



FRESNO COUNTY FIRE

PROTECTION DISTRICT

Honor, Integrity, Cooperation & Professionalism

MEMORANDUM

Date: December 10, 2020

To: Board Directors

Attn: Mike Del Puppo
President

From: Fire District Staff

Subject: Capital PFG Report, Funding for City of Parlier Territory Annexation

BOARD OF DIRECTOR'S BRIEFING PAPER

ISSUE:

District staff were looking for methodology to analyze and determine the costs of staffing and operating a District fire station.

BACKGROUND:

In February 2020, District staff contacted Capital PFG to discuss analyzing and reporting findings related to the true costs of staffing and operating the District's fire stations.

DISCUSSION:

Since February 2020 staff have been working with Capital PFG on collecting data for Capital PFG to analyze. Due to recent discussions with the City of Parlier, Capital PFG has completed a report that focuses on the costs of staffing and operating a career staffed District fire station in Parlier. The information in the report can also be utilized to determine the costs of staffing and operating at other District's fire stations.

ALTERNATIVES:

1. None

IMPACTS (Consider potential consequences related to each of the following areas of concern for proposed alternatives):

- Fiscal – No known impacts
- Operational – No known impacts
- Legal – No known impacts
- Labor – No known impacts
- Sociopolitical – No known impacts
- Policy – No known impacts
- Health and safety – No known impacts
- Environmental – No known impacts
- Interagency – No known impacts

RECOMMENDATION:

Staff is recommending that the Board of Directors approve to accept the Capital PFG Report titled "Funding for City of Parlier Territory Annexation". That any Board of Directors makes a motion to approve the Capital PFG Report titled "Funding for City of Parlier Territory Annexation".

APPROVED:



Josh I. Chrisman, Administration Officer

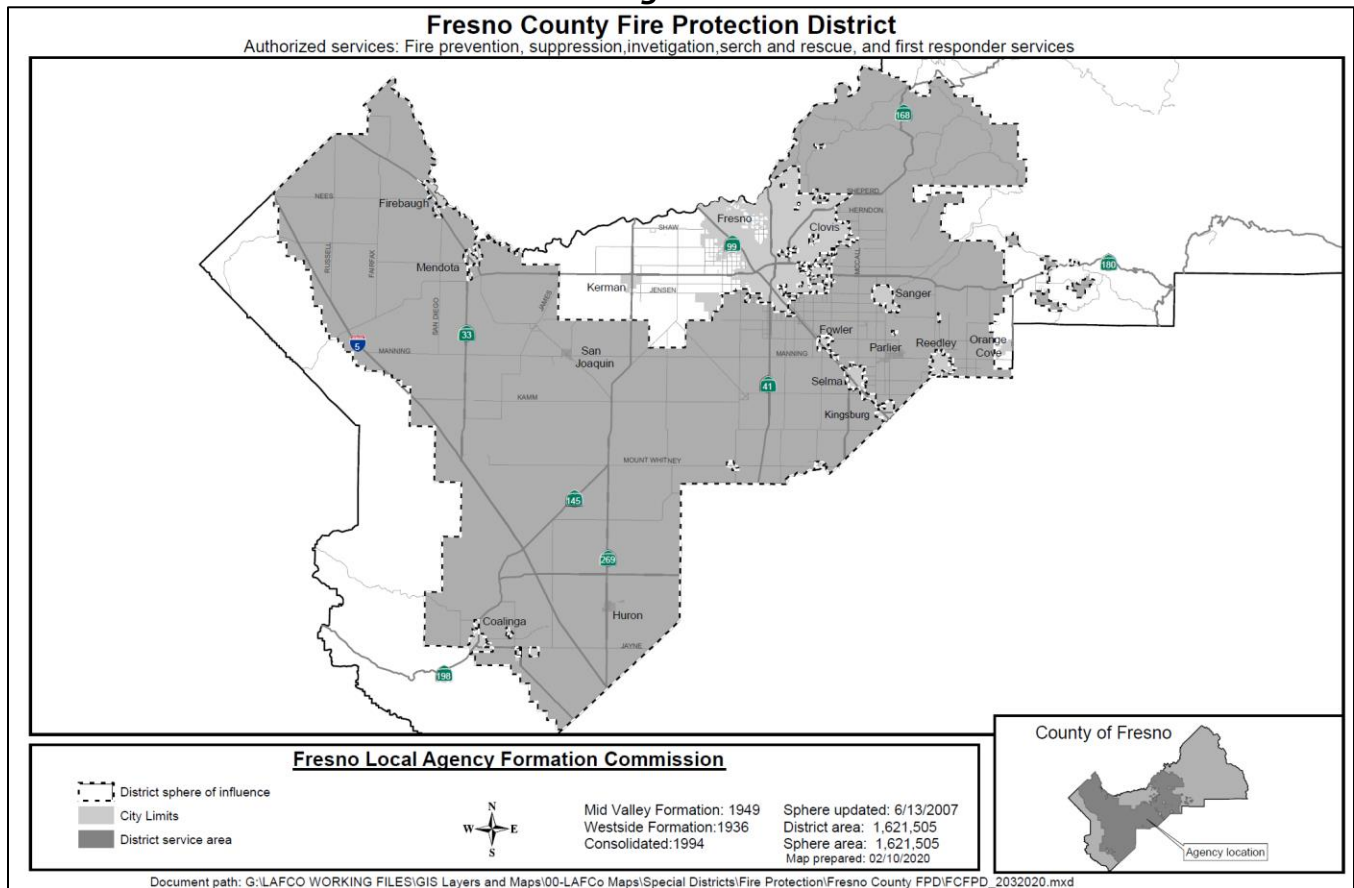
12/11/2020
Date

Fresno County Fire Protection District Funding for City of Parlier Territory Annexation

Fire District Background Information

The Fresno County Fire Protection District (District) serves a population of approximately 220,000 people in an area covering 2,655 square miles, including the cities of Parlier, Mendota, Huron, San Joaquin and the rural communities of Tranquility, Del Rey, Caruthers, Easton, Malaga, Friant, Cantua Creek, Calwa, Prather, Sand Creek and Wonder Valley, as shown in **Figure 1**. The District provides all risk emergency services including fire suppression, emergency medical service, rescue, and fire prevention and education.

Figure 1



The District operates 15 career staffed fire stations and an additional 3 paid call stations, for a total of 18 fire stations. All fire stations are equipped with apparatus to perform fire and emergency response. The District operates its career staffed engine companies with a minimum of 2-3 career firefighters on duty every day. Specifically, the minimum daily staffing includes:

