

# FIVE CITIES FIRE AUTHORITY



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Daniel Rushing, Chair  
Lan George, Vice Chair  
Caren Ray Russom, Board Member  
Clint Weirick, Board Member

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Matthew Bronson, Management Committee  
Matthew Downing, Management Committee  
Keith Aggson, Interim Fire Chief  
Tricia Meyers, Clerk to the Board  
Martin Koczanowicz, General Counsel

## AGENDA SPECIAL BOARD MEETING THURSDAY, MARCH 7, 2024–5:00 P.M.

City of Grover Beach Council Chambers  
154 South Eighth Street, Grover Beach, CA

### CALL TO ORDER

### FLAG SALUTE

### ROLL CALL

### AGENDA REVIEW:

At this time the Board will review the order of business to be conducted and receive requests for, or make announcements regarding any change(s) in the order of the day. The Board should, by motion, approve the agenda as presented or as revised.

### COMMUNITY COMMENTS AND SUGGESTIONS:

Any member of the public may address the Board for a period not to exceed three minutes total on any item described in this Agenda. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.

### NEW BUSINESS

a. Update and Policy Direction on Oceano Fire Service Delivery  
(BRONSON/DOWNING)

**Recommended Action:** It is recommended the Board receive an update on continued negotiations with the County of San Luis Obispo regarding fire service delivery in unincorporated Oceano and provide direction to staff on drafting a potential service contract between the Five Cities Fire Authority and the County.

**SPECIAL BOARD MEETING AGENDA – MARCH 7, 2024**  
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**ADJOURNMENT**

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All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 24 hours of a special meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the Clerk to the Board's office, 140 Traffic Way, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Clerk to the Board's office at 805-473-5490 as soon as possible.

Any documentation or materials to be submitted by the General Public for consideration by the Board shall be submitted to the Clerk to the Board by email at [tmeyers@fivecitiesfire.org](mailto:tmeyers@fivecitiesfire.org), no later than 24 hours prior to the above scheduled time for the Five Cities Fire Authority Board meeting. Failure to submit documents or any materials at least 24 hours prior to the scheduled time for the Board meeting shall be grounds for the Board to reject consideration or review of those items unless otherwise required by state or local laws.

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Agenda reports can be accessed and downloaded from the Five Cities Fire Authority Website at [www.fivecitiesfireauthority.org](http://www.fivecitiesfireauthority.org).



## **STAFF REPORT**

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**TO:** Chair and Board Members

**MEETING DATE:** March 7, 2024

**FROM:** Matthew Bronson, Management Committee  
Matthew Downing, Management Committee

**SUBJECT:** Update and Policy Direction on Oceano Fire Service Delivery

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### **RECOMMENDATION**

It is recommended the Board receive an update on continued negotiations with the County of San Luis Obispo regarding fire service delivery in unincorporated Oceano and provide direction to staff on drafting a potential service contract between the Five Cities Fire Authority and the County.

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### **BACKGROUND**

#### **Overview**

The Five Cities Fire Authority (FCFA) has provided fire and emergency medical services to Oceano since the inception of FCFA in 2010 and currently provides these services under a one-year agreement with the Oceano Community Services District (OCSD) expiring on June 30, 2023. Under this agreement, service is provided from companies stationed at either Station 1 in Arroyo Grande or Station 2 in Grover Beach given facility deficiencies at Station 3 in Oceano. This agreement was put in place following OCSD's request to the Local Area Formation Commission (LAFCO) to divest responsibility for such services with a decision by LAFCO expected in mid-2024. OCSD is paying \$1.15 million for these services, which is significantly below the equivalent cost of a 2-person engine company, but OCSD was unable to pay a higher amount for this temporary agreement. Though ultimately the FCFA entered into this agreement, both the Arroyo Grande and Grover Beach City Councils stated that providing ongoing service to Oceano would come at a higher contractual amount more commensurate with the cost of such service. Both City Councils also noted the investments that both cities previously made in moving from 2-person to 3-person engine companies given the importance of this service level and response in an urban area.

On September 12, 2023, the Board of Supervisors discussed policy options for providing fire service in Oceano if LAFCO approved OCSD's request for divestiture. County staff conveyed that the County is not legally mandated to provide fire service in Oceano or any unincorporated areas though there could be a public policy impetus for doing so. Contracting with FCFA was recommended by County staff and the Board of Supervisors concurred and directed staff to begin negotiations with FCFA for contract service. However, under this scenario the County would provide funding for a service level equivalent to the current service level of a third 2-person company and contract fire prevention services. FCFA would receive \$1.7 million for providing this fire service in FY 2024-25 with the County retaining approximately \$130,000 in contract oversight expense for a total cost to the County of \$1.8 million. Board members and County staff indicated the County's desire to have 3-person staffing in all unincorporated areas consistent with the County's Fire Strategic Plan but the County's fiscal constraints and equity concerns with other unincorporated areas precluded them from providing additional funding for a higher service level for Oceano at this time.

#### **Previous Board Discussion**

On October 18, 2023, the FCFA Board discussed the issue of Oceano fire service and provided direction to staff on parameters for a potential service contract between FCFA and the County. The Board recognized

the value of providing this service to help secure additional funding for FCFA though expressed concern over the lack of sufficient funding from the County to provide for a 3-person company as achieving 3-person staffing levels is important for FCFA to ensure the highest quality service response. The Board noted that the 2-person company serves the entire FCFA service rather than just unincorporated Oceano and acknowledged the County's fiscal constraints, but that FCFA service levels should not be based on these constraints. The Board subsequently directed staff to continue working with the County on the following two issues with additional discussion points from staff shown below:

1. *Provide sufficient funding for a 3-person engine company*

- \$2.15 million for FY 2024-25 was the initial cost estimate for a 3-person company provided to the County in June 2023. However, in December 2023 FCFA staff provided the County with a revised estimate of \$1.92 million for this level of service based on approved labor agreements and projected debt service cost savings.
- As noted, the County has estimated a total cost of \$1.8 million for the existing service level of a 2-person company including \$130,000 in contract oversight expenses retained by the County though FCFA would be managing the contract rather than the County. Applying these oversight funds towards the direct cost of a 3-person company would leave a funding gap of only \$100,000 to provide this higher level of service.
- If the County insisted that funding to provide a 3-person company was not attainable now, consider a trigger point in a multi-year service agreement to reconsider this service level within the first year.

