

**LAFCO 3206**

**Notice of Filing Attachments:**

**Plan for Service**

**&**

**Fiscal Impact Analysis**

RECEIVED  
DEC 17 2015

LAFCO  
San Bernardino County



Annexation Proposal for the  
City of  
Needles

Plan for Service  
December 15, 2015

## **Background:**

### **History-**

The Needles Fire Department was formed more than 50 years ago as a volunteer Fire Department. While the department remained a volunteer/ paid call Fire Company for the majority of its existence, San Bernardino County began Fire service oversight functions in 1977. In 2004 Needles City entered into a contract with San Bernardino County Fire to provide Fire protection in the City of Needles. This 10 year contract was for \$442,445.00 per year. The current Contract is a 1 year contract for \$612,000.00, which will expire May 31, 2016. A two month extension of this contract has been negotiated at a rate of \$51,000.00 per Month. Should Annexation fail a new Contract will need to be negotiated.

Over time the Needles Fire Department evolved into a combination Full Time Paid and Extra help fire fighters working 24 hours per day. The most recent change occurred in June of 2015 when Station 31 began using the County Fire staffing model of 3 paid professionals per day with at least one of those being a Paramedic. providing constant staffing in compliance with OSHA 29 CFR, Part 1910.134 (g)(3)&(4), California Code of Regulations: 8 CCR § 5144 (g) (3)(4).

### **Recent Activities-**

May 2015-

Division Chief Chamberlin gave a presentation on the availability of Annexation into the San Bernardino County Fire District to the Needles City Council. The City Council formed a Fire Services Task Force making recommendations to the Council on the future of Fire Services in Needles. (Appendix A – initial catalyst for discussion)

June, July August 2015-

The Fire Services Task Force met each month to consider the most cost effective and efficient options for Fire Protection in Needles, considering starting their own fire department, contracting to an outside fire agency, or annexation into the San Bernardino County Fire District.

October 2015-

The Fire Services Task Force made their recommendation to the Needles City Council and recommended annexation into the San Bernardino County Fire District with an FP-5 tax overlay. (Appendix B)

October 2015-

The Needles City Council in regular session voted 4-2 in favor of pursuing annexation into the San Bernardino County Fire District, however the resolution was returned to the Council for clarification of intent per LAFCO direction. (Appendix C)

December 2015-

The Needles City Council met in regular session and adopted resolution 2015-51 and officially requested annexation into the San Bernardino County Fire District with FP-5 tax overlay. (Appendix D)

## **Identified assets and liabilities**

The City of Needles currently has possession of 1 fire station:

Fire Station 31: city Owned

633 Front Street Needles Ca

Structure size: 3500 square feet

Lot size approximately .75 acres

Fire Station 32 is currently under construction with an expected completion date of November 1<sup>st</sup> 2016, at which time Fire Station 31 will close and be referred back to the City of Needles. All operations will take transferred to Station 32, a County Owned facility at that time.

County Fire has agreed to enter a lease agreement for the current Fire Station located at 633 Front St, until such time that the County Fire Station 32 construction is completed.

### **Vehicle Inventory**

<b>Stock #</b>	<b>Unit #</b>	<b>Type</b>	<b>Year</b>	<b>Make</b>	<b>Miles</b>
NDL18342	E-31	Type 1	2005	KME	165320
NDL18324	BP-31	Type 6	2003	Ford/rosenbauer	116339
NDL5815	U-31	Pickup	2003	Ford	

It is agreed upon by both parties that no financial compensation shall be given for the vehicle inventory to transfer to County Fire.

There are no identified liens or holdings outside of the City of Needles

There is no currently identifiable Assistance to Firefighter Grant (AFG), Department of Homeland Security (DHS) or State of California Office of Emergency Services (OES) based apparatus, personnel or equipment that requires ongoing tracking.