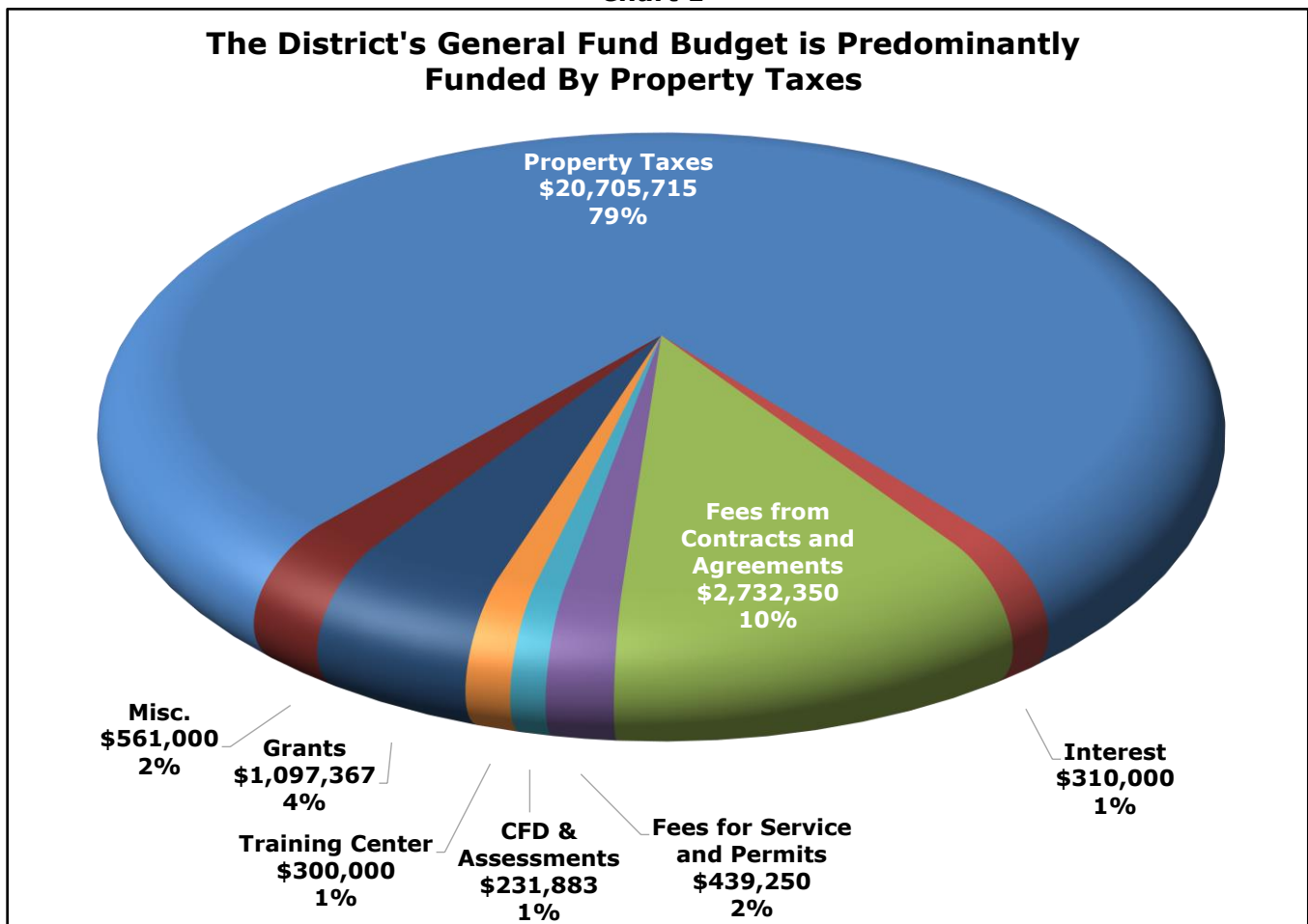
- 1 Duty Chief
- 3 Battalion Chiefs
- 13 apparatus with 2 personnel each
- 1 engine with 3 fire personnel
- 1 ladder truck with 3 fire personnel



On any given day, the District deploys 15 career staffed emergency response vehicles, four overhead management personnel for a total of 38 career front-line personnel. The front-line personnel are supported by three paid call staffed fire stations and various staff personnel to support the firefighting force.

The District’s operating budget of approximately \$26.4 million, is funded predominantly from property tax revenues (\$20.7 million) with additional funding from contracts for service, fees for services, grants, CFD taxes and assessments and other miscellaneous funding, as shown in **Chart 1**.

Chart 1

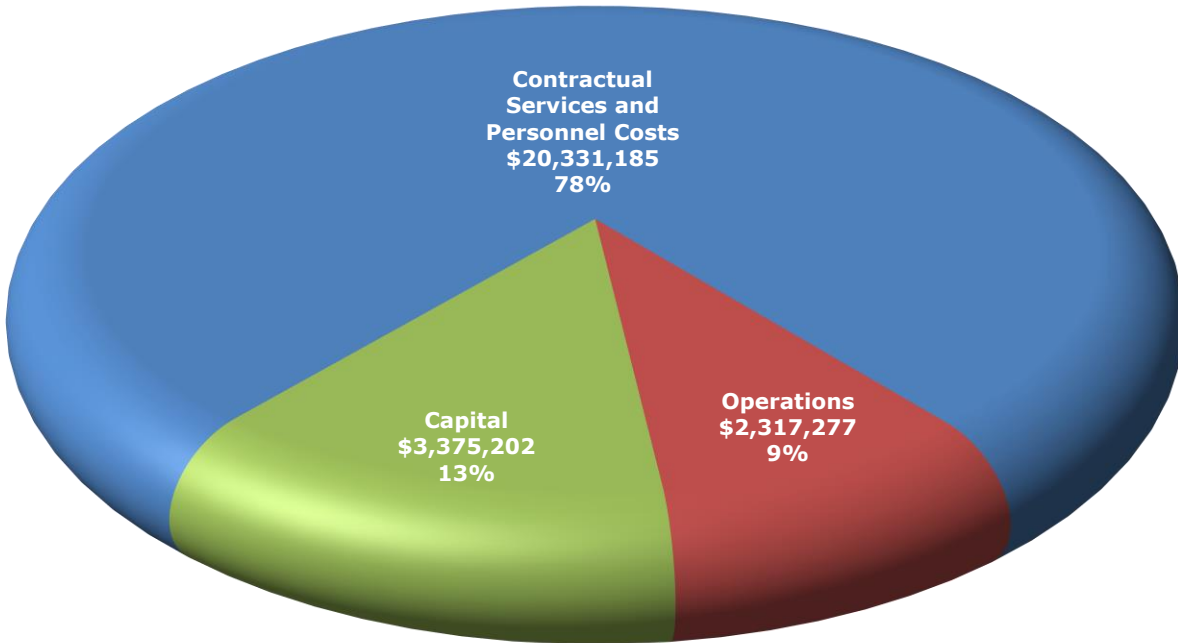


Source: Fresno County Fire Protection District, 2020-21 Budget.

The District is currently running a budgetary surplus, with approximately \$26.023 million of expenditures. Front-line staffing and administration are funded through a contract for service with CalFire. Including the service contract, as shown in **Chart 2**, approximately 78% of the District’s budget is expended on personnel costs, such as salaries and benefits.

Chart 2

Fire Service Personnel is the Largest Expenditure, Making Up 78% of the District's 2020-21 Budget



Source: Fresno County Fire Protection District, 2020-21 Budget.

Average annual dispatch Districtwide is approximately 18,000 emergency calls for service. Excluding automatic and mutual aid (calls outside the District's service area), in 2019, the District responded to a little under 14,000 calls for service.

A majority of the District's incident calls are for emergency medical services/rescue, which is common for fire districts in California. As shown in **Chart 3**, almost 70% of the District's calls were for emergency medical services. The call volume is only part of the response, the other component of response for the District is the units that respond to each type of call. The number of units that respond to a fire call are, on average, two times the number of units that respond to an emergency medical service call, with 3.57 units per fire call compared to 1.74 units per emergency medical call. As shown in **Chart 4**, when evaluating the District's incident response in terms of the number of units responding, approximately 55% of the units responded to emergency medical services/rescue incidents with 39% of the units responding to fire incidents.