2. *Develop and implement capital improvements related to Station 3 to reopen the station*

- Station 3 is currently unusable for service delivery with an initial estimate of \$1.5 million to renovate and expand the station to make it usable again.
- Operating a third engine company out of this station again would provide the most effective service response to Oceano and surrounding areas.
- County is currently negotiating with OCSD for disposition of assets where funding could be used for station improvements.
- Using these funds for developing a capital project in the County's Capital Improvement Program (CIP) to improve Station 3 would be beneficial to all parties.

## **County Response**

FCFA staff met with the Acting County Administrative Officer (CAO) in December 2023 to share this direction from the Board and discuss the County's response. This meeting was not scheduled sooner given the CAO transition in November and multitude of policy issues facing the County. The Acting CAO requested additional time to consider the FCFA requests and continue negotiations with OCSD on asset disposition. Staff met again with the Acting CAO in February and below is the County's response to the FCFA requests:

- County's proposal of \$1.7 million in funding to FCFA for Oceano fire service remains based on an equivalent service level to the current level. The County reiterated that their fiscal constraints including a \$22 million budget gap and expenditure reductions do not enable them to increase this funding particularly as the County is assuming this new responsibility and General Fund cost. However, the County is open to reviewing this staffing level during a multi-year service agreement and seeking opportunities to provide additional funding for fire services in unincorporated areas.
- The \$130,000 in contract oversight expenses retained by the County is a standard cost allocation based on a formula for time spent by administrative departments overseeing the contract. However, staff has stated that the County will not incur significant time since contract management and oversight would be carried out by FCFA not the County. Staff requested the County provide examples of such expenses for similar contracts to this one which staff has not yet received.

- County does not currently provide 3-person engine staffing in any unincorporated area and providing a level of funding for this service level in Oceano at this time would not be equitable to other unincorporated areas. Furthermore, the County believes that providing this higher level of service to Oceano immediately after two failed tax measures by OCSD to increase funding would set a troubling precedent for other Community Services Districts struggling to pay for fire services.
- County acknowledges the benefit of renovating Station 3 to be used again for service response. However, the County does not have identified funding at this time for the renovation estimated to cost \$1.5 million along with ongoing operations and maintenance costs. The County's CIP for FY 2024-25 is already developed with established projects but the County is open to including this renovation as a future capital project. Furthermore, negotiations are still underway with OCSD on asset disposition and the outcome and resolution of these negotiations is not known at this time.
- Lastly, LAFCO is anticipated to schedule a public hearing on the OCSD dissolution request by this June. LAFCO has indicated that both an asset disposition agreement between the County and OCSD and a service agreement between the County and FCFA would be essential components of LAFCO's consideration of the dissolution request. As such, these agreements would need to be developed and approved by the respective governing bodies by April/May.

### **Board Policy Direction**

Given this information and the need to achieve timely resolution on the issue of Oceano service delivery, FCFA staff is seeking the following direction from the Board on the following items related to a potential service contract with the County:

- *Staffing*
  - Contract option indicated by County continues to assume funding for the equivalent of a 2-person company as currently provided by FCFA despite request for reconsideration.
  - County is open to reviewing this staffing level during a multi-year service agreement and seeking opportunities to provide additional funding for fire services in unincorporated areas.
  - FCFA could also choose to increase local funding to fully fund a third 3-person company though this would add approximately \$200,000 in additional costs to the cities.
- *Cost*
  - \$1.7 million is the payment amount proposed by the County for the equivalent of a 2-person staffing level compared with the \$1.15 million currently received from OCSD.
  - Staff is requesting additional information from the County on the use of the \$130,000 contract oversight expense as this funding could be better used for direct service costs.
- *Term*
  - Multi-year contract would provide stability to FCFA operations and staffing after years of uncertainty and enable FCFA to hire new positions established in FY 2023-24 budget (new positions are currently filled by existing staff given one-year agreement with OCSD).
  - Staff would suggest a two- or three-year base term in the contract with a one-year extension available.
  - Term could have specified language about reviewing the level of service to consider increasing funding to 3-person staffing as noted above.

The Board may wish to raise other parameters or discussion points beyond these items listed here. Following Board direction, staff will continue to work with the County on this negotiation and drafting of a service agreement with the intent of bringing an agreement to the Board for review and action in April along with the Board of Supervisors. Such an action would meet the needs of LAFCO in considering the OCSD dissolution request prior to the end of this fiscal year.

Lastly, staff would note that while discussions with the County continue to be productive with a mutual goal of FCFA service delivery to Oceano, the timeline to develop and approve a service agreement before the

new fiscal year is limited. An inability to develop an agreement may lead to the County providing Oceano service delivery through CAL FIRE from Station 22 on the Nipomo Mesa. This action would eliminate funding for a third FCFA company and the resulting shift to two 3-person companies would likely lead to reductions-in-force for existing FCFA positions beginning in FY 2024-25.

**FISCAL IMPACT**

There is no fiscal impact from this agenda item.

**ALTERNATIVES**

The following alternatives are provided for the Board's consideration:

1. Receive an update on continued negotiations with the County of San Luis Obispo regarding fire service delivery in unincorporated Oceano and provide direction to staff on drafting a potential service contract between the Five Cities Fire Authority and the County; or
2. Provide other direction to staff.

**ATTACHMENTS**

October 16, 2023 FCFA Board Staff Report on Oceano Fire Service  
September 12, 2023 County Oceano Fire Service Report



## **STAFF REPORT**

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**TO:** Chair and Board Members

**MEETING DATE:** October 16, 2023

**FROM:** Matthew Bronson, Management Committee  
Bill Robeson, Management Committee

**SUBJECT:** Update and Policy Direction on Oceano Fire Service Contract

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### **RECOMMENDATION**

It is recommended the Board receive an update on the recent County Board of Supervisors action regarding fire service in unincorporated Oceano and provide direction to staff on key parameters for negotiating a potential service contract between the Five Cities Fire Authority and the County.

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### **BACKGROUND**

Following the withdrawal of the Oceano Community Services District (OCSD) as a member of the Five Cities Fire Authority (FCFA) in June 2023, the FCFA entered into a one-year agreement with OCSD to provide fire and emergency medical services in Oceano. This limited term contract was provided in the interest of continuing FCFA's service delivery in Oceano while OCSD's application with the Local Area Formation Commission (LAFCO) to divest the district from the responsibility of providing fire and emergency services was under review. This application was submitted in January 2023 with a decision by LAFCO expected in early 2024.

