in tax-adverse, wildfire-prone rural California (November 2019)
<https://www.firehouse.com/careers-education/news/21113603/fire-departments-struggle-in-taxadverse-wildfireprone-rural-ca-firefighters>

costs under the current model in future years, the assessment would need to average \$145/parcel, plus an inflation factor, between developed and undeveloped properties.

Second, recent efforts to approve an assessment for fire services in El Dorado County have failed. For example, in March 2019 the Garden Valley Fire Protection District asked voters to approve an assessment totaling \$71 - \$182 per parcel. Also, in August 2019 the El Dorado County Fire Protection District held a special election asking voters to approve an assessment totaling \$96 per parcel. Both measures failed to reach the required 66% approval of voters and did not pass.

2) Grant Revenues

While grant revenues are beneficial in supplementing existing services and paying for one-time needs, the CSD should be cautioned against relying on grant revenues, to sustain ongoing public safety services and have contingency plans in place if grant funds are no longer available.²

CONCLUSIONS:

- 1) If the CSD does not approve a new contract prior to June 30, 2023, there will be no agreement in place for fire services to the Cameron Park community beginning July 1, 2023.
- 2) At this time there is a gap between the cost of providing fire service and the amount of funding available and allocated to fire protection services.
- 3) Additional revenue beyond regular property tax allocations is needed to support long term, sustainable fire services in rural counties throughout California, including Cameron Park.
- 4) CalFire is projecting the cost to operate an ambulance exceeds the reimbursement amount provided by the Ambulance Joint Powers Authority beginning in FY 2023/24 and continuing through FY 2027/28.
- 5) In order to keep Station 88 open, the CSD will need to identify approximately \$616,833 through a combination of expenditure reductions to other services and revenue increases in FY 2023/24, increasing to approximately \$802,473 in FY 2027/28.
- 6) It is feasible for the CSD to keep Station 88 open for one to two years through the implementation of expenditure reductions in Administration, Parks, Recreation and the Community Center, the allocation of higher than anticipated property tax growth revenue to fire services, a voter approved property assessment, and/or the use of fund balance. However, this carries risk as it likely relies on the use of available fund balance, prior property assessments in El Dorado County have not been successful, and there is a chance property tax revenues will decrease creating a larger funding gap.
- 7) The approval of a property tax assessment would assist in providing funds to support the long-term sustainability of fire services and lessen the impact to reductions in other programs and services provided to the community.
- 8) At the time of this report, District CSD staff are anticipating 4% property tax growth per year for five years. While 4% growth in FY 2023/24 seems reasonable, considering the economic uncertainty the amount of property tax growth could decrease in future years.

² Different grants carry different levels of risk as it relates to ongoing funding. As a result, any potential grant revenue should be carefully considered taking into consideration the use of the grant and the impact if the grant funds are not available in future years.

- 9) While the development of a 10 – 15-year Master Plan would provide valuable information, considering the immediate fiscal challenges facing the CSD and the need to develop a final budget, the most fiscally responsible action is it to delay these efforts for 3 – 4 months to allow staff time to more adequately review the budget and develop recommendation for consideration by the Board of Directors.

RECOMMENDATIONS:

Considering the negative impacts to public safety in Cameron Park and the entire West Slope if Station 88 is closed, the Board of Directors should:

- 1) Approve a two-year extension to the agreement with CalFire to continue operating Station 88 and Station 89, with the following provisions:
 - o A combined not to exceed amount for fire and ambulance services totaling \$5,209,619 (\$3,661,974 for fire services and \$1,547,645 for ambulance services) for FY 2023/24.
 - o A combined not to exceed amount for fire and ambulance services totaling \$5,391,831 (\$3,766,804 for fire services and \$1,625,027 for ambulance services) for FY 2024/25.
 - o A provision that if additional funding is not identified by March 30, 2024, the CSD has the option to close Station 88 beginning July 1, 2024.