Chart 3

Just Under 70% of the District's Call Volume in 2019 Was for Emergency Medical Services

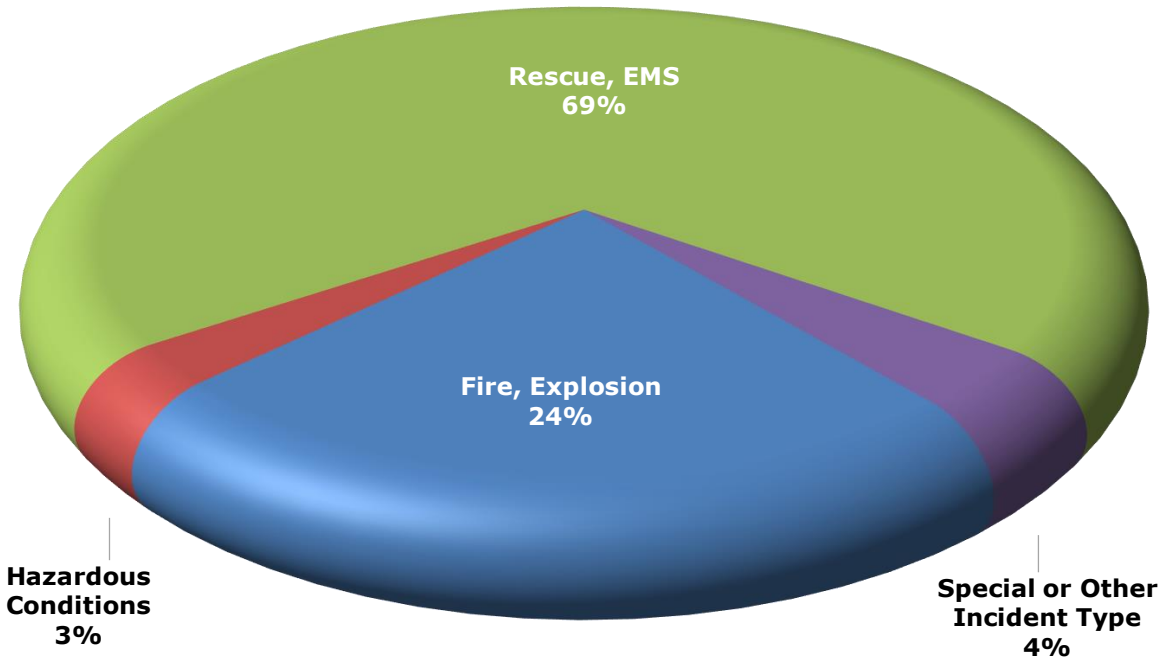
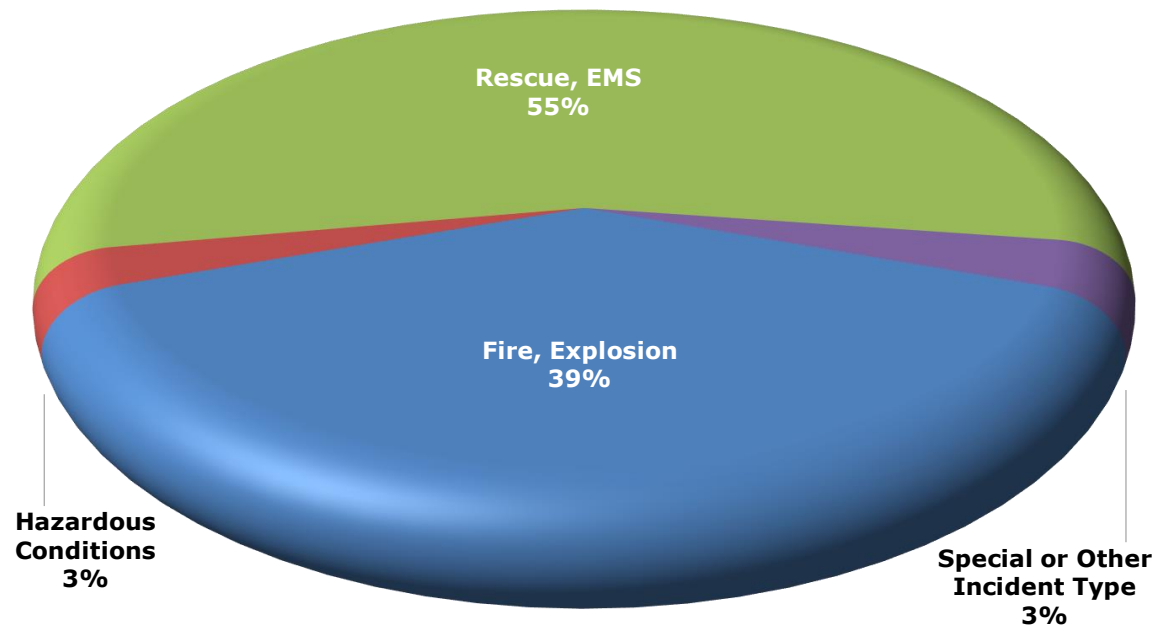


Chart 4

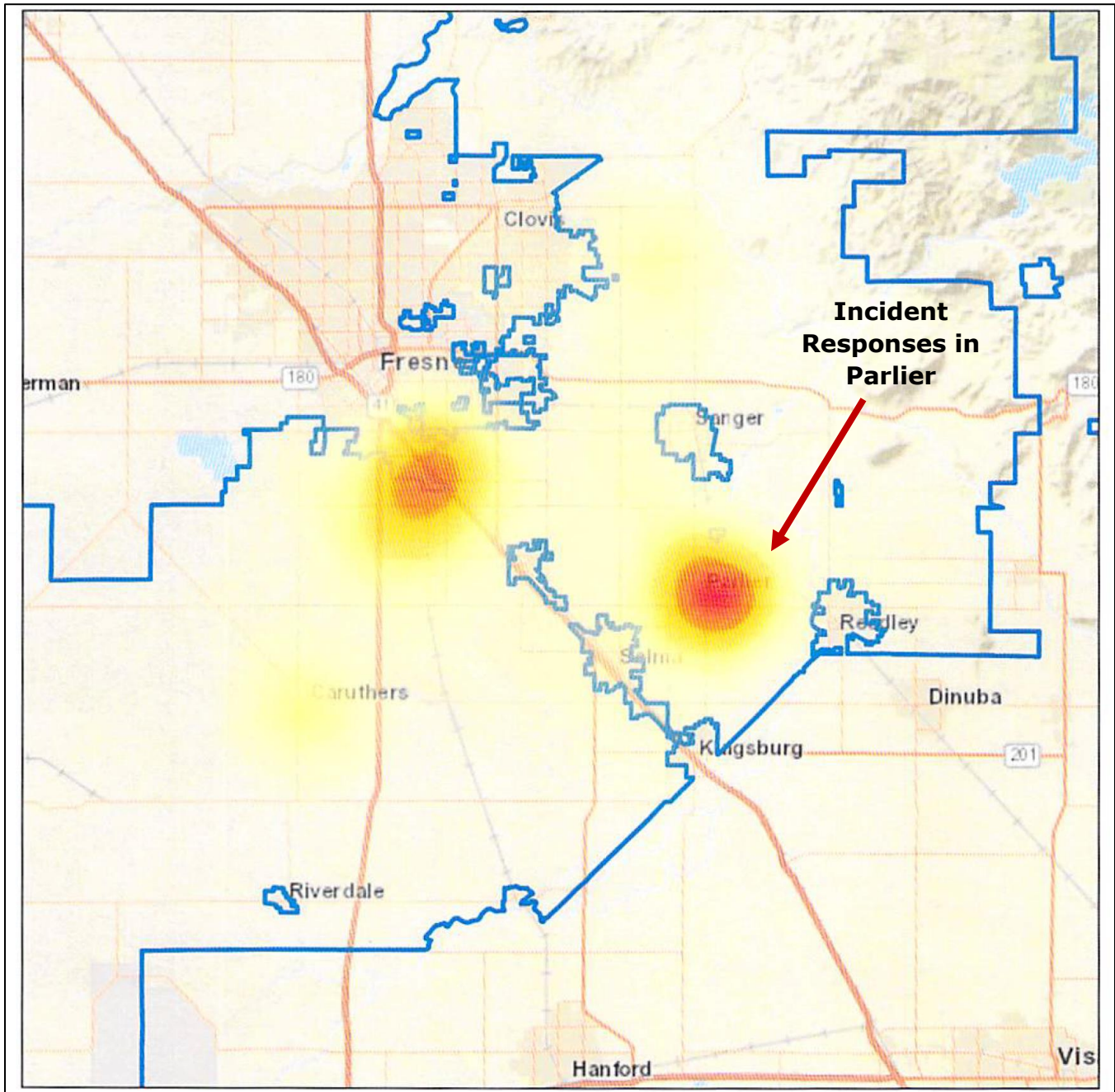
Of the Total Units Responding to Calls in the District in 2019, Approx. 55% Responded to Emergency Medical Calls and Approx. 39% Responded to Fire Calls



