

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: April 13, 2016

FROM:  KATHLEEN ROLLINGS-McDONALD, Executive Officer
ROBERT ALDRICH, Consultant
SAMUEL MARTINEZ, Assistant Executive Officer
MICHAEL TUERPE, Project Manager

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #7 - LAFCO 3206 – Reorganization to include Annexation of the City of Needles to the San Bernardino County Fire Protection District, its South Desert Service Zone, Service Zone FP-5 and the Formation of Zone FP-5 - Needles

INITIATED BY:

Jointly initiated by the City Council of the City of Needles and Board of Directors of the San Bernardino County Fire Protection District

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Modify LAFCO 3206 to include the annexation into the San Bernardino County Fire Protection District's Service Zone FP-5 and the formation of Service Zone FP-5 Needles to isolate tax revenues.
2. Certify that LAFCO 3206 is statutorily exempt from environmental review, and direct the Executive Officer to file a Notice of Exemption within five (5) days.
3. Approve LAFCO 3206 with the following conditions:
 - a. Standard conditions for a change of organization;
 - b. The effective date of this reorganization shall be no earlier than the completion of the terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

- c. Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (hereafter “County Fire” or “SBCFPD”) South Desert Service Zone, as the Successor District to the fire and emergency medical response obligations of the City of Needles, shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal except as further described in conditions below), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits and approvals of the City of Needles for its Fire Department. Said Successor District shall be subject to the terms and conditions contained herein;
- d. Upon the effective date of the reorganization including annexation, the Successor District shall accept all equipment transferred from the City of Needles in “as is” condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, and appurtenances held by the City of Needles, except for Fire Station #31, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All title transfer documents for vehicles shall be prepared by the City of Needles to be filed upon the effective date of the change with copies provided to LAFCO;
- e. Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the Successor District, the South Desert Service Zone of SBCFPD and the City of Needles finalize a lease agreement for the continuing use of Fire Station #31 until completion of the construction of Station #32 with a copy of the signed agreement provided to the Executive Officer of LAFCO;
- f. Upon the effective date of the reorganization including annexation, there shall be created a subzone of Service Zone FP-5, to be identified as FP-5 Needles, to isolate the special tax revenue contributed by the territory within the City of Needles proposed for annexation into Service Zone FP-5 by LAFCO 3206. All actions required by the SBCFPD to implement the special tax by the August 8, 2016 due date for placement of the special tax on the tax rolls by the San Bernardino County Treasurer/Tax Collector shall identify the territory as FP-5 Needles and the revenues received by the San Bernardino County Auditor Controller/Treasurer/Tax Collector shall be separately identified;
- g. The Successor District, South Desert Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements

held by the City of Needles Fire Department [Government Code Section 56886(r)]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

- h. Upon the effective date of this reorganization, any funds currently deposited for the benefit of the City of Needles fire operations which have been impressed with a public trust, use or purpose, shall be transferred to the Successor District, and said District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462; and
 - i. The City of Needles and the San Bernardino County Fire Protection District, applicants for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.
4. Adopted LAFCO Resolution No. 3220 setting forth the Commission's determinations and conditions of approval.

BACKGROUND

The Needles Fire Department was formed more than 50 years ago as a volunteer fire department. Although the Department remained a volunteer/paid call fire company for the majority of its existence, San Bernardino County through its former County Service Area 38 began fire protection oversight functions beginning in 1977. In 2004, the City of Needles entered into a ten-year contract with the San Bernardino County Fire Protection District (hereafter as "SBCFPD" or "County Fire") for fire protection and emergency medical services. County Fire is governed by the County Board of Supervisors as the ex-officio board of directors for the District.

Over time, the fire protection services offered by the City of Needles evolved into a combination of full time paid and extra help fire fighters providing coverage 24 hours per day. The most recent change in operations occurred in June 2015 when Station 31 began using the County Fire staffing model of three paid professionals per day with at least one of those being a paramedic. The City's original ten-year contract with County Fire was for \$442,445 per year. The City currently has a one-year contract with County Fire for approximately \$612,000, which will expire on May 31, 2016. On January 5, 2015, County Fire notified the City of Needles that the annual cost of fire protection services would be increasing from approximately \$612,000 to approximately \$1.2 million

due to a phase out of limited-term firefighters (LTs), which had historically offered a low-cost alternative to full-time fire fighters. Difficulties in recruitment and retention have resulted in LTs being replaced with full-time firefighters.

The significant increase in contract costs for fire and emergency services is an expense that the City is unable to afford over the long-term. As a result of this notification, on July 14, 2015, the Needles City Council appointed community members to serve on a Fire Services Task Force to research options for providing continued fire protection and emergency medical response services within the City of Needles, including: (1) continuing the contract relationship with County Fire; (2) seeking an alternative fire service provider; (3) annexing into County Fire; and, (4) creating a municipal volunteer/paid-call fire department.

Over the next three months, the Fire Services Task Force met on three occasions. The Task Force researched and explored all of the options outlined by the City Council, received input from local fire and emergency services personnel, and met with local residents and business owners. On October 16, 2015, the Task Force, by majority consensus, recommended that: (1) the City of Needles annex into County Fire, and (2) the City implement a reserve firefighter, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement in their fire service.

On December 8, 2015, the Needles City Council adopted Resolution No. 2015-51 accepting the Task Force recommendations and formally initiated proceedings with LAFCO for a reorganization to include annexations to County Fire, its South Desert Service Zone and an undetermined special tax Service Zone. A similar resolution was adopted on December 15, 2015 by the Board of Directors of the San Bernardino County Fire Protection District which specifically outlined the choice of Service Zone FP-5 as the funding mechanism to provide the service. With concurrence by both the City Council and County Fire, LAFCO amended the application to also include the formation of Service Zone FP-5 – Needles. This special subzone is designed to provide greater transparency by requiring separate accounting for revenues and expenditures within the Needles service area.

County Fire operates out of a fire station located within the City of Needles (owned by the City and leased by County Fire for \$1 per year), and a replacement station is currently under construction. County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community and those of the County which extend along the Interstate highway system within the area. County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. With an expected completion date of November 1, 2016, the 6,300 square foot facility will allow room for future growth for fire protection and emergency services to the eastern San Bernardino County area along the I-40 and California 95 corridors. When Fire Station 32 is completed and fully operational, Fire Station 31 will close and the facility will remain with the City of Needles.

The narrative which follows provides a discussion of the mandatory factors of consideration as required by Government Code Section 56000 et al. The narrative provides for a detailed analysis and discussion of the various aspects of the reorganization and its transition of City fire service to County fire service as a snapshot in time. This snapshot is represented by the revised Plan for Service submitted March 1, 2016. As will all applications for change of organization, the Commission's review will center on making the required determinations in four areas:

1. **BOUNDARIES:** Do the boundaries presented for the reorganization represent a division which makes sense from a service delivery perspective for current and future growth? Are the boundaries definite, certain and easily recognizable? Do the boundaries promote efficient service delivery?
2. **LAND USE:** Will approval of the proposal affect the land use authority or the decisions upon land use options?
3. **FINANCIAL AND SERVICE CONSIDERATIONS:** Does the reorganization represent the best available service option for the affected community? Does it provide for a more efficient and effective form of government? Can the annexing or successor district continue to provide the level of services which existed prior to the change? Would the approval of the reorganization impair the ability of any other agency to continue providing its range and level of services?
4. **ENVIRONMENTAL:** Will the proposed reorganization have an adverse environmental effect that cannot be mitigated to a level of non-significance? If it does, can those adverse effects be overridden by other benefits?

BOUNDARIES

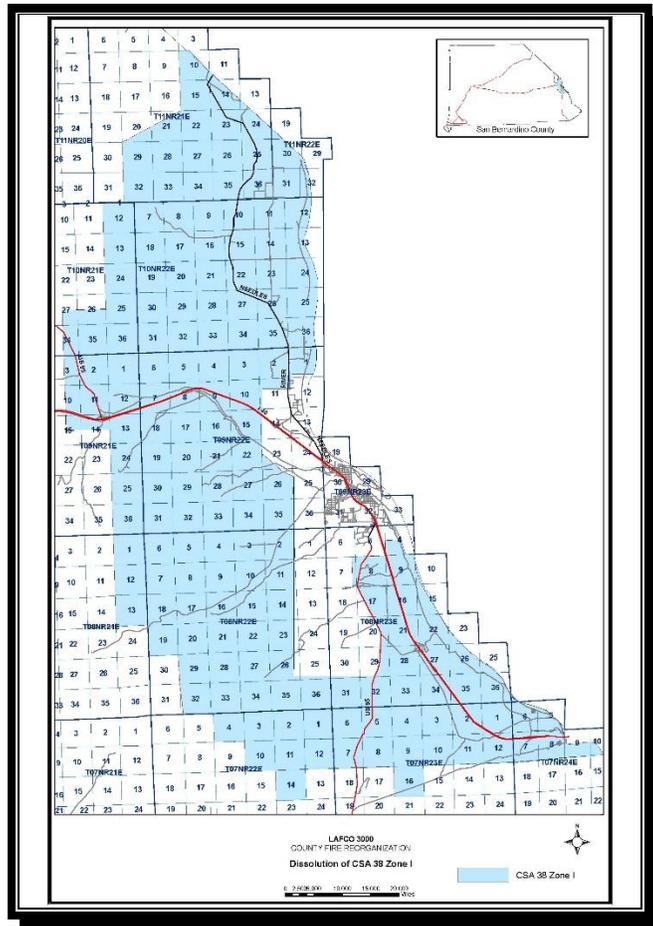
BOUNDARIES: Do the boundaries presented for the reorganization represent a division which makes sense from a service delivery perspective for current and future growth? Are the boundaries definite, certain and easily recognizable? Do the boundaries promote efficient and effective service delivery?

