



Notice of Special Meeting Oceano Community Services District - Board of Directors Agenda

SATURDAY, April 30, 2022 – 1:30 P.M.

Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one-minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. CALL TO ORDER:

2. ROLL CALL:

3. FLAG SALUTE:

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

5. CLOSED SESSION: None

6. BUSINESS ITEM: Informational presentation regarding Measure A-22 on the ballot for the June 7, 2022 primary election for voters within the Oceano Community Services District (OCSD) boundaries regarding a special tax for emergency medical and fire protection services

7. ADJOURNMENT:

This agenda was prepared and posted pursuant to Government Code Section 54956. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org.

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.

ASISTENCIA A DISCAPACITADO Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaría de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: April 30, 2022

To: Board of Directors

From: Will Clemens, General Manager

Subject: **Agenda Item # 6:** Informational presentation regarding Measure A-22 on the ballot for the June 7, 2022, primary election for voters within the Oceano Community Services District (OCSD) boundaries regarding a special tax for emergency medical and fire protection services.

Recommendation

It is recommended that your Board receive and file a presentation from OCSD and Five Cities Fire Authority (FCFA) staff related to Measure A-22 on the June 7, 2022 ballot.

Discussion

The Five Cities Fire Authority (FCFA) was formed July 9, 2010, based upon a Joint Exercise of Powers Agreement (JPA) entered by the cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District (OCSD). The FCFA is a consolidation of three individual fire departments, operating out of the three existing member community fire stations.

A five-year Strategic Plan was adopted by the FCFA Board of Directors in 2017 and has provided a foundation for needed investment to replace obsolete capital equipment including fire engines and self-contained breathing apparatus, along with critically needed staffing. The plan, along with the JPA, budgets and other FCFA documents can be obtained at: <http://www.fivecitiesfireauthority.org/documents>.

Due to both the need to reevaluate the existing JPA provisions and the increased investment in the fire department, the member communities approved the initial Memorandum of Agreement (MOA) amending the FCFA JPA in May 2018. The intent of this amendment was to facilitate a negotiation of the existing cost sharing methodology and to consider changes to specific language in the existing agreement.

Based on staff recommendations, the member communities approved a second amendment to the JPA in June 2019 to change the JPA funding formula to provide greater equity in funding among member agencies. This change would first be implemented with a transitional change to the original funding formula along with a provision requiring Oceano to place a revenue measure on the ballot in March 2020 to provide additional long-term funding for fire and emergency medical services. The amendment identified both a future funding formula (should Oceano be successful with their election) along with a defined "wind-down" process timeline should a member community leave the JPA or the JPA were to be dissolved. The amendment committed the member communities to a specific funding level through June 30, 2021.



Oceano Community Services District

Board of Directors Meeting

The March 2020 Oceano election failed to pass by 10 votes. This indicated that over 66% of Oceano voters desired to remain as part of the FCFA and were willing to pay more to fund emergency fire and medical service in Oceano. In June 2020, a third amendment to the JPA was approved given the very slim margin of the Oceano revenue measure defeat. This allowed the communities to extend their existing contribution amounts for an additional two years to provide certainty and stability for the agencies when planning for fire service costs considering the economic challenges associated with COVID-19 at the time.

The third amendment identifies the following:

- The communities continue to contribute at the same funding levels identified in the second amendment to the JPA
- Oceano agreed to undertake the legally required procedures for either a citizen initiative or District initiated measure to place a special tax on the 2022 primary ballot
- Should the ballot measure pass, the new funding formula will be implemented July 1, 2022
- Should the ballot measure fail, a wind-down period (and related work program) will result in Oceano no longer being part of the JPA effective June 30, 2023
- Work program elements related to identification of assets, liabilities and distribution of assets and liabilities identified with specific dates

While all three communities have a goal of consistent station staffing of three personnel daily as identified in the Strategic Plan, the current funding formula and budget reflects the current staffing levels between the two cities which have three personnel and Oceano which has two personnel. The Oceano Station has one full-time Fire Captain, and the other firefighter position is staffed through the Reserve Program.

The Reserve Program was intended to be phased out by 2022 with all positions transitioned to full-time, however, due to the failure of Measure A-20, funding for the Oceano Station is inadequate to complete this transition. As Reserve Firefighters have left the Program or have been hired full-time, this has caused a staffing shortage at the Oceano Station. There currently are no Reserve Firefighters remaining in the program. Staffing is only sufficient to cover one of the three regular shifts in Oceano.

