



**MEASURE SS: VALLEY CENTER FIRE PROTECTION DISTRICT LOCAL
EMERGENCY RESPONSE/FIRE PROTECTION**

September 2018

SDCTA Position:

SUPPORT

Rationale for Position:

The annual parcel tax would come at a similar cost to that of the recently repealed Cal Fire Prevention fee to fund more permanent full-time firefighters subject to a 401(k)-retirement system rather than to CalPERS. The Valley Center Fire Department has also included proper checks on the use of the tax, oversight and outlined accountability, need, and fiscal responsibility. Fire districts should be prepared to fight observed extreme weather patterns effectively, and an increase in costs and expenses for the provision of fire protection and suppression and emergency medical services have impacted the ability of the District to fund these services and personnel.

Title: Measure SS: Valley Center Fire Protection District Local Emergency Response/Fire Protection

Jurisdiction: Valley Center District/County of San Diego

Type: Tax Issuance

Vote: Two-Thirds Majority

Status: On the November 6, 2018 General Election Ballot

Issue: Special Parcel Tax

Description: The measure would impose a tax to property owners to fund fire protection services.

Fiscal Impact: The proposed maximum rate of the annual special parcel tax proposed to be established and adopted is \$180 per taxable assessor's parcel, totaling \$1,228,000 until ended by voters.

Background

Since 1982, the Valley Center Fire Protection District has provided local fire, emergency medical, and community risk reduction services on limited resources to about 23,000 local residents. The District was established from a volunteer organization that immediately contracted services with what would later become Cal Fire. On July 1st, 2017, the California Legislature repealed the Cal Fire fee, through which local owners use to pay as much as \$150 to support fire prevention services.

Since, the District has expressed concerns about delivering services with little funding from the State and the County under a community anticipated to grow by 1,800 home units during the next two years. In 2017, the District responded to an estimated 1,874 emergency medical, service, and

fire calls, representing a 34 percent increase in call volume.¹ The District claims that it does not have enough staff or operating fire stations to maintain safe response times when more than one fire or major emergency occurs, where the majority of the staff is part time and largely just out of training. Chief Josef Napier holds that the District has lost many employees to other counties with better jobs, training, and salaries, and only employs about 7 full-time employees that do not participate in CalPERS but use a 401(k) system instead. As a result, the District has seen a high turnover.

After the Cal Fire fee repeal, which only paid for equipment and maintenance, the District's resources were limited even further by a preceding measure. In 1978, voters passed Proposition 13, reducing property tax rates on homes, businesses and farms by about 57 percent, and limiting property tax increases on any given property to no more than 2% per year as long as the property was not sold.² Once sold, the property was reassessed at 1% of the sale price, and the 2% yearly cap became applicable to future years. This allowed property owners to estimate the correct amount of future property taxes and possible increases, but also imposed limitations on Districts established after 1978, resulting on the Valley Center only being able to collect a maximum of 10 cents on every dollar collected from property taxes.

According to Chief Josef Napier, the District began creating Mello Roos (community facility districts as a mean to obtaining additional funding) to help offset facilities costs, "...but [the effort] doesn't address the growing need for full time firefighters in these stations. It also limits the equity of the entire community offsetting the costs for fire protection because undeveloped property doesn't pay for the impact of fire in emergency services in the community."³ Moreover, Chief Napier stressed the importance of moving away from contract services and establishing an independent agency, as the "...runaway costs of CalPERS and the wage and benefit packages that are associated with most contract agencies will eventually outrun the district's ability to pay."⁴

In the past, the San Diego County Taxpayers has strongly supported regionalization and consolidation efforts of fire districts, opposing similar measures because of their lack of sunset provisions and generous pension and healthcare benefits.

¹ Valley Center Fire Protection District Fact Sheet. "Our Growing Fire Protection and Emergency Services Dilemma." Physical Copy.

² ["What is Proposition 13?" California Tax Data.](#)

³ [Ross, David. \(2018\). "Fire district to make case to community for more funding". Valley RoadRunner.](#)

⁴ Ibid.