Below are the key terms of this limited term contract with OCSD:

- *Term:* 12 months to provide time for completion of the LAFCO divestiture process.
- *Cost:* \$1,150,000.
- *Scope of Service:* Fire and emergency response services, including the minimal fire prevention services currently provided by the FCFA.
- *Location:* Service will be provided from companies stationed at either Station 1 in Arroyo Grande or Station 2 in Grover Beach. Identified deficiencies at Station 3 in Oceano make continued use of this station by FCFA staff unadvisable at this time beyond use as a storage area.

The contract cost to the OCSD represents a 13% effective share of FCFA costs for FY 2023-24 which is a lower percentage than in the previous fiscal year (16%). A cost based on this 16% percentage would have been approximately \$1.4 million while a cost based on the percentage specified in the now-expired Third Amendment to the JPA Agreement (20%) would be \$1.7 million. However, OCSD was unable to fund the increased percentages of total FCFA FY 2023-24 expenditures beyond the \$1.15 million amount. Both the Arroyo Grande and Grover Beach City Councils discussed this situation and expressed concern about this funding amount though ultimately provided direction to their respective representatives on the FCFA Board to approve a limited term contract for service to Oceano which was done on June 22, 2023. However, both Councils indicated that a potential contract with the County for providing service to Oceano would come at a higher cost more commensurate with the cost of providing such service.

On June 2, 2023, City Managers Bronson and McDonald provided information to the County at their request about the proposed cost for ongoing service delivery to Oceano. The cost estimates were based on the following table from the Baker Tilly analysis of fire services which assumes a cost of \$2.15 million for Oceano service in FY 2024-25 (see row labeled as "Oceano CSD"):

Table 21. High-Cost Option: FCFA forecast under OCSD scenario 3/staffing Plan A-2 (\$ in 000)

Staffing Plan A-2, Higher Wage Growth, No FEMA/SAFER Grants, OCSD Contracts with FCFA w/ County Support										
FCFA	FY20 Act	FY21 Act	FY22 Act	FY23 Bud	FY24 Est	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
Arroyo Grande	2,581	2,581	2,581	2,581	3,748	4,262	4,643	4,632	4,909	5,063
Grover Beach	2,015	2,015	2,015	2,015	2,695	3,064	3,337	3,330	3,529	3,639
Oceano CSD*	1,138	1,138	1,138	1,138	1,888	2,147	2,338	2,333	2,473	2,550
Other Revenue	211	1,056	855	1,416	655	734	890	912	934	957
Total Revenues	5,945	6,790	6,590	7,151	8,985	10,206	11,208	11,207	11,845	12,210
Salaries & Benefits	3,786	3,976	4,527	4,445	5,973	6,768	7,326	7,637	8,218	8,452
Overtime-Regular	771	790	709	928	992	1,134	1,230	1,291	1,391	1,428
Overtime-Strike Teams	63	489	446	286	314	321	327	334	340	347
Services & Supplies	658	905	975	1,159	1,272	1,155	1,190	1,226	1,263	1,300
Equipment	166	146	13	227	464	464	589	523	488	487
Debt Service	101	101	101	169	204	279	452	190	90	159
Total Expenditures	5,546	6,407	6,771	7,214	9,219	10,120	11,114	11,199	11,789	12,173
Net Annual	399	383	(181)	(63)	(234)	86	94	8	56	37
Beginning Balance	605	1,004	1,388	1,206	1,143	909	995	1,089	1,097	1,153
Ending Balance	1,004	1,388	1,206	1,143	909	995	1,089	1,097	1,153	1,190
End Bal as % of Tot Exp	18.1%	21.7%	17.8%	15.8%	9.9%	9.8%	9.8%	9.8%	9.8%	9.8%

\*Assumes OCSD contracts with FCFA with contribution based on allocation share (paid with property tax plus County support).

These estimated costs reflect three 3-person companies which is the recommended staffing level from Baker Tilly for the FCFA service area assuming ongoing contract service delivery to Oceano. Currently, FCFA has two 3-person companies and one 2-person company serving the three communities. The estimated costs also reflect long-term need for equipment and other items and assume contract fire prevention services until such time that an in-house fire prevention bureau can be established. The service response to Oceano would come from companies based at either Station 1 in Arroyo Grande or Station 2 in Grover Beach given the current closure of Station 3 in Oceano.

In August 2023, City Managers Bronson and Robeson (now serving as the FCFA Management Committee) met with the County Administrative Office (CAO) for an initial discussion on a potential contract between FCFA and the County for Oceano fire service. During this meeting, the CAO requested a proposed cost for Oceano service if a 2-person rather than 3-person company was used. The Management Committee provided this information based on the table below from the Baker Tilly report though reiterated to the CAO the importance of having a 3-person staffing company:

Staffing Plan A-3, Higher Wage Growth, No FEMA/SAFER Grants, OCSD Contracts with FCFA w/ County Support										
FCFA	FY20 Act	FY21 Act	FY22 Act	FY23 Bud	FY24 Est	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
Arroyo Grande	2,581	2,581	2,581	2,581	3,463	3,906	4,432	4,401	4,670	4,816
Grover Beach	2,015	2,015	2,015	2,015	2,490	2,808	3,186	3,164	3,357	3,462
Oceano CSD*	1,138	1,138	1,138	1,138	1,744	1,967	2,232	2,217	2,352	2,426
Other Revenue	211	1,056	855	1,416	655	733	890	912	934	957
Total Revenues	5,945	6,790	6,590	7,151	8,351	9,414	10,739	10,693	11,313	11,661
Salaries & Benefits	3,786	3,976	4,527	4,445	5,568	6,115	6,911	7,207	7,774	7,993
Overtime-Regular	771	790	709	928	919	1,013	1,150	1,207	1,305	1,339
Overtime-Strike Teams	63	489	446	286	314	321	327	334	340	347
Services & Supplies	658	905	975	1,159	1,172	1,155	1,190	1,226	1,263	1,300
Equipment	166	146	13	227	464	464	589	523	488	487
Debt Service	101	101	101	169	204	279	452	190	90	159
Total Expenditures	5,546	6,407	6,771	7,214	8,641	9,347	10,618	10,687	11,259	11,626
Net Annual	399	383	(181)	(63)	(289)	67	121	6	54	35
Beginning Balance	605	1,004	1,388	1,206	1,143	854	921	1,042	1,048	1,103
Ending Balance	1,004	1,388	1,206	1,143	854	921	1,042	1,048	1,103	1,138
End Bal as % of Tot Exp	18.1%	21.7%	17.8%	15.8%	9.9%	9.9%	9.8%	9.8%	9.8%	9.8%

\*Assumes OCSD contracts with FCFA with contribution based on allocation share (paid with property tax plus County support).