Other Agency Involvement

FCFA member agencies include the Cities of Arroyo Grande and Grover Beach along with the OCSD. At the December 8, 2021, Board meeting, a letter was authorized to the County to estimate what level of service the County could provide in Oceano with the existing property tax revenue stream and what process would be followed to potentially provide additional funding for fire service in Oceano. The County's response letter is attached.



Financial Considerations

The Special Tax proposed in March 2020 was a flat annual amount of \$180 per parcel which was chosen over a benefit unit approach based on land use. At the December 8, 2021, meeting, a comparison of the flat parcel tax approach with a tax based on square footage was discussed and direction was given to staff to return with the same flat parcel tax measure as was placed on the March 2020 ballot. Your Board approved a resolution and ordinance for a June 2022 ballot measure on January 26, 2022.

The attached OCSD Special Tax Needs Analysis reflects current estimates and is the basis for the proposed amount of the special tax. A "flat tax" was recently voted on and approved by Templeton voters. The amount of the tax for a single-family property in the OCSD is proposed to be the same as Templeton at \$15 per month, or \$180 per year. The taxes would be collected on property tax bills. Total taxes in the first year (2022/23) is estimated at \$410,760. Taxes on individual parcels would increase no more than 2% per year thereafter.

The tax would remain in effect until repealed by voters. If approved by voters, the maximum tax will be established, and your Board's only discretion is to reduce the tax - the Board cannot increase the tax approved by voters. The special tax requires a 2/3rds voter approval. The ordinance requires that a citizen's oversight committee be established to review and evaluate annual expenditures made by the OCSD from the proceeds of the special tax.

The OCSD cost of FCFA operations will remain at the current level of \$1,138,148 through FY 2022/23 if the 2022 ballot measure is unsuccessful. Should the ballot measure pass, the new funding formula will become effective, and the new amount will be included in the FY 2022/23 budget. The attached Frequently Asked Questions was developed for the 2020 ballot Measure and has been updated for the 2022 ballot Measure.

Results

Consideration of fire and emergency services promotes a safe and well governed community.

Attachments:

- Presentation
- OCSD Special Tax Needs Analysis
- Response Letter from County
- Frequently Asked Questions

Oceano Measure A-22 Special Meeting

FIRE AND EMERGENCY SERVICES

APRIL 30, 2022

Measure A-22 Special Meeting

- ▶ What is and why the special tax?
- ▶ What if Measure A-22 passes/fails?
- ▶ What does the decision boil down to?

Measure A-22 Special Meeting

California's Right to Vote on Taxes

- ▶ California propositions have established that the decision on whether to approve additional taxes to fund fire and emergency services must be made by voters.
- ▶ Voters decide whether to fund additional taxes imposed on parcels
 - ▶ Requires 2/3rds voter approval if proposed by a local agency

Measure A-22 Special Meeting

Measure A-22

- ▶ To maintain rapid response times for 911 medical emergency and fire protection services, to provide 24- hours a day, 7-days a week staffed medical emergency and fire vehicles, shall Oceano Community Services District Ordinance No. 2022-1 levying an annual special tax of \$180.00 per parcel, providing \$410,760 a year, subject to annual maximum increases capped at 2%, until repealed by voters, and requiring independent citizen oversight and annual reports, be adopted?

Measure A-22 Special Meeting

Why a special tax?

- ▶ Oceano is the only CSD in the County without supplemental funding through a special tax that provides full time firefighters.
- ▶ Unlike Cities, Community Services Districts have limited revenue streams available

Measure A-22 Special Meeting

Measure A-22 Approved versus Not Approved

- ▶ In order for Oceano to continue to participate in Five Cities Fire Authority(FCFA), voters must approve Measure A-22 in June 2022
- ▶ If Measure A-22 is not approved, the Oceano CSD will cease membership in the FCFA on June 30, 2023, and the Board of Directors will need to decide on which options to pursue for fire and emergency services.