All employees are currently employed by The San Bernardino County Fire District and under MOU agreement between the County of San Bernardino and Local 935 with no identifiable liability. (Appendix D)

## **Plan for Service Delivery**

The San Bernardino County Fire District has indicated that their standard model of delivery is a 3 person Advanced Life Support (ALS) Paramedic Engine or Truck Company for a single resource fire station.

The delivery model would include at least one daily Paramedic based on the mandatory statutes set forth by Inland County Emergency Medical Agency (ICEMA), which functions as the governing body for the oversight of medical care within San Bernardino County.

A large component of the annexation is the incorporation of the regionalized service delivery modeling. Each apparatus will be outfitted with Global Positioning System/Automatic Vehicle Location (GPS/AVL) technology to assist in location services and through our Computer Aided Dispatch (CAD), Mobile Data Computer (MDC) providing updated instant mapping capability and via location services, deploying the closest possible resource to meet the demand.

The new FP-5 Needles Zone would incorporate an entire overlay of the existing City of Needles. A review of the City of Needles overlay resulted in the following findings:

Encompassed within the City of Needles are 3,222 parcels, of these parcels 453 are government owned and are not required to pay the tax. This leaves the total count at 2,769 parcels based on the current overlay of the district.

Based on the approved current tax of \$143.92 x's 2769 parcels= \$398,514.48, plus the 22.9% of the city ad valorem tax \$183,485.52 the anticipated revenue \$582,000.00 for FY16/17.

This staffing model requires \$1,589,103 based on salary and benefits starting in FY16/17 and with a 3% inflationary measure per year, ending the five-year forecast (FY20/21) at \$2,065,833.00.

Services and Supplies budget for FY16/17 requires \$239,938.00.

Total operating expenses for FY16/17 is \$1,829,081.

The Services and Supplies budget will increase to \$311,919.00 based on a 3% inflationary factor per annum.

The Needles City portion of the Staffing, services and supplies breaks down as such; FY16/17 22.9 % ad valorem tax or \$183,485.52 plus FP-5 overlay tax of \$398,514.48 total \$582,000.00

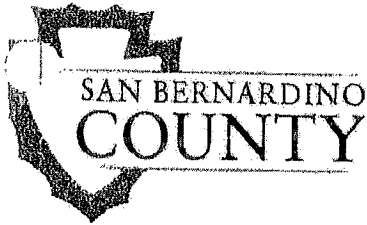
With ad valorem tax being the unknown the estimated cost at year 5 is based solely on 3% annual increase to FP-5 which would take that calculation to \$458,291.00 plus 22.9 % of current ad valorem tax of \$183,452 totals to \$641,743.00

This concludes the findings of all available data and factual evidence to support the Plan for Service for the annexation proposal of City of Needles into the San Bernardino County Fire District.

***I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.***

***Mark Hartwig, Fire Chief***

***San Bernardino County Fire District***



**Fire District**  
**Division 5 – South Desert**

**Mark A. Hartwig**  
Fire Chief/Fire Warden

**Dave Benfield**  
Division Chief

**RECEIVED**  
**DEC 17 2015**

January 5, 2015

**LAFCO**  
San Bernardino County

Rick Daniels, City Manager  
City of Needles  
817 3<sup>rd</sup> Street  
Needles, CA 92362

Mr. Daniels:

Currently the City's contract with San Bernardino County Fire (County Fire) pays for six limited-term firefighters (LT's) and other costs. The LT's work a schedule like full-time firefighters, but they have much lower pay and no benefits. The LT's are allowed to work a maximum of three years for County Fire as LT's to prevent County Fire from violating labor laws.

The original vision in hiring LT's under this Limited Term Firefighter Program (LT Program) was both to implement low-cost firefighter positions, and to allow LT's to gain valuable experience so that they could ultimately become full-time firefighters with County Fire or other organizations. However, under this program, County Fire has experienced great difficulty maintaining staffing levels. As such, County Fire will begin phasing out the LT Program, and will be replacing LT's with full-time firefighters.