The estimated cost of Oceano service under this proposal in FY 2024-25 would be \$1.97 million which would include in-house fire prevention services despite not fully funding three 3-person companies. Similar to the earlier proposal, the service response to Oceano would come from companies based at either Station 1 in Arroyo Grande or Station 2 in Grover Beach given the current closure of Station 3 in Oceano.

On September 12, 2023 the Board of Supervisors received a presentation from the CAO about policy options for the County to provide fire service in Oceano in the event that LAFCO approved OCSD's request to divest from being responsible for providing fire service. Attachment 1 is the staff report provided by the CAO to the Board of Supervisors. The report conveys that the County is not legally mandated to provide fire service in Oceano or any unincorporated areas though there could be a public policy impetus for doing so. Assuming the County decided to provide fire service in Oceano, the report outlined five service level options for the County to consider with the estimated annual ongoing cost shown in parentheses:

- Option 1: Serve from CAL FIRE Station 22 in Nipomo with no additional staffing (\$0)
- Option 2: Serve from CAL FIRE Station 22 in Nipomo with 3-person staffing (\$1.4M)
- Option 3: Serve from CAL FIRE Station 22 in Nipomo with new 2-person company (\$2.1M)
- Option 4: Serve from Station 3 in Oceano with new 2-person company and renovation (\$2.1M)
- Option 5: Contract with FCFA for service with 2-person staffing (\$1.8M)

The CAO recommended Option 5 as the preferred option for the County to consider as it would continue a similar service delivery level to Oceano as currently provided by FCFA. This option was deemed to be the most cost-effective compared with the options adding new CAL FIRE staffing and had a better average response time of 7-11 minutes compared with a response time of 11-12 minutes from Station 22 in Nipomo. In developing the cost estimate for Option 5, the CAO pulled information from the following table in the Baker Tilly report:

<b>Staffing Plan A-4, Higher Wage Growth, No FEMA/SAFER Grants, OCSD Contracts with FCFA w/ County Support</b>										
<b>FCFA</b>	<b>FY20 Act</b>	<b>FY21 Act</b>	<b>FY22 Act</b>	<b>FY23 Bud</b>	<b>FY24 Est</b>	<b>FY25 Est</b>	<b>FY26 Est</b>	<b>FY27 Est</b>	<b>FY28 Est</b>	<b>FY29 Est</b>
Arroyo Grande	2,581	2,581	2,581	2,581	3,621	3,978	4,354	4,331	4,601	4,745
Grover Beach	2,015	2,015	2,015	2,015	2,633	2,893	3,167	3,150	3,346	3,451
Oceano CSD*	1,138	1,138	1,138	1,138	1,553	1,706	1,868	1,858	1,974	2,035
Other Revenue	211	1,056	855	1,416	655	733	890	912	934	956
<b>Total Revenues</b>	<b>5,945</b>	<b>6,790</b>	<b>6,590</b>	<b>7,151</b>	<b>8,462</b>	<b>9,311</b>	<b>10,279</b>	<b>10,250</b>	<b>10,855</b>	<b>11,187</b>
Salaries & Benefits	3,786	3,976	4,527	4,445	5,568	6,041	6,545	6,830	7,384	7,590
Overtime-Regular	771	790	709	928	919	1,001	1,087	1,143	1,238	1,270
Overtime-Strike Teams	63	489	446	286	314	321	327	334	340	347
Services & Supplies	658	905	975	1,159	1,272	1,155	1,190	1,226	1,263	1,300
Equipment	166	146	13	227	464	464	589	523	488	487
Debt Service	101	101	101	169	204	279	452	190	90	159
<b>Total Expenditures</b>	<b>5,545</b>	<b>6,407</b>	<b>6,771</b>	<b>7,214</b>	<b>8,741</b>	<b>9,262</b>	<b>10,190</b>	<b>10,245</b>	<b>10,802</b>	<b>11,154</b>
Net Annual	399	383	(181)	(63)	(279)	49	88	5	53	33
Beginning Balance	605	1,004	1,388	1,206	1,143	864	914	1,002	1,007	1,060
Ending Balance	1,004	1,388	1,206	1,143	864	914	1,002	1,007	1,060	1,094
End Bal as % of Tot Exp	18.1%	21.7%	17.8%	15.8%	9.9%	9.9%	9.8%	9.8%	9.8%	9.8%

\*Assumes OCSD contracts with FCFA with contribution based on allocation share (paid with property tax plus County support).

Under this option, FCFA would receive \$1.7 million for providing Oceano fire service in FY 2024-25 and the County would spend approximately \$130,000 in contract oversight expenses to total the \$1.8 million cost. During the Board of Supervisors meeting, FCFA Chief Executive Officer Bronson provided comments on behalf of the FCFA to request that the County contract with FCFA for Oceano fire service. The Board expressed its preference in contracting with FCFA for this service and subsequently unanimously approved a motion directing the CAO to begin negotiations with FCFA for this contract. Board Members and the CAO indicated the County's desire to have 3-person staffing for all unincorporated areas consistent with the County's Fire Strategic Plan but indicated that lack of funding given a County budget deficit and equity concerns with other unincorporated areas would preclude them from funding 3-person staffing at this time.

However, the CAO indicated that this could be revisited once a service contract was underway and the County identified additional funding for 3-person staffing countywide such as through a fire tax in unincorporated areas.