In 2008 LAFCO 3000 reorganized the Yucca Valley Fire Protection District through annexations which included a name change to the San Bernardino County Fire Protection District. As a part of that reorganization, County Service Area 38 and its improvement zones were dissolved and absorbed by County Fire, or if they were special tax zones they were reorganized as new Service Zones of County Fire. CSA 38

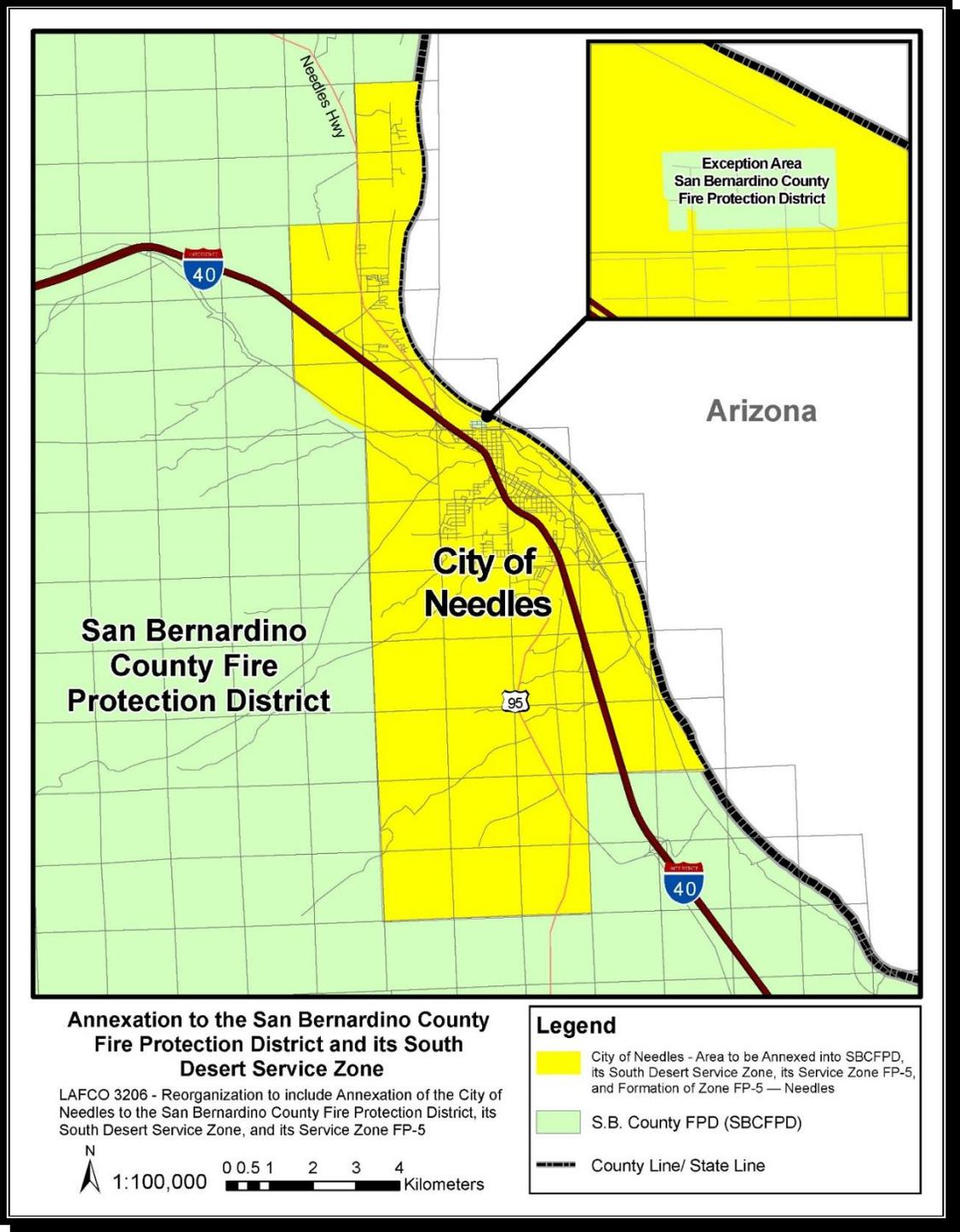
provided the funding for the boots on the ground operations for fire protection/emergency medical response in many areas of the County which are outlined on the map which follows:



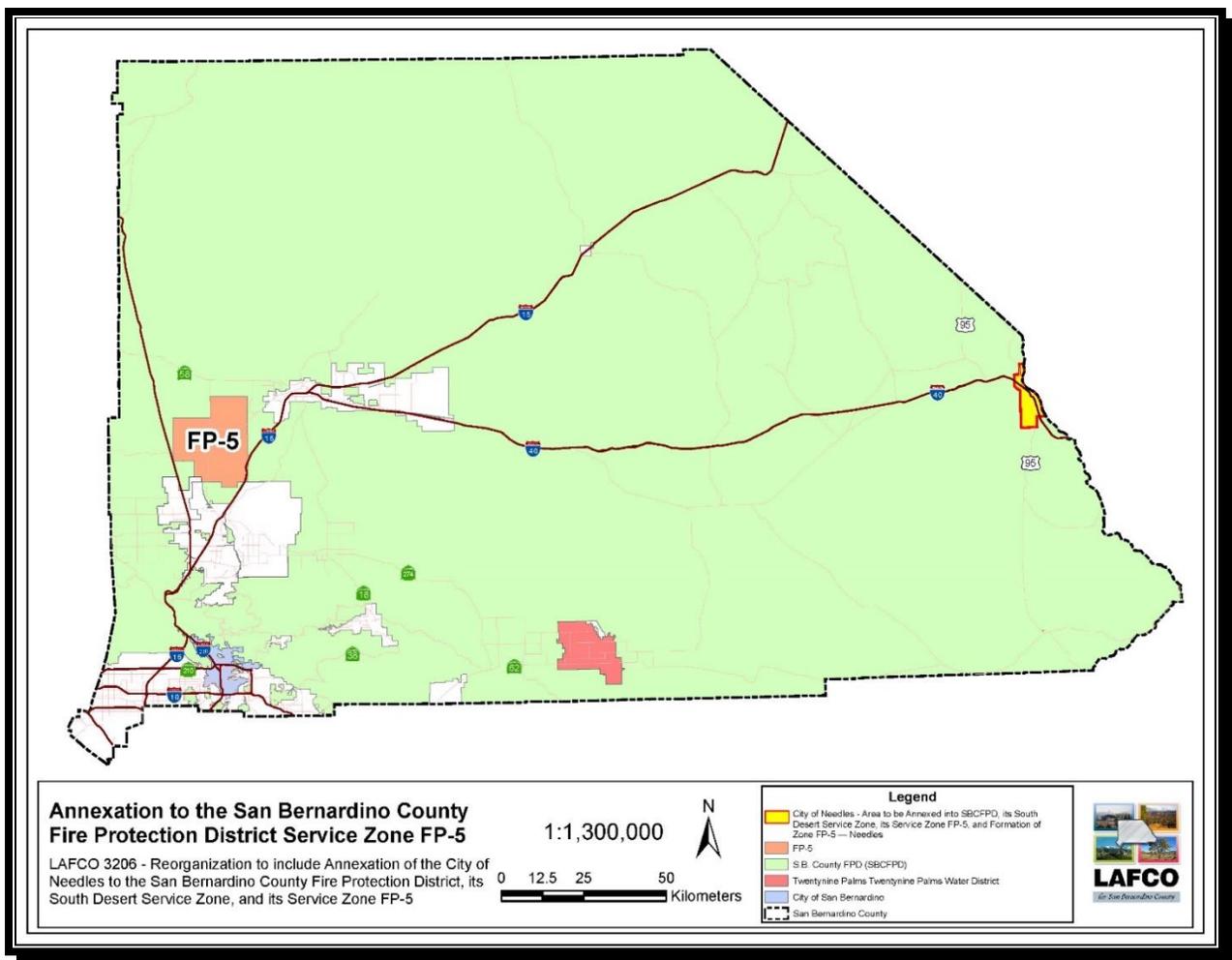
For the services delivered through Station #31 for the City of Needles and the upper reaches of the Colorado River corridor, the funding stream was limited to only those areas surrounding the City within CSA 38 and the contract with the City shown on the map which follows:



part of the reservation lands for the Fort Mojave Tribe. This property is currently within the SBCFPD and unaffected by this proposal. In total, the proposal encompasses approximately 20,998 acres (32.81 square miles).



