



**CITY OF FORT BRAGG**

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**COUNCIL COMMITTEE ITEM SUMMARY REPORT**

**MEETING DATE:** April 28, 2014  
**TO:** Finance and Administration Committee  
**FROM:** Cindy VanWormer, City Clerk  
**AGENDA ITEM TITLE:** **Receive Report and Provide Recommendation to City Council Regarding Extension of