

COMMUNITY MEETING

**LAFCO 3176 – Special Study of the Daggett,
Newberry and Yermo Community Services Districts**

December 10, 2014
San Bernardino LAFCO

Meeting Overview

Components

Components of Study
Service Review & Plan for Service
to include Fiscal Impact Analysis

Service Review	Plan for Service
<input checked="" type="checkbox"/> Decentralization I	<input checked="" type="checkbox"/> Police
<input checked="" type="checkbox"/> Decentralization II	<input checked="" type="checkbox"/> Fire
<input checked="" type="checkbox"/> Decentralization III	<input checked="" type="checkbox"/> Public Social and Behavioral Sciences
<input checked="" type="checkbox"/> Decentralization IV	<input checked="" type="checkbox"/> Public Health
<input checked="" type="checkbox"/> Decentralization V	<input checked="" type="checkbox"/> Recreation
<input checked="" type="checkbox"/> Decentralization VI	<input checked="" type="checkbox"/> Cultural Heritage

Purpose

Purpose of Study

The 2012-13 San Bernardino County Grand Jury report investigated the Newberry Community Services District and identified numerous issues related to:

- governance
- accounting and financial management
- internal controls

See Page:

10	11
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Newberry and Yermo Community Services Districts

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Next Steps

- Survey - We want to know your opinion.
Visit www.sbcslafco.org Survey Monkey Link - <https://www.surveymonkey.com/s/LAFCO3176> or print PDF version on LAFCO's website
Survey closes Wednesday, January 7 at 5pm
- LAFCO Commission Hearing
- Wednesday, January 21 at 9am at San Bernardino City Hall
- The intent is for the districts, the public, or an overlaying agency to use the Plan for Service as part of a potential application to LAFCO for a future change of organization.

Q & A

Q & A

San Bernardino LAFCO
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

Phone 909-383-9900; Fax 909-383-9901;
lafco@lafco.sbcounty.gov

Survey located on LAFCO's Website - www.sbcslafco.org



Purpose of Study

The 2012-13 San Bernardino County Grand Jury report investigated the Newberry Community Services District and identified numerous issues related to:

- governance
- accounting and financial management
- internal controls

Key Points

A single finding from that Grand Jury report related to LAFCO recommended that LAFCO:
"review suggestions made in its 2009 report and include more robust analysis of governance and reorganization options for the next Service Review of the District, scheduled for 2014."

Among the possible reorganization scenarios presented in LAFCO's 2009 report, the Grand Jury report identifies that the following two scenarios merit further review, along with more robust analysis of governance and reorganization options.

1) Removing the Newberry CSD fire protection powers with concurrent annexation of the Newberry area by the San Bernardino County Fire Protection District (County Fire), "or more substantially".

2) Consolidating the Newberry CSD with two adjacent community services districts, to allow for economies of scale and provide the opportunity for streamlined governance and compliance with CSD law."



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2) **“Consolidating the Newberry CSD with two adjacent community services districts, to allow for ‘economies of scale and provide the opportunity for streamlined governance and compliance with CSD law”**



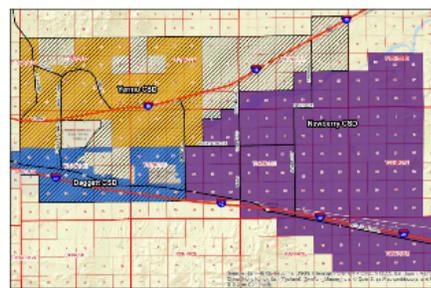
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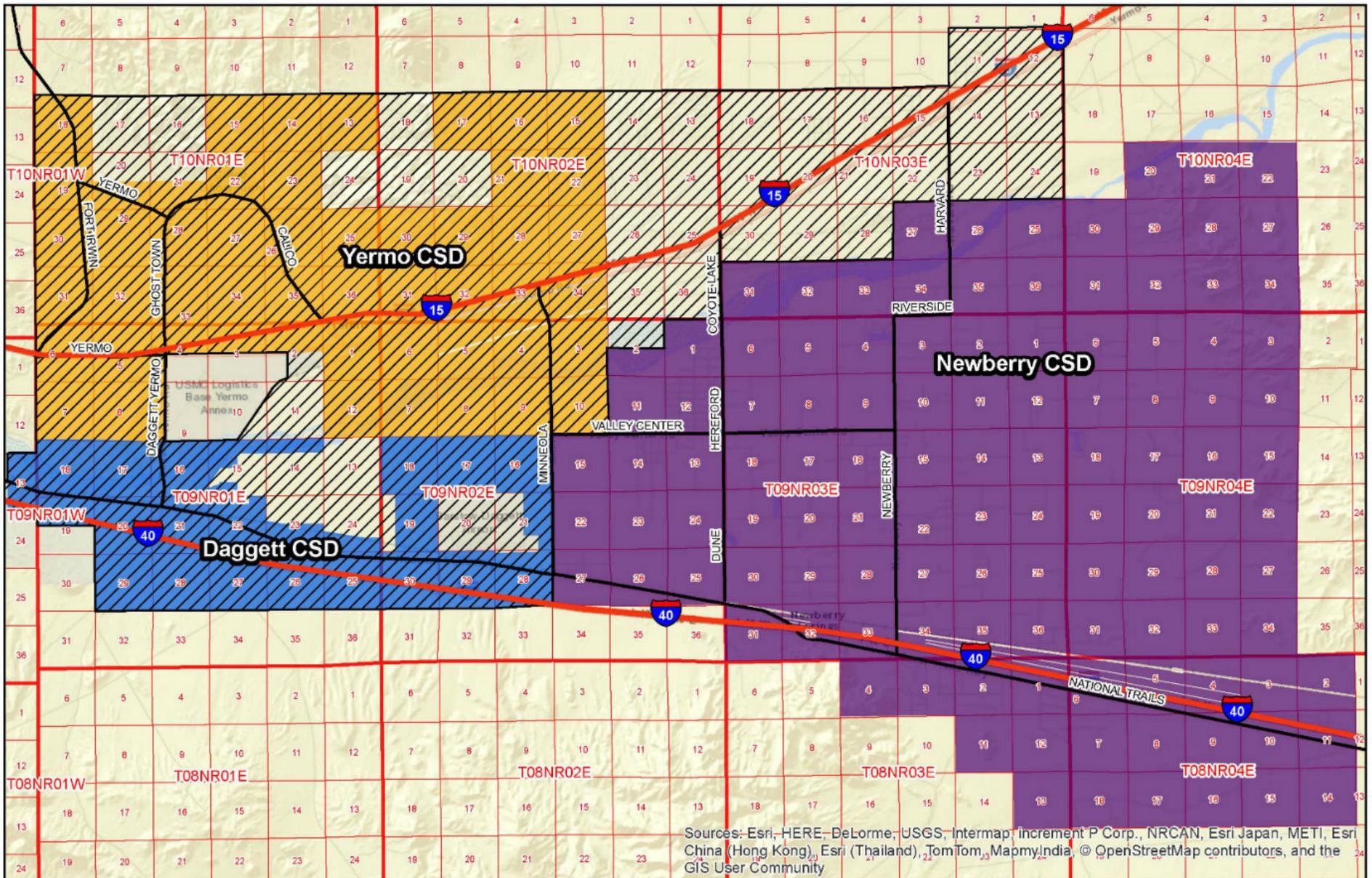
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LBKCO 2016 - Plan for Service and Service Reviews for Daguerre, Newberry, and Yorba Community Services Districts

■ Daguerre CSD ■ Yorba CSD ■ Newberry CSD ■ Daguerre & Yorba CSD Overlaid CSD



LAFCO 3176 - Plan for Service and Service Reviews for Daggett, Newberry, and Yermo Community Services Districts

- Daggett CSD
- Yermo CSD
- Newberry CSD Boundary & SOI
- Daggett & Yermo CSD Combined SOI



Components of Study

Service Review & Plan for Service to include Fiscal Impact Analysis

Service Review



Determination I

Determination II

Determination III

Determination IV

Determination V

Determination VI

Plan for Service



Purpose

Objectives

Standardized Analysis and Assumptions

Sources

Structure Options

Additional Consideration

Service Review

Determination I
page 44-45 of draft report

Growth and Population Projections for the Affected Area

The use of historic and projected population growth, along with the anticipated building for use with the District Office (DO) office.

The information available for use in the development of the District Office, along with the land use planning context, the historical and future land use planning context, and the surrounding geographic features.

Consult the relevant Planning Authority (PA) of 40% of the population that will be affected by the DO, and the relevant Planning Authority (PA) of 40% of the population that will be affected by the DO, and the relevant Planning Authority (PA) of 40% of the population that will be affected by the DO.

Determination II
page 47-48 of draft report

The Location and Characteristics of any Discharged or Discharge of Wastewater into or over the Surface of Inland Water

Identify the water body into which a discharge of wastewater is made (DO).

The name of the water body group that is the DO of the DO.

2) The name of the water body group that is the DO of the DO.

Determination III
page 49-51 of draft report

Present and Potential Capacity of Public Facilities, Availability of Public Services, and Infrastructure Needs or Deficiencies...

Identify the public facilities, public services, and infrastructure needs or deficiencies.

Determination IV
page 52-53 of draft report

Financial Ability of Agencies to Provide Services

Identify the financial ability of agencies to provide services.

Determination V
page 54-55 of draft report

State of, and Opportunities for Shared Facilities

Identify the state of, and opportunities for shared facilities.

Determination VI
page 56-57 of draft report

Accountability for Community Service Needs, Including Governmental Structure and Governance

Identify the accountability for community service needs, including governmental structure and governance.

