



Proposition 218 Benefit Assessment

Fire Protection and Emergency Response Services Assessment

**Community Meeting
Pajaro Valley Fire Protection District
February 3, 2024**

Agenda of Today's Meeting

- Introductions
- About the District
- District Finances
- Proposed Assessment
- Next Steps
- Questions



Introductions

Board of Directors

- Dave Martone, Chair
- Aerin Murphy, Vice-Chair
- Robert Erbe, Director
- Ashley Moules, Director
- John Sampson, Director

Fire District Staff

- Nate Armstrong, Fire Chief
- Sean Murray, Battalion Chief

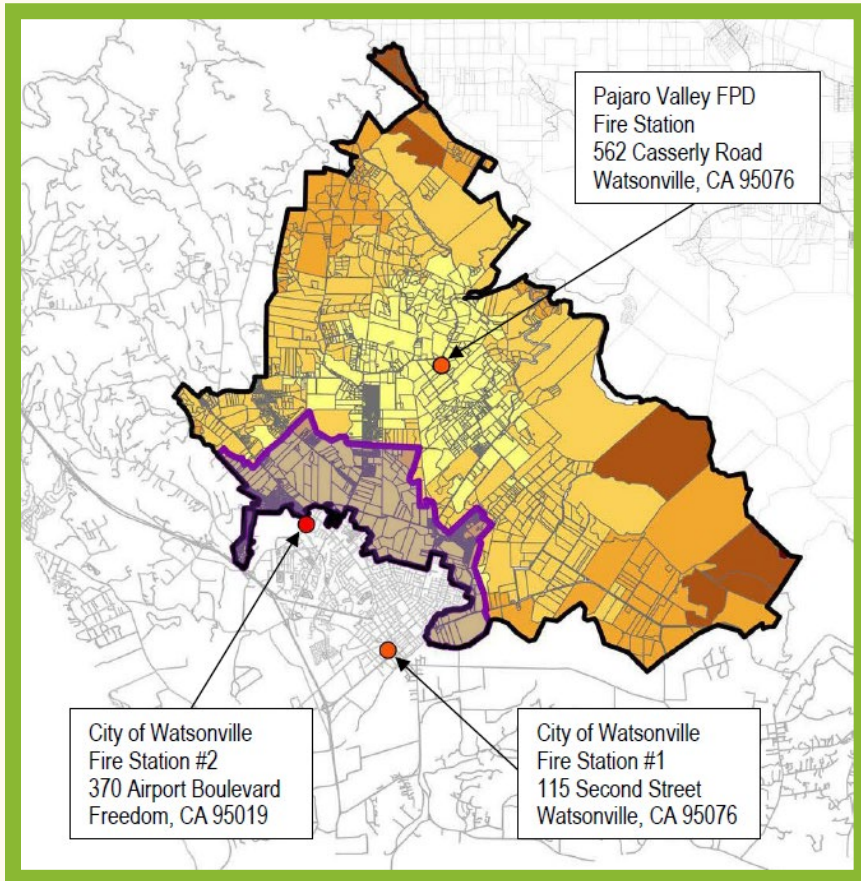
Benefit Assessment Consultants

- John Bliss, P.E., President, SCI Consulting Group
- Edric Kwan, P.E., Senior Vice President, SCI Consulting Group
- Brandon Vanleuven, Senior Consultant, SCI Consulting Group

About the Pajaro Valley FPD

Background and History:

- In 1994, District was formed to consolidate:
 - Salsipuedes Fire Protection District
 - Freedom Fire Protection District
- In 1993, contracted with the Watsonville Fire Department to provide emergency services in urban areas of the District
- In 1997, entered into a co-operative agreement with the California Department of Forestry and Fire Protection (CAL FIRE)



About the Pajaro Valley FPD

Background and History (continued):

- Established automatic and mutual aid agreements with:
 - City of Watsonville
 - Santa Cruz County Fire in Corralitos
 - Aromas Tri-County Fire
 - South Santa Clara County Fire District
- Serves a rural community of 18,000 people or 4,237 parcels covering 52 square miles in the southern portion of Santa Cruz County
- Responds to 1,100 emergency calls per year

About the Pajaro Valley FPD

District Services Provided:

- Responds to structure, vegetation, and vehicle fires, traffic collisions, search and rescues, hazardous materials incidents, and emergency medical calls
- Responds to public service requests
- Provides fire prevention, community education, and emergency preparedness
- Emergency Medical Services at a basic life support (BLS) level



About the Pajaro Valley FPD

Equipment and Staffing Levels:

- 2 “Type 1” engines & 1 “Type 1” water tender
- Staffed with one Battalion Chief, two Captains, five Engineers, and one Fire Marshal (shared with Santa Cruz Co.)
- Ambulance by American Medical Response, Inc. (AMR), typically staffed with one paramedic and one EMT
- The station is staffed (24 hours a day) with a daily minimum of a 3-person company (1 fire captain and 2 apparatus engineers)
- Based on staff’s analysis, the District meets the state standards regarding firefighters on duty, but it does not meet the national standards.