Service to City of Parlier

The District provides services to all residents and businesses in the City, which has a population of approximately 15,000 in an area of approximately 1,423 acres (2.32 square miles). In 2019, the District responded to 691 calls for service in the City and is on pace for a similar number of calls for 2020 with 711 calls this year to date. **Figure 2** shows a “heat map” of the call volume in the western portion of the District in 2019. It is evident that the call volume in Parlier is significant.

Figure 2
Heat Map of Western Portion of Fresno County FPD In 2019



Prior to 2015, the District served the City through a contract for service. As annexations occurred to the City, the territory would be detached from the District along with the associated property tax revenue. The City was not able to fund the contract for service in multiple years, as such, in 2014, the City and District agreed to an annexation of the territory within the City into the District. The

annexation went into effect in 2015, but no property tax sharing agreement was implemented as part of the annexation.

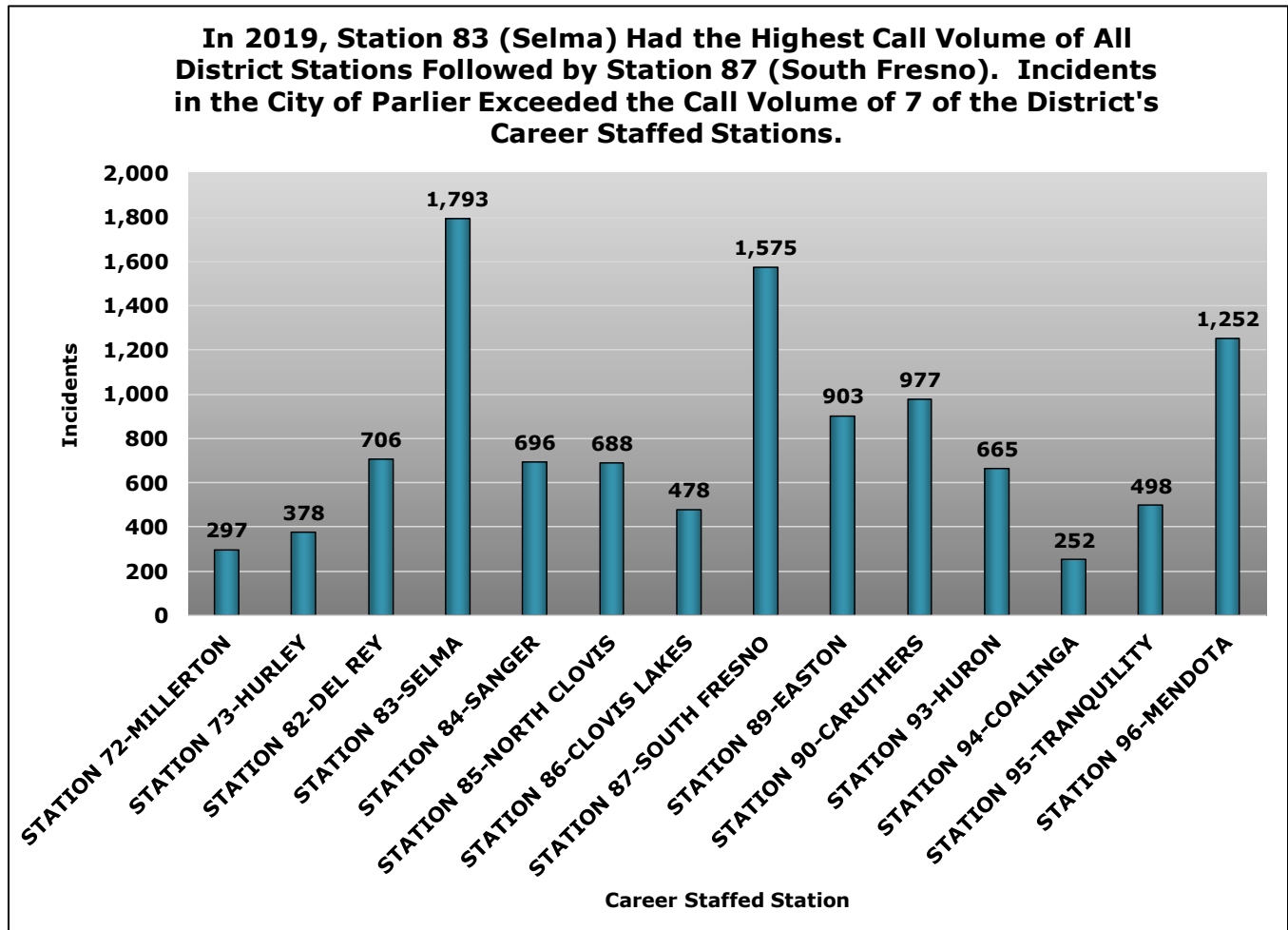
Post-annexation, the City is obligated to provide funding to the District under a contract for service, but there are continued concerns about the City’s ability to fund the contract from one year to the next. The City’s 2020-21 Budget presentation describes a deficit in its General Fund with continued deficit spending in 2020-21. The 2019-20 contract payment to the District was \$345,880, which was paid in full, but the City’s financial status is an ongoing concern for the District.

The District operates the fire station in Parlier as a paid call station. A paid call station is one that is manned by “paid call” firefighters, formally known as volunteer firefighters, as opposed to “career” firefighters. Although this staffing model may be more cost-effective than a station staffed with career firefighters, there are limitations in the level of service for fire and emergency response in areas with relatively high call volume. Based on the current service contract and funding level from the City, a career firefighter staffed station is not affordable even though it is desired by the City.

Fire Station Staffing

Generally, call volume and coverage area determine how fire districts typically staff fire stations. The level of service a fire district provides is based on its ability to respond to emergency calls within an expected timeframe. **Chart 5** provides an overview of the incident calls per career staffed fire station in the District for 2019.