As stated previously, LAFCO 3206 also includes the annexation into County Fire's Service Zone FP-5 which funds augmented fire protection and emergency medical response through full-time staffing in an around the clock delivery model. To the south of the City area is the Lake Havasu County Fire Service Zone, FP-6. Questions have arisen regarding the choice of special tax zone FP-5 versus FP-6. County Fire has indicated that Zone FP-6 was not used in the transition of service as it was created to fund paid call staffing for 12 hours per day shifts only and these limitations would impact service delivery. The current rate for Service Zone FP-5 is \$143.92 per parcel for Fiscal Year 2015-16. Annual increases cannot be increased more than 3% per year. If the maximum increase is approved for Fiscal Year 2016-17, the first year of County Fire operations, the parcel tax would be \$148.23.

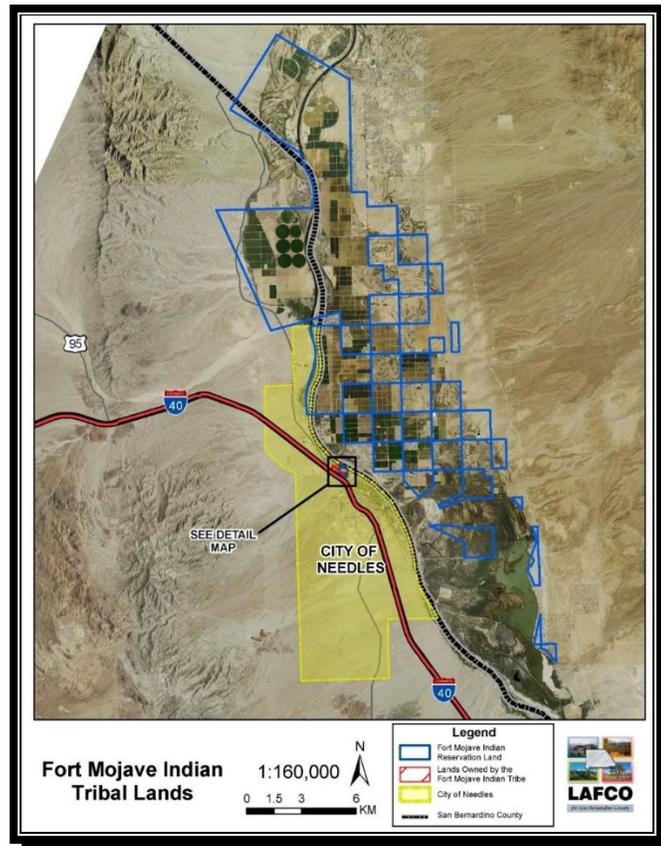


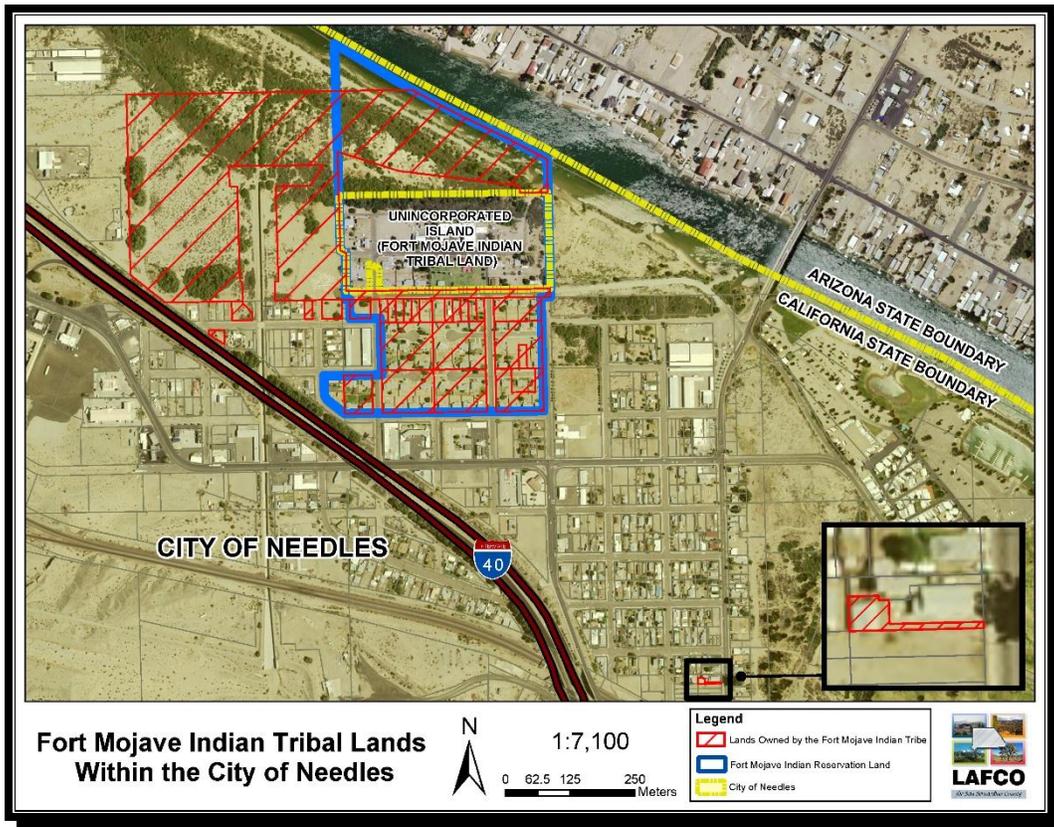
During the staff review process for LAFCO 3206, as with the other fire reorganizations recently considered, one of the concerns identified was the need for transparency in the collection and use of the Service Zone FP-5 special tax applied to parcels within individual communities. In order to provide a means to isolate the revenues received from within the

City of Needles, staff is proposing a modification of the proposal to form a subzone of FP-5 identified as "FP-5 Needles" as a part of LAFCO 3206. This new Service Zone would isolate and segregate the funds received and expenses for service provided within the boundaries of the City of Needles. In other proposals, this formation was included as a condition of approval which has proven to be an obstacle to completion. The formation at the same time as the reorganization will eliminate this additional step which would have included the payment for a supplemental individual notice, the conduct of an additional hearing by County Fire, and fees to the State Board of Equalization (a significant hurdle for the cash strapped City). Approval of this condition will require County Fire to address the tax bill allocation distinctively and as a part of its financial budgeting and reporting requirements to individually address the area - which is the desired transparency for the taxpayers.

Tribal Lands

The City of Needles surrounds an 18-acre unincorporated island which is part of the reservation lands for the Fort Mojave Indian Tribe. The island is currently served by County Fire. The maps, below, provide a graphic illustration of the location of the Tribal Lands within, and immediately adjacent to, LAFCO 3206.





LAFCO staff has contacted the Tribal Council to request that it review the proposed annexation and, if it does not object, provide a resolution to allow for the overlay of the County Fire and its South Desert Service Zone over its tribal lands (Attachment #3). The same request was made in 2008 when the County Fire Reorganization (LAFCO 3000) was in process and the Tribal Council consented placing all the unincorporated tribal lands within County Fire. As of the date of this report, Tribal Council consent to the inclusion of its tribal area within County Fire, the South Desert and FP-5 Service Zones has not been provided. If such consent is not received by the hearing date, the Tribal territory within the City shown in blue outline on the map above will be required to be removed from the annexation proposal, leaving it with no fire protection or emergency medical response.