With the Board of Supervisors' action to begin negotiations with FCFA on Oceano fire service, the Management Committee is seeking FCFA Board review and direction to guide staff's negotiations with the CAO with the goal of having a service contract begin on July 1, 2024. Below are parameters where staff is seeking Board direction:

- *Term*
  - Multi-year contract would provide stability and certainty to FCFA operations and staffing
  - An example could be a two- or three-year term with single-year extensions
- *Staffing Level*
  - Contract option indicated by County assumes funding a 2-person company as currently provided by FCFA
  - County has indicated that funding 3-person company is desirable long-term but not feasible at this time given funding and equity concerns
  - Staff could seek the County's reconsideration of this staffing level and/or commitment to reviewing staffing as part of a defined review process in the first year of a contract
  - FCFA could also opt to fund the third 3-person company directly though this would add approximately \$200,000 in additional costs to the cities
- *Fire Prevention*
  - Contract fire prevention staffing is currently provided by FCFA and included in County's contract service option though such contract work was envisioned as a temporary action
  - Staff could seek to develop an initial level of in-house fire prevention staffing along with contract resources with the additional funding from the County
- *Station 3 Usage*
  - Use of Station 3 again by FCFA would be a benefit to all parties but the station requires significant renovation to be usable for service delivery
  - Staff could seek to work with the County on developing a capital project to carry out this renovation in the near future
  - Funding for this work would be subject to negotiations between the County and OCSD which owns the property
- *Cost*
  - \$1.7 million is the payment amount estimated by the County compared with the \$1.15 million currently received from OCSD
  - Staff could seek to increase this funding amount with the County and/or review the necessity of the \$130,000 contract oversight expense

The Board may wish to raise other parameters or discussion points beyond these items listed here. Following Board direction, staff will work with the County on this negotiation with the intent of bringing a draft term sheet or agreement to the Board for review at the January meeting. Pending this review, staff would seek to bring a final agreement to the Board for review and action in April.

### **FISCAL IMPACT**

There is no fiscal impact from this agenda item.

### **ALTERNATIVES**

The following alternatives are provided for the Board's consideration:

1. Receive an update on the recent County Board of Supervisors action regarding fire service in unincorporated Oceano and provide direction to staff on key parameters for negotiating a potential service contract between the Five Cities Fire Authority and the County; or
2. Provide other direction to staff.

**ATTACHMENTS:**

September 12, 2023 County Oceano Fire Service Report



**COUNTY OF SAN LUIS OBISPO  
BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 9/12/2023		(3) CONTACT/PHONE Mia Trevelyan, Administrative Analyst (805) 781-5026	
(4) SUBJECT Request to receive a report and provide direction regarding: 1) the County's option to assume fire responsibility as named in Oceano Community Service District's application of divestiture of fire authority to the Local Agency Formation Commission; and 2) the level of fire service the County, as the successor agency, would provide to the community of Oceano if responsibility is directed to be assumed.					
(5) RECOMMENDED ACTION It is recommended that the Board receive the report and provide direction regarding: 1) the County's option to assume fire responsibility as named in Oceano Community Service District's application of divestiture of fire authority to the Local Agency Formation Commission; and 2) the level of fire service the County, as the successor agency, would provide to the community of Oceano if responsibility is directed to be assumed.					
(6) FUNDING SOURCE(S) TBD		(7) CURRENT YEAR FINANCIAL IMPACT TBD		(8) ANNUAL FINANCIAL IMPACT TBD	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. 60 minutes)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW  This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S)					



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Administrative Office / Mia Trevelyan, Administrative Analyst

DATE: 9/12/2023

SUBJECT: Request to receive a report and provide direction regarding 1) the County's option to assume fire responsibility as named in Oceano Community Service District's application of divestiture of fire authority to the Local Agency Formation Commission; and 2) the level of fire service the County, as the successor agency, would provide to the community of Oceano if responsibility is directed to be assumed.

### **RECOMMENDATION**

It is recommended that the Board receive the report and provide direction regarding: 1) the County's option to assume fire responsibility as named in Oceano Community Service District's application of divestiture of fire authority to the Local Agency Formation Commission; and 2) the level of fire service the County, as the successor agency, would provide to the community of Oceano if responsibility is directed to be assumed.

### **DISCUSSION**

On February 14, 2023, the County received an official notification from the Local Agency Formation Commission (LAFCO) stating that on January 11, 2023, the Oceano Community Service District (OCSD) Board of Directors voted to submit a resolution of application to LAFCO to initiate proceedings for divestiture of fire protection service. The application was filed with LAFCO on February 6, 2023, with a plan for service proposing responsibility for fire protection service be transferred to the County. LAFCO notified the County that they have begun processing the application. Should the County choose to support the divestiture and provide fire protection to the Oceano area, a plan for service will need to be prepared that is acceptable to the County, including any changes to tax rate areas, and the Board of Supervisors will need to pass a resolution in support of the action. Subsequently, LAFCO will consider approval of the proposed divestiture in conformance with applicable regulations.

For many years, the OCSD, in cooperation with the Five Cities Fire Authority (FCFA), provided full fire response services out of the OCSD owned fire station located in the community of Oceano. However, as the cost of providing fire service has dramatically grown and the property taxes for fire service has flattened, the OCSD has been unable to fund fire service at the prior levels of service. After two tax measures intended to raise additional revenue failed, the OCSD chose to cut fire services.

Properly staffing and funding fire protection services have become increasingly difficult across the State of California and throughout the United States. In California, increased training requirements for volunteers who provide fire services, coupled with changing demographics have resulted in significantly fewer people being available to provide volunteer fire service. The loss of volunteers has led to an increase in the need for career fire and paid-call fire personnel to provide this critical public safety service. While running a fire department with career (full-time) fire personnel provides a higher level of service, it is more expensive compared to staffing models that historically relied on volunteers. At the same time, expenses for fire departments continue to increase as salary rates, health care costs

and retirement contributions for career personnel rise. For many jurisdictions, the rise in costs has exceeded revenue increases, leading to fiscal instability of fire operations. The County was impacted in 2017 when the Cayucos Fire Protection District filed a dissolution application with the LAFCO due to financial instability, naming the County as the successor agency, and the communities of Templeton and San Miguel have both approached the County in prior years to discuss funding of fire service.

The following report provides 1) a history of Oceano Fire Protection; 2) an overview of the OCSD divestiture application filed with LAFCO; 3) an overview of Countywide Fire Protection Services, including a more specific overview of the south county area served by County Fire; and 4) a summary of service level options for the Board to consider.

## **I. History of Oceano Fire Protection – Five Cities Fire Authority and Oceano Fire Service**

The OCSD was formed in 1981, by LAFCO Resolution 80-6, which combined the all-volunteer Oceano Fire Protection District, Oceano Beach Lighting District, Oceano Lighting District, Oceano Sanitary District, and County Service Area No. 13. The Oceano Fire Protection District had been in existence since 1947. Currently the OCSD is authorized to provide fire protection, lighting, parks and recreation, and enterprise fee supported services (water, wastewater collection, and solid waste). Approximately 7,600 residents are served by the District.