Measure A-22 Special Meeting

Measure A-22 Approved versus Not Approved

- ▶ What options exist if Measure A-22 is approved by voters:
 - ▶ Five Cities Fire Authority
 - ▶ Enhanced ability to operate an independent fire department if needed in the future
 - ▶ Oceano will be less reliant on other agencies if Measure A-22 is approved

- ▶ What options exist if Measure A-22 is not approved by voters:
 - ▶ Divestiture of fire and emergency service
 - ▶ Future services will be determined by the County of San Luis Obispo
 - ▶ Re-establishing an independent fire department reliant on volunteer and/or reserve fire fighters

Measure A-22 Special Meeting

Measure A-22 Not Approved

- ▶ Divestiture is a statutory-driven process through the Local Agency Formation Commission (LAFCO)
- ▶ “Divestiture” - the County will make future decisions on services
- ▶ The County Study & Recent County Policy

Measure A-22 Special Meeting

County Provides Services

- ▶ County Fire Annual Cost Estimate - \$1,558,000 in 2018
- ▶ How will County Fund that amount?
 - ▶ “ All potential options for the transfer of assets, facilities, property taxes and other funding mechanisms from the District to the County to fund the proposed Level of Service, while minimizing any impact to the County General Fund. ”

Measure A-22 Special Meeting

<u>OCSD Revenues/Assets</u>	<u>\$ Estimates</u>
OCSD Fire Station	
Property tax for Fire	\$1,050,000
Property tax for Street Lighting	\$43,000
Garbage Franchise	\$68,000
Sheriff Substation	<u>\$121,000</u>
Total Revenue	\$1,282,000
Less Total Costs	2018 Estimate \$1,558,000
Funding Shortfall	(\$276,000)

Measure A-22 Special Meeting

Together; voters and elected officials will decide the future of fire and emergency services for Oceano...

Measure A-22 Special Meeting

Which Mission does the community want to be a part of?

- ▶ FCFA Mission focused on 10 square miles
- ▶ County Mission with a countywide focus

Automatic and Mutual Aid Response Time Analysis: Stations Near Oceano CSD

The map below represents response coverage times from adjoining fire stations as if the FCFA Oceano Fire Station were closed. The stations, primarily Grover Beach Fire Station, can cover 30% of the district in 7 minute response time, and 95% of the district in 8 minute response time.