The time frame for this transition is not yet known and will depend heavily on revenues. This will impact the City of Needles greatly, as County Fire will no longer offer a low-cost option for firefighters. The phase-out of the LT Program will definitely increase contract costs drastically. Currently the contract cost for the City of Needles is approximately \$620,000. If we were to hypothetically (today) replace the LT's with full-time firefighters, contract costs would increase by approximately \$600,000. My intent in this letter is to advise you of County Fire's future staffing plans so that the City of Needles can adequately plan for the future increase in expenses, or explore other options. Please feel free to contact me with any questions.

Respectfully,

Dave Benfield  
Division Chief

**BOARD OF SUPERVISORS**

**ROBERT A. LOVINGGOOD**  
Chairman

**EDITH B. JONES**  
Board Member

**GARY L. OVERTON**  
Board Member

**JOHN GOSZ**  
Board Member

**ANTHONY C. DENTON**  
Chief Executive Officer

Appendix SA#1



October 16, 2015

To: Mayor Paget, M.D., Council members, Rick Daniels, City Manager

From: Michael Wright, representing the Fire Service Task Force Committee

Subject: Fire Service Task Force Committee recommendation of Fire Services for City of Needles, California.

The Fire Service Task Force Committee met three times in which there were many issues explored, discussed and debated. The committee was facilitated by Rick Daniels, City Manager. Committee members had the opportunity to review the cities' fire service history which brought us up to our present situation. It was determined the city had a few options to investigate.

- 1.) The city could maintain their contractual relationship with San Bernardino County Fire.
- 2.) The city could seek an alternative fire service provider, i.e. Mohave Valley Fire Dept.
- 3.) The city could be annexed into San Bernardino County Fire District.
- 4.) The city could create it's own fire department.

Obviously, continuing the current contract with San Bernardino County Fire is not feasible. The alternative to the current contract, which was closer to what the city could afford, (\$612,000), was also a consideration. This model would result in a staffing reduction of one firefighter, but would provide a full Paramedic Engine company staffed. This staffing level is equivalent to Mohave Valley Fire Department.

It was estimated that contracting with Mohave County Fire Department would cost the city \$1.2 million to staff a fire station here in Needles.

Annexation into the County Fire District would cost a permanent transfer of \$582,000 from the total property tax collected. A parcel tax up to a maximum of \$171 could be levied to decrease the cities' cost. Level of service is maintained and may be enhanced by two firefighters in the future.

The Paid Call/Volunteer, city fire service model presented an unrealistic financial burden. When a rough draft budget was formulated, it became clear the city does not have the resources to fund it's own agency. There is legitimate concern of homeowners and business insurance rates being significantly raised or even cancelled. The city made substantial outreach efforts to draw interest in a PCF/Volunteer fire agency and determine the size of an eligible pool of candidates. (Please see attached list of agencies notified.) At this point there is a total of zero applications received.

Many hours were spent discussing these options. We were privileged to have guest speakers and concerned citizens attend the meetings. Mike Lowenthal, owner/operations manager of Baker Ambulance spoke to the committee to inform us of what roll his services play in emergency response. Division Chief John Chamberlin and Battalion Chief Tom Marshall from San Bernardino County Fire attended meetings and were willing to clarify many questions the committee had regarding the service they provide. Janet Jernigan, a local business owner provided insight into the possible scenarios regarding insurance issues. Local resident Barry Menges, provided valuable fire service details and perspective.

At our last meeting we again heard input from citizens, local business owners and Chief Chamberlin. We, the committee, were charged with coming to an agreement as to how the city of Needles could best be served with fire protection. Taking into consideration cost, level of service, response time and availability, I.S.O. and insurance consequences, availability and reliability of resources, community involvement and local control, we came to an unanimous, collective decision.

The Fire Service Task Force committee recommends the the city of Needles begin the necessary steps toward annexation into the County Fire District. The committee also recognizes the need for community involvement and would recommend implementing a reserve firefighter, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement. The citizens participation is welcomed, encouraged and would be initiated by Chief Chamberlin and Chief Marshall.