Proposal

On August 9, 2018, the Valley Center Protection District Board unanimously voted to place the tax measure for the consideration of voters on the November 6, 2018 General Election ballot. The question to be put before voters is formatted and reads as the following:

<u>MEASURE: VALLEY CENTER FIRE PROTECTION DISTRICT LOCAL EMERGENCY RESPONSE/FIRE PROTECTION</u>		
To improve and maintain Valley Center Fire Protection District’s essential fire protection/emergency medical services; reduce fire/9-1-1 response times; recruit/retain qualified firefighters/paramedics and personnel, provide living wages; replace aging, lifesaving equipment; build a fire station, helping lower homeowner/business fire insurance rates, shall Valley Center Fire Protection District Ordinance #2018-01 approving an annual special parcel tax of \$180 per parcel, providing approximately \$1,228,000 a year until ended by voters; with low-income senior exemptions, and independent oversight/audits, be adopted?	YES	
	NO	

If approved, the measure would impose a maximum of \$180 tax per parcel to fund operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting applicable financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas. The District Fire Chief would be responsible for determining the special parcel tax amount to be levied for the ensuing fiscal year. The proposed special parcel tax would go into effect July 1, 2019. The proceeds of the special parcel tax shall only be used for the specific purposes, including the costs of the election.

Parcel taxes are non-ad valorem taxes that do not vary with the size or characteristics of the parcel. After the passage of Proposition 13, California cities and counties turned to the parcel tax as the solution to their financial shortcomings.

Fiscal Impact

The proposed maximum rate of the annual special parcel tax is \$180 per taxable assessor’s parcel. This amounts to approximately \$1,228,000 per year until the bill is no longer voted in by voters. Exemptions will be given to low income senior residents. The District also plans to leverage developer fees to diversify its revenue sources.

These increased services could lower fire insurance rates for homeowners and businesses and partially offset the tax, where the District’s ISO rating is tied to the number of fire stations it has and the percentage of residents who live within a certain radius of the stations. Ultimately, the total benefit of the proposed enhancements, measured by the willingness of each resident to pay for them and based on the demand for the on-going services, exceeds the cost of the tax.

Governance Impact

The District has proposed several oversight mechanisms to govern the expenditure processes of the tax revenue collected.⁵

First, the District’s Chief Fiscal Officer must annually procure an independent audit to be filed with the District Board of Directors. Each report must include the annual amount of special parcel tax proceeds collected and expended and the status of any projects or description of any programs funded from proceeds of the special parcel tax.

Also, the Board of Directors must establish a Citizens' Oversight Committee no more than sixty days after the tax goes into effect. This three-member committee would be tasked with reviewing and evaluating the District’s annual expenditures made from the proceeds of the special parcel tax. The Committee may not include any employee or officer of the District, or any vendor, contractor or consultant to the District.

Finally, the District must also draft an annual report containing a description of each lot or parcel of property subject to the special parcel tax, the amount of the special parcel tax for each lot or parcel for each fiscal year, and the basis and schedule for the special parcel tax authorized pursuant to the proposed ordinance.

Proponents

The District’s Board of Directors look forward to seeing this measure through success, as it supports firefighters directly. Director Wold has been quoted to say: “If not now, when?”⁶

Director Wold
Director O'Connor
Director Smith
Director Hutchson
Director Bell
Chief Josef Napier
Samantha Clifford

Opponents

While no opposition has been recorded, several citizens have shown concern about the increase in overall taxation. Chief Josef Napier claims that several people have approached him to ask him “Why am I paying that fee? I’m not seeing any benefit from that fee, but if I were to pay you the fee I know that money would be placed in local control to ensure that real local emergencies were taken care of.”⁷

⁵ [Center Valley Fire Protection Board of Directors August 16, 2018 Meeting Documents.](#)

⁶ [Center Valley Fire Protection Board of Directors August 16, 2018 Meeting Documents.](#)

⁷ [Ross, David. \(2018\). “Fire district to make case to community for more funding”. Valley RoadRunner.](#)