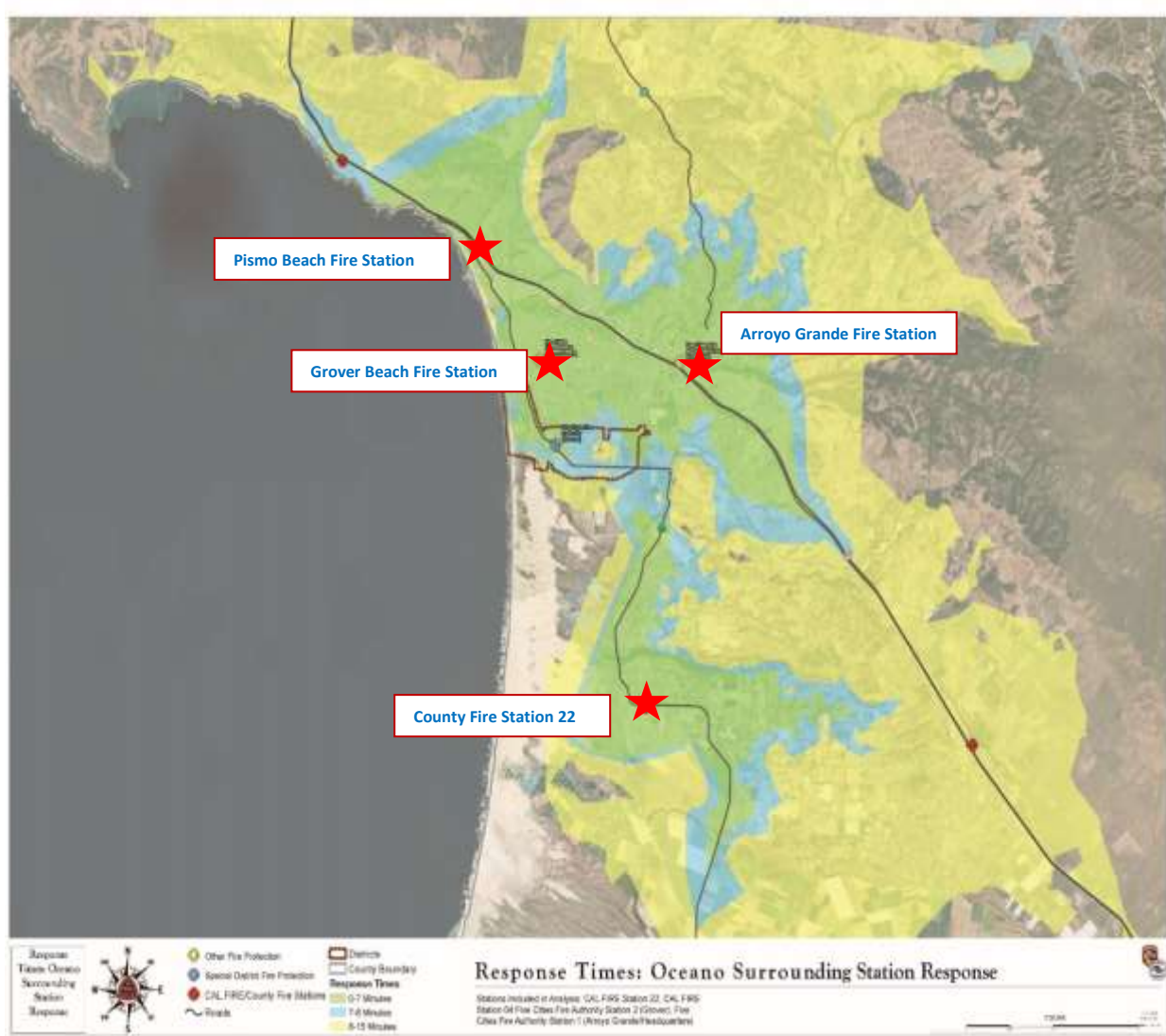


Figure 38 Response Times from adjoining fire stations

This map represents the response times from fire stations surrounding the FCFA Oceano Fire Station on Highway 1. FCFA Oceano is not represented here.

	A	B	D	E	F	G	H
1	OCSD - SPECIAL TAX NEEDS ANALYSIS						
2	1/1/2022						
3	FCFA - Three Person Station Staffing Budget						
4			2022-23	2023-24	2024-25	2025-26	
5	FCFA Expenditures Estimate		\$6,754,000	\$6,889,080	\$7,026,862	\$7,167,399	
6	Less:	Cost Recovery Fees	(\$26,000)	(\$26,000)	(\$26,000)	(\$26,000)	
7	Less:	HazMat	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	
8	Less:	Eng 2 Debt Service	(\$34,830)	(\$34,830)	(\$34,830)	(\$34,830)	
9							
10	FCFA Budget		\$6,681,170	\$6,816,250	\$6,954,032	\$7,094,569	
11							
12	Arroyo Grande	Allocated Costs	\$2,989,625	\$3,050,070	\$3,111,723	\$3,174,609	
13		Direct Costs	\$5,000	\$5,000	\$5,000	\$5,000	
14		Total Costs	\$2,994,625	\$3,055,070	\$3,116,723	\$3,179,609	
15		<i>Funding %</i>	<i>44.7%</i>	<i>44.7%</i>	<i>44.7%</i>	<i>44.7%</i>	
16		<i>Cost per Capita</i>	<i>\$162.12</i>	<i>\$165.40</i>	<i>\$168.74</i>	<i>\$172.15</i>	
17		<i>Increase over prior year</i>	<i>15.8%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	
18							
19	Grover Beach	Allocated Costs	\$2,156,834	\$2,200,442	\$2,244,921	\$2,290,290	
20		Direct Costs	\$27,000	\$27,000	\$27,000	\$27,000	
21		Total Costs	\$2,183,834	\$2,227,442	\$2,271,921	\$2,317,290	
22		<i>Funding %</i>	<i>32.3%</i>	<i>32.3%</i>	<i>32.3%</i>	<i>32.3%</i>	
23		<i>Cost per Capita</i>	<i>\$169.82</i>	<i>\$173.25</i>	<i>\$176.75</i>	<i>\$180.32</i>	
24		<i>Increase over prior year</i>	<i>7.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	
25							
26	Oceano	Allocated Costs	\$1,534,709	\$1,565,738	\$1,597,387	\$1,629,669	
27		Direct Costs	\$15,000	\$15,000	\$15,000	\$15,000	
28		Total Costs	\$1,549,709	\$1,580,738	\$1,612,387	\$1,644,669	
29		<i>Funding %</i>	<i>23.0%</i>	<i>23.0%</i>	<i>23.0%</i>	<i>23.0%</i>	
30		<i>Cost per Capita</i>	<i>\$213.66</i>	<i>\$217.98</i>	<i>\$222.38</i>	<i>\$226.88</i>	
31		<i>Increase over prior year</i>	<i>34.8%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	
32							
33	Totals		\$6,681,168	\$6,816,249	\$6,954,031	\$7,094,568	
34	<i>Cost per Capita</i>		<i>\$175.54</i>	<i>\$179.09</i>	<i>\$182.71</i>	<i>\$186.40</i>	
35							
36			2.23	0.91	0.93	0.95	
37	Arroyo Grande	Population Estimate	18,441	18,441	18,441	18,441	
38		Population %	48.1%	48.1%	48.1%	48.1%	
39		Call #	1,867	1,867	1,867	1,867	
40		Call %	52.8%	52.8%	52.8%	52.8%	
41		Station Shift Staffing %	33.3%	33.3%	33.3%	33.3%	
42		Funding Formula %	44.7%	44.7%	44.7%	44.7%	
44							
45	Grover Beach	Population Estimate	12,701	12,701	12,701	12,701	
46		Population %	33.1%	33.1%	33.1%	33.1%	
47		Call #	1,074	1,074	1,074	1,074	
48		Call %	30.4%	30.4%	30.4%	30.4%	
49		Station Shift Staffing %	33.3%	33.3%	33.3%	33.3%	
50		Funding Formula %	32.3%	32.3%	32.3%	32.3%	
52							
53	Oceano	Population Estimate	7,183	7,183	7,183	7,183	
54		Population %	18.7%	18.7%	18.7%	18.7%	
55		Call #	595	595	595	595	
56		Call %	16.8%	16.8%	16.8%	16.8%	
57		Station Shift Staffing %	33.3%	33.3%	33.3%	33.3%	
58		Funding Formula %	23.0%	23.0%	23.0%	23.0%	
60							
61	Funding Constraint Analysis						
69			2022-23	2023-24	2024-25	2025-26	
70				2.0%	2.0%	2.0%	
73		"Flat Tax" Estimate	\$410,760	\$418,975	\$427,355	\$435,902	
74		Net Property Taxes (Less Lighting Fund)	\$1,140,000	\$1,162,800	\$1,186,056	\$1,209,777	
75		Total Property Taxes for Fire Fund	\$1,550,760	\$1,581,775	\$1,613,411	\$1,645,679	
76		FCFA 5 year Strategic Budget Costs	\$1,549,709	\$1,580,738	\$1,612,387	\$1,644,669	
77			\$1,051	\$1,037	\$1,024	\$1,010	
79							