Determination I

Determination II

Determination III

Determination IV

Determination V

Determination VI

Population Series	Current				Projected (ESR & LAFCO)			
	2000	2010	2015	2020	2025	2030	2035	2040
Yermo	1,011	424	484	451	520	553	575	595
Annual Growth Rate		3.2%		3.2%		3.2%		3.2%
Harvard	1,274	1,418	1,504	1,574	1,714	1,818	1,881	1,944
Annual Growth Rate		0.7%		0.5%		0.5%		0.5%
Harvard/Yermo Subtotal (Projected Increase)	2,285	2,432	2,518	2,625	2,934	3,166	3,266	3,339
Annual Growth Rate		3.3%		3.3%		3.3%		3.3%
Harvard/YS	2,285	2,432	2,518	2,625	2,934	3,166	3,266	3,339
Annual Growth Rate		3.3%		3.3%		3.3%		3.3%

Determination I

(page 44-46 of draft staff report)

Growth and Population Projections for the Affected Area

The communities are not anticipated to experience significant growth within the coming years (including Harvard within the Daggett/Yermo CSD sphere).

This determination is made due to the land use designations assigned by the County, about one-third of the land being publicly owned, the historical divide from the Barstow community to the west, and the surrounding geographic barriers.

Conversely, the transient traffic on Interstates 15 and 40 (two of four interstates that exit Southern California to the east) has significantly increased in volume each decade and is anticipated to continue to do so.

Population Source		Census		Projected (ESRI & LAFCO)				
Year	1990	2000	2010	2013	2018	2025	2035	2045
Daggett CSD								
Population	1,211	424	462	487	528	558	605	655
Annual Growth Rate		0.9%		0.8%		0.8%		
Yermo CSD								
Population	2,232	1,706	1,594	1,629	1,709	1,770	1,860	1,955
Annual Growth Rate		-0.7%		0.5%		0.5%		
Daggett/Yermo Sphere (Outside of boundary)								
Population	1,535	423	461	486	527	557	603	653
Annual Growth Rate		0.9%		0.8%		0.8%		
Newberry CSD								
Population	2,636	2,283	2,241	2,288	2,393	2,461	2,561	2,665
Annual Growth Rate		-0.2%		0.4%		0.4%		
sources:								
2000 and 2010 population (U.S. Census)								
2013 and 2018 population (ESRI)								
2025 through 2045 population (LAFCO)								

Determination II

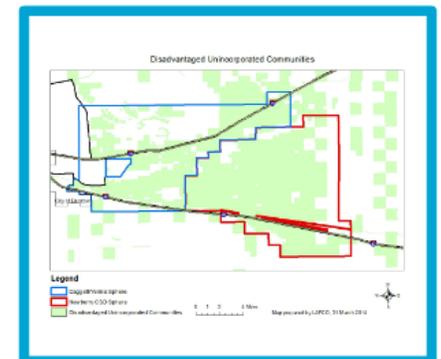
(page 47-48 of draft staff report)

The Location and Characteristics of any Disadvantaged Unincorporated Communities within or contiguous to the Sphere of Influence

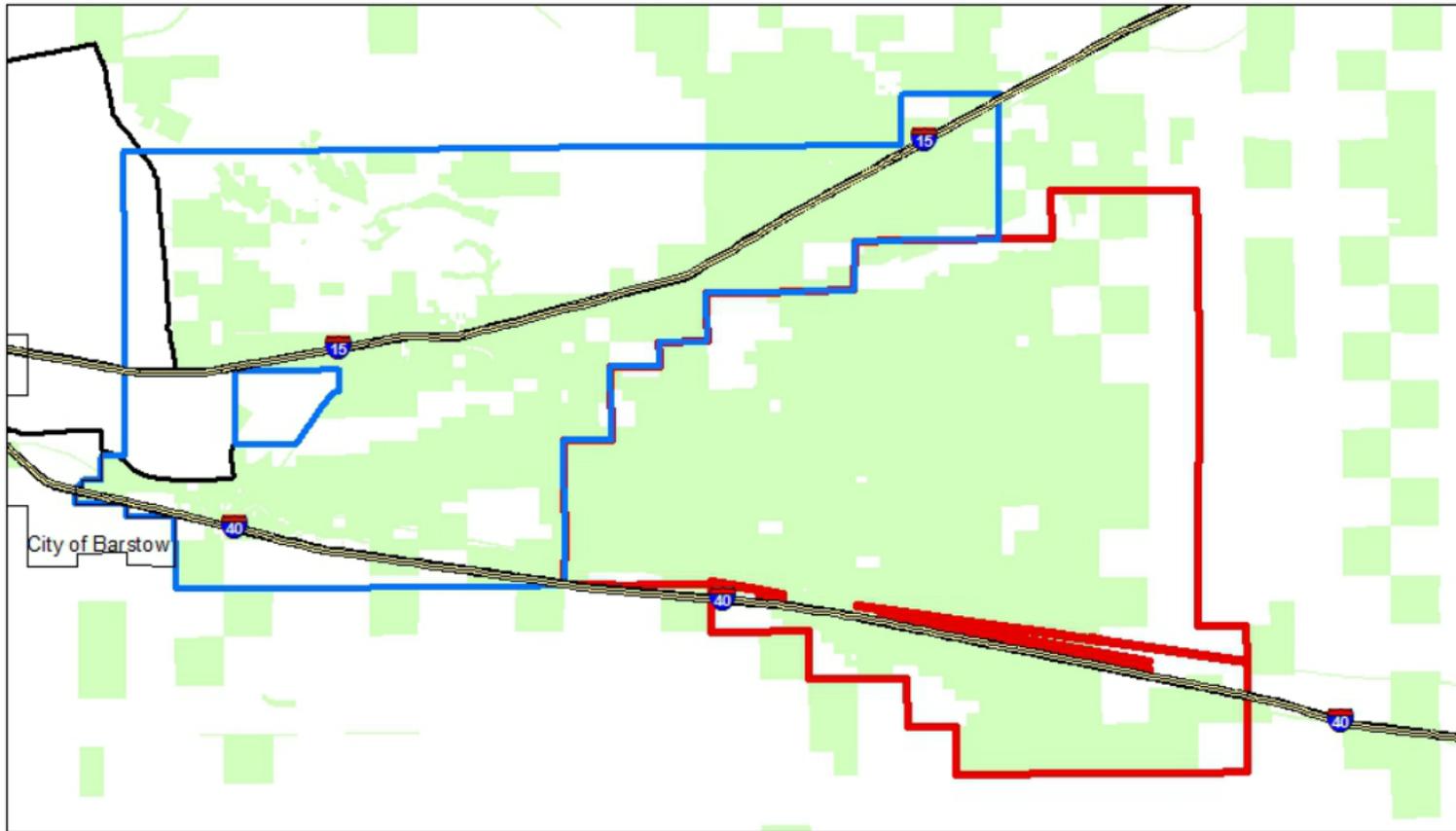
Generally, the entire study area is considered a disadvantaged unincorporated community (DUC).

The areas that are shown as not a DUC are:

- 1) part of a Census block group that extends into the City of Barstow, or
- 2) vacant and/or public lands managed by BLM.



Disadvantaged Unincorporated Communities



Legend

-  Daggett/Yermo Sphere
-  Newberry CSD Sphere
-  Disadvantaged Unincorporated Communities

0 1 2 4 Miles



Map prepared by LAFCO, 31 March 2014

Determination III

(page 49-71 of draft staff report)

Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies...

All three CSDs provide streetlight, park and recreation, and fire protection services. Streetlighting and park and recreation services are adequately provided.

Due to the age of each of the community center buildings, upgrades and improvements are necessary.

Currently, Daggett CSD and Yermo Water Company are the only domestic water service providers within this region.

Daggett CSD delivers water within its boundaries and to a 1.25 mile area within Yermo CSD territory.

The Yermo Water Company, a private water company regulated by the California Public Utilities Commission (PUC), provides water to a small portion of Yermo.

The Yermo Water Company has been under receivership as mandated by the San Bernardino Superior Court since April 2009.



Within the past year Daggett CSD has had three occurrences that disrupted water flow (two positive tests for bacteria and a lack of electricity for the wells to pump due to downed power lines from a wind storm).

While some circumstances cannot be avoided, of concern to LAFCO staff is how Daggett CSD handled the situations. This includes lack of notification to the regulatory agency responsible for its monitoring, the County Department of Public Health.

Failure to notify the regulatory agency for the local water system disregards the rules and regulations that are in place to ensure public health and promote transparency. As a result, such inattention to the rules and regulations in place are a disservice to the community.

For fire protection and emergency response, the paradox is that with scant property tax revenue akin to a rural agency funding an all-volunteer force with satisfactory equipment, it is the inherent responsibility of the CSDs not only to provide service to its residential and commercial areas, but to wild fires in the vast public lands (approximately 30% of the combined land being public) and incidents along two of the four interstate highways that exit Southern California to the east.