Chart 5



Source: Fresno County Fire Protection District.

As previously described, the District has 15 career staffed stations. Based on the call volume, with 691 calls in 2019, Parlier has more calls for service than 7 of the District's career staffed stations - Stations 72, 73, 85, 86, 93, 94 and 95). Similar response statistics have been experienced so far in 2020, with 711 calls in the City from January 1 until November 14.

If the Parlier station were career staffed, it would not only provide a more adequate level of service to Parlier residents and businesses but would also likely absorb calls from other District stations that currently support the City. Ultimately, it would be near the middle of the career staffed fire stations in terms of call volume. The City of Parlier has expressed a desire for a career staffed station in the City but the existing service contract does not have sufficient funding to support the current paid call staffing arrangement, much less an enhanced level of career staffing.

In addition to the calls responded to directly from the Parlier fire station, the community also utilizes Fire District resources from other areas. Response for the 691 incidents in Parlier last year were served by 1,742 units, an average of 2.52 apparatus per service call. Essentially, for every incident in Parlier it takes 1.5 additional apparatus, on average, from outside Parlier to service the call demands within the City. When those units are responding to calls in the City, they are unable to respond to calls near their station of origin. Another concern with relying on resources from outside of Parlier is that there is a longer travel time to respond to emergencies. The average travel time for apparatus located at the Parlier station to respond to service calls in the City is 2 minutes and 31 seconds. However, the average travel time for apparatus from other areas to respond to calls within the City is 9 minutes and 12 seconds for the first due engine.

Concerns with Annexation

When the annexation of the incorporated territory within the City into the District occurred, there was no tax sharing agreement executed. As such, the District only receives funding from the City through a service contract. As previously stated, there is uncertainty from one year to the next as to whether the contract will be funded, and the funding level will only support a paid call firefighter station even though the call volume requires additional resources and the City desires enhanced service levels.

Fresno LAFCo's adopted Policies, Standards and Procedures Section 220.7 specifically requires that "The newly formed or receiving entity has the ability to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change." However, there was no tax revenue allocated to the District as part of the annexation proceeding to fund the services that were subject to the annexation.

The main reason for the annexation, as stated in the staff report for the annexation proceeding, was that the City was unable to fund their contract for service and this could be solved through the annexation. The Project Description for the annexation proceedings specifically reads:

"The City of Parlier has been unable to adequately fund its Fire Protection contract with the District in both the 2013/14 and 2014/15 City Budgets. Since the City of Parlier does not foresee the ability to fund those budget years or future year, the City made the decision to work with the District to reattach the City's territory to the District."

However, although implied that the annexation would result in funding to support the services that the District is providing to residents and businesses in Parlier, no funding was allocated.

Further, when implementing an annexation of territory into a special district, Revenue and Taxation Code Section 99(b) requires negotiations with regards to the amount of property tax revenues to be exchanged between the local agencies prior to the certificate of filing of reorganization. For a special district, the Revenue and Taxation Code states that the County Board of Supervisors is responsible for negotiating the property tax exchange agreement on behalf of the special district. It does not



appear that any negotiations related to a tax sharing agreement occurred in this situation and a tax sharing agreement does not exist.

The District would like this remedied with a tax sharing agreement executed whereby the District would receive a share of the property tax revenue currently allocated to the City and paid directly from Fresno County. The amount of funding allocated to the District will be subject to negotiation, however, there are some funding methodologies and cost of service scenarios that can be considered in determining a reasonable funding level. Several methodologies are identified in this report.

Funding Fire Services for the City of Parlier

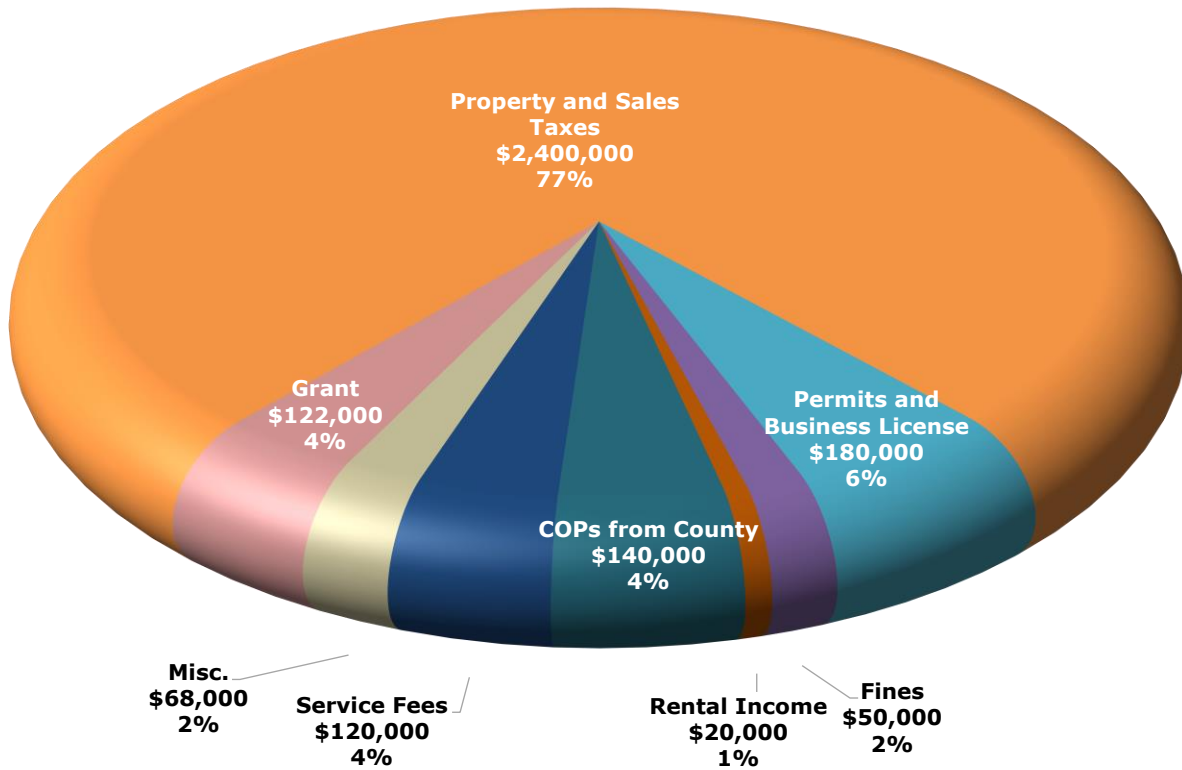
The City has not consistently published its financial statements since 2016-17 as legally required, so it is difficult to understand their specific financial position. In at least one fiscal year, 2019-20, the City did not even approve an annual budget prior to the fiscal year. Their June 30, 2019 Audit was recently made available and the Fresno County Auditor-Controller's Office was able to provide property tax revenue distributions that the City has received over the past 3 years, so we have been able to make some estimates as to their financial position. Based on the itemized property tax distributions provided by the County Auditor-Controller's Office, the City has received approximately \$1.7 million per year in property taxes over the past 3 years. We can anticipate that a similar level of property tax funding will continue into the near future.