COUNTY OF SAN LUIS OBISPO
ADMINISTRATIVE OFFICE

Wade Horton County Administrative Officer

December 17, 2021

Will Clemens, General Manager
Oceano Community Services District
1655 Front Street, P.O. Box 599
Oceano, ca 93475

Mr. Clemens:

I am responding to your letter dated December 8, 2021 regarding a request for consultation with the County on possible options and service level should Oceano Community Services District (OCSD) need to divest of its medical emergency and fire response services. As has been communicated in the past, while the County has no legal obligation to take over fire service, the Board has indicated that the protection of public safety is its highest priority. If the successor agency is determined to be the County, any plan for services would have the County determine the appropriate level of service, considering all available resources and financing options, in consultation with the affected community and County Fire.

Your letter is requesting clarification on the six questions if the June 2022 special tax does not pass and the OCSD pursues divestiture of medical and emergency and fire response services through the San Luis Obispo County Local Agency Formation Commission.

Regarding question 1:

1. What level of service could the County provide to Oceano with the existing tax revenue stream?

County Response: Your letter states that the current property taxes available for transfer to the County for services are approximately \$1,050,000 annually. The amount stated would fund 3 days per week 24 hours per day of fire response services.

Regarding questions 2-6:

2. Will the County allocate any additional funding needed to provide 24/7 service to Oceano?
3. Will the County expect OCSD to transfer ownership of the Oceano Fire Station?
4. Will the County expect OCSD to transfer ownership of the Sheriff Substation in Oceano?
5. Will the County expect OCSD to transfer any other real property?
6. Will the County expect OCSD to transfer its solid waste franchise authority?

County Response: If the District were to move forward with the process of a services transfer to the County as the Successor Agency, the County would first need to develop a Plan for Services, which would determine the following two important issues:

County of San Luis Obispo Government Center

1055 Monterey St., Ste. D430 | San Luis Obispo, CA 93408 | (P) 805-781-5011 | (F) 805-781-5023

admin@co.slo.ca.us | slocounty.ca.gov
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- a. Proposed Level of Service.
- b. All potential options for the transfer of assets, facilities, property taxes and other funding mechanisms from the District to the County to fund the proposed Level of Service, while minimizing any impact to the County General Fund.