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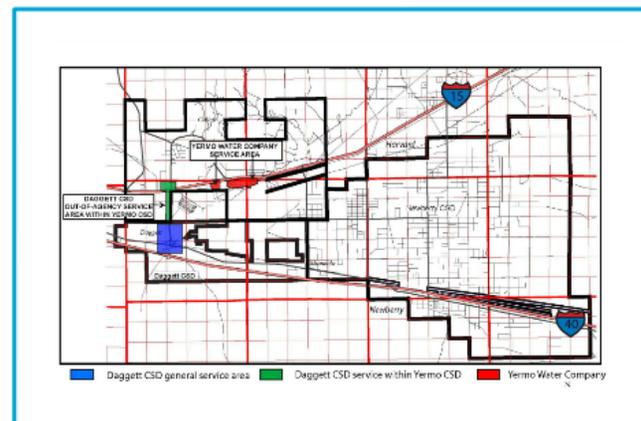
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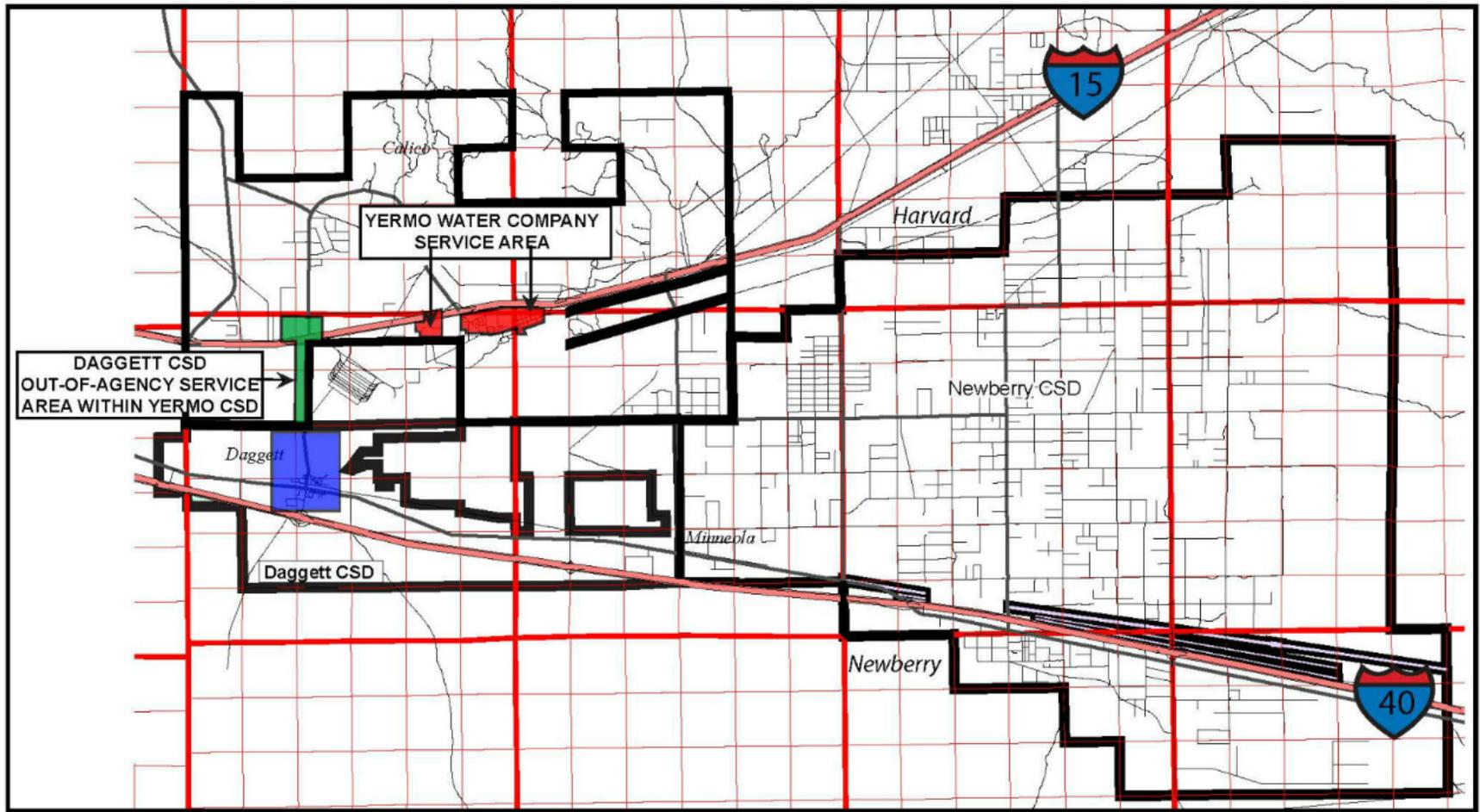
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■ Daggett CSD general service area
 ■ Daggett CSD service within Yermo CSD
 ■ Yermo Water Company

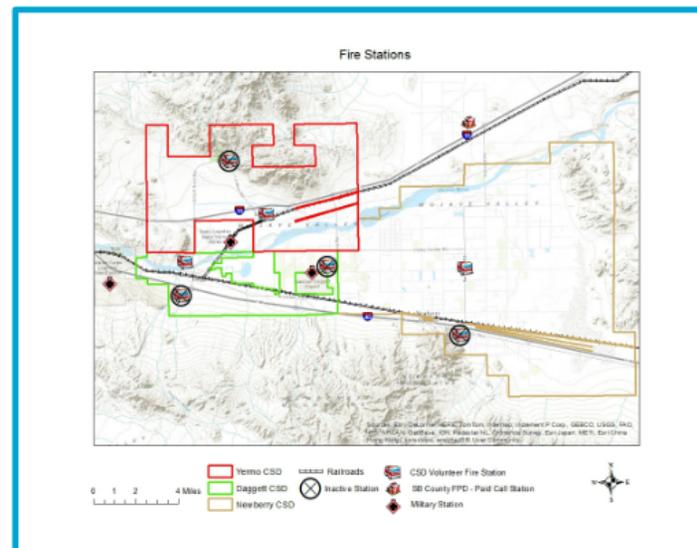
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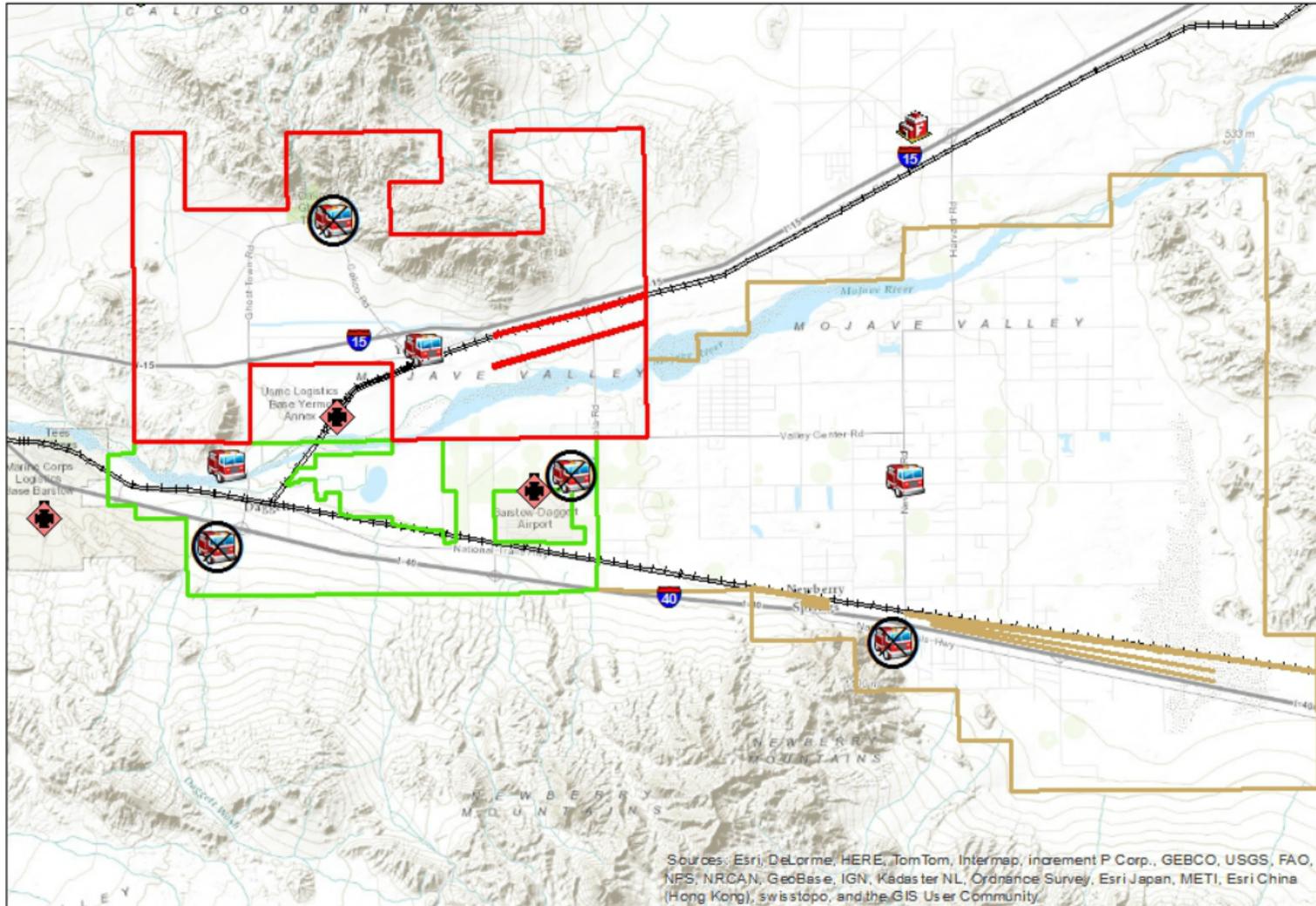
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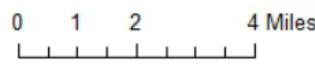
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Fire Stations



Sources: Esri, DeLorme, HERE, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GIS User Community.



-
-
-
-
- X
- CSD Volunteer Fire Station
- SB County FPD - Paid Call Station
- Military Station



Determination IV

(page 72-85 of draft staff report)

Financial Ability of Agencies to Provide Services

Each of the districts experiences financial challenges stemming from lack of incoming revenue each year in comparison to annual expenditures.

With the exception of water charges collected by Daggett CSD, the ongoing operations of the districts are mostly funded by property taxes.

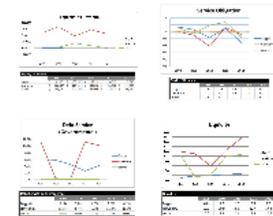
The information provided indicates that this is not enough to fund capital and needed improvements in the long-run.

Fire protection and related activities comprise the largest expense for each of the agencies and its cost increases annually.

Further, the districts do not adhere to the constitutional requirements for the establishment of an appropriations limit and other statutes related to finances of a community services district.

Specifically, for Daggett CSD, it has failed to operate with a budget since 1995, and Newberry CSDs' independent auditor issued a disclaimer of opinion for the 2010 and 2011 audits.

Fiscal Indicators



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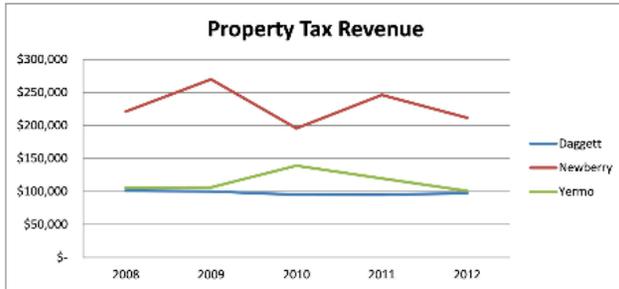
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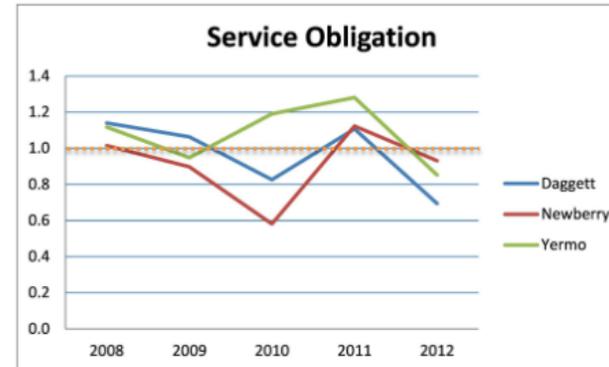
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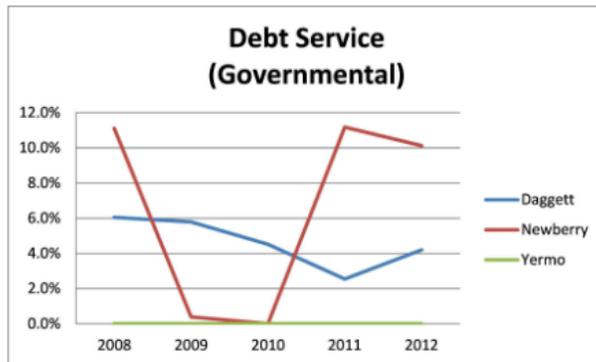
Fiscal Indicators



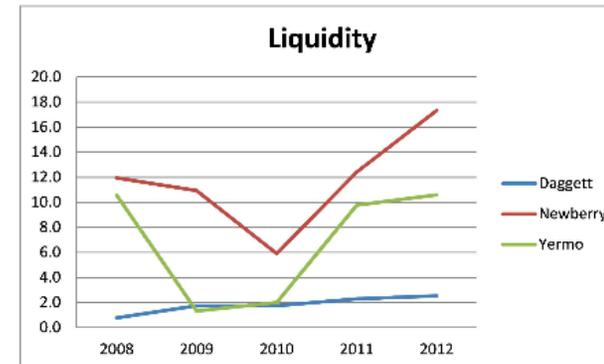
Property Tax Revenue						
	2008	2009	2010	2011	2012	
Daggett	\$ 101,171	\$ 100,267	\$ 95,112	\$ 94,918	\$ 97,610	
Newberry	\$ 220,987	\$ 270,045	\$ 195,650	\$ 246,167	\$ 211,606	
Yermo	\$ 105,686	\$ 106,179	\$ 139,096	\$ 119,675	\$ 100,836	



Service Obligation						
	2008	2009	2010	2011	2012	
Daggett	1.1	1.1	0.8	1.1	0.7	
Newberry	1.0	0.9	0.6	1.1	0.9	
Yermo	1.1	0.9	1.2	1.3	0.9	

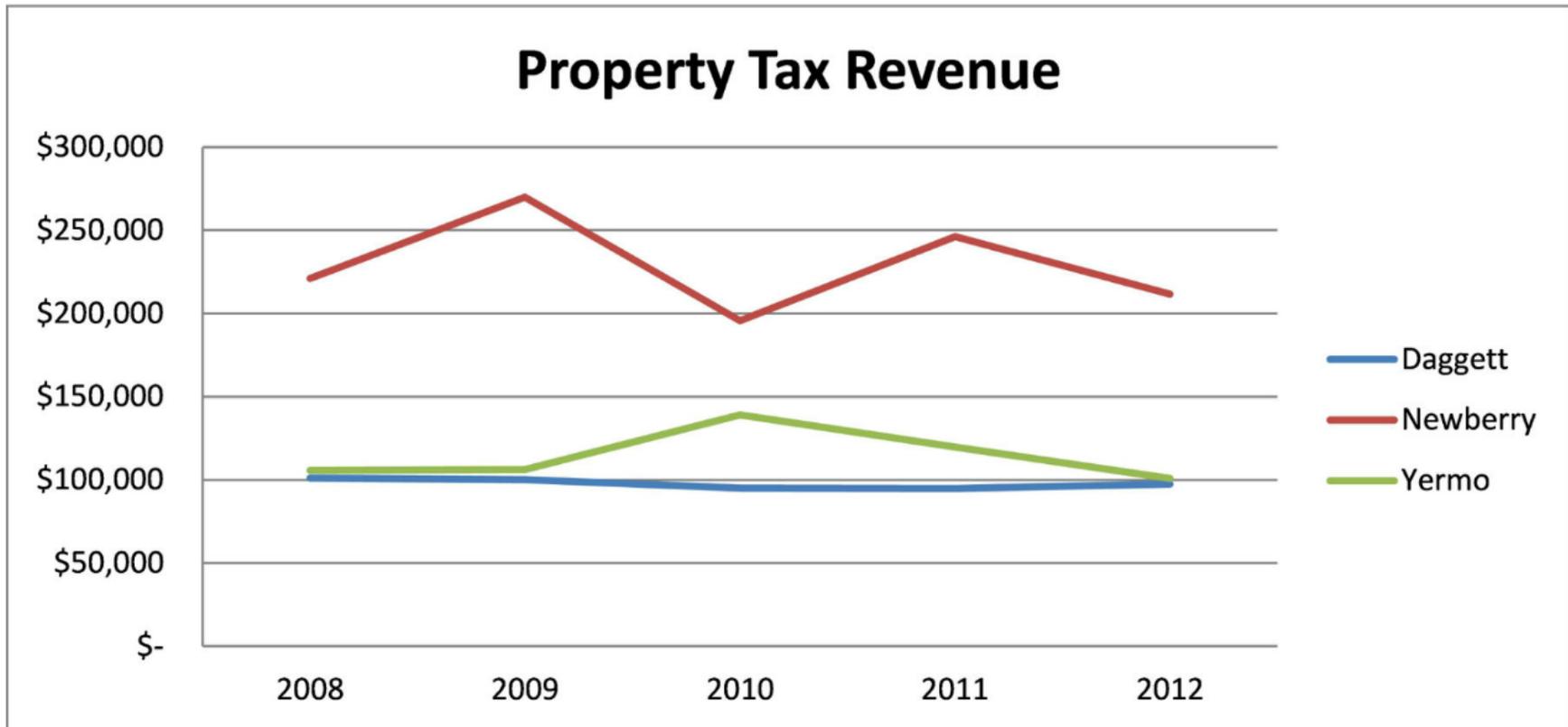


Debt Service (Governmental)						
	2008	2009	2010	2011	2012	
Daggett	6.1%	5.8%	4.5%	2.5%	4.2%	
Newberry	11.1%	0.4%	0.0%	11.2%	10.1%	
Yermo	0.0%	0.0%	0.0%	0.0%	0.0%	



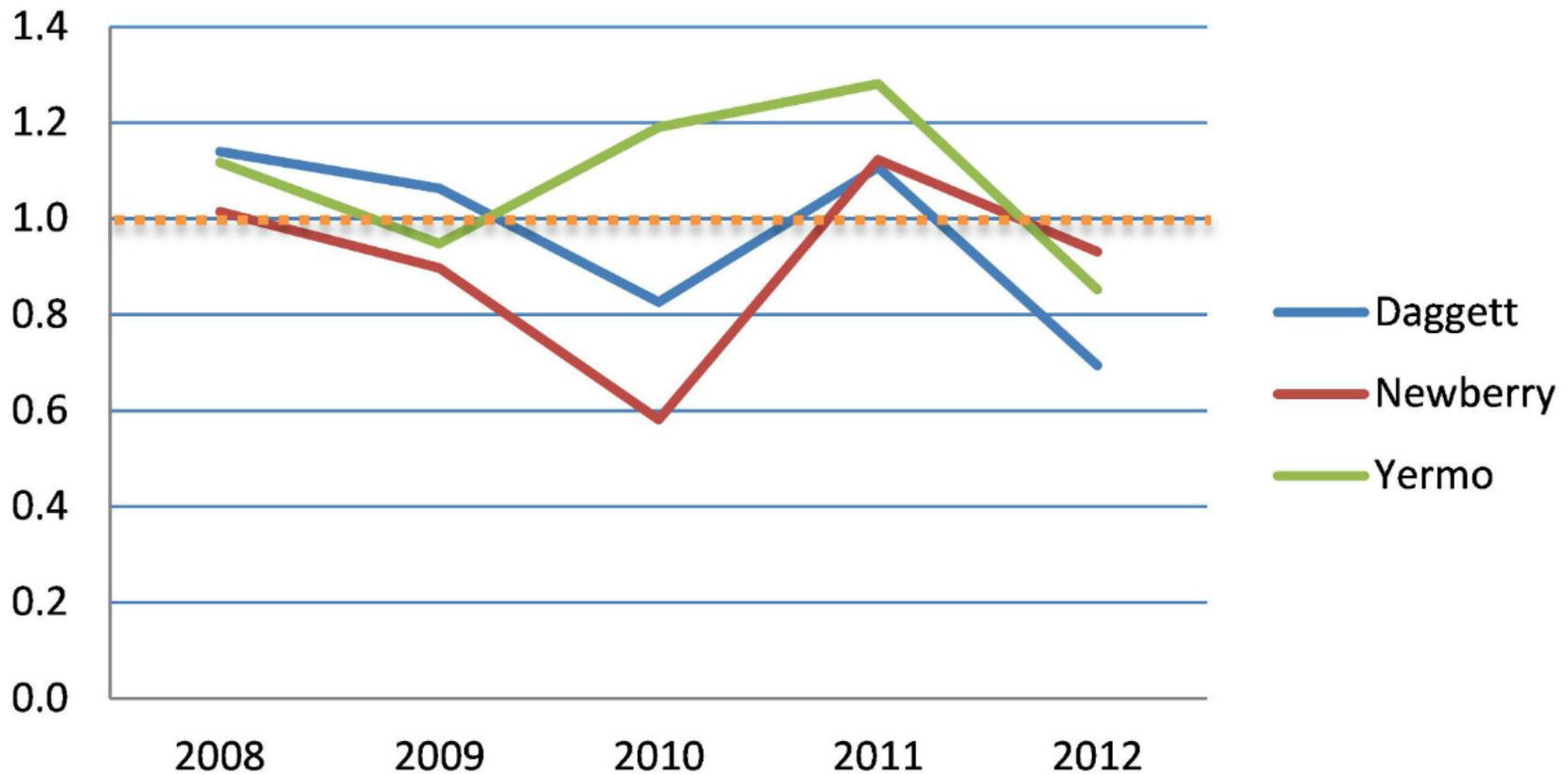
Liquidity						
	2008	2009	2010	2011	2012	
Daggett	0.8	1.7	1.7	2.3	2.5	
Newberry	12.0	10.9	5.9	12.4	17.3	
Yermo	10.6	1.3	2.0	9.8	10.6	

Property Tax Revenue



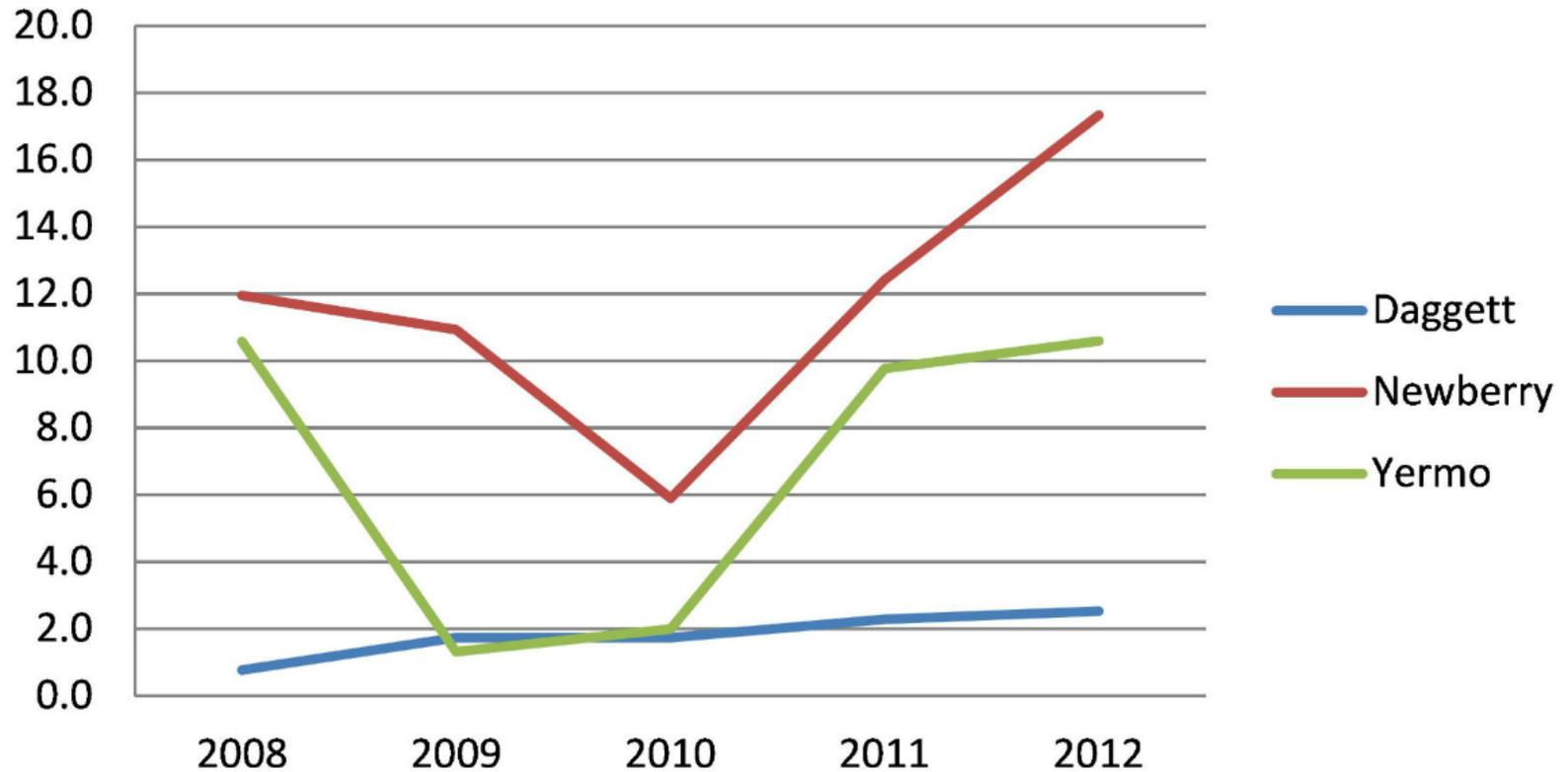
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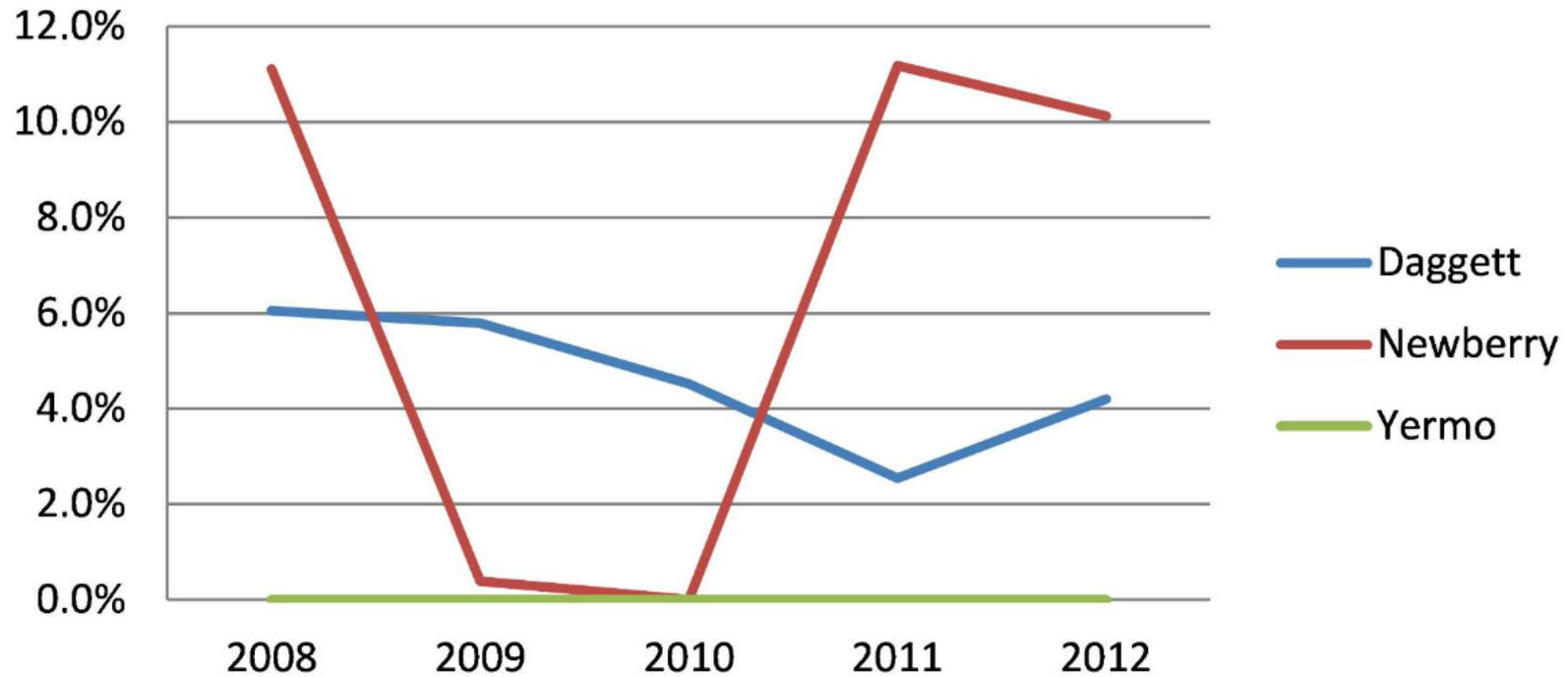
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Debt Service (Governmental)



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Yermo	0.0%	0.0%	0.0%	0.0%	0.0%

Determination V

(page 86 of draft staff report)

Status of, and Opportunities for Shared Facilities

Newberry CSD and Yermo CSD have agreements with the Silver Valley Unified School District for use of its land and Daggett has its community center facility on County land.

The opportunity for shared facilities amongst all three CSDs through a consolidation or joint powers authority would maximize the limited resources available.

This service review includes a Plan for Service that discusses structure options for the community to consider that would potentially achieve a consistent level of service and economies of scale.

Determination VI

(page 87-91 of draft staff report)

Accountability for Community Services Needs, including Governmental Structure and Operational Efficiencies

County Registrar of Voters records since 1995 indicate that the districts have had high turnover on the boards and have not yielded enough candidates to continually run for office resulting in appointments in lieu of election.

District	Appointments
Daggett CSD	10 of 16
Newberry CSD	5 of 15
Yermo CSD	12 of 15

Appointments in lieu of Elections (2003 - 2013)

District	Appointments
Daggett CSD	10 of 16
Newberry CSD	5 of 15
Yermo CSD	12 of 15

Components of Study

Service Review & Plan for Service to include Fiscal Impact Analysis

Service Review



Determination I



Determination II



Determination III



Determination IV



Determination V



Determination VI

Plan for Service



Purpose



Objectives



Standardized Analysis and Assumptions



Sources



Structure Options



Additional Consideration

Plan for Service

Purpose

Purpose
Page 13 of 2016-2017 report

- Develop a plan for the community to consider that would financially address a consistent service level and innovation of service
- Provide a report which allows the extended cost of providing the services and a description of how the services will be financed.
- Provide a projection of revenues and expenditures along with a breakdown of the sufficiency of revenues for each year.
- The intent is to be the district the public or an oversight agency to see as a plan of potential application to LAUSD for a future change of organization.

Objectives

Objectives
Page 14 of 2016-2017 report

- Improve the financial distribution of the districts to provide service
- Provide services effectively and efficiently within the funding level acceptable to those that pay taxes
- Provide standardized fee structure and level of service, and maintain that at every opportunity
- Improve the management efficiency of the districts

Standardized Analysis and Assumptions

Assumptions
Page 14 of 2016-2017 report

• The district's financial performance is based on the most recent available financial data.	• The district's financial performance is based on the most recent available financial data.
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Sources

Sources
Page 15 of 2016-2017 report

- Interviews with the three CIOs, SE County PEG & Military One Stop
- Metrics provided requested for workload
- The district's financial performance is based on the most recent available financial data.
- Each district's information as provided in the State Controller Report/Information which each district provides to the state
- District audits
- CAERS Response Data

Structure Options

Structure Options
Page 16 of 2016-2017 report

- Consolidation
- Joint Powers Authority
- Dissolution
- Status Quo

Additional Consideration

Additional Considerations
Page 17 of 2016-2017 report

- Parametric
- Municipal Advisory Council

Purpose

(page 13 of draft staff report)

- **Structure options for the community to consider that would potentially achieve a consistent service level and economies of scale.**
- **Fiscal impact analysis which shows the estimated cost of extending the service and a description of how the service will be financed.**
- **Five-year projection of revenues and expenditures along with a discussion of the sufficiency of revenues for each option.**
- **The intent is for the districts, the public, or an overlaying agency to use as a part of a potential application to LAFCO for a future change of organization.**

Objectives

(page 13 of draft staff report)

- **Improve the financial mechanism of the districts to provide service**
- **Provide services effectively and efficiently within the funding level acceptable to those that pay taxes**
- **Provide standardized fire apparatus and levels of service, and training that meets regulatory standards**
- **Improve the management efficiency of the districts**

Assumptions

(page 14 of draft staff report)

- Daggett CSD water service's fair share of general district overhead and staffing are taken into account.
- Compares the governmental services that each agency provides: streetlights, park and recreation, and fire protection and emergency response.
- The cost projections shown for each option do not take into account capital purchases as a part of expenditures. The annual cost savings (shown as Revenue Gain) would be used for either reserves or capital purchases.

- Includes a historical trends analysis of the districts' actual revenues and expenditures from FY 2008-09 to FY 2012-13.
- Reviews past actual revenues and expenditures to better understand constant and one-time activities.
- Assumptions are made that the receipt of property taxes will increase by the statutory limit of two percent a year and rental income are not assumed to increase as a result of any of the discussed options below.
- Inflation is taken into consideration and is factored at 2.0% for the first year and increases to 3.5% for the fifth year.

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- **Compares the governmental services that each agency provides: streetlights, park and recreation, and fire protection and emergency response.**
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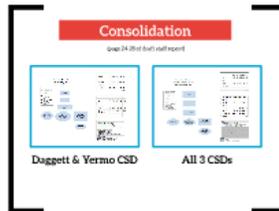
Sources

(page 14-15 of draft staff report)

- **Interviews with the three CSDs, SB County FPD, & military fire depts**
- **Districts provided requested information**
- **Six determinations of the service review for background information**
- **Each district's information as provided in the State Controller Report (information which each district provides to the state)**
- **District audits**
- **CalFire Response Data**

Structure Options

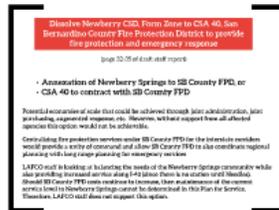
(page 15 of draft staff report)



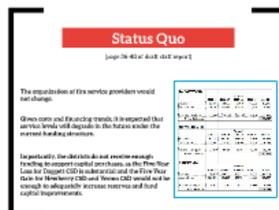
Consolidation



Joint Powers Authority



Dissolution



Status Quo

Consolidation

(page 24-28 of draft staff report)

Consolidated District Daggett and Yermo Organizational Chart

Financial Information:

- Proposed financial gain to be used for reserves or capital assets: \$97,000
- APCO will not be required
- Requires LAFCO approval
- Voters make final determination

DAGGETT - Fiscal Year 2019-2020 (Actual)					
	2019	2020	2019	2020	2020
Revenue	10,000	10,000	10,000	10,000	10,000
Expenses	10,000	10,000	10,000	10,000	10,000
Net Income	0	0	0	0	0

YERMO - Fiscal Year 2019-2020 (Actual)					
	2019	2020	2019	2020	2020
Revenue	10,000	10,000	10,000	10,000	10,000
Expenses	10,000	10,000	10,000	10,000	10,000
Net Income	0	0	0	0	0

Pros:

- Cost savings with positive long-term gain
- Full-time general manager for Daggett/Yermo
- Full-time paid fire chief for Daggett/Yermo
- Shared resources for emergency response
- Improves the district's financial ability to provide service
- Standardized apparatus & levels of the service & training
- Improves management efficiency
- Reduces fees levied on government
- Provides competitive selection
- Single voice on regional matters (land use, water)
- Lack of employee transition issues (e.g. Retirement)

Cons:

- No voter knowledge
- Unknown if staff will accept responsibility
- Some loss of control for each community

Daggett & Yermo CSD

Consolidated District Daggett, Newberry, Yermo Organizational Chart

Financial Information:

- Proposed financial gain to be used for reserves or capital assets: \$148,907
- LAFCO staff recommended option
- Requires LAFCO approval
- Voters make final determination

DAGGETT - Fiscal Year 2019-2020 (Actual)					
	2019	2020	2019	2020	2020
Revenue	10,000	10,000	10,000	10,000	10,000
Expenses	10,000	10,000	10,000	10,000	10,000
Net Income	0	0	0	0	0

NEWBERRY - Fiscal Year 2019-2020 (Actual)					
	2019	2020	2019	2020	2020
Revenue	10,000	10,000	10,000	10,000	10,000
Expenses	10,000	10,000	10,000	10,000	10,000
Net Income	0	0	0	0	0

YERMO - Fiscal Year 2019-2020 (Actual)					
	2019	2020	2019	2020	2020
Revenue	10,000	10,000	10,000	10,000	10,000
Expenses	10,000	10,000	10,000	10,000	10,000
Net Income	0	0	0	0	0

Pros:

- Cost savings with positive long-term gain
- Full-time general manager for Daggett/Newberry/Yermo
- Full-time paid fire chief for Daggett/Newberry/Yermo
- Shared resources for emergency response
- Improves the district's financial ability to provide service
- Standardized apparatus & levels of the service & training
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Cons:

- No voter knowledge
- Unknown if staff will accept responsibility
- Some loss of control for each community

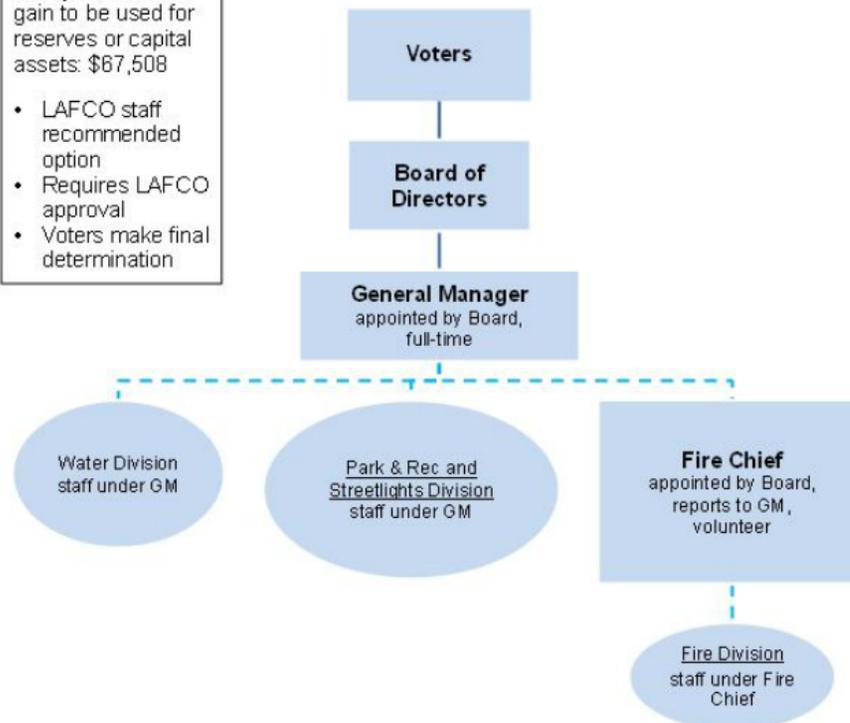
All 3 CSDs



Consolidated District Daggett and Yermo Organizational Chart

Five-year financial gain to be used for reserves or capital assets: \$87,508

- LAFCO staff recommended option
- Requires LAFCO approval
- Voters make final determination



CONSOLIDATION - Daggett & Yermo CSDs (without Water)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Property Taxes	182,014	185,654	189,367	193,154	197,017
Other	37,000	37,000	37,000	37,000	37,000
Revenues	219,014	222,654	226,367	230,154	234,017
Expenditures					
Administration:	97,321	90,679	96,233	94,760	102,297
Park & Recreation:	48,558	49,772	51,016	52,546	54,385
Streetlights:	13,356	13,690	14,032	14,453	14,959
Fire & Emergency Response:	47,679	48,871	50,093	51,596	53,402
Consolidation Costs	5,000	-	-	-	-
Reserve Contribution:					
Capital Outlay:					
Total Expenditures	211,914	203,012	211,374	213,356	225,043
Revenue Gain (Loss)	7,100	19,642	14,993	16,799	8,974
5-Year Gain (Loss)					67,508

CONSOLIDATION - Daggett & Yermo CSDs (with Water)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Property Taxes	182,014	185,654	189,367	193,154	197,017
Other	37,000	37,000	37,000	37,000	37,000
Water Revenues	176,555	181,019	187,594	193,222	199,985
Revenues	397,569	405,673	413,961	423,376	434,002
Expenditures					
Administration:	97,321	90,679	96,233	94,760	102,297
Park & Recreation:	48,558	49,772	51,016	52,546	54,385
Streetlights:	13,356	13,690	14,032	14,453	14,959
Fire & Emergency Response:	47,679	48,871	50,093	51,596	53,402
Consolidation Costs	5,000	-	-	-	-
Water:	176,836	181,257	185,789	191,362	198,060
Reserve Contribution:					
Capital Outlay:					
Total Expenditures	388,750	384,269	397,163	404,718	423,103
Revenue Gain (Loss)	8,819	21,404	16,798	18,659	10,899
5 Year Gain (Loss)					76,579

Pros
Cost savings with positive 5-year gain
Full-time general manager for Daggett/Yermo
Shared resources for emergency response
Improves the districts' financial ability to provide service
Standardized apparatus & levels of fire service & training
Improves management efficiency
Reduces a layer of government
Probable competitive elections
Lack of employee transition issues (ie. Retirement)
Cons
No new revenues
Volunteer fire chief has added responsibility
Some loss of control for each community

CONSOLIDATION – Daggett & Yermo CSDs (without Water)

		2015-16	2016-17	2017-18	2018-19	2019-20
Revenues						
Property Taxes		182,014	185,654	189,367	193,154	197,017
Other		37,000	37,000	37,000	37,000	37,000
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Expenditures						
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CONSOLIDATION – Daggett & Yermo CSDs (with Water)

		2015-16	2016-17	2017-18	2018-19	2019-20
Revenues						
Property Taxes		182,014	185,654	189,367	193,154	197,017
Other		37,000	37,000	37,000	37,000	37,000
<i>Water Revenues</i>		<i>178,555</i>	<i>183,019</i>	<i>187,594</i>	<i>193,222</i>	<i>199,985</i>
Revenues		397,569	405,673	413,961	423,376	434,002
Expenditures						
Administration:		97,321	90,679	96,233	94,760	102,297
Park & Recreation:		48,558	49,772	51,016	52,546	54,385
Streetlights:		13,356	13,690	14,032	14,453	14,959
Fire & Emergency Response:		47,679	48,871	50,093	51,596	53,402
Consolidation Costs		5,000	-	-	-	-
<i>Water:</i>		<i>176,836</i>	<i>181,257</i>	<i>185,789</i>	<i>191,362</i>	<i>198,060</i>
Reserve Contribution:						
Capital Outlay:						
Total Expenditures		388,750	384,269	397,163	404,718	423,103
Revenue Gain (Loss)		8,819	21,404	16,798	18,659	10,899
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Pros

Cost savings with positive 5-year gain

Full-time general manager for Daggett/Yermo

Shared resources for emergency response

Improves the districts' financial ability to provide service

Standardized apparatus & levels of fire service & training

Improves management efficiency

Reduces a layer of government

Probable competitive elections

Lack of employee transition issues (ie. Retirement)

Cons

No new revenues

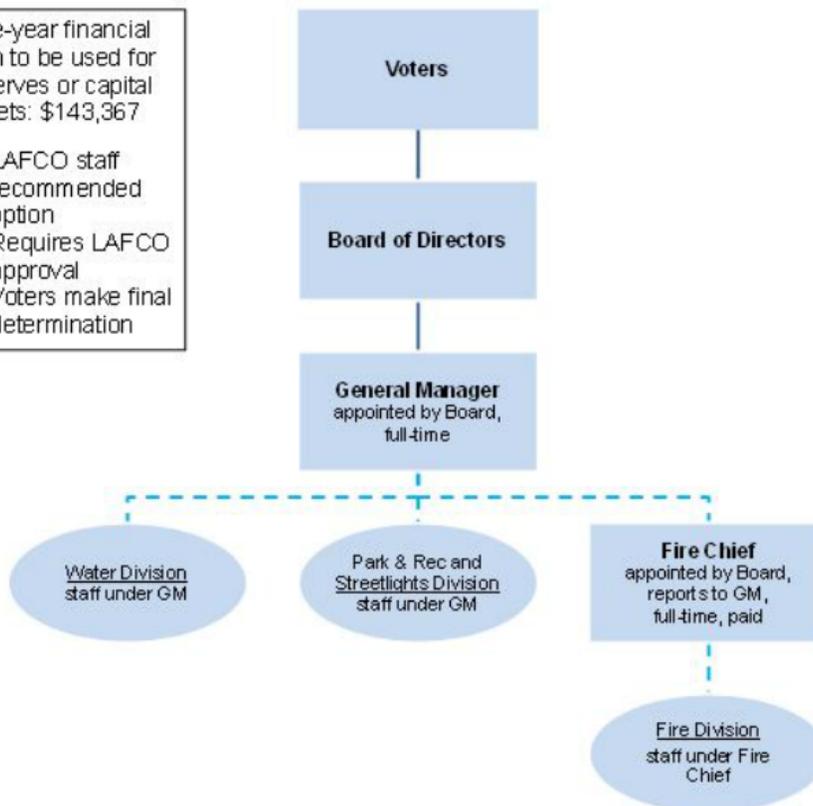
Volunteer fire chief has added responsibility

Some loss of control for each community

Consolidated District Daggett, Newberry, Yermo Organizational Chart

Five-year financial gain to be used for reserves or capital assets: \$143,367

- LAFCO staff recommended option
- Requires LAFCO approval
- Voters make final determination



CONSOLIDATION – Daggett, Newberry, & Yermo CSDs (without Water)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Property Taxes	389,160	396,943	404,882	412,980	421,239
Other	67,000	67,000	67,000	67,000	67,000
Revenues	456,160	463,943	471,882	479,980	488,239
Expenditures					
Administration:	170,381	158,628	168,331	165,886	176,359
Park & Recreation:	61,670	63,212	64,792	66,736	69,072
Streetlights:	18,356	18,815	19,285	19,864	20,559
Fire & Emergency Response:	179,032	183,508	188,096	193,738	200,519
Consolidation Costs	10,000	-	-	-	-
Reserve Contribution					
Capital Outlay:					
Total Expenditures	439,439	424,162	440,504	446,224	466,509
Revenue Gain (Loss)	16,721	39,781	31,378	33,756	21,730
5-Year Gain (Loss)					143,367

CONSOLIDATION – Daggett, Newberry, & Yermo CSDs (with Water)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Property Taxes	389,160	396,943	404,882	412,980	421,239
Other	67,000	67,000	67,000	67,000	67,000
Water Revenues	176,555	183,019	187,594	193,222	199,985
Revenues	634,715	646,962	659,477	673,202	688,224
Expenditures					
Administration:	170,081	158,320	168,016	165,561	176,023
Park & Recreation:	61,670	63,212	64,792	66,736	69,072
Streetlights:	18,356	18,815	19,285	19,864	20,559
Fire & Emergency Response:	179,032	183,508	188,096	193,738	200,519
Consolidation Costs	10,000	-	-	-	-
Water:	176,836	181,257	185,789	191,362	198,060
Reserve Contribution					
Capital Outlay:					
Total Expenditures	616,275	605,420	626,293	637,586	664,569
Revenue Gain (Loss)	18,440	41,543	33,184	35,616	23,655
5-Year Gain (Loss)					152,438

Pros
Cost savings with positive 5-year gain
Full-time general manager for Daggett/Newberry/Yermo
Full-time, paid, fire chief for Daggett/Newberry/Yermo
Shared resources for emergency response
Improves the district's financial ability to provide service
Standardized apparatus & levels of fire service & training
Improves management efficiency
Reduces two layers of government
Probable competitive elections
Single voice on regional matters (land use, water)
Lack of employee transition issues (ie. Retirement)

Cons
No new revenues
Some loss of control for each community

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Fire & Emergency Response:		179,032	183,508	188,096	193,738	200,519
Consolidation Costs		10,000	-	-	-	-
Reserve Contribution						
Capital Outlay:						
Total Expenditures		439,439	424,162	440,504	446,224	466,509
Revenue Gain (Loss)		16,721	39,781	31,378	33,756	21,730
5-Year Gain (Loss)						143,367

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		2015-16	2016-17	2017-18	2018-19	2019-20
Revenues						
Property Taxes		389,160	396,943	404,882	412,980	421,239
Other		67,000	67,000	67,000	67,000	67,000
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	Total Expenditures	616,275	605,420	626,293	637,586	664,569
Revenue Gain (Loss)		18,440	41,543	33,184	35,616	23,655
5-Year Gain (Loss)						152,438

Pros

Cost savings with positive 5-year gain

Full-time general manager for Daggett/Newberry/Yermo

Full-time, paid, fire chief for Daggett/Newberry/Yermo

Shared resources for emergency response

Improves the district's financial ability to provide service

Standardized apparatus & levels of fire service & training

Improves management efficiency

Reduces two layers of government

Probable competitive elections

Single voice on regional matters (land use, water)

Lack of employee transition issues (ie. Retirement)

Cons

No new revenues

Some loss of control for each community

Formation of a JPA for fire protection and emergency response

(page 29-31 of draft staff report)

JOINT POWERS AUTHORITY					
	Forecast				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	456,160	463,943	471,882	479,980	488,239
Expenditures	465,392	456,267	466,638	476,519	491,075
Revenue Gain (Loss)	(9,232)	7,676	5,244	3,460	(2,836)
5-year Gain (Loss)					4,313

Governance	5 member board for each district 1 appointed board for the JPA
Staff Leadership	3 general managers 1 Full-time, paid, fire chief
Fire Service Level	Volunteer
Estimated Cost Savings, 5-year	\$4,313
LAFCO Approval Required	No
Final Determination Made By:	District boards

Functional JPA

Pros
Cost savings with positive 5-year gain
Full-time, paid, fire chief for Daggett/Newberry/Yermo
Shared resources for emergency response
Improves the financial ability of the districts to provide service
Provides standardized apparatus and levels of fire service and training
Improves management efficiency
Fire delivery from one source – the JPA
Cons
No new revenues
Some loss of control for each community
Adds another layer of government
Lack of competitive elections would still exist

Administrative JPA

Pros
Cost savings with positive 5-year gain
Full-time, paid, fire chief for Daggett/Newberry/Yermo
Shared resources for emergency response
Improves the financial ability of the districts to provide service
Provides standardized apparatus and levels of fire service and training
Improves management efficiency
Single voice on fire matters
Cons
No new revenues
Some loss of control for each community
No cost savings for staffing
Adds another layer of government
Lack of competitive elections would still exist
Fire delivery still from each district

JOINT POWERS AUTHORITY					
	Forecast				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	456,160	463,943	471,882	479,980	488,239
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LAFCO Approval Required	No
Final Determination Made By:	District boards

Administrative JPA

Pros

Cost savings with positive 5-year gain

Full-time, paid, fire chief for Daggett/Newberry/Yermo

Shared resources for emergency response

Improves the financial ability of the districts to provide service

Provides standardized apparatus and levels of fire service and training

Improves management efficiency

Single voice on fire matters

Cons

No new revenues

Some loss of control for each community

No cost savings for staffing

Adds another layer of government

Lack of competitive elections would still exist

Fire delivery still from each district

Functional JPA

Pros
Cost savings with positive 5-year gain
Full-time, paid, fire chief for Daggett/Newberry/Yermo
Shared resources for emergency response
Improves the financial ability of the districts to provide service
Provides standardized apparatus and levels of fire service and training
Improves management efficiency
Fire delivery from one source – the JPA

Cons
No new revenues
Some loss of control for each community
Adds another layer of government
Lack of competitive elections would still exist

Dissolve Newberry CSD, Form Zone to CSA 40, San Bernardino County Fire Protection District to provide fire protection and emergency response

(page 32-35 of draft staff report)

- **Annexation of Newberry Springs to SB County FPD, or**
- **CSA 40 to contract with SB County FPD**

Potential economies of scale that could be achieved through joint administration, joint purchasing, augmented response, etc. However, without support from all affected agencies this option would not be achievable.

Centralizing fire protection services under SB County FPD for the interstate corridors would provide a unity of command and allow SB County FPD to also coordinate regional planning with long range planning for emergency services

LAFCO staff is looking at balancing the needs of the Newberry Springs community while also providing increased service along I-40 (since there is no station until Needles). Should SB County FPD costs continue to increase, then maintenance of the current service level to Newberry Springs cannot be determined in this Plan for Service. Therefore, LAFCO staff does not support this option.

Status Quo

(page 36-40 of draft staff report)

The organization of fire service providers would not change.

Given costs and financing trends, it is expected that service levels will degrade in the future under the current funding structure.

Importantly, the districts do not receive enough funding to support capital purchases, as the Five-Year Loss for Daggett CSD is substantial and the Five-Year Gain for Newberry CSD and Yermo CSD would not be enough to adequately increase reserves and fund capital improvements.

DAGGETT CSD					
	Forecast				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	86,434	88,123	89,846	91,603	93,395
Expenditures	105,503	107,449	109,444	111,897	114,845
Revenue Gain (Loss)	(19,069)	(19,326)	(19,598)	(20,294)	(21,450)
5-year Gain (Loss)					(99,737)

NEWBERRY CSD					
	Forecast				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	237,147	241,290	245,515	249,826	254,222
Expenditures	216,907	220,581	224,348	228,981	234,549
Revenue Gain (Loss)	20,240	20,708	21,167	20,844	19,674
5-year Gain (Loss)					102,634

YERMO CSD					
	Forecast				
	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues	132,579	134,531	136,521	138,552	140,623
Expenditures	123,894	126,269	128,704	131,698	135,297
Revenue Gain (Loss)	8,685	8,262	7,818	6,853	5,326
5-year Gain (Loss)					36,944

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Revenue Gain (Loss)	8,685	8,262	7,818	6,853	5,326
5-year Gain (Loss)					36,944

Additional Considerations

(page 41 of staff report)

- **Paramedic**

Consolidated Fire Delivery	Full-time fire unit \$400,000	Full-time medic unit \$957,000
Daggett/Yermo (1,552 vacant parcels) (1,077 developed parcels)	\$108 per vacant parcel \$216 per developed parcel	\$258 per vacant parcel \$516 per developed parcel
Daggett/Newberry/Yermo (4,133 vacant parcels) (2,384 developed parcels)	\$45 per vacant parcel \$90 per developed parcel	\$107 per vacant parcel \$216 per developed parcel

- **Municipal Advisory Council**

of staff report)

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Additional Considerations

(page 41 of staff report)

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- **Municipal Advisory Council**

Meeting Overview

Components

Components of Study
Service Review & Plan for Service to Include Fiscal Impact Analysis

Service Districts	Cost for Service
• Districts I	• Power
• Districts II	• Sewer
• Districts III	• Public Works or other services
• Districts IV	• Water
• Districts V	• Public Safety
• Districts VI	• Public Utilities

Purpose

Purpose of Study

The 2012-13 San Bernardino County Grand Jury report investigated the Newberry Community Services District and identified numerous issues related to:

- governance
- accounting and financial management
- internal controls

Findings

- Governance
- Accounting and Financial Management
- Internal Controls

COMMUNITY MEETING

LAFCO 3176 - Special Study of the Daggett, Newberry and Yermo Community Services Districts

December 10, 2014
San Bernardino LAFCO

Next Steps

Next Steps

- Survey - We want to know your opinion
Visit www.sdbelco.org (Survey Monkey Link - <https://www.surveymonkey.com/s/LAFCO3176>) or call EDE KENNIS on LAFCO's website
Survey closes Wednesday, January 7 at 5pm
- LAFCO Commission Hearing
-Wednesday, January 21 at 8am at San Bernardino City Hall
- The intent is for the districts, the public, or an overseeing agency to use the Plan for Service as part of a potential application to LAFCO for a future change of organization.

Q & A

Q & A

San Bernardino LAFCO
215 North D Street, Suite 204
San Bernardino, CA 92415-0490
Phone 909-383-9900; Fax 909-383-9901;
lafco@lafcosbcounty.gov

[Survey located on LAFCO's Website - www.sdbelco.org](http://www.sdbelco.org)

Next Steps

- Survey – We want to know your opinion
 - Visit www.sbclafco.org (Survey Monkey Link - <https://www.surveymonkey.com/s/LAFCO3176>) or print PDF version on LAFCO's website
 - **Survey closes Wednesday, January 7 at 5pm****
- LAFCO Commission Hearing
 - Wednesday, January 21 at 9am at San Bernardino City Hall
- The intent is for the districts, the public, or an overlaying agency to use the Plan for Service as part of a potential application to LAFCO for a future change of organization.

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Meeting Overview

Components

Components of Study
Service Review & Plan for Service
to include Fiscal Impact Analysis

Service Review	Plan for Service
<input checked="" type="checkbox"/> Decentralization I	<input checked="" type="checkbox"/> Police
<input checked="" type="checkbox"/> Decentralization II	<input checked="" type="checkbox"/> Fire
<input checked="" type="checkbox"/> Decentralization III	<input checked="" type="checkbox"/> Public and Industrial Wastewater
<input checked="" type="checkbox"/> Decentralization IV	<input checked="" type="checkbox"/> Sewer
<input checked="" type="checkbox"/> Decentralization V	<input checked="" type="checkbox"/> Recreation
<input checked="" type="checkbox"/> Decentralization VI	<input checked="" type="checkbox"/> Mutual Services

Purpose

Purpose of Study

The 2012-13 San Bernardino County Grand Jury report investigated the Newberry Community Services District and identified numerous issues related to:

- governance
- accounting and financial management
- internal controls

See Page:

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COMMUNITY MEETING

LAFCO 3176 – Special Study of the Daggett,
Newberry and Yermo Community Services Districts

December 10, 2014
San Bernardino LAFCO

Next Steps

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Visit www.sbcslafco.org Survey Monkey Link - <https://www.surveymonkey.com/s/LAFCO3176> or print PDF version on LAFCO's website
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