Additionally, in November 2019, the City passed a \$0.01 sales tax. Although it was estimated to generate an additional \$400,000 annually, essentially doubling their annual sales tax revenues to approximately \$800,000 per year, with Covid-19, estimates for short-term revenues have slightly declined. For 2020-21, the City has budgeted \$2.4 million for property taxes and sales taxes combined. Beyond property and sales taxes, the City receives additional revenues for General Fund operations, including: Franchise Taxes, License and Permit Fees, Fines and Penalty Fees, Service Fees, and other Miscellaneous Revenues, as shown in **Chart 6**. In total, the City's Unrestricted General Fund revenues are approximately \$3,100,000 for 2020-21.



Chart 6

The City of Parlier's 2020-21 General Fund Revenues are Estimated at Just Over \$3 Million

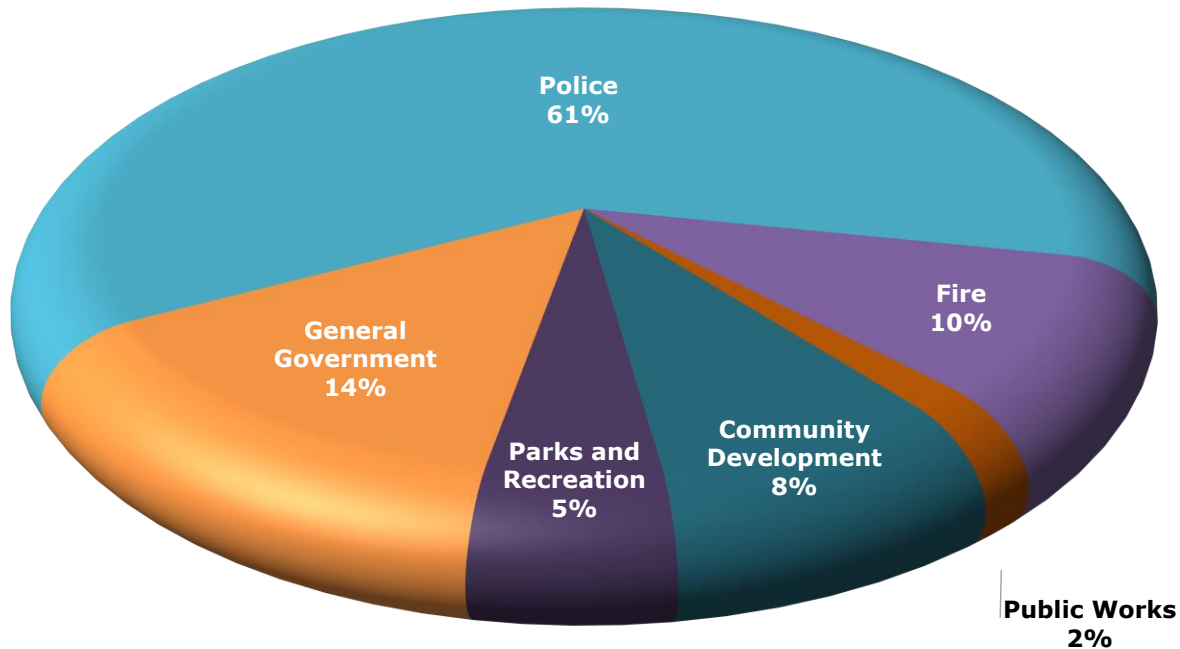


Source: City of Parlier 2020-21 Budget Presentation.

The City's 2020-21 Budget shows that they will be deficit spending by approximately \$500,000, with expenditures of approximately \$3.6 million. As shown in **Chart 7**, approximately 61% of the City's General Fund expenditures are allocated towards police services with only about 10% on fire services.

Chart 7

Based on Historical General Fund Expenditures, An Estimated 61% of the City of Parlier's General Fund Budget Goes Towards Police Services



Source: City of Parlier 2020-21 Budget presentation.

Other Concerns and Considerations in Serving Parlier

The annexation of the territory within the City for fire services has a cost to the District that is not satisfied through the existing contract for service for three reasons: (1) lack of reliability in the allocation of funding by the City, (2) a funding deficit compared to the cost to provide service to the territory in the City requiring other residents of the District to financially subsidize Parlier, and (3) the level of service that can be funded through the existing contract is not in-line with the service demand causing fire personnel from other areas of the District to augment Parlier paid call firefighters.

The District's concern about the reliability of the contract payment from the City is well justified and based on historical performance by the City and its ongoing deficit spending and financial concerns. In fact, the main reason cited for the annexation was that the City had not made its contract payment for two years and anticipated future difficulty. **The only way to mitigate the reliability of the contract payments is to allocate funding to the District in an alternative manner, outside of the discretionary actions of the City. A property tax allocation agreement would address this concern.**

The amount of funding currently contracted for service to the Parlier territory is well below the actual cost of service provided to the Parlier community. The 2019-20 contract payment was \$345,880. The actual cost to provide service in a proportional amount to the funding levels from the other areas of the District is well in excess of that amount and can be estimated at \$1.25-\$1.77 million depending



on the methodology utilized, as explained in detail in the subsequent sections of this report. Essentially, **taxpayers from outside of Parlier are subsidizing taxpayers within Parlier each year. An increase in the amount of funding allocated to the District from Parlier would address at least a portion of this concern.**

The current funding level provided by Parlier is not adequate to fund a career staff station even though the service call volume supports a higher station staffing level. The City itself has expressed a strong desire for a career staffed station in order to provide improved fire and emergency medical response to its residents and businesses.

On average, 1.5 additional apparatus from outside the City respond to every call. This response is taking away fire apparatus and personnel from other areas of the District that pay for such services. Additional funding would be needed in order to staff the Parlier station with career staff. The Fire District estimates a cost of approximately \$1.15 million to staff the station with a 2-person, career staff engine company, as shown in **Table 1**. Additional operational and capital costs would also be incurred.