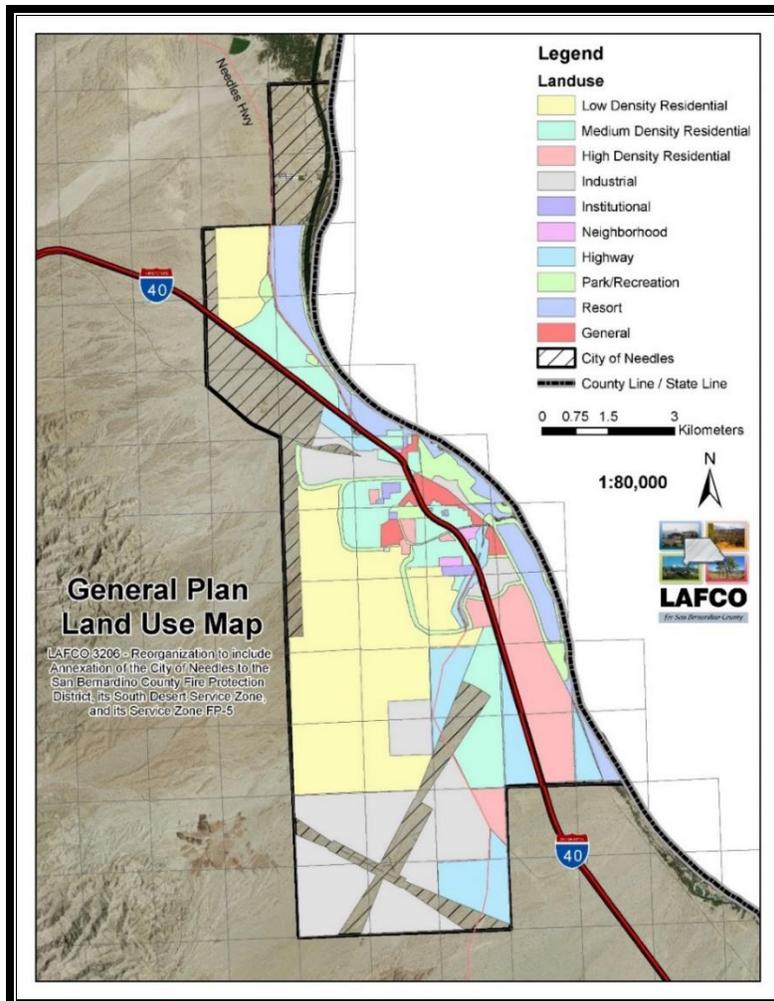
Based upon the review of the proposal, it is staff's position that LAFCO 3206 provides for a definite and certain boundary as required by LAFCO law for all the affected agencies, both Successor and continuing service providers. It provides for the inclusion of the City of Needles in the funding mechanism to provide for fire protection and emergency medical response through Service Zone FP-5 so that those receiving service provide for its financing. It also provides for the formation of Service Zone FP-5 – Needles which will isolate and segregate revenues and expenditures within the

Needles service area for increased accountability and transparency. Therefore, the boundary can be supported.

LAND USE

LAND USE: Will approval of the proposal affect the land use authority or the decisions upon land use options?

The study area, approximately 20,998 acres (32.81 square miles) in size, is predominantly residential but includes territory with a variety of other land uses. The City of Needles General Plan designates 42 percent of the total land area for residential use, 15 percent for commercial, 18 percent for industrial, six percent for open space and three percent for parks/recreation. Approximately 11 percent of the City's land area has no General Plan land use designation. As described previously in this report, the study area also includes approximately 18 acres of reservation lands of the Fort Mojave Indian Tribe.



The Exhibit, below, provides a breakdown of land uses (by acreage) within the reorganization study area:

Land Use	Acres (approximate)
Residential – Low Density	5,050
Residential – Medium Density	2,020
Residential – High Density	1,414
Commercial - General	202
Commercial - Neighborhood	Less than 200
Commercial - Highway	1,616
Commercial - Resort	1,212
Industrial	3,636
Open Space	1,212
Parks/Recreation	606
Institutional	Less than 200
Others	606
No General Plan Land Use Designation	2,222
Reservation Lands – Fort Mojave Indian Tribe	18
TOTAL SPHERE EXPANSION AREA	20,219

Source: City of Needles General Plan

The review and approval of LAFCO 3206 will have no direct effect on the land use designations assigned within the annexation area by the City. It will, however, assist in implementing the goals of the City’s General Plan to support public safety and develop an integrated approach for fire protection needs

In the City of Needles, the 2010 Census count was 4,844. The annual growth since 2010 has been -0.1% through 2015. This figure from Environmental Systems Research Institute (“ESRI”) is statistically similar to the U.S. Census 2014 estimate.

Year	Population	% Change	Source
1950 Census Count	4,051	12%	U.S. Census
1960 Census Count	4,590	13%	U.S. Census
1970 Census Count	4,051	-12%	U.S. Census
1980 Census Count	4,120	2%	U.S. Census
1990 Census Count	5,191	26%	U.S. Census
2000 Census Count	4,830	-7%	U.S. Census
2010 Census Count	4,844	0%	U.S. Census
2015 Estimate	4,820	0%	Environmental Systems Research Institute

There are two differing forecast figures for 2020. ESRI forecasts approximately 4,844, and the Southern California Association of Governments (“SCAG”) forecasts approximately 5,600. Comparing these figures to the 2015 estimate, the annual growth

rates during this five-year period are vastly different at 0.1% and 3.0%, respectively. For the 2020 SCAG forecast to occur would require an increase of roughly 750 inhabitants. The 2020 ESRI figure is more in line with previous growth rates and is therefore more likely to occur.

2020	Forecast	4,844	Environmental Systems Research Institute
		5,600	SCAG 2012-2035 Regional Transportation Plan
2035	Forecast	6,800	SCAG 2012-2035 Regional Transportation Plan

LAFCO staff has adjusted the 2035 SCAG forecast by using a conservative annual growth rate of 1.0%, which we believe is more realistic than SCAG's annual growth rate of 2.3% from 2020 to 2035. The result is a 2035 forecast of roughly 5,613 as shown below, with five-year increments.

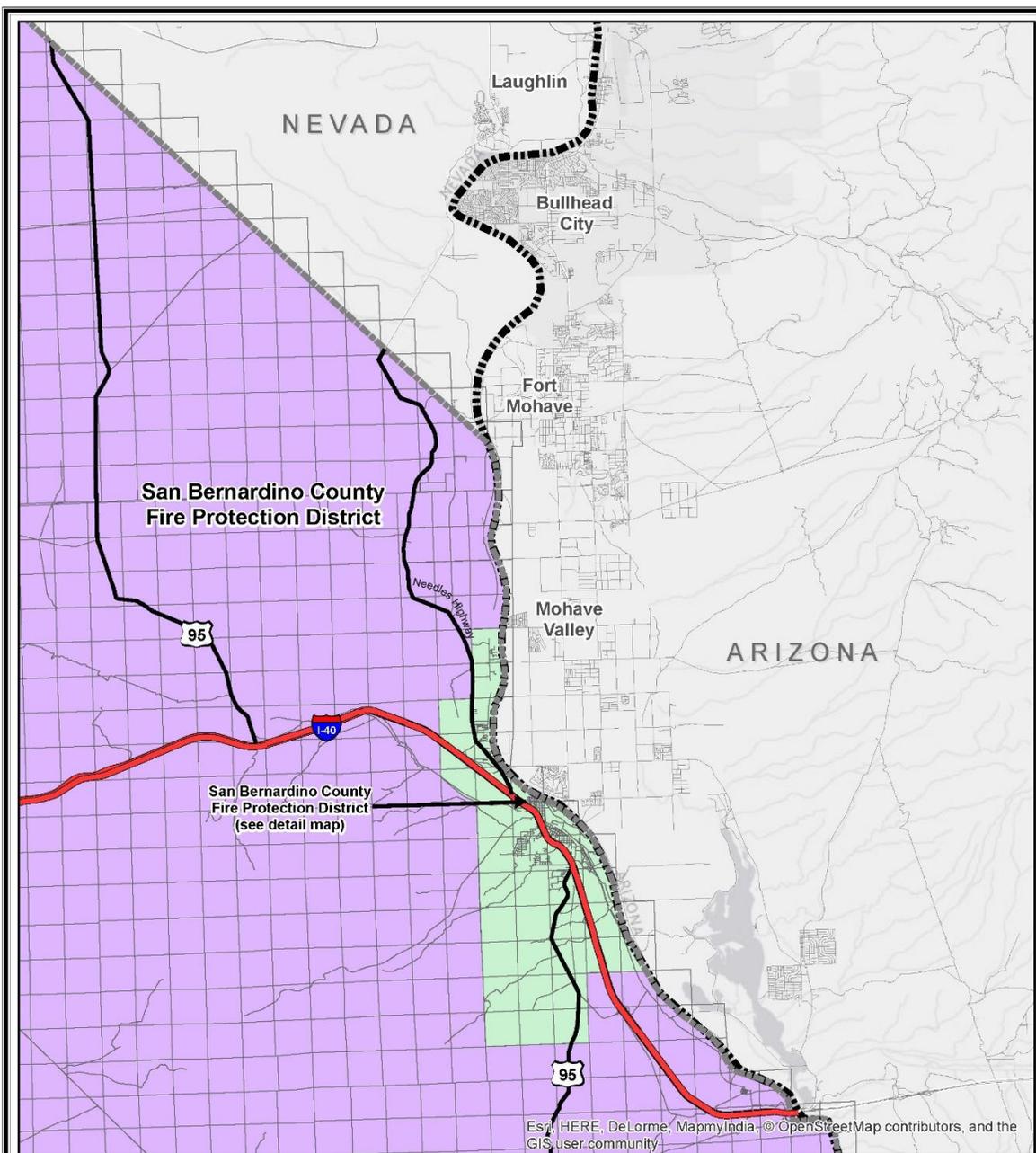
2020	Forecast	4,844	Environmental Systems Research Institute
2025	Forecast	5,091	LAFCO Revision
2030	Forecast	5,351	LAFCO Revision
2035	Forecast	5,613	LAFCO Revision

The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5, and approval of LAFCO 3206 will have no direct impact on these determinations.