Throughout California and much of the nation, the regional approach to fire services has proven to be a beneficial trend.

The committee agrees this would be the most cost effective route for securing ongoing fire protection services for the city. While it does require the permanent transfer of funds, a parcel tax would relieve some of the cost. Even without a parcel tax levee the cost is less than the city is currently paying. The level of service would remain, with the possible enhancement of adding two firefighter positions which Chief Chamberlin is requesting. Coverage of the city would remain intact with the existing mutual aid agreement. The city currently has an I.S.O. rating of five (5) which is unlikely to change. The County Fire District has the ability to provide many emergency response resources as well as human resources which is a cost the city would not have to incur. The San Bernardino County Fire District will have complete financial responsibility. Financial, operational, logistical and supportive resources will be provided by the fire district relieving the city of other costly obligations.

Appendix B #1

CITY OF NEEDLES		<u>PRELIMINARY</u>					
ANNUAL BUDGET DETAIL - FIRE							
	<u>Volunteer (30)</u>	<u>Paid Call (15)</u>	<u>District</u>		<u>Rates</u>	<u>Notes</u>	
<b>Salaries</b>							
Chief	100,000	100,000	incl.				
Captains	100,000	100,000	incl.				
Engineers	n/a	93,600	incl.		\$15/hour	estimate based on 6,240 hrs./yr.	6240
Firefighters	n/a	87,360	incl.		\$14/hour	per HR., based on 6,240 hrs./yr.	6240
Administrative support (.5)	n/a	14,560	incl.		\$14/hour	estimate based on 1,040 hrs./yr.	1040
<b>Payroll Taxes/Insurance/PERS</b>							
FICA Soc Sec/M-Care Ins	n/a	30,257	incl.		0.0765	per HR	
Group insurance	n/a	211,500	incl.			Avg b/w emp+1 & emp+fam x 15	
Workers' compensation	n/a	30,000	incl.			estimate; based on Elec alloc of \$28k	
PERS/employer contribution	n/a	30,675	incl.		0.08052	per HR	
<b>PERSONNEL COSTS</b>	<b>200,000</b>	<b>697,952</b>	<b>0</b>				
<b>Professional Services</b>							
Educational training	10,000	10,000	incl.			estimate	
Legal fees	25,000	25,000	incl.			estimate	
Dispatch	50,000	50,000	incl.			estimate	
Mutual aid	?	?	incl.			?	
Contract with SB County Fire Dept.	n/a	n/a	582,000			actual	
<b>Utilities</b>							
Electric utilities	5,500	5,500	incl.			based on prior year average	
Wastewater utilities	1,050	1,050	incl.			based on prior year average	
Water utilities	950	950	incl.			based on prior year average	
Gas utilities	400	400	incl.			estimate	
<b>Repairs/Maintenance</b>							
Plant maint/repair	3,000	3,000	incl.			estimate	
Vehicle maint/repair	4,000	4,000	incl.			estimate	
Equipment maint/repair	10,000	10,000	incl.			estimate	
Computer maint/repair	500	500	incl.			estimate	
<b>Other Insurance</b>							
Liability insurance	30,000	30,000	incl.			estimate	
Property insurance	18,000	18,000	incl.			estimate	
<b>Communications</b>							
Telephone-land line & DSL	2,000	2,000	incl.			estimate	
Cell phones, pagers & radios	80,000	80,000	incl.			estimate	
<b>Advertising</b>	100	100	incl.			estimate	
<b>Travel</b>	1,000	1,000	incl.			estimate	
<b>Dues and Memberships</b>	500	3,000	incl.			estimate	