It should be noted that if the successor agency is determined to be the County and additional General Fund is required to provide service, any supplemental General Fund would be weighed against other General Fund requirements in the budget process, potentially impacting other services in Oceano.

Sincerely,



Wade Horton
County Administrator

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

History and Background Questions

What is the history of Oceano Fire and Emergency services?

- 1947 - Oceano Fire Protection District is created.
- 1981 - Oceano voters approved the creation of the Oceano Community Services District, including the consolidation of the Oceano Fire Protection District.
- 2010 - Oceano CSD and the cities of Arroyo Grande and Grover Beach create the Five Cities Fire Authority

Why did OCSD join Five Cities Fire Authority?

- 2005 - Fire Department Consolidation Feasibility Study

Concluded that stand-alone fire departments are “not cost effective, nor will stand alone services have the technical depth needed in a world that grows more technical, complex and regulated every year. While the partners in this study are providing some level of fire services today, if the communities were to pool their efforts, they could cost effectively operate a full service agency, meeting everyone’s needs more effectively.”

- 2008 - Fire Oversight Committee directed efforts to consolidate Oceano, Arroyo Grande and Grover Beach fire departments
- 2010 - Oceano CSD and the cities of Arroyo Grande and Grover Beach create the Five Cities Fire Authority

How much has Oceano already invested in Fire and Emergency services?

- Since 2010, Oceano has contributed over \$10 million to help fund the Five Cities Fire Authority.

Why is a special tax being proposed for Oceano?

- 2017 – Five Cities Fire Authority Strategic Plan
 - Transition to Full Time Emergency Personnel
 - Maintain 911 Emergency Rapid Response
 - Maintain Consistent 24/7 Staffing Levels

Why aren't Arroyo Grande and Grover Beach proposing special taxes too?

- Arroyo Grande and Grover Beach are cities and have different abilities to pay.
 - Grover Beach has increased taxes:
 - Hotel taxes
 - Cannabis taxes.
 - Arroyo Grande is researching an additional sales tax increase

How does the community maintain local control?

Maintaining local control means that Oceano CSD would continue to have jurisdiction over emergency medical and fire protection services. Losing local control means that the County of San Luis Obispo would have responsibility and determine response levels for Oceano

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

Service Level and Emergency Response Questions

What are the state mandates that FCFA needs to fund in Strategic Plan?

The State does not mandate or require local agencies to provide emergency medical and fire protection services. The services that are provided depend on local revenues, such as property taxes. In order to maintain 911 rapid response and 24/7 staffing, the existing taxes are not sufficient. Oceano voters will decide whether to approve a special tax, which will determine the level of service and staffing.

Why does the Strategic Plan need to be supported with additional funding?

Mike Hubert, FCFA Fire Chief (ret.):

“When drafting the initial budget for the Five Cities Fire Authority (in 2010) it was apparent to all concerned that the organization would need additional funding for its on-going operational needs. It was felt the benefits from standardization of training, fireground safety and economies of scale would save money and enhance service to our communities.”

Terry Fibich, Arroyo Grande & Grover Beach Fire Chief (ret.):

“It was never believed, nor was it stated, that the development of the consolidated organization would save the cities money beyond what they were currently allocating for their respective fire departments. Rather, it was stated that the consolidation would result in a significantly more safe and efficient level of service for the community that would never have been achieved working individually. Again, it was recognized that this minimum level of service would be more expensive as time went on, but would be far less expensive than if done individually.”

Why is the FCFA Strategic Plan transitioning from reserve firefighters to full time professional fire fighters / emergency medical response?

- To maintain 911 rapid response
- To provide 24/7 staffing
 - Part-Time Employees work multiple jobs and are not consistently available for FCFA staffing.
 - Baby Boomer retirements have resulted in larger fire departments recruiting new employees (reserve employees can become full time/benefitted).

How many emergency medical calls does FCFA respond to versus fire related calls?

- Just over 70% of calls are for medical emergencies and just under 30% are non-medical.

Does FCFA respond to emergencies outside the boundaries of the three communities?

- Yes, in some situations.
- Just like all fire agencies, responding to each other's emergencies and providing back-up support is critical cooperation to help maintain 911 rapid responses.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

Will the special tax fund emergency response to the State Vehicle Recreational Area beach?