As noted in LAFCO 3205, the bigger picture issue is that the surrounding communities within the States of Arizona and Nevada far surpass the population of the City of Needles and continue to grow. The population projection comparisons are:

	1970	1980	1990	2000	2010
City of Needles, CA	4,051	4,120	5,191	4,830	4,844
City of Bullhead City, AZ	n/a	10,364	21,951	33,769	39,540
City of Lake Havasu, AZ	n/a	15,509	24,363	41,938	55,567
Mohave Valley/Ft Mohave, AZ	n/a	n/a	6,962	15,995	21,687
Laughlin, NV	n/a	n/a	n/a	7,076	7,323

The location of these areas are shown on the map below:



City of Needles Vicinity Map



0 2 4 8 Miles

- City of Needles
- San Bernardino County Boundary
- San Bernardino County Fire Protection District
- State Line

While the delivery of fire protection and emergency medical response services does not have a direct effect on land use determinations, it does have an indirect impact through the Insurance Service Office (ISO) Fire rating for the area. Annexation as contemplated by LAFCO 3206 will sustain the current rating of 4Y (designating a split designation with some areas having a lessor rating) for the City on a scale of 1 to 10 with 1 being best. However, the failure of LAFCO 3206 may have a detrimental effect on this rating for the future.

SERVICE CONSIDERATIONS AND FINANCIAL EFFECTS

SERVICE AND FINANCIAL CONSIDERATIONS: Does the reorganization represent the best available service option for the affected community? Does it provide for a more efficient and effective form of government? Can the annexing or successor district continue to provide the level of services which existed prior to the change? Would the approval of the reorganization impair the ability of any other agency to continue providing its range and level of services?

Service Considerations

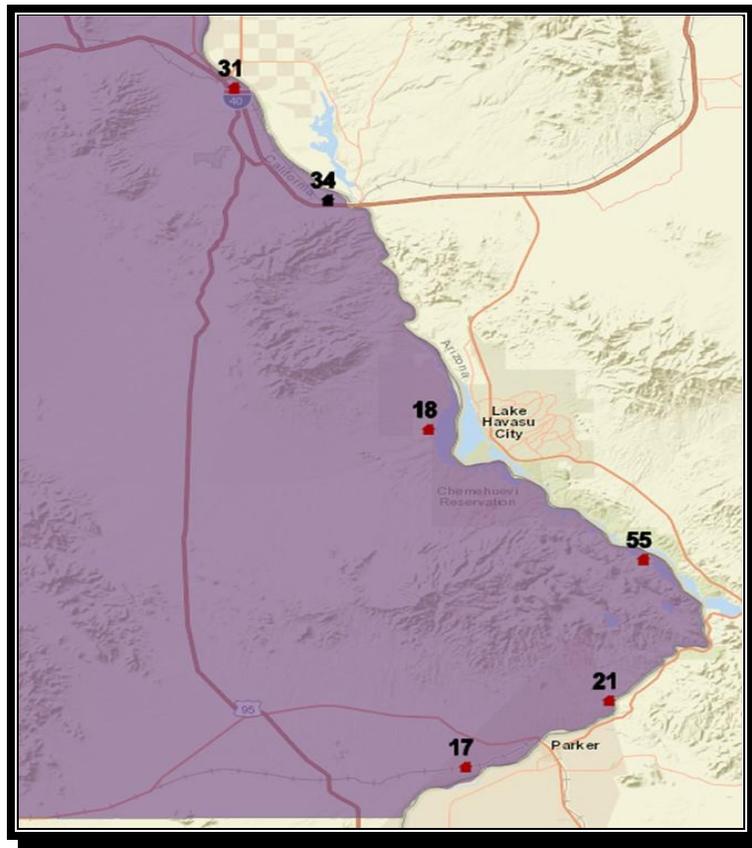
Since 1977, County Fire (through County Service Area 38 [predecessor to the SBCFPD] until 2008 and County Fire thereafter) has provided fire protection and ultimately emergency medical response to the incorporated territory of the City of Needles. On December 8, 2015, the Needles City Council adopted Resolution No. 2015-51 formally initiating proceedings with LAFCO for a reorganization to include annexations to County Fire, its South Desert Service Zone and Service Zone FP-5. A similar resolution was adopted on December 15, 2015 by the Board of Directors of the San Bernardino County Fire Protection District. With concurrence by both the City Council and County Fire, LAFCO staff amended the application to also include the formation of Service Zone FP-5 – Needles. This is a special subzone designed to provide greater transparency by requiring separate accounting for revenues and expenditures within the Needles service zone. On January 12, 2016, LAFCO circulated its Notice of Filing commencing the review process.

County Fire is the parent district and the administrative arm of the Board-governed fire protection district. The regional structure underlying SBCFPD provides for the tailoring of service delivery needs to the unique population, land use and geographic composition of each region:

- The Valley Region includes the County's more densely developed areas;

- The Mountain Region includes urban forested areas with year-round populations; and,
- The two Desert Regions within SBCFPD serve two vastly different population needs: the North Desert region with the I-15/I-40 transportation corridors composed of largely truck and rail traffic, and the South Desert region comprised of Colorado River recreational activities and other isolated desert areas.

The stations of County Fire which serve the Colorado River Corridor as a part of the South Desert Service Zone are shown on the map below:



Source: County Fire

County Fire has indicated that it would implement its standard model for delivery of services for the City of Needles which is a three-person, Advance Life Support (ALS) Paramedic Engine or Truck Company for a single resource fire station. Staffing would include at least one daily paramedic based on the mandatory statutes established by the Inland County Emergency Medical Agency (ICEMA) which functions as the governing body for the oversight of medical care within San Bernardino County.

Annexation would also take advantage of the County Fire's regional approach to service delivery which incorporates the following technology to deploy the closest possible resources based on demand:

- Global Positioning System/Automatic Vehicle Location (GPS/AVL) technology incorporated in all fire and emergency vehicles
- Computer Aided Dispatch (CAD)
- Mobile Data Computer (MDC)

Key Commission Considerations

While the City has contracted with County Fire for service for almost 40 years, the evaluation of a jurisdictional change must address the permanent transfer of these services and respond to any questions or concerns related to the proposal. In evaluating the proposed reorganization, the most important considerations for the Commission are to ensure that: (1) the service levels will, at a minimum, be maintained, and (2) any questions on the transfer of assets or liabilities to the successor district (South Desert Service Zone) be resolved. The Plan for Service (included as Attachment #2) outlines the process for this permanent transition of service.

Facilities Transfer

As noted earlier in this report, County Fire operates out of a fire station located within the City of Needles (owned by the City and leased by County Fire for \$1 per year), and a replacement station is currently under construction. County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community and those of the County which extend along the Interstate highway system within upper Colorado River area.

County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. With an expected completion date of November 1, 2016, the 6,300 square foot facility will allow room for future growth for fire protection and emergency services to the eastern San Bernardino County area of the I-40 and California 95 highway corridors. When Fire Station 32 is completed and fully operational, Fire Station 31 will close and the facility will remain with the City of Needles. During the interim, the Plan for Service identifies that the current lease of the facility (\$1 per year) will continue. Therefore, there will be no facility transfer required by approval of LAFCO 3206. The approval of LAFCO 3206 will have no impact on Station 34 (Park Moabi) which is currently inactive due to the lack of paid-call firefighters within the area.



To assure the continued use of Fire Station #31 until such time as Station #32 is completed, the following condition of approval shall apply:

Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the Successor District,

the South Desert Service Zone of SBCFPD and the City of Needles finalize a lease agreement for the continuing use of Fire Station #31 until completion of the construction of Station #32 with a copy of the signed agreement provided to the Executive Officer of LAFCO.