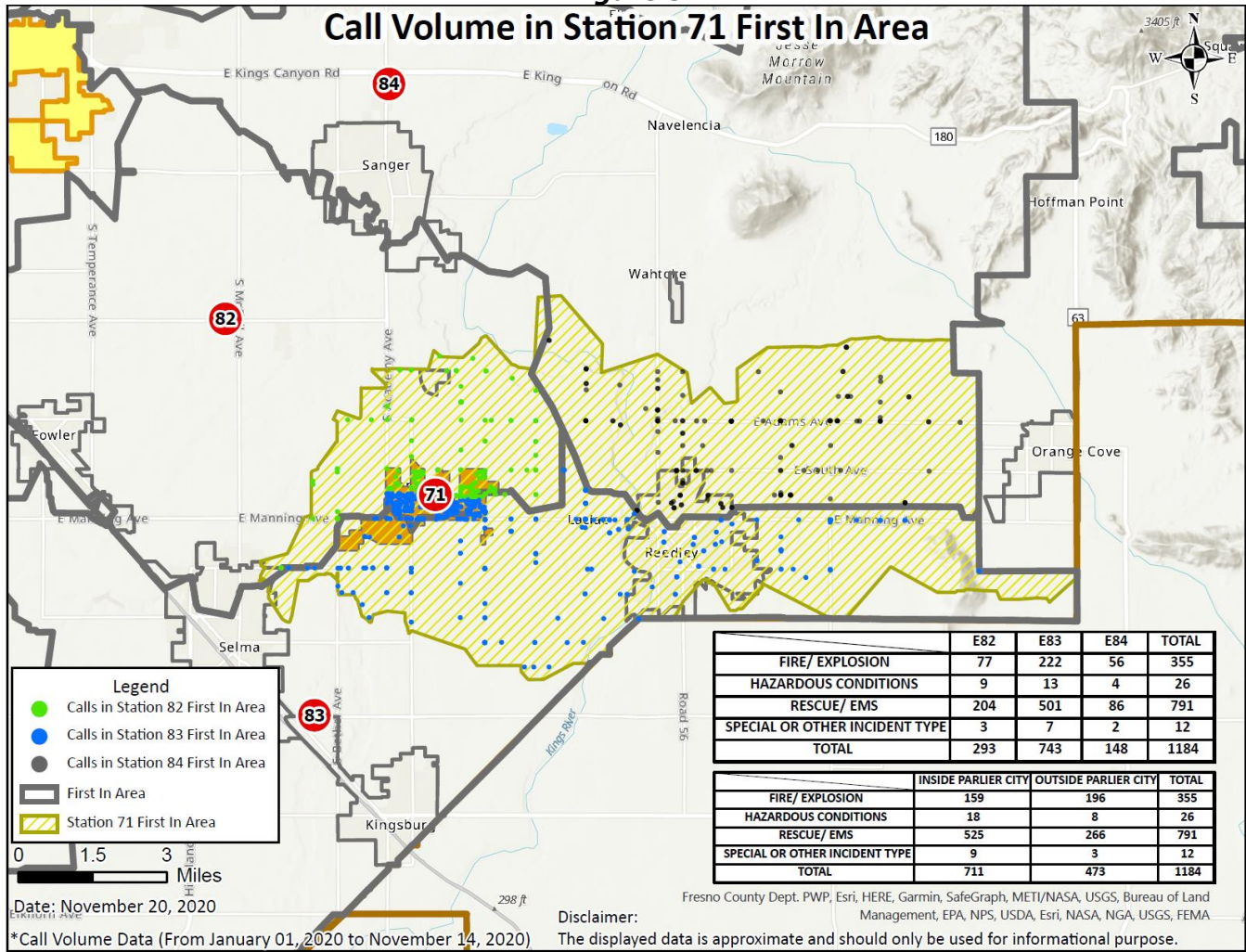
Table 1

Estimated Cost to Staff Parlier Station with Career Staff		
Cost Category	Estimated Cost	Notes
Personnel Salary and Benefits	\$970,000	
Unplanned Overtime (Coverage Behind Vac/SL/Training)	\$60,000	\$9,782 per employee x 6 employees
Administrative Fee	\$120,000	11.96%
Total 2020-21 Station Staffing Cost	\$1,150,000	

Source: Fresno County Fire Protection District.

A portion of the cost of a career staffed station in Parlier could be funded from the District’s existing budget since this station would alleviate some of the call burden on other District stations. The District created a model of a coverage area map to estimate the number of calls outside of the City that could be directly served by the Parlier station, as shown in **Figure 3**, given the location and service area of the existing staffed fire stations.

Figure 3



The coverage area model (**Figure 3**) shows that, if the Parlier station would have been career staffed in 2020, it would have responded to an estimated 1,184 service calls. Of those, approximately 60%, or 711, would have been inside the City and approximately 40%, or 473, would have been outside of the City. Applying these ratios to the cost to staff a fire station, the City would need to be responsible for approximately \$690,000 of the station staffing cost.

In addition to staffing costs, the City would be responsible for 60% of the overhead of the fire station. Based on the analysis previously shown in **Table 3**, the current cost to operate the Parlier station is \$461,650. If existing staffing/labor costs are reduced from this figure, an operating/capital cost of \$197,350 can be estimated. Applying the City's cost share of 60% to the station operating/capital costs results in a cost to the City of \$118,410. Combining this with the City's share of station staffing costs results in **an estimated cost of \$808,410 for the City to fund their share of a staffed fire station in Parlier.**

Option A: Allocation of Revenue Based on Cost of Fire Service as a Percentage of General Fund Budget

In order to determine a reasonable property tax allocation for fire services, various revenue allocation methods can be considered. One option is to use information from other cities in Fresno County to make reasonable estimates about the share of General Fund dollars that are used to fund fire services.

As shown in **Table 2**, on average, in other cities in Fresno County the cost to provide fire service is approximately 24% of the agency’s General Fund budget.

Table 2

Fire as a Percentage of General Fund Budget for Cities in Fresno County			
City	2020/21 General Fund Budget	Fire Services Expenditures	Fire Services as a % of GF Budget
Clovis	\$76,822,000	\$17,519,000	23%
Coalinga	\$8,990,000	\$3,833,000	43%
Firebaugh	\$749,000	\$170,510	23%
Fowler*/**	\$5,009,000	N/A	
Fresno	\$579,169,000	\$76,203,000	13%
Huron**	\$1,727,000	N/A	
Kerman**	\$7,185,000	N/A	
Kingsburg***	\$6,049,000	\$483,920	8%
Mendota**	\$3,699,000	N/A	
Orange Cove*/***	\$3,073,000	N/A	
Reedley***	\$11,405,000	\$1,341,000	12%
San Joaquin**	\$845,000	N/A	
Sanger	\$13,830,000	\$2,988,000	22%
Selma	\$14,665,000	\$3,352,000	23%
Average			24%
*2019-20 Budget used.			
** Fire service provided by independent special district.			
*** Large portion of fire expenditures funded through Sales Tax measure, % excluded from average.			

Applying this to the estimated City of Parlier Budget, would result in **a fire services tax allocation of approximately \$744,000. This is approximately \$400,000 more than the City’s current service contract and approximately \$65,000 less than the funding required for a career staffed station.**

Estimated 2020-21 GF Budget	* Average Fire Expenditures	= Tax Revenue Allocation
\$3,100,000	24%	\$744,000

Option B: Allocation of Property Taxes Based on District’s Average Share of Total Property Taxes in Other Areas of the District

A second option is to use the Fire District’s average property tax allocation for the District as a whole, excluding the Parlier service area. Based on data provide by the Fresno County Assessor’s Office, the Fire District’s 2020-21 assessed value is approximately \$23,636,974,000, with \$426,682,820 of this value within the City of Parlier, where the District does not receive any tax revenues. The District anticipates receiving approximately \$20,705,000 in property tax revenue for 2020-21 from this

assessed value, resulting in an average tax allocation rate of 8.92% of the total property taxes generated within its boundaries.

District's 2020-21 Property Taxes / ((District's 2020-21 AV - Parlier 2020-21 AV) * 1%)			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">\$20,705,000</td> <td style="width: 33%; text-align: center;">\$23,636,974,000</td> <td style="width: 33%; text-align: center;">\$426,682,820</td> </tr> </table>	\$20,705,000	\$23,636,974,000	\$426,682,820
\$20,705,000	\$23,636,974,000	\$426,682,820	
= Tax Revenue Allocation Rate			
8.92%			

Applying this average tax allocation rate to the assessed value in the City of Parlier, results in a **property tax allocation of approximately \$380,600. This is over \$400,000 below the \$808,000 needed to fund a career staffed station and slightly higher than the funding level of the current service contract.**

Parlier 2019-20 AV * 1% * Tax Revenue Allocation Rate = Tax Revenue Allocation			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">\$426,682,820</td> <td style="width: 33%; text-align: center;">8.92%</td> <td style="width: 33%; text-align: center;">\$380,600</td> </tr> </table>	\$426,682,820	8.92%	\$380,600
\$426,682,820	8.92%	\$380,600	

Option C: Allocation of Property Taxes Based on the Cost of Service

A third option is to use the estimated cost of service for the residents and businesses within the City. The cost of service can be calculated in multiple ways. Below are a few scenarios:

Cost Allocation by Budget Line Item

The District's annual budget is broken down into several categories, including personnel costs, general operations, capital improvements, etc. Each budget item can be allocated to the territory within the City based on applicable ratios for services calls, fire stations, employees or apparatus. **Table 3** provides an overview of the service components for the City compared to the District as a whole.