The following actions should then need to be taken as quickly as possible to close the funding gap for Fiscal Year 2023-2024.

o Seek a commitment for full reimbursement of ambulance costs from the JPA in FY 2023/24 if needed based on actual costs:	\$194,445
o Allocate actual property tax revenue in excess of FY the 2022/23 budget to Fire/JPA:	\$80,521
o Use higher than anticipate property tax growth in FY 23/24, one-time fund Balance and/or reductions to other programs/services:	\$341,867
Total:	\$616,833

- 2) Direct staff to provide a report to the Board identifying options to decrease General Fund expenditures in order to minimize the use of Fund Balance in FY 2023/24 and FY 2024/25.
- 3) Direct staff to provide a report to the Board of Directors verifying if property tax allocations to fire and ambulance services have decreased from 70% of the total property tax allocation to 62% of the total property tax allocation, and if accurate, identify the fiscal impacts to all programs recognizing the positive impact on fire services, but the negative impact to other programs such as Parks, Recreation and the Community Center.
- 4) Direct staff to provide a report to the Board of Directors detailing the reason(s) why Salary & Benefit costs showed a budgetary increase of approximately 18% from FY 2021/22 to FY 2022/23.
- 5) Direct staff to prepare recommendations for a property assessment for consideration by the Board of Directors, including community outreach, the assessment amount, inflationary factor, and education campaign, with the goal of having a ballot measure on the March 2024 primary election. If the ballot measure fails, and absent reductions to other programs and higher property tax allocations to fire services, the CSD will likely be having very similar discussions regarding how to keep Station 88 open in FY 2024/25.

- 6) Direct staff to prepare a 'road map' and timeline of the actions to be taken to annex fire services into another local fire district.
- 7) Direct staff to issue an RFP for fire services from another provider for services to begin July 1, 2025.
- 8) Consider pausing the work on the Fire Master Plan until approval of the final budget in order to determine if this is the best use of funds, or if the funds should be used for another purpose, including the possibility of asking a consultant such as AP Triton to assist with a 'road map' and feasibility analysis for annexation.

Scenario 1 - Station 88 Closed				
Costs per year				
	Fire (5% Escalator)	Ambulance (5% Escalator)	Total Costs/Year	
FY 2023/24	\$ 3,124,232	\$ 1,547,645	\$	4,671,877
FY 2024/25	\$ 3,280,443	\$ 1,625,027	\$	4,905,470
FY 2025/26	\$ 3,444,466	\$ 1,706,279	\$	5,150,745
FY 2026/27	\$ 3,616,689	\$ 1,791,593	\$	5,408,282
FY 2027/28	\$ 3,797,523	\$ 1,881,172	\$	5,678,695
TOTAL COSTS/5 YEARS	\$ 17,263,353	\$ 8,551,716	\$	25,815,069

Revenues per year				
	Fees & Other Sources*	Property Tax**	Total Revenue	
FY 2023/24	\$ 1,453,200	\$ 3,139,586	\$	4,592,786
FY 2024/25	\$ 1,525,860	\$ 3,265,169	\$	4,791,029
FY 2025/26	\$ 1,602,153	\$ 3,395,776	\$	4,997,929
FY 2026/27	\$ 1,682,261	\$ 3,531,607	\$	5,213,868
FY 2027/28	\$ 1,766,374	\$ 3,672,872	\$	5,439,245
Total Revenue Projected/5 years			\$	25,034,858

Revenue Surplus/(Deficit) (Total Revenue less Total Costs/Year)
(\$79,091)
(\$114,441)
(\$152,815)
(\$194,414)
(\$239,450)
(\$780,211)

*Consists of revenue from the JPA growing by 5%/year and the First Responder Fee estimated at \$100,000/year.