Vehicle Transfer:

The Plan for Service identifies the vehicles to be transferred to County Fire with no payment to the City of Needles. A condition of approval shall be included in the resolution of approval defining this obligation as follows:

Upon the effective date of the reorganization including annexation, the Successor District shall accept all equipment transferred from the City of Needles in "as is" condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, and appurtenances held by the City of Needles, except for Fire Station #31, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All title transfer documents for vehicles shall be prepared by the City of Needles to be filed upon the effective date of the change with copies provided to LAFCO;

Financial Considerations:

The Plan for Service identifies that the delivery of service by County Fire through the Needles Station #31 (and in the future Station #32) will necessitate the funding of one engine company from resources derived from within the City of Needles which is roughly 1/3 of the operational costs of the station. The balance of the station costs are funded through the South Desert Service Zone to address fire protection and emergency medical response service along the upper Colorado River Corridor, California 95 and Interstate 40. The Fiscal Impact Analysis identifies the full cost for the operation of Station #31 at \$2,195,442 with funding estimated from the City of Needles at \$607,199, leaving \$1,588,243 to be provided from other South Desert Service Zone resources. Staff has reviewed the direct ad valorem property taxes associated with the former CSA 38 boundaries and determined that the South Desert Service zone has annually received roughly \$24,000 in direct distribution of property taxes (unitary [utility] property taxes are determined differently). Therefore, the County General Fund subsidy to County Fire would be \$1,564,243.

To compare the costs through a transfer of jurisdiction versus the existing contract structure, the historic costs for operation need to be known. The chart which follows includes information from the City of Needles audit and the contracts between the County and the City identifying its expenditures for fire purposes and comparing that to County Fire's expenditures in support of the contract.

City of Needles Fire Activity							
	Budgeted Amounts		Actual	Variance	Note payable	Contract with	Revenues from
	Original	Final	Amounts	Final Budget	Fire Truck	County Fire	City of Needles
2008	\$ 1,197,582	\$ 1,197,582	\$ 577,826	\$ 619,756	\$ 104,160	\$ 547,598	\$ 538,872
2009	1,266,853	1,266,853	568,435	698,418	104,160	539,526	539,532
2010	1,266,853	1,266,853	584,070	682,783	80,000	539,526	551,988
2011	672,022	789,022	684,415	104,607	-	551,983	551,983
2012	617,285	617,285	512,579	104,706	-	504,823	504,828
2013	617,285	775,150	575,731	199,419	-	562,796	570,162
2014	608,575	608,026	607,315	711	-	602,375	602,375
2015						620,065	618,765
2016						612,451	

SOURCE: City Audits, County Agreement No. 04-1235, County Fire Fiscal Division

As the chart above depicts, there are discrepancies between the amounts the City's auditors identify as having been paid for fire services (known to include only the payments to County Fire), the contracted amount and the actual receipts by County Fire from the City.

LAFCO staff reviewed this question further with County Fire and requested information on the actual expenditures and revenues from the City over the period. The following chart (copy of which is included as a part Attachment #2) provides an outline of the expenditures and revenues attributable to the City of Needles Contract. Of note, the revenues from the City are shown in either Account 9800 (Other Services) or Account 9970 (Other) depending upon the designation of Fire Staff at the time the payments were received. In addition, staff reviewed the revenue generation for the South Desert Service Zone in this area from the Tax Rate Areas that comprised the former CSA 38 and learned that only \$24,000 a year is generated.

City of Needles Finance History: 2008 - 2015									
Account	Account Description	2008	2009	2010	2011	2012	2013	2014	2015
REVENUE									
9095	FED AID FOR DISASTER - FEMA					1,688			
9145	OTHER GOV AGENCIES - FED ONLY			7,983			54,439	4,016	
9415	HEALTH FEES								1,344
9655	PLANNING SERVICES	7,006	1,071	5,469					
9775	CLAIM COST RECOVERIES	4,098			11,775	5,179	26,323	17,996	3,237
9800	OTHER SERVICES	538,887				504,828	570,162	602,375	618,765
9917	STATE UNEMPLOY'T TAX (SUI)			(335)			(38,152)	(8,027)	
9930	OTHER SALES		20						
9970	OTHER		539,532	551,988	552,259				334
9975	OP TRANSFERS IN			800,000			2,541		
9980	SALE OF FIXED ASSETS								5,800
9995	RESIDUAL EQUITY TRANSFERS IN	666	913						
9999	RESIDUAL EQUITY TRANSFERS OUT					(416)			
REVENUE TOTALS		550,657	541,536	1,365,105	564,033	511,279	615,313	616,360	629,481
EXPENSE									
Salaries and Benefits									
	Salaries and Benefits Total	361,203	996,503	958,314	943,937	781,691	920,143	932,683	284,064
Service/Supplies									
	Service/Supplies Total	212,172	206,199	260,851	220,411	175,723	166,418	239,977	250,954
Central Services									
2410	DATA PROCESSING (ISF ONLY)	414	37	3	379	348	594	486	356
	Central Services Total	414	37	3	379	348	594	486	356
Travel									
2942	HOTEL - NON-TAXABLE		32	82		301			
	Travel Total	-	32	82	-	301	-	-	-
Transfers									
5010	SALARIES & BENE TRANSFERS OUT					200,662	215,861	238,697	74,161
5012	SERVS & SUPPLY TRANSFERS OUT		567	1,470		31,466	38,001	78,102	58,838
5018	INTERNAL COST ALLOCATION OUT							63,995	90,873
	Transfers Total	-	567	1,470	-	232,128	253,862	380,794	223,872
Reimbursements									
5013	SRVCS & SUPPLIES TRANSFERS IN								(132,732)
	Reimbursements Total	-	-	-	-	-	-	-	(132,732)
EXPENDITURE TOTALS		573,789	1,203,338	1,220,721	1,164,726	1,190,191	1,341,017	1,553,939	626,513
Grand Totals									
	REVENUE TOTALS	550,657	541,536	1,365,105	564,033	511,279	615,313	616,360	629,481
	EXPENSE TOTALS	573,789	1,203,338	1,220,721	1,164,726	1,190,191	1,341,017	1,553,939	626,513
	Grand Totals	(23,132)	(661,802)	144,384	(600,693)	(678,911)	(725,704)	(937,580)	2,967

The information does not provide for a clear understanding of the differences, as they could be maintenance costs for the station or equipment which were abated against contract payments, or other accounting measures. What is clear is that the costs for providing service to the City of Needles have historically been subsidized by the operations of the South Desert Service Zone (created in 2008) and its predecessor through its regional operation of Station #31.

FISCAL IMPACT ANALYSIS FOR LAFCO 3206:

Expenditures:

Salary and benefit expenditures identified in the FIA show the costs for fire protection and emergency medical response through a three-person engine funded by resources from the City of Needles. However, Station 31 operates with three, 3-person engines which provide 24/7 coverage for its larger service area. The total costs for the operation of Station #31 are identified below:

