

I. Introduction

A. City Fire Service Goals

To maintain the current level of fire and emergency medical response; to contract for service with County Fire; and to achieve direct financial control of these services for the benefit of the citizens of Fontana (Appendix: D – City Council Resolutions and Staff Report (January 17, 2006)).

Implementation of Goals/ Purpose of Request to LAFCO

The City desires more direct oversight of fire service provision to the City. This includes closer controls which assure that local tax dollars fund local service. The City expects to continue funding its fair share of broader services such as hazardous material programs. In addition, the City proposes to formalize cooperative measures with neighboring cities via automatic aid agreements.¹

Draft JPA Contract for Service

The city prefers to achieve these goals by retaining the services of the County Fire Department. To this end, a draft contract in the form of a Joint Powers Agreement (JPA) is included in this Plan for Providing Services (Appendix: L – Draft JPA Contract for Services). Items included in the Draft JPA are as follows:

- level and range of service
- contract cost
- financial review procedure
- term of agreement
- transition plan
- disposition of assets and liabilities
- reporting process to the city
- city oversight review process
- planning and boundary change coordination
- dispute resolution
- renewal, renegotiation and termination procedures

¹ Automatic aid; tactically, it boils down to dispatching the nearest, appropriate apparatus, regardless of jurisdictional boundaries. Such agreements increase efficiency and economy.

Service Level Criteria

The Draft JPA includes an attached Service Level Criteria which provides specific details regarding the level and range of service. Items included in the Service Level Criteria are as follows:

- standards of response:
 - response plan coverage
 - service level objectives

- staffing resource configuration:
 - daily executive staff access
 - emergency medical level
 - inspections and investigation
 - community liaison
 - emergency management
 - other services

B. Financial Analysis

Process of Analysis

The financial feasibility of achieving the city's goals has been analyzed with the creation of a computer-driven model budget. It was designed to accurately represent monetary policies and to neutralize financial peculiarities between city and county budget practices. The model budget includes the following:

- baseline estimate of the cost of service
- projected financial costs (five years)
- projected revenue (five years)

The use of the computer-driven model budget allows the following advantages:

- analysis of "what if" scenarios
 - adding or reducing the number of stations, personnel and apparatus
 - modifications to the apparatus replacement schedule
 - adjusting projected revenue
 - adjusting inflation projections

- budget adjustments with provision of updated information

Current Costs and Revenues

Determining the current cost and revenue of fire and emergency medical services to Fontana was an important element of the financial evaluation. Current costs and revenues were ascertained through County to City budget conversions and necessary assumptions:

- Conversion of County Fire to City budget format
 - expenditures grouped into major classifications and sub-classifications
 - all jobs indexed to relevant classification levels

- Budget assumptions
 - County Fire administration cost of nine percent per year²
 - City fire station (74 & 78) and paramedic payments to County Fire included in revenue

- Other considerations
 - six fire stations included
 - four stations within the City of Fontana city limits – (Station 71, 74, 77 & 78)
 - two stations within the SOI of the City of Fontana – (Station 72 & 73)
 - cost for cross-over of response coverage between stations 77 and 76³

Comparables & Projections

Once the current cost of service was established and existing revenues identified, these numbers were used as a baseline. This information was used for comparison to industry standards and for five year budget projections.

- Comparison to industry standards
 - Western regional and local city comparables
 - Fire stations and firefighters per population compared

- Budget assumptions
 - Overhead cost for City administration of three percent per year
 - County Fire administration cost of nine percent per year

² Figure is based on Fiscal Year 2007/08 budget model

³ Cross-over response coverage costs were not included in budget model. However, this cost is addressed in the Draft JPA.

- ○ Property tax revenue increase of four percent per year (Property tax revenue is defined as the allocation factor of the 1% property tax levy assigned to County Fire within the affected territory).
- ○ Redevelopment Agency revenue (pass through amounts) increase of four percent per year

Fiscal Analysis Conclusions

Based on the level of service and agreements proposed in the draft JPA, as well as fiscal analysis, the following conclusions have been achieved:

- The baseline financial information, budget and revenue assumptions, and forecasts support the formation of the proposed Fontana Fire Protection District.
- The proposed Fontana Fire Protection District has the financial resources to continue to provide the existing level of fire and emergency services. The proposed level of service is equal to what is now being provided by County Fire (projections through fiscal year 2011).

C. City Request to LAFCO

○ In order to achieve the City's Fire Service Goals, the following request of LAFCO is necessary in response to the County Fire District's Reorganization proposal:

1. Request to maintain the Central Valley Fire District (District) organization, less those areas outside of the City of Fontana and its Sphere of Influence, such areas remaining part of the County Fire Department's proposed 'Valley Improvement District of San Bernardino County Fire Protection District;'
2. Request to rename the District to 'Fontana Fire Protection District;'
3. Request to designate that the newly-named Fontana Fire Protection District would be a subsidiary district of the City of Fontana;
4. The request to LAFCO includes:
 - a. maps and legal descriptions of areas which are currently within the boundaries of Central Valley Fire Protection District but outside of the City's Sphere of Influence and that which the City asks to be detached from the newly-defined Fontana Fire Protection District and be included within the County Fire Department's proposed 'Valley Improvement District of San Bernardino County Fire Protection District;'
 - b. the plan for services and other background information and supporting documentation as deemed appropriate for LAFCO's determinations.