- No. The special taxes are not for responding to the Oceano Dunes State Vehicle Recreational Area (SVRA).
- Five Cities Fire Authority does not respond to SVRA since SVRA is the jurisdiction of State Parks and CAL FIRE.

Does FCFA respond to emergencies outside the County?

- Yes - FCFA supports the California Mutual Aid system.
- Fighting wildfires in California is an important statewide priority and Five Cities Fire Authority provides response teams provided that it won't leave the local communities shorthanded.
- The cost of FCFA responding to wildfires is reimbursed by the State.

How is CAL FIRE staff assigned to stations?

- Staffing and operations of CAL FIRE stations is based on county priorities, which includes about 3,200 square miles of territory and 23 stations.

What is the 911 response time for Cal Fire vs FCFA?

- The 911 response time for "first-call" emergencies in Oceano would be about the same for most emergencies except in portions of Halcyon which receive 911 first responses from the FCFA station in Arroyo Grande.
- The 911 response time for "second-calls" will be slower by Cal Fire since back-up would come from the Nipomo Mesa or Pismo Beach.
- The 911 response time for "second calls" from Five Cities Fire Authority will be quicker because back-up comes from the Grover and/or Arroyo Grande stations.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

Financial Questions

What would it cost for the District to relocate administrative staff if Cal Fire needed the fire station?

- Costs to Oceano would include relocation costs and monthly rent for new administrative offices.
- Depending on availability, offices may need to be rented in Grover Beach and could cost \$2,500 per month or \$30,000 each year.
- Each time administrative offices are relocated, there will be additional costs and lost staff productivity which can exceed tens of thousands of dollars.

Will the federal government reimburse any FCFA costs for mutual aid?

- Federal financial support does not fund mutual aid, is altogether rare and is not reliable for ongoing operational costs.

What if the County gave OCSD sales or other taxes?

- County policy does not provide financial support for independent fire departments that are operated by local communities.

What if the Fire Department charged for permit fees/ inspection fees?

- Permit and inspection fees do exist but can only be used for those costs.
- Issuing permits and performing inspections are a small cost of FCFA.
- Permit and inspection fees cannot be used for 911 rapid response and 24/7 staffing.

Are there other ways for the community to get a tax on the ballot?

- Yes, by voter petition.

How will passage or failure of the special tax effect the cost fire insurance or homeowners' policies?

- The cost of fire insurance is based on a Fire Suppression Rating Schedule
 - 50% of the rating is based on the quality of the fire department, staffing levels, training and the location of the firehouse.
 - 40% of the rating is based on the water system and location of fire hydrants.
 - 10% of the rating is based on the quality of the local 911 emergency communications systems.
 - An extra 5.5% can come from community outreach, including fire prevention and safety courses.
- It is not known whether the cost of fire insurance will increase or decrease based on the results of the special tax vote.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

What are the Options for Oceano?

What are the other options?

- Three other options exist for Oceano if the special tax does not pass because the agreement with Grover Beach and Arroyo Grande states that Oceano's membership in Five Cities Fire Authority end on June 30, 2023.
 - One option is to "divest" or give up the services to the County.
 - A second option is to revert to a standalone part-time fire station.
 - A third option would be to contract with Five Cities Fire Authority for a part-time fire station.

Will the District pursue "divestiture" of Fire and Emergency services if the parcel tax does not pass?

- The District should consider all options.
 - Transferring emergency medical and fire protection services to the County is an option to hopefully maintain a 24/7 fire station in Oceano, but it would also have community impacts, which may include the following:
 - All or most of the Oceano CSD property taxes will be permanently transferred to the County.
 - The Oceano CSD will lose property tax revenues exceeding \$1 million per year.
 - The Oceano fire station will be permanently transferred to the County.
 - Oceano CSD will need to find new office space to rent for staff.
 - Residents who pay water bills at the office may need to go to Grover Beach depending on where rental space for the office can be found.
 - Recent County policy adopted in 2019 could also result in the following losses to the community:
 - Permanent transfer of the Sheriff Substation, which is owned by Oceano CSD and earns \$113,000 per year in rental revenues.
 - Permanent transfer of the garbage franchise to the County, which generates almost \$100,000 per year for Oceano CSD and helps fund local costs for illegal dumping, clean-up events and residential costs for large-item pickup during fall clean-up week.
 - Overall, if the special tax does not pass and the County takes on emergency medical and fire protection services, impacts to the District could exceed \$225,000 per year, or more than 50% of the proposed special tax in addition to loss of current property tax revenues.