District Finances

Funding History and Challenges:

- Funded by local property taxes, licensing and permit fees, and a static pre-Proposition 218 benefit assessment with a \$30 annual rate per single family residence
- This existing assessment does not include a cost-of-living adjustment mechanism and have remained unchanged since fiscal year 1996-97
- Costs continues to rise over the last 27 years
- District unable to keep pace economically with the increased costs of operations, of which personnel costs are the primary expenditure

Increased Fire Engine Cost



New Fire Engine Cost	Year
\$ 389,000	2010
\$ 649,000	2023
\$ 1,000,000	2024

- Fire Engines are on a 20-year replacement plan
- 10 years front line, 10 years reserve
- New apparatus must be budgeted for every 10 years

Increased Fuel Cost



Fuel Costs	Year
\$ 8,000	2021
\$ 16,000	2023

- Fuel costs have doubled since 2021

Increased Personnel Cost

Personnel Cost	Year
\$ 1,914,000	2019
\$ 2,234,000	2023
\$ 3,022,000	2025



- Personnel costs have increased 17% in five year
- 35% increase to maintain current staffing level

Local Fire District Cost Comparisons

Fire District	Population (2020)	Total Expense (FY 23-24)*	Cost Per Capita (Rounded)
Zayante FPD	5,043	\$704,871	\$140
CSA 48 (FY 19-20)*	24,206	\$3,309,177	\$137
Pajaro Valley FPD	18,154	\$2,930,375	\$161
Boulder Creek FPD (FY 19-20)*	5,226	\$1,154,561	\$221
Ben Lomond FPD	7,122	\$1,626,278	\$228
Felton FPD (FY 22-23)*			
Aromas TCFPD			
Central PD			
Scotts Valley FPD	20,171	\$13,173,203	\$653
Branciforte FPD	1,717	\$2,400,766	\$1,398
CSA 4	250	\$2,610,807	\$10,433

**FY 24-25 Expense of \$3,527,976
= \$194 per Capita is Still 3rd Lowest**

District Finances

Budget Projection of \$3.53M has a Shortfall of \$1.03M Needed to:

- Retain our locally trained and experienced firefighters
- Preserve rapid response times, 24/7 for fire protection and emergency services
- Maintain existing firefighting equipment and apparatus

Proposed Assessment

Prop 218 Benefit Assessment Process:

- Assessment amounts vary by parcel and are based on several unique parcel characteristics and factors:
 - Each **parcel owner** will receive one ballot
 - Each ballot is weighted in proportion to the parcel's proposed assessment
- Total assessment amount is the amount of 'votes'
- Only **returned ballots** are tabulated, and they are weighted based on their proposed assessment
- A **simple majority** is required (>50%) for approval and adoption

Proposed Assessment

Prop 218 Benefit Assessment Process (continued):

- Decided by **property owners** in a mailed ballot proceeding
- Requires **weighted majority of returned ballots** (>50%)
- Assessments based on type of property, size, & number of dwelling units and adjusted by the amount of **special benefit** each property receives
- Common local funding option in the State of California

Proposed Assessment

Special Benefits Factors

- Fire Risk
- Structure Replacement Value
- Fire Hazard Zone Risk
- Travel Time Premium



Which Property Receives More Special Benefit?