A Fire Department Consolidation Feasibility Study was completed in 2005, which concluded that stand-alone fire departments are not cost effective and that Oceano, the cities of Arroyo Grande (AG) and Grover Beach (GB) should consolidate into one agency for fire protection services. In March of 2008, the Cities of Arroyo Grande and Grover Beach amended their existing agreement for joint fire service administration to include the OCSD, and in June of 2010, the Cities of Arroyo Grande, Grover Beach, and the OCSD entered into a Joint Exercise of Powers Agreement (JPA) to provide joint administration of fire services as the FCFA.

In 2017, the FCFA adopted a strategic plan identifying service level and resource needs. Subsequently, the Five Cities Fire Authority executed a second amendment, on July 2019, to the JPA agreement requiring OCSD to place a special tax on the March 2020 ballot to fund fire service. The March 2020 ballot measure A-20 received 66.14% support falling short of passage by 11 votes. As part of a third amendment to the JPA agreement, the OCSD agreed to place a special tax measure on the June 2022 ballot, agreeing that should the measure fail, then the OCSD would cease to be a member of the JPA as of June 30, 2023. The second measure, A-22, failed with only 57.75% in support of the 2/3's vote required.

The FCFA's JPA was subsequently amended by the parties to terminate Oceano's participation as a member agency in FCFA commencing July 1, 2023. On June 22, 2023, the FCFA agreed to an agreement with OCSD for the FCFA to continue to provide fire and emergency medical services to OCSD for a temporary 12-month period through June 30, 2024.

Under the new contract the FCFA currently staffs three engines. Two engines operate out of Arroyo Grande and one operates from the Grover Beach station. There are no engines stationed and no fire services provided from the Oceano fire station. The FCFA currently staffs two engines with three personnel and one engine with two personnel. There is no particular FCFA engine that is dedicated to Oceano response as response is provided from resources available.

## **II. Overview of the Oceano Community Services Fire Protection Divestiture Application**

The OCSD filed the application for divestiture with LAFCO on February 6, 2023, with a plan for service proposing responsibility for fire protection service be transferred to the County.

The plan for service, as filed by OCSD, includes the following:

#### Taxes and Fees to be transferred to the County:

- All revenues from property taxes collected, although later in the document it states, “property taxes available for fire protection services” and not all property taxes.
- All existing and future Development Impact Fees.

#### Assets:

- The OCSD Fire Station would remain an asset with the OCSD, and the OCSD proposes to lease the Fire Station back to the County at no cost. However, all maintenance, repair, or replacement would be the County’s responsibility, including the modular home for fire fighter housing which is reaching the end of its useful life.
- The OCSD’s proposal does not mention other real property assets funded by OCSD property tax, including the Sheriff’s Substation, which is currently leased to the Sheriff’s Department at \$10,000 per month.

#### Liabilities:

- All fire personnel would remain with the Five Cities Fire Service JPA.
- Pension costs would remain with OCSD, including:
  - Pre-Five Cities Fire Services JPA employee pension liability.
  - Pension liability incurred during the time OCSD was a partner within the Five Cities Fire Authority.

#### Service Level:

- The plan states that complete divestiture of fire protection services by the OCSD from its jurisdictional boundaries would transfer all fire protection services to the County as the successor agency. The County has the option to provide service to Oceano as it currently does for other unincorporated areas of the County through the County Fire Department. County Fire could utilize its existing contract with CAL FIRE as it does in other communities, or it could have the option to contract with the FCFA to provide service in Oceano.

### **III. Overview of Countywide Fire Protection Service**

#### County’s Current Contract with CAL FIRE

The County of San Luis Obispo has provided fire protection services through a contract with CAL FIRE since 1930, acting as the County’s Fire Department. All State and County funded resources under the control of the San Luis Obispo Unit (SLU) are leveraged to provide the most efficient fire protection delivery system. The County Fire Department is responsible for providing fire and related emergency services for all the unincorporated areas in the county not served by a city, or a special district. Currently, the County Fire Department operates out of 16 fire stations providing service to an area of over 3,200 square miles. These fire stations include 11 County-owned facilities and five State-owned facilities. Fourteen of the stations are staffed seven-days-per-week with full-time staff. Morro-Toro Station 14 and Oak Shores Station 34 remain volunteer stations, with Paid Call Firefighters (PCFs) responding to incidents, supported by full-time staff from other stations. Two stations (Cambria Station 10, and Shandon Station 51) are staffed under what is known as an Amador Plan, where the State pays staffing costs during fire season and the County pays staffing costs during non-fire season. Three State Fire Stations (Paso FS 30, Nipomo FS 20, and Parkhill FS 40) have County Engine Companies co-located with State Fire Apparatus.

The County’s CAL FIRE contract covers the standards of service provided and reimbursement to CAL FIRE for personnel or other expenditures incurred on behalf of the County in the delivery of the services. The County primarily provides funding for fire protection from the General Fund, Proposition 172-Public Safety Sales Tax revenues and fees for services. The most recent renewal agreement was approved by the Board on July 12, 2022, for cooperative fire protection services with CAL FIRE in the amount of \$25,499,178 for a one-year period through FY 2022-23. County staff is currently working with the State on a contract for FY 2023-24.

Information regarding CAL FIRE's staffing and engine models, capabilities, including the South County Areas served by CAL FIRE can be found in Attachment 6. The Current level of service from County Fire is a two-person staffed engine responding out of Nipomo Station 22 and or Nipomo Station 20 on mutual or automatic aid.

**IV. Service Level Options available to the County for Oceano**

County's Mandated Responsibility

It is important to note that under state law, counties may choose to provide fire protection services, but are not mandated to do so, nor are counties liable if they do not provide fire protection services (Government Code section 850). Fire protection services are therefore a discretionary activity of the Board of Supervisors. Based on this, County Fire staffing in San Luis Obispo County varies considerably from one part of the unincorporated area of the county to another.

Before reviewing the service level options, there are a number of elements to consider:

Available OCSD Revenues

If the Board elects to take on fire protection services in Oceano, the majority or all of the general fund revenues received by the District would be available to fund operations. In FY 2022-23, the OCSD received \$1,296,431 in Property Tax. Additionally, there are a few line item revenue accounts that would likely be available to fund County operations. In addition, the Public Facility Fire Fees that are collected by the OCSD would be available to the County. Public Facility fees are collected to offset the costs associated with providing new public facilities to accommodate new growth and development.

The table below shows the revenue trends over the last four years based on the District's financial statements.