**Assumes 4% growth from YTD Property Tax through May 2023 (\$4,869,085), 62% of which allocated to Fire.

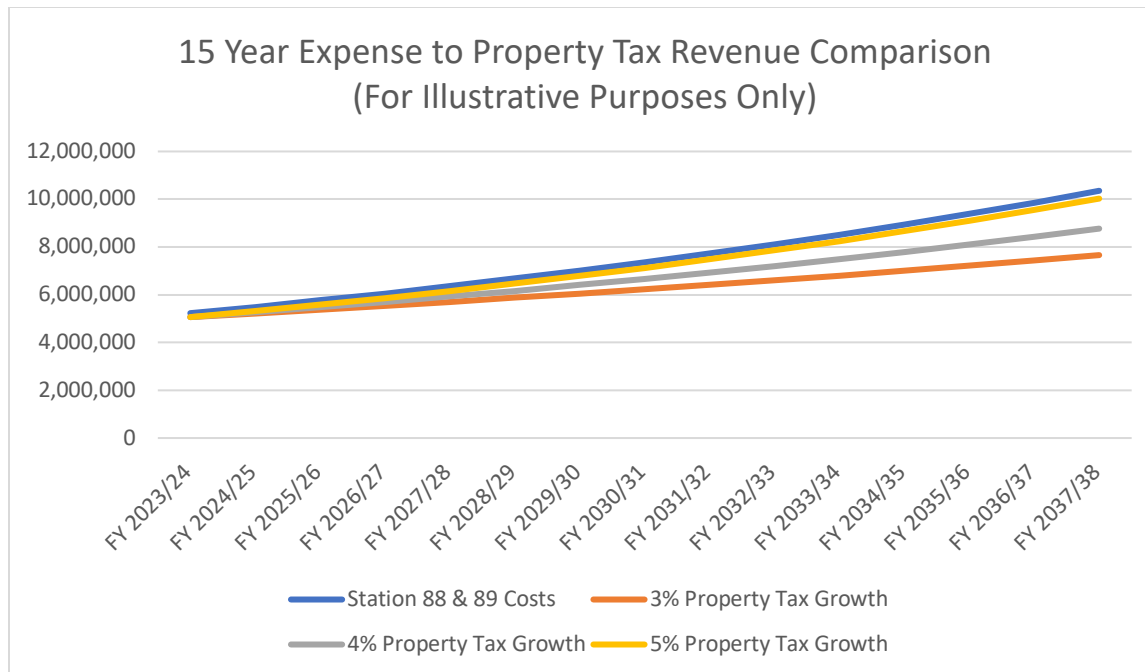
Scenario 2 - Station 88 Open				
Costs per year				
	Fire*	Ambulance	Total Costs/Year	
	(5% Escalator)	(5% Escalator)		
FY 2023/24	\$ 3,661,974	\$ 1,547,645	\$ 5,209,619	
FY 2024/25	\$ 3,766,804	\$ 1,625,027	\$ 5,391,831	
FY 2025/26	\$ 3,955,144	\$ 1,706,279	\$ 5,661,423	
FY 2026/27	\$ 4,152,901	\$ 1,791,593	\$ 5,944,494	
FY 2027/28	\$ 4,360,546	\$ 1,881,172	\$ 6,241,719	
TOTAL COSTS/5 YEARS	\$ 19,897,370	\$ 8,551,716	\$ 28,449,086	

Revenues per year				
	Fees & Other	Property Tax**	Total Revenue	
	Sources*			
FY 2023/24	\$ 1,453,200	\$ 3,139,586	\$ 4,592,786	
FY 2024/25	\$ 1,525,860	\$ 3,265,170	\$ 4,791,030	
FY 2025/26	\$ 1,602,153	\$ 3,395,777	\$ 4,997,930	
FY 2026/27	\$ 1,682,261	\$ 3,531,608	\$ 5,213,868	
FY 2027/28	\$ 1,766,374	\$ 3,672,872	\$ 5,439,246	
Total Revenue Projected/5 years			\$ 25,034,860	

Revenue Surplus/(Deficit) (Total Revenue less Total Costs/Year)
(\$616,833)
(\$600,801)
(\$663,493)
(\$730,626)
(\$802,473)
(\$3,414,226)

*Consists of revenue from the JPA growing by 5%/year and the First Responder Fee estimated at \$100,000/year.

**Assumes 4% growth from YTD Property Tax through May 2023 (\$4,869,085), 62% of which allocated to Fire.



Includes the following assumptions:

- 1) First year cost from CalFire to operation Stations 88 and 89 totaling \$5.209 million.
- 2) 5% escalator in costs each year based on current trends.
- 3) Scenarios of 3%, 4% and 5% Property Tax Growth, recognizing 5% for years is not feasible.

Conclusion:

- 1) If property tax grows between 3%-4% each year, the gap widens and other revenues will need to be identified, or cost reductions will need to take place to other programs.
- 2) At some point in the future, absent additional revenues the system is not sustainable.