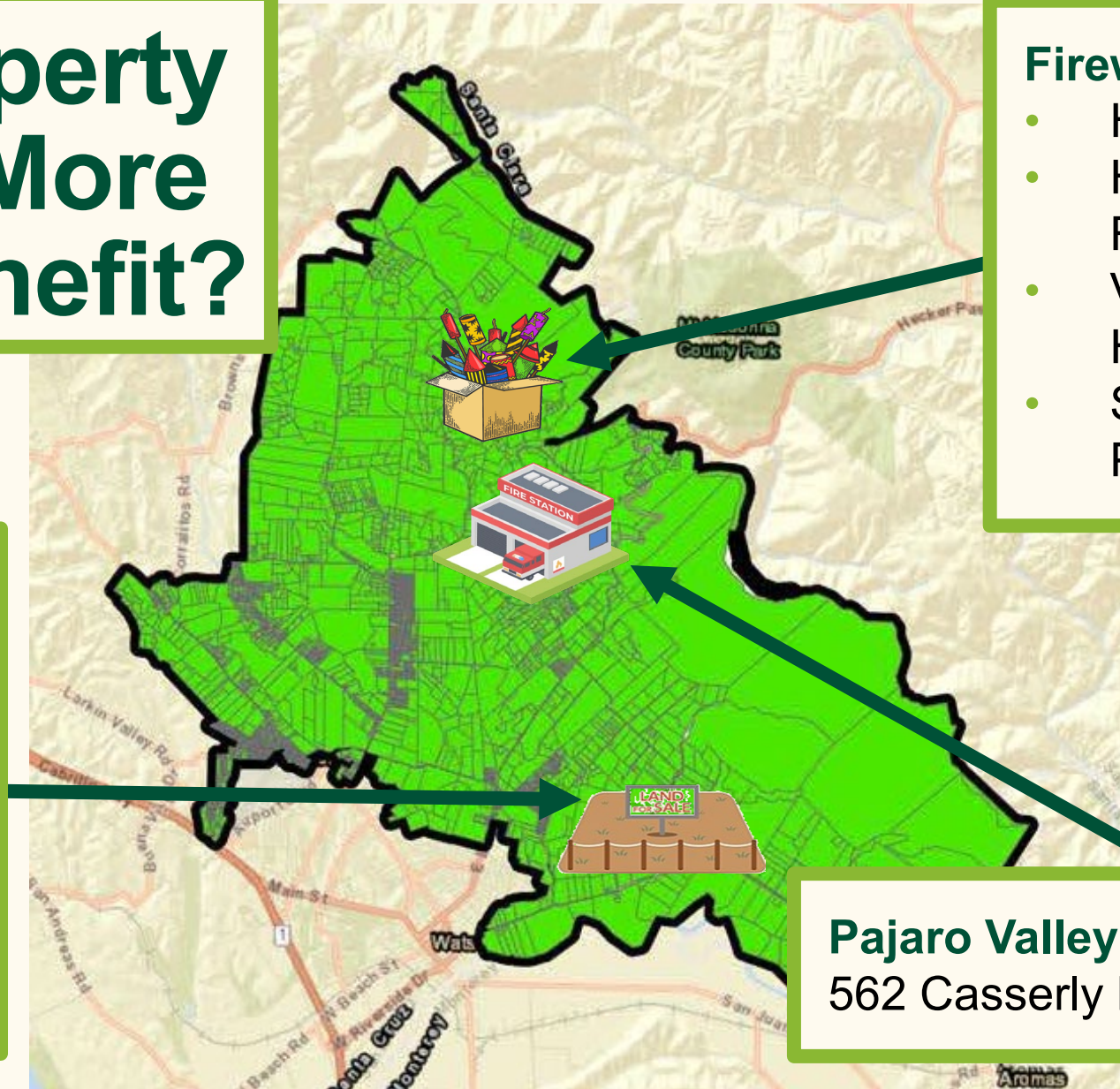
Vacant Lot

- Low Fire Risk
- Low Structure Replacement Value
- No Fire Hazard Zone Risk
- Long Travel Time Premium

Fireworks Factory

- High Fire Risk
- High Structure Replacement Value
- Very High Fire Hazard Zone Risk
- Short Travel Time Premium

Pajaro Valley FPD Fire Station
562 Casserly Road, Watsonville



Proposed Assessment



Property Type	Rate	Unit
Single Family	\$160.00	each
Multi-Family	\$45.12	res unit
Commercial/Industrial	\$808.18	acre
Office	\$229.57	acre
Storage	\$1,085.65	acre
Parking Lot	\$32.14	each
Vacant	\$32.14	each
Agriculture	\$12.77	acre
Range Land & Open Space	\$0.71	acre

Local Fire Assessment Fee Comparison

- Existing Pajaro Valley FPD - \$30 per Single Family Home
- Proposed Pajaro Valley PFD - \$160 per Single Family Equivalent (SFE)
- Santa Cruz County Fire CSA 48 - \$162 Per SFE
- North County Fire (Monterey County) - \$103 Per SFE
- Carmel Valley FPD (Monterey County) \$150 per Single Family Home
- Branciforte FPD (Santa Cruz) \$1,353 per SFE (Unsuccessful)

**Special District Assessments Stay Local and
DO NOT go into the County's General Fund**

Proposed Assessment

Calculation Examples:

Case #1: Single Family Residence in Very High Hazard Zone with a 15-20 minute Travel Time

Assessment Rate = Annual Base SFE Rate * 1.000 (Risk & Replacement Factor) * 1.20 (Fire Hazard Zone Risk Factor) * 0.97 (Travel Time Premium Factor)

= 1.16 * Annual Base SFE Rate = 1.16 * \$160 ~ \$186

Case #2: Commercial Property on 1 Acre in Very High Hazard Zone with a 5–10 minute Travel Time