When applying the ratios identified in **Table 3** to the appropriate budget category, it is estimated that the **cost to serve the City is approximately \$1.25 million for 2020-21. This funding level is approximately \$440,000 more than the estimated cost of a career staffed station.**

Table 3

Comparison of Parlier Incidents, Assets and Personnel Compared to Entire District	
Total District Incidents (2019)	13,963
Total Parlier Incidents (2019)	691
<i>% of Incidents in Parlier</i>	5%
District Fire Stations	19
Parlier Fire Stations	1
<i>% of Fire Stations in Parlier</i>	5%
Total District Vehicles	60
Total District Fire Apparatus Vehicles	26
Parlier Fire Apparatus Vehicles	2
<i>% of Vehicles in Parlier Compared to Total Vehicles</i>	3%
<i>% of Apparatus in Parlier Compared to Total Apparatus</i>	8%
Total District Paid Call Firefighters	12
Parlier Paid Call Firefighters	4
<i>% of Paid Call Firefighters in Parlier</i>	33%
Total Schedule A Contract Employees in District	115
Total District Employees	22

Source: Fresno County Fire Protection District.

Cost Allocation by Calls for Service

As previously stated, the District's 2020-21 budget is comprised of approximately \$26.023 million of expenditures. In 2019, the District responded to almost 14,000 calls for service within its boundaries, which excludes automatic and mutual aid calls. Based on the total budgeted expenditures, each call for service costs approximately \$1,859 for the District as a whole.

With 691 incidents in Parlier, applying the Districtwide cost per service call results in a **cost of approximately \$1.28 million to serve the City for 2020-21. This funding level is approximately \$445,000 more than the estimated cost of a career staffed station.**

Cost Allocation Per Capita

As previously indicated, the District currently serves a population of approximately 220,000. Dividing the total 2020-21 budget of \$26.023 million by the total District population, results in a per capita cost for fire service of approximately \$118. Applying the District's cost per capita of \$118 to the population of the City (15,000), results in a **cost of approximately \$1.77 million to serve the City for 2020-21. This funding level is approximately \$960,000 more than the estimated cost of a career staffed station.**

Option D: Allocation of Property Taxes Based on the Budgetary Savings if Parlier Were Not Served by Fresno County FPD

A fourth option is to determine the budgetary savings that would be realized by the District if it were no longer serving residents and businesses within the City. There are several fixed costs that the District would incur whether or not they continued to serve the City. Therefore, to determine the budgetary savings that the District would realize if it no longer served Parlier, the operational and capital costs specifically associated with the Parlier station can be extrapolated from the District's operating budget.

As previously shown in **Table 3**, there are four Paid Call Firefighters in Parlier. Additionally, there are specific operational costs associated with operating the Parlier fire station and its two apparatus. These operational costs include: fuel, repairs/maintenance, firefighting clothing/equipment, legal/professional services, utilities, insurance, communications, household services, office supplies, certifications, memberships/subscriptions, fire prevention, training, and small tools and supplies.

Further, there are capital costs associated with both the Parlier fire station and the two apparatus located in the City. If the District were to no longer serve the City, these costs would be eliminated.

Finally, although there would not be a one-for-one reduction in overhead costs, without the service calls to the Parlier area, the District would be able to reduce some of the overhead costs. Approximately 5% of the service calls in the District are from the Parlier area. When considering the cost to provide service to the City, as described in **Option C** above, a corresponding 5% of the CalFire service contract was allocated to the City, or approximately \$980,000. For the purposes of estimating the budget reduction if Parlier were not served by the District, we can assume a 20% reduction in these costs, or \$196,000.

In the District’s budget, the costs specific to operations of the Parlier station can be calculated, as shown in **Table 4**, whereby if Parlier was no longer served by the District **the budget could be reduced by approximately \$460,000. The service contract with the City provides approximately \$100,000 less funding to the District. Essentially, property owners outside of Parlier are directly subsidizing property owners within Parlier by \$100,000 per year, plus Parlier is not sharing in any fixed costs.**

Table 4

Budgetary Items Specific to Parlier	
Item	2020-21 Budget
Operational Expenditures	
Schedule A Contract	\$196,000
Labor Costs	\$68,300
Repairs/Maintenance	\$44,300
Fuel	\$6,300
Firefighting Clothing/Equipment	\$3,130
Legal/Professional	\$61,700
Utilities	\$6,200
Insurance	\$10,800
Communications	\$6,200
Household Supplies/Services	\$6,800
Office Supplies	\$3,110
Memberships/Dues/Subscriptions	\$1,230
Fire Prevention	\$7,600
Medical Supplies	\$980
Training	\$1,390
Small Tools/Supplies	\$400
Other Budgeted Expenditures	\$1,450
Total Parlier-Specific Operating Expenditures	\$425,890
Capital Expenditures	
Firefighting Equipment	\$13,000
Communications/Computer Software and Equipment	\$9,000
Station Furniture/Appliances/Equipment	\$1,450
Other Capital	\$1,810
Station Capital Improvements	\$10,500
Total Parlier-Specific Capital Expenditures	\$35,760
Total Parlier-Specific Budgeted Expenditures	\$461,650

Source: Fresno County Fire Protection District.

Summary

In summary, the District needs support to enter into a tax allocation agreement which provides a portion of the City’s property taxes to the District to fund the fire service currently provided to the City’s residents and businesses. The current District fire station in Parlier is not staffed by career firefighters even though the call volume is higher than seven of the District’s existing career staffed stations. Further, the City has expressed a desire for a career staffed station to improve service levels, which would require additional funding.

The estimated cost to staff and operate the Parlier station as a career staffed station is approximately \$1.35 million. Based on the model depicting a service area for this station, it is expected that 60% of the calls for service would be within the City. If the City were then responsible for 60% of the cost to staff and operate the station, approximately \$808,000 would be needed.

As described in this report, there are several alternatives available to consider the basis for a tax allocation agreement, including:

- Allocation of Revenue Based on Cost of Fire Service as a Percentage of General Fund Budget
 - Estimated to be \$744,000
 - Slightly less than what would be needed to fund a career staffed station
- Allocation of Property Taxes Based on District's Average Share of Total Property Taxes in Other Areas of the District
 - Estimated to be \$380,600
 - Well below what would be needed to fund a career staffed station
- Allocation of Property Taxes Based on the Cost of Service
 - Estimated to be \$1.25 million - \$1.77 million
 - In excess of what would be needed to fund a career staffed station
- Allocation of Property Taxes Based on the Budgetary Savings if Parlier Were Not Served by Fresno County FPD
 - Estimated to be \$460,000

The level of funding provided in the tax sharing agreement should take into consideration the cost of service provided to the City as well as the desired future service levels. Property owners within the District but outside of Parlier should not be subsidizing the City. The continuation of a contract for service with the City will simply not meet the financial needs of the District to continue to provide fire service.