**OCSD Revenue Trends**

Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	*	**
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Property Tax	1,028,371	1,081,219	1,132,291	1,182,885	1,296,431	1,337,044
Public Facility Fees	20,061	10,158	20,528	7,878	3,863	TBD
Other Sources	147,690	144,285	150,971	149,653	TBD	TBD
<b>TOTAL</b>	<b>\$1,196,122</b>	<b>\$1,235,662</b>	<b>\$1,303,790</b>	<b>\$1,340,416</b>	<b>\$1,300,294</b>	<b>\$1,337,044</b>

\*According to County Auditor's Office.

\*\*For the purposes of this report, the analysis of options includes an increase in annual revenue, of which \$1,337,044 is estimated to be available to fund operations if the County were to take over fire services based on the FY 2023-24 Assessor's Values and preliminary AB8 Calculations from Auditor's Office.

OCSD Assets and Liabilities

Items to also consider in developing a plan for service include negotiation for the OCSD's assets and responsibility for the OCSD's liabilities. Disclosed assets and liabilities are show in Attachment 7.

Service Level Standards

Currently, the Board of Supervisors for the County of San Luis Obispo establishes the desired level of service then provides direction and receives input from the Chief of County Fire/CAL FIRE on achieving that service level.



Additionally, to be noted, Oceano is predominantly considered an Urban Area. The CAL FIRE/County Fire response standards are shown in the following table.

### Standard Fire Response Time Standards

Classification	Dispatch and Get Away Time	Drive Time	Total Standard Response Time
Urban	3 minutes	4 minutes	7 minutes
Suburban	3 minutes	5 minutes	8 minutes

#### Current Level of Service provided to the OCSD

Before July 1, 2023, when the OCSD was a member of the JPA, Oceano had a partially staffed station with its own engine. As a reminder, as of July 1, 2023, the OCSD exited the JPA and separately contracted with the FCFA for services, and response to Oceano is provided out of the Arroyo Grande and Grover Beach stations. Under the July 1, 2023 contract the FCFA staffs three engines. Two engines at Arroyo Grande and one from Grover Beach. There is no engine stationed in Oceano. The FCFA staffs two engines with three personnel and one engine with two personnel. No particular FCFA engine is dedicated to Oceano response. Response is based on what is available.

#### Service Level Options for Consideration

A description of each option is provided with a following table summarizing each of the options outlined and how the new options compare to the OCSD's current level of fire service provided under their current contract with the FCFA. All the options presented are valid for all service levels (present and future) and Oceano is doing Option 5 (see the following table) right now but without a third firefighter on the FCFA third engine. Attachment 4 provides additional detail and information related to the options.

**Option 1: CAL FIRE responds to Oceano from Nipomo Station 22.** With no additional staffing or equipment this option does not add staffing to Station 22 and utilizes the existing Station 22 Structure Engine designed and equipped for structure fires and technical rescues. It can be assumed that the service level will decrease to Oceano or the surrounding area as CAL FIRE resources (staffing and operations) will be spread thinner, and there is a longer response time to Oceano and its surrounding areas from Nipomo 22 than from the FCFA stations.

**Option 2: CAL FIRE responds from Nipomo Station 22.** This option increases the existing Station 22 engine company staffing from two-person to three-person level. Increased staffing will help to offset the increased workload associated with the increased incident calls to Oceano. However, there is a longer response time to those areas from Nipomo 22 than from the FCFA stations.

**Option 3. CAL FIRE responds from Nipomo Station 22.** This option adds a second engine company with two-person non-paramedic staffing to Station 22 for a total of two engines. This option would maintain service levels and response times to Nipomo Mesa while resources are committed to Oceano incidents. The station will require some remodeling to Station 22 to accommodate the additional staffing and engine. With this option there is a longer response time to Oceano and its surrounding areas from Nipomo 22 than from the FCFA stations.

**Option 4. CAL FIRE responds from the Oceano Station.** This option adds one new engine and two-person staffing 24/7 year-round to the Oceano fire station. Benefits to the County will include improved emergency response and fire prevention activities for Oceano and its surrounding areas. This option provides better service than the current

contract with FCFA because there is a shorter response time to Oceano and its surrounding areas from the Oceano station than from the FCFA stations. However, additional costs will be incurred to bring the Oceano fire station up to code and meet the operational needs of the County Fire Department.

**Option 5. County contracts with the FCFA (preferred option).** This option would provide fire service to Oceano and its surrounding areas from the FCFA Arroyo Grande and Grover Beach stations via a contract. This would be an equivalent level of service to what is in place now.

**Summary of Service Level Options for the County**

Option	Responding Station	Increased Resources to Responding Station	Estimated One Time Cost	Estimated Annual Ongoing Cost	Response Time	Service Level Impact to Oceano and Surrounding Area Compared to Current Service Level
<b>County Fire/CAL FIRE</b>						
1	Nipomo 22	None	\$0	\$0*	11-12 minutes as available	Significant Decrease
2	Nipomo 22	Increase from 2-0 to 3-0 staffing	\$360,000	\$1.4M*	11-12 minutes as available	Significant Decrease
3	Nipomo 22	Add 2-0 engine company	\$1.9M	\$2.1M*	11-12 minutes (dedicated engine)	Slight Decrease
4	Oceano	Add 2-0 engine company	\$3.5M min	\$2.1M	3-7 minutes	Significant Increase
<b>Five Cities Fire Authority</b>						
5	FCFA AG/GB	Contract for 2-0 staffing	\$0	\$1.8M	AG 7-11 minutes GB 7-9 minutes	Equivalent

\*Assuming no change to Automatic and/or mutual aid agreements (potential to increase)

**OTHER AGENCY INVOLVEMENT/IMPACT**

The OCSD filed a divestiture of fire protection service application with the San Luis Obispo LAFCO on February 6, 2023. The LAFCO processes the application and approves, modifies, conditions or denies the proposal to divest fire authority within the district.

The Auditor-Controller-Treasurer-Tax Collector-Public Administrator, Assessor, and County Counsel provided information to assist in the preparation of this report. County Fire/CAL FIRE provided the attached analysis and service level options in Attachment 4.

County Administrative Staff have been coordinating with the OCSD manager in order to gather necessary information. The FCFA provided County staff with estimates for Option 5.

**FINANCIAL CONSIDERATIONS**

County staff has provided the best estimates for the annual operating expense and one-time/other costs associated with each option for service. It should be noted that the estimated cost for Options 1- 4 were developed in coordination with County Fire/CAL FIRE and the estimated costs for Option 5 was provided by the FCFA. As both costs

would be dependent on future contracts with either the CAL FIRE or the FCFA, these costs should be considered preliminary as they are subject to future contract negotiations. In addition, the estimated costs also include indirect costs for other County departments (i.e. internal support departments) for each option.