Assessment Rate = Annual Base SFE Rate * 5.0511 (Risk & Replacement Factor) * 1 acre * 1.20 (Fire Hazard Zone Risk Factor) * 1.05 (Travel Time Premium Factor)

= 6.37 * Annual Base SFE Rate = 6.37 * \$160 ~ \$1,019

Proposed Assessment

Benefit Assessment Features:

- The proposed assessment is based on the fiscal year 2024-25 budget
- If approved, the assessment would be paid **on an annual basis**
- In order for assessment-derived revenues to keep up with rising costs, an annual adjustment tied to the Consumer Price Index (CPI) may be applied to each succeeding year - **not to exceed 4%**
- Any change in the CPI in excess of 4% shall be **cumulatively reserved** as the “Unused CPI” and shall be used to increase the maximum authorized assessment rate in years when the CPI is less than 4%

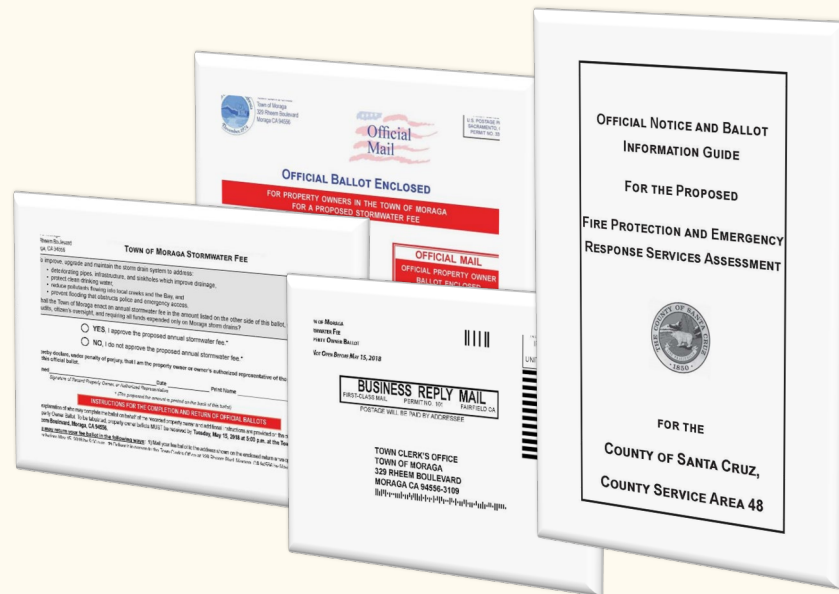
Proposed Assessment

Benefit Assessment Features (continued):

- If approved, the authority to revise the assessment annually will rest with the **Pajaro Valley FPD Board**. The proposed assessment has “**no sunset**”
- However, this assessment will only be charged if the Pajaro Valley FPD Board can **justify the budgetary need**
- In addition to the possible increases described on the previous slide, the Pajaro Valley FPD Board may also **maintain or lower** the assessment rate in a certain fiscal year
- The Pajaro Valley FPD Board may also choose **not to levy the assessment** if funds are no longer needed

Next Steps

January 18th
Ballots Mailed



March 19th
Ballots due by end of
Public Hearing





Questions?

Please visit
www.pajarovalleyfire.com
for frequently asked questions

Proposed Assessment

General Versus Special Benefit:

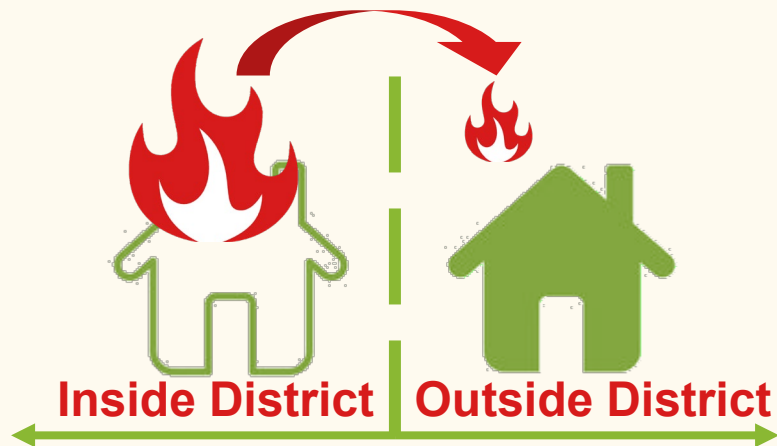
- Required by Proposition 218
- General Benefits are for those that benefit from District services but do not contribute to the assessment
- The rationale for separating Special and General Benefits is to ensure **property owners are not paying for General Benefits**
- Common factors to determine General Benefit are...



Proposed Assessment

General Benefit Factors

Outside Properties
Adjoining District



Benefit to Public
at Large



Emergency
Medical Services