Needs Annexation 5 Year Plan	2016 Proposed Staffing Count	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2017/18 Average Cost Per Position	2017/18 SFCPPD Proposed Staffing	2017/18 SFCPPD Average Cost Per Position	2018/19 Average Cost Per Position	2018/19 SFCPPD Proposed Staffing	2018/19 SFCPPD Average Cost Per Position	2019/20 Average Cost Per Position	2019/20 SFCPPD Proposed Staffing	2019/20 SFCPPD Average Cost Per Position	2020/21 Average Cost Per Position	2020/21 SFCPPD Proposed Staffing
Staffing														
Station 32 - ME-Capt/Eng/FFPM		5.00%		2.00%			2.00%			3.00%			3.00%	
Captain *FSZ PAYS	3	\$ 204,177.00	\$ 214,385.85	\$ 643,157.55	\$ 218,675.57	\$ 656,020.70	\$ 223,047.04	\$ 668,441.12	\$ 229,738.45	\$ 689,215.35	\$ 236,630.60	\$ 709,891.81		
Engineer *FSZ PAYS	3	\$ 177,614.00	\$ 186,494.70	\$ 559,484.10	\$ 191,224.59	\$ 570,673.78	\$ 194,029.09	\$ 582,087.26	\$ 199,849.96	\$ 599,549.88	\$ 205,845.46	\$ 617,536.37		
FFPM *CITY PAYS	3	\$ 143,816.00	\$ 151,006.80	\$ 453,020.40	\$ 154,028.94	\$ 462,080.81	\$ 157,107.47	\$ 471,322.42	\$ 161,820.70	\$ 485,462.10	\$ 166,675.32	\$ 500,025.96		
Total Count of Employees	9													
Total Salary and Benefits		\$ 551,887.35	\$ 1,555,662.05	\$ 1,688,775.29	\$ 1,688,775.29	\$ 1,688,775.29	\$ 1,772,550.80	\$ 1,772,550.80	\$ 1,772,550.80	\$ 1,772,550.80	\$ 1,772,550.80	\$ 1,827,454.14		
Services and Supplies														
Services and Supplies			\$ 165,000.00	\$ 165,000.00	\$ 168,300.00	\$ 171,666.00	\$ 171,666.00	\$ 175,099.32	\$ 175,099.32	\$ 175,099.32	\$ 175,099.32	\$ 178,601.31		
Transfers for Support Services/Admin Costs			\$ 177,280.00	\$ 180,825.60	\$ 184,442.11	\$ 188,130.95	\$ 191,893.57	\$ 195,722.14	\$ 199,615.57	\$ 203,569.04	\$ 207,582.61	\$ 211,647.30		
Confine/MIS Support			\$ 142,500.00	\$ 145,350.00	\$ 148,257.00	\$ 151,222.14	\$ 154,246.58	\$ 157,331.16	\$ 160,476.85	\$ 163,673.65	\$ 166,921.55	\$ 170,220.55		
Capital Replacement - Small Tools and Equipment			\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Capital Replacement - Vehicle Equipment Replacement			\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
Total Appropriations		\$ 2,195,442.05	\$ 2,238,250.91	\$ 2,281,915.99	\$ 2,281,915.99	\$ 2,281,915.99	\$ 2,325,581.60	\$ 2,325,581.60	\$ 2,325,581.60	\$ 2,325,581.60	\$ 2,325,581.60	\$ 2,325,581.60		
Revenues														
Special Tax			16/17	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Special Tax P-5 (\$143.91 X 3% = \$4.823/parcel @ 7,769 parcels) factored @ 89% collection rate		\$ 401,448.87	\$ 365,290.49	\$ 376,258.48	\$ 387,546.23	\$ 399,172.62	\$ 411,147.80	\$ 423,379.99	\$ 435,869.99	\$ 448,619.99	\$ 461,634.99	\$ 474,919.99		
Delinquent Prior Year Special Tax Revenue (6%)			\$ 24,626.99	\$ 25,365.74	\$ 26,126.71	\$ 26,908.51	\$ 27,717.83	\$ 28,553.99	\$ 29,417.00	\$ 30,307.50	\$ 31,224.00	\$ 32,157.00		
Other Revenue														
Ad Valorem Tax (\$800k x 2.9%)			\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00	\$ 183,200.00		
First Responder Fee - 881 EMS based calls @ \$75 each (12% collection rate)			\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00		
Other Revenue - Non-Operating Cost Recovery			\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Total Revenues			\$ 607,999.43	\$ 618,897.22	\$ 630,945.95	\$ 643,356.13	\$ 656,138.63	\$ 669,386.99	\$ 683,050.99	\$ 697,177.50	\$ 711,764.50	\$ 726,801.50		
Total Revenues less Appropriations			\$ (1,588,942.62)	\$ (1,619,353.69)	\$ (1,650,969.98)	\$ (1,682,969.98)	\$ (1,716,034.60)	\$ (1,749,107.61)	\$ (1,782,180.61)	\$ (1,815,253.62)	\$ (1,848,326.62)	\$ (1,881,400.62)		

The City of Needles share of the costs of Station #31 (current contract provides for the assignment of 1/3 of the total station operations) and the future Station #32 operations are shown on the chart which follows:

Needles Annexation 5 year Plan	2016 Proposed Staffing	2015/16 Average Cost Per Position	2016/17 Average Cost Per Position	2016/17 SBCFPD Proposed	2017/18 SBCFPD Proposed Staffing	2018/19 SBCFPD Proposed	2019/20 SBCFPD Proposed	2020/21 SBCFPD Proposed
Staffing								
Station 32 - ME - FPM			5.00%		2.00%	2.00%	3.00%	3.00%
FF/PM *(CITY PAYS)	3	\$ 143,816	\$ 151,006.80	\$ 453,020.40	\$ 462,080.81	\$ 471,322.42	\$ 485,462.10	\$ 500,025.96
Total Count of Employees paid by Needles	3							
Total Salary and Benefits			\$ 151,006.80	\$ 453,020.40	\$ 462,080.81	\$ 471,322.42	\$ 485,462.10	\$ 500,025.96
Services and Supplies					2.00%	2.00%	2.00%	2.00%
Services and Supplies				\$ 44,550.00	\$ 45,441.00	\$ 46,349.82	\$ 47,276.82	\$ 48,222.35
Transfers for Support Services/Admin Costs				\$ 47,865.60	\$ 48,822.91	\$ 49,799.37	\$ 50,795.36	\$ 51,811.26
Confire/MIS Support				\$ 38,475.00	\$ 39,244.50	\$ 40,029.39	\$ 40,829.98	\$ 41,646.58
Capital Replacement - Small Tools and Equipment				\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00
Capital Replacement - Vehicle Equipment Replacement				\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00
Total Appropriations				\$ 598,761.00	\$ 610,439.24	\$ 622,351.02	\$ 639,214.27	\$ 656,556.17

The materials provided in the FIA related to Services and Supplies were submitted with limited identification of what the expenditure categories encompassed. As with other fire reorganizations, LAFCO staff has updated the FIA chart to reflect the costs attributable for the City of Needles portion of the costs for Station #31 based upon percentages provided by County Fire. The staff's update is shown below:

Needles Annexation 5 year Plan	2016/17 SBCFPD Proposed Staffing	2017/18 SBCFPD Proposed Staffing	2018/19 SBCFPD Proposed Staffing	2019/20 SBCFPD Proposed Staffing	2020/21 SBCFPD Proposed Staffing
Services and Supplies		2.00%	2.00%	2.00%	2.00%
Services and Supplies	\$ 44,550.00	\$ 45,441.00	\$ 46,349.82	\$ 47,276.82	\$ 48,222.35
County Overhead	\$ 8,910.00	\$ 9,088.20	\$ 9,269.96	\$ 9,455.36	\$ 9,644.47
Vehicle Maintenance/Fuel	\$ 28,957.50	\$ 29,536.65	\$ 30,127.38	\$ 30,729.93	\$ 31,344.53
Equipment	\$ 4,009.50	\$ 4,089.69	\$ 4,171.48	\$ 4,254.91	\$ 4,340.01
Medical	\$ 891.00	\$ 908.82	\$ 927.00	\$ 945.54	\$ 964.45
Insurance	\$ 1,782.00	\$ 1,817.64	\$ 1,853.99	\$ 1,891.07	\$ 1,928.89
Transfers for Support Services/Admin Costs	\$ 47,865.60	\$ 48,822.91	\$ 49,799.37	\$ 50,795.36	\$ 51,811.26
Administration	\$ 33,505.92	\$ 34,176.04	\$ 34,859.56	\$ 35,556.75	\$ 36,267.89
Public Information Officer	\$ 1,914.62	\$ 1,952.92	\$ 1,991.97	\$ 2,031.81	\$ 2,072.45
Human Resources	\$ 4,786.56	\$ 4,882.29	\$ 4,979.94	\$ 5,079.54	\$ 5,181.13
Warehouse/Support Services	\$ 7,658.50	\$ 7,811.67	\$ 7,967.90	\$ 8,127.26	\$ 8,289.80
Confire/MIS Support	\$ 38,475.00	\$ 39,244.50	\$ 40,029.39	\$ 40,829.98	\$ 41,646.58
Confire	\$ 23,854.50	\$ 24,331.59	\$ 24,818.22	\$ 25,314.59	\$ 25,820.88
MIS	\$ 14,620.50	\$ 14,912.91	\$ 15,211.17	\$ 15,515.39	\$ 15,825.70
Capital Replacement - Small Tools and Equipment	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00
Capital Replacement - Vehicle Equipment Replacement	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00
Total Appropriations	\$ 598,761.00	\$ 610,439.24	\$ 622,351.02	\$ 639,214.27	\$ 656,556.17

The property tax transfer agreement required by Revenue and Taxation Code Section 99 adopted by the County Board of Supervisors identifies that 6% of the property tax share shall be allocated to SBCFPD (the parent district for administration) and 94% of the general ad valorem property tax shall be allocated to the South Desert Service Zone for the boots on the ground operations. As the chart above identifies, administrative

costs are \$33,506 in the first year which includes the recognition of the \$11,033 in direct revenue for the parent District share of the property tax revenues. The expenditures identified above include payment of a portion of annual capital replacements for tools, equipment, and vehicles.

Based upon the information provided to LAFCO staff for the expenditures identified in the FIA as revised, the costs for the ongoing operation demonstrate a maintenance of service level as required by Commission policy.