Pending Board direction, and assuming the majority, if not all, property tax and other assets are transferred to the County, there may be a significant General Fund impact. The following table outlines the Summary of Costs for Options 1-5.

**Summary of Annual Cost Options for the County**

<b>Option</b>	<b>Responding Station</b>	<b>Estimated Funding Available for Operations</b>	<b>Estimated Annual Ongoing Cost</b>	<b>Estimated Annual Operational Funding Gap</b>	<b>Estimated One-Time Costs for Equipment and Infrastructure</b>
<b>1</b>	Nipomo 22	\$1,337,044	\$0*	\$0	\$0
<b>2</b>	Nipomo 22	\$1,337,044	\$1.4M*	\$(62,956)	\$(360,000)
<b>3</b>	Nipomo 22	\$1,337,044	\$2.1M*	\$(762,956)	\$(1.9) M
<b>4</b>	Oceano	\$1,337,044	\$2.1M	\$(762,956)	\$(3.5) M min
<b>5</b>	FCFA AG/GB	\$1,337,044	\$1.8M	\$(498,783)	\$0

\*Assuming no change to Automatic and/or mutual aid agreements (potential to increase)

Option 1 will not have a current impact to the General Fund. However, Option 1 and 2 will both have an impact on other fire services throughout the county because CAL FIRE resources will be spread thinner in the south county areas.

Options 2 through 4 will have an impact in one-time cost ranging from \$360,000 to \$3.5 million. There is an opportunity for the one-time/other costs associated with each option to be spread over multiple fiscal years or offset by obtaining assets from the OCSD.

In addition, Options 2 through 5 have an ongoing annual cost ranging from \$1.4 million to \$2.3 million, which would have a General Fund impact of \$62,000 to \$762,956.

Please note, as shown in the table, the FCFA has indicated that they will require a renegotiation of the Automatic Aid and/or mutual aid agreement and this has the potential to increase the cost for Options 1-3.

With Options 2 through 4, it is likely the current CAL FIRE contract will need to be amended.

Option 5 is preferred as this option would provide equivalent service to what is in place now. This option would be approximately \$1.5 million less costly to the County than Option 4 in operational cost over the period of five years.

Summary of the Board's Adopted Policy Regarding Funding of Independent Special Districts

As a reminder, on April 23, 2019, the Board adopted a policy regarding the funding of independent special districts. Per the policy, "the County shall not subsidize an independent special district with County General Fund monies nor should a property tax exchange result in a net fiscal loss to the County." Additionally, the 2019 staff report reads, "While the county recognizes that it has no legal obligation to provide fire services in the unincorporated areas as it is a discretionary service policy decision, public safety is a top priority for the County....and thus would engage discussion on the matter." The Board has subsequently reviewed this policy each year as part of the annual review of its budget goals and policies in advance of the annual budget preparation process.

However, the Board has the discretion should it choose to deviate from its policy. It should be noted that Option 1

would be the only option that aligns with the Board adopted policy regarding the funding of independent special districts as it would not require additional General Fund. Options 2 through 5 would require an additional allocation from the General Fund both in one time cost (with the exception of Option 5) and in ongoing annual costs.

## **NEXT STEPS**

Once the Board provides direction regarding the fire service level for Oceano and its surrounding area, if any, then County Staff will return to the Board with additional information based on the specific direction.

The Board could also choose to condition one of the options to ensure that there is enough revenue to offset County expenditures. The LAFCO could then condition the divestiture to be completed based on the passing of an additional tax needed to fund the service. LAFCO could condition the divestiture based on the following code sections. However, prior tax measure attempts have failed.

56886 (s) The levying of assessments, including the imposition of a fee pursuant to Section 50029 or 66484.3 or the approval by the voters of general or special taxes.

56886 (t) The extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency or a successor local agency in the affected territory.

Once the Board provides direction regarding the level of fire service the County, as the successor agency, will provide to the community of Oceano, then County staff will notify the LAFCO of the directed service level option. The LAFCO will proceed with the divestiture of fire protection service determination and will choose one of the paths outlined below:

- A. *LAFCO could proceed with divestiture of fire protection service.* The County would hold fire authority in Oceano.
- B. *LAFCO could deny the divestiture request.* In this scenario, the District could continue to operate as best it can for as long as it can.
- C. *LAFCO could condition divestiture on a successful Prop 218 vote.* LAFCO could set a condition that the residents of the district must pass an increase in the fire special tax before divestiture would be granted. The aim would be to ensure sufficient funding for services exists before responsibility is passed on to a successor agency.

Pending Board direction, the County will need to negotiate terms of the divestiture including the potential transfer of assets and/or liabilities outlined in Attachment 7.

Pending Board direction to assume fire responsibility in Oceano, the Board may need to reconsider its County ordinance related to fireworks.

## **RESULTS**

By providing direction regarding County's option to assume fire responsibility in Oceano, and the level of fire service, the County, as the successor agency, would provide, will provide a path forward for fire service to the community of Oceano. To recap, the options include the following:

- Option 1: CAL FIRE responds from Nipomo Station 22 with no increase in staffing or an engine.
- Option 2: CAL FIRE responds from Nipomo Station 22 only increasing the existing Station 22 engine company staffing from 2-0 to 3-0 level.
- Option 3. CAL FIRE responds from Nipomo Station 22 adding a second engine company with 2-0 non-paramedic staffing to Station 22 for a total of two engines.

- Option 4. CAL FIRE responds from the Oceano Station. This option staffs the Oceano fire station with one new engine and 2-0 year-round staffing.
- Option 5. County contracts with FCFA and response will occur from the FCFA Arroyo Grande and Grover Beach stations.

The preferred option is Option 5 as this option maintains current levels of fire service to the Oceano community.

Providing direction for a service level will allow LAFCO to make a decision regarding the divestiture of fire authority in an informed manner.

## **ATTACHMENTS**

- 1 Referral to Affected Agencies
- 2 Oceano Plan for Service
- 3 Five Cities Fire Authority Service Level Analysis
- 4 Service Level Options
- 5 Current Response Time Maps – Stations 22, Grover Beach, Arroyo Grande, Oceano
- 6 Current County Fire Service Information
- 7 OCSD Assets and Liabilities
- 8 PowerPoint Presentation
- 9 OCSD Comments Letter