Why doesn't OCSD directly contract with Cal Fire?

- Existing property tax revenues are not enough to directly contract with Cal Fire.

Can Oceano re-establish a stand-alone fire department?

- If the special tax does not pass, Oceano may need to re-establish a stand-alone fire department.
- Existing revenues of Oceano CSD are not enough to fund 24/7 staffing.
- 911 rapid response will be impacted.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

What Issues Exist if OCSD “divests” from Emergency Medical and Fire Protection Services?

What does “divest” mean?

- If Oceano CSD was to divest its emergency medical and fire protection services, then it would no longer provide them. In order to do so, a “successor” agency would need to be identified, which would be the County of San Luis Obispo.

What’s the difference between divestiture versus dissolution?

- Divestiture means to give up one or more powers, but not all powers.
- Dissolution means to give up all powers and to no longer exist.

What is the process for divestiture and when would it happen?

- The process of divestiture includes a formal application with the San Luis Obispo County Local Agency Formation Commission (LAFCo), the development of a “Plan for Services” led by the County of San Luis Obispo, formal hearings, and a community protest vote in case the community objects to divestiture.
- Initiating the process can happen at any time.

What are the costs to divest?

- Costs include fees to LAFCo for their time and efforts, Oceano CSD staff time to prepare an application, meet with LAFCo and the County. It is not known at this time how much it will cost in total.
- In addition, divesting will have additional community costs, as explained in the option described.

Must the County provide services if the District divests?

- No, the County is not obligated to provide emergency medical and fire protection services for Oceano.

If the District divests does the County get everything? i.e. Personnel and Property taxes?

- County policy adopted in 2019 states that the County will consider “all available resources.”
- Unless the County clarifies that it will not expect transfer of property taxes, the fire station, the sheriff substation, and the garbage franchise, the new County policy seems to indicate that they will expect everything possible.

How much property taxes will be transferred to the County if the District divests and the County agrees to take over emergency medical and fire protection services?

- Approximately \$1 million per year.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

What District assets would be transferred to the County? Would the firetrucks stay in Oceano?

- District assets that could be transferred to the County include the Fire Station, the Sheriff Substation, the garbage franchise and other possible real property.
- The location of the fire trucks would be based on County/Cal Fire decisions.

Would the District still own the Sheriff Station?

- Based on County policy adopted in 2019, transferring the Sheriff Substation to the County should be anticipated unless the County confirms that the station does not fall within the intent of their policy.

What if the ballot measure in 2022 fails and the County agrees to take over Fire and Emergency medical services, but the community rejects the divestiture?

- In this situation, the remaining Oceano CSD options known at this time would be to operate a stand-alone or contract part-time fire department.

If one day the District wants to reinstate the power, how much does that cost?

- If divested, the ability for Oceano CSD to reinstate the emergency medical and fire protection services in the future is speculative.
- A special tax vote would be required.
- Negotiations with the County to obtain property taxes and property transferred to the County would also be needed.

Oceano CSD / June 2022 Special Tax Q&A- Emergency Medical & Fire Services

What is the County Saying about Fire and Emergency Services for Oceano?

What will the County say before the election?

- In a letter dated December 17, 2021, the County stated that it could provide 3 days per week 24 hours per day of fire response service with transfer of existing property taxes to the County. In order to provide more fire service than that, the County would consider all potential options for the transfer of assets, facilities, and other funding mechanisms from the District to the County to fund the desired level of service. Any supplemental County General Fund allocation would be weighed against other General Fund requirements in the budget process, potentially impacting other services in Oceano.

When should we start talking to the County?

- The County letter dated December 17, 2021, was in response to a District request to initiate consultation dated December 8, 2021.

Can the County increase property taxes if they take over the service?

- No. Only voters can approve an increase in property taxes over amounts established by Proposition 13.

What are the unintended consequences and reduction of service if the County takes over service?

- Unintended consequences could be the following items based on the County's 2019 policy to "consider all resources:"
 - Transfer of the Sheriff Substation from Oceano CSD to the County
 - Transfer of the garbage franchise from Oceano CSD to the County;
 - Elimination of funding for community clean-up.
 - Elimination of clean-up of illegal dumping.

Other Questions?

What other communities in San Luis Obispo County approved special taxes for emergency medical and fire protection services?

- Los Osos
- Cayucos
- Cambria
- Templeton