Revenues:

The FIA identifies the revenue streams to be provided from within the City of Needles boundaries to support the operations of Station #31. This includes the special tax associated with the annexation into Service Zone FP-5. The historic chart provided earlier in this report identifies that the funding of the operation of Station #31 is through the funds provided the City of Needles and the funds from the South Desert Service Zone (which includes County General Fund support).

Needles Annexation 5 year Plan	2016/17 SBCFPD Proposed Staffing	2017/18 SBCFPD Proposed Staffing	2018/19 SBCFPD Proposed Staffing	2019/20 SBCFPD Proposed Staffing	2020/21 SBCFPD Proposed Staffing
Revenues					
Special Tax	16/17	3.00%	3.00%	3.00%	3.00%
Special Tax FP-5 (\$143.91 X 3% = \$148.23/parcel @ 2,769 parcels) (factored @ 89% collection rate)	\$ 365,299.49	\$ 376,258.48	\$ 387,546.23	\$ 399,172.62	\$ 411,147.80
Delinquent Prior Year Special Tax Revenue (6%)	\$ 24,626.93	\$ 25,365.74	\$ 26,126.71	\$ 26,910.51	\$ 27,717.83
Other Revenue					
Property Tax (\$681K x 27%) Increasing by 2% Constitutional limit	\$ 183,870.00	\$ 187,547.40	\$ 191,298.35	\$ 195,124.31	\$ 199,026.80
First Responder Fee - 881 EMS based calls @ \$275 each (12% collection rat	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00	\$ 29,073.00
Other Revenue - Non-Operating (Cost Recovery)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Total Revenues	\$ 607,869.43	\$ 623,244.62	\$ 639,044.29	\$ 655,280.45	\$ 671,965.43
Total Revenues less Appropriations	\$ 9,108.43	\$ 12,805.38	\$ 16,693.27	\$ 16,066.18	\$ 15,409.25

County Fire and the City of Needles have negotiated a one-year contract extension to allow for the transition anticipated through this jurisdictional change. In addition, there will be no fund balance nor question on the transition of funding for the operations based upon this contract extension. Of importance to the City is that the general fund property tax needed to sustain the fire protection and emergency medical response service will decrease from \$602,000 to \$183,920, increasing the funds available to provide other services within the City. This is achieved through the annexation into FP-5 and the payment of the special tax associated with it.

Based upon the information received by LAFCO staff, it is our position that the approval of LAFCO 3206 will provide for the continuing delivery of fire protection and emergency medical response within the City of Needles at the same level currently provided. As required by Commission policy and State law, the revised Plan for Service and the Financial Impact Analysis show that the delivery of service can be maintained and that such delivery is projected to be sustainable.

ENVIRONMENTAL CONSIDERATIONS

ENVIRONMENTAL: Will the proposed reorganization have an adverse environmental effect that cannot be mitigated to a level of non-significance? If it does, can those adverse effects be overridden by other benefits?

The Commission is the lead agency for review of potential environmental consequences of the reorganization evaluated in this report. LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson and Associates, with the application materials and responses provided by the City of Needles and the San Bernardino County Fire Protection District. Mr. Dodson reviewed the proposal and has recommended that the reorganization is statutorily exempt from the California Environmental Quality Act (CEQA) (copy of letter included as Attachment #5).

This determination is based on the fact that the reorganization will transfer the delivery of fire protection and emergency medical response from one entity to another which will not result in any physical impacts on the environment. Therefore, this action is exempt as defined under Section 15061(b)(3) of the State CEQA Guidelines. It is recommended that the Commission adopt the General Rule Statutory Exemption for this proposal by taking the actions outlined in the Recommendation Section of this report.

PUBLIC COMMENT

In addition to publication of a legal notice of this proposal (1/8th page advertisement in *Needles Desert Star*), staff also mailed individual notices to the 2,425 landowners in the affected reorganization territory. Staff has fielded approximately 25 phone calls from landowners requesting additional information on the proposal. Specific areas of concern generally included:

- Objection to the imposition of a special tax due to financial hardships of homeowners and landowners.
- Additional clarification needed as to why residents do not have the opportunity to vote on the imposition of a special tax.

As of the date of this report, one letter of opposition has been received and is included as a part of Attachment #4.

DETERMINATIONS

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any proposal considered:

1. The County Registrar of Voters Office has determined that the study area is legally inhabited with 1,520 registered voters as of January 21, 2016.
2. The study area is proposed to be within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3205.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the area is \$302,526,887 as of January 22, 2016. This figure is broken down as \$107,464,798 for land and \$195,062,089 for improvements.
4. Legal notice of the Commission's consideration of the proposal has been provided through publication of a 1/8th page advertisement in *Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.

In compliance with the requirements of Government Code Section 56125, individual notice was mailed to landowners within the reorganization area for Service Zone FP-5 (totaling 2,425) due to the special tax being extended. Comments from landowners have been considered by the Commission in making its determination.

5. The proposed reorganization does not conflict with the established City's General Plan. The proposed reorganization has no direct impact on such land use designations.
6. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3206 has no direct impact on these determinations. The Sustainable Community Strategy includes as a determination the need to assure the ongoing availability of health and safety services which approval of 3206 will support.
7. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that based on his review of this reorganization, the proposal will not change the area in which the service is provided. Therefore, the proposal will have no physical affect upon the environment, and a General Rule Statutory Exemption as authorized under Section 15061(b)(3) of the State CEQA Guidelines is appropriate. A copy of Mr. Dodson's response is included for the Commission's review as Attachment #5 to this report.
8. The study area is presently served by the following public agencies:

County of San Bernardino
City of Needles
Needles Unified School District
Palo Verde Community College District
Mojave Desert Resource Conservation District

San Bernardino County Fire Protection District and its South Desert and FP-5 Service Zones will be expanded through completion of this reorganization. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries.

9. The San Bernardino County Fire Protection District has submitted a Plan for Service including a Fiscal Impact Analysis for the transfer of the City of Needles fire protection and emergency medical response permanently to County Fire. The Plan is included as a part of Attachment #2 to this report. Those documents indicates that the transfer of service to the South Desert Service Zone and SBCFPD can, at a minimum, maintain the level of service delivery currently received by the area. Upon reorganization, the primary successor district, the South Desert Service Zone of the SBCFD, will extend the range of services to residents, landowners and governments within the boundaries of the City of Needles. The Plan for Service, jointly submitted by the SBCFPD and the City of Needles, provides a general outline of the delivery of services mandated by Government Code Section 56653. The Plan of Service and Fiscal Impact Analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The LAFCO staff has determined that such Plan for Service and the supplemental data provided conforms to those adopted standards and requirements.
10. The reorganization area can benefit from the assumption of fire protection and emergency medical response service through the South Desert Service Zone of the San Bernardino County Fire Protection District as evidenced by the Plan for Service and will remove the requirement for ongoing contractual negotiations for provision of the service.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Needles through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection, and emergency medical response services within the area and will not result in the unfair treatment of any person based upon race, culture or income.

13. The County Board of Supervisors has successfully completed the process for the determination of the transfer of ad valorem property tax revenues upon successful completion of this reorganization to the successor agencies, SBCFPD and its South Desert Service Zone. This fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State mandates.

CONCLUSION

Adequate emergency medical response and fire protection are key health and safety issues for any community. The City's support for this proposal to include its corporate boundaries within County Fire provides for its statutory obligation to provide fire protection service to its residents. The proposal requires landowners within the community to provide the financial support necessary to continue the service. To increase transparency, it also includes the formation of a special zone to provide for separate accounting of revenues and expenditures within the Needles service zone.

The alternative to this proposal is to remain under contract to County Fire and be subject to significantly escalating contract costs that the City will be unable to afford over the long-term. This may place the provision of continuing fire protection and emergency response services to the residents and businesses of the City of Needles in jeopardy. To address this situation, a transfer of responsibility for fire services from the City to County Fire is warranted. For this, and all the reasons outlined in this report, LAFCO staff recommends approval of LAFCO 3206 as modified and presented in this report.

KRM/RA

Attachments:

1. [Vicinity Map, Map of Proposed Reorganization and Supplemental Maps](#)
2. [City of Needles/County Fire Application for Reorganization Plan for Service, Fiscal Impact Analysis \(Five-Year Projection\), Extension of Contract between County Fire and City of Needles and Supplemental Data](#)
3. [Map of Tribal Lands within LAFCO 3206 and Letter Dated March 18, 2016 to Fort Mojave Indian Tribe Requesting Consent to Annexation](#)
4. [Copy of Letter Received from the Public Related to LAFCO 3206](#)
5. [Letter from Commission Environmental Consultant Tom Dodson of Tom Dodson and Associates Dated April 2, 2016](#)
6. [Draft LAFCO Resolution No. 3220](#)