2 H 4 Appendix B H 2

	<u>Volunteer (30)</u>	<u>Paid Call (15)</u>	<u>District</u>	<u>Rates</u>	<u>Notes</u>
<b>Licensing</b>	300	300	incl.		estimate
<b>Internal Services</b>					
Central purchasing	30,000	30,000	incl.		estimate
Mgmt Info Sys/O & M	25,000	25,000	incl.		estimate
Fleet management	35,000	35,000	incl.		estimate
Finance dept. services	5,000	5,000	incl.		estimate
<b>Supplies/Materials</b>					
Uniforms	45,000	22,500	incl.		Year 1 (unif 1200/p; brush gear 300/p)
Office supplies	300	300	incl.		estimate
Computer/printer supplies	300	300	incl.		estimate
Safety equipment	500	500	incl.		estimate
General supplies	100	100	incl.		estimate
<b>Vehicle Fuel</b>	20,000	20,000	incl.		estimate
<b>Plant</b>					
Building replacement fund	8,333	8,333	n/a		* Building sale \$100k
Vehicle replacement fund	51,000	51,000	n/a		* Equipment sale \$100k
Other assets replacement fund	5,000	5,000	n/a		estimate
Furniture, fixtures & equipment	0	0	n/a		estimate
<b>TOTALS</b>	<b>667,833</b>	<b>1,145,786</b>	<b>582,000 *</b>		

Appendix B #3

RESOLUTION NO. 2015-49

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF NEEDLES, CALIFORNIA, ACCEPTING THE  
RECOMMENDATION OF THE FIRE SERVICES TASK FORCE  
AND DIRECTING STAFF TO BEGIN THE APPLICATION PROCESS  
FOR ANNEXATION INTO THE COUNTY FIRE DISTRICT  
FOR CONTINUED FIRE PROTECTION SERVICES

WHEREAS, on January 5, 2015, the San Bernardino County Fire Department notified the City of Needles that the annual cost of fire protection services would be increasing from approximately \$620,000 to approximately \$1.2 million due to the elimination of their limited term firefighter program which provided low cost firefighter positions (lower pay and no benefits) while allowing the limited terms to gain valuable experience; and

WHEREAS, on July 14, 2015, the City Council appointed community members to serve on a Fire Services Task Force to research options for continued fire protection services within the City of Needles, including continuing the relationship with the County Fire Department; seeking an alternative fire service provider; annexation into the San Bernardino County Fire District; or creation of a municipal volunteer/paid-call fire department; and

WHEREAS, the Task Force met on three occasions during which significant reports and other information were provided on many components of operating a local fire department all of which was explored, discussed, and debated and all questions were answered by staff; and input was received from local emergency services personnel, citizens and business owners; and

WHEREAS, by majority consensus, the Fire Services Task Force recommended that the City of Needles begin the necessary steps towards annexation into the County Fire District, and, recognizing the need for community involvement, further recommended the implementation of a reserve firefighters, paid-call and/or explorer program to enhance service and provide local residents the opportunity for involvement in their fire department.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California, hereby accepts the recommendation of the Fire Services Task Force as outlined in their written report dated October 16, 2015 attached hereto and incorporated herein and directs the City Manager to begin the application process with the San Bernardino County Local Agency Formation Commission (LAFCO) for annexation into the San Bernardino County Fire District.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 27th day of October, 2015, by the following roll call vote:

AYES: Councilmembers Frazier, Williams, Darcy and Richardson

NOES: Councilmembers Gudmundson and Evans

ABSENT: None

ABSTAIN: None

Cheryl/council/resolution - fire services task force recommendation - accept (Oct '15)


Resolution No. 2015-49  
(Page Two)

  
\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:   
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

Cheryl/council/resolution - fire services task force recommendation - accept (Oct '15)

BC #2

RESOLUTION NO. 2015-51

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF NEEDLES, CALIFORNIA, AUTHORIZING THE  
FILING OF AN APPLICATION TO THE LOCAL AGENCY  
FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR  
A SPHERE OF INFLUENCE AMENDMENT (EXPANSION) OF  
THE SAN BERNARDINO COUNTY FIRE PROTECTION  
DISTRICT AND REORGANIZATION TO INCLUDE  
ANNEXATIONS TO THE SAN BERNARDINO COUNTY FIRE  
PROTECTION DISTRICT, ITS SOUTH DESERT SERVICE  
ZONE AND SERVICE ZONE FP- 5

WHEREAS, the City of Needles desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code for:

1. A sphere of influence amendment for the San Bernardino County Fire Protection District (District); and
2. A reorganization proposal to include, but not limited to, annexation to the San Bernardino County Fire Protection District and its South Desert Service Zone and Service Zone FP- 5 as more specifically described in the City's application attached hereto; and

WHEREAS, the territory proposed for reorganization is legally inhabited and a description of the boundaries for all actions is set forth in the City's application attached hereto, and by this reference incorporated herein; and

WHEREAS, the proposed reorganization will not conflict with any existing sphere of influence as the proposed change includes an amendment to the San Bernardino County Fire Protection District sphere of influence to accommodate the proposed reorganization; and

WHEREAS, it is desired that the proposed reorganization be subject to the following terms and conditions:

1. The District shall assume all rights, duties, responsibilities, obligations, functions, executory provisions related to fire protection services, except as otherwise outlined in the Conditions of Approval by LAFCO.
2. The Plan for Service included with the application outlines the general approach and parameters for delivering fire protection services to serve the City. The District will assume responsibility for providing sustainable service to the residents and businesses of the City as a condition of the annexation and for providing the personnel, facilities, equipment, and oversight necessary to do so on an ongoing basis.

3. As a function of the reorganization, the City shall annex to the District's South Desert Service Zone and Service Zone FP- 5 for the purpose of fire protection operations.
4. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by the City related to fire protection shall continue to be levied and collected by the District.
5. The standard terms and conditions imposed by the Local Agency Formation Commission upon all proposals or such additional conditions as may be deemed appropriate or necessary by the Local Agency Formation Commission in its consideration; and

WHEREAS, the reasons for the sphere of influence amendment and proposed reorganization are to provide effective, safe and financially sustainable fire protection services to the City of Needles.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles, California, as follows:

SECTION 1. The City Manager is hereby authorized to apply to the Local Agency Formation Commission for San Bernardino County to take proceedings for the sphere of influence review and proposed reorganization as described in the City's application, in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

SECTION 2. The City Manager is authorized to negotiate terms and conditions with San Bernardino County and County Fire regarding fire service and the annexation.

SECTION 3. The City Manager is authorized to negotiate an interim contract agreement for County Fire to deliver fire protection services to the City until the annexation is completed.

SECTION 4. The Mayor and City Council of the City of Needles acknowledge and agree to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Policy 3 of Chapter 2 of its Accounting and Financial Division of its Policy and Procedure Manual updated August 2015.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 8th day of December, 2015, by the following roll call vote:

AYES: Councilmembers Gudmundson, Frazier, Darcy and  
Richardson

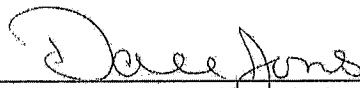
NOES: Councilmembers Evans and Williams

ABSENT: None

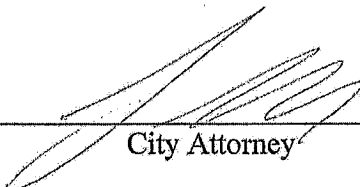
ABSTAIN: None

  
\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:   
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney






## CITY OF NEEDLES

817 Third Street • Needles, California 92363  
(760) 326-2113 • FAX (760) 326-6765

Mayor Edward T. Paget  
Vice Mayor Jeff Williams  
Councilmember Tony Frazier  
Councilmember Tom Darcy  
Councilmember Robert A. Richardson  
Councilmember Louise Evans  
Councilmember Shawn Gudmundson  
City Manager Rick Daniels

## CERTIFICATION

I, Dale Jones, City Clerk of the City of Needles, California, do hereby certify that the foregoing is a true and correct copy of Resolution Number 2015-51

  
\_\_\_\_\_  
Dale Jones, CMC  
City Clerk

(SEAL)

Date: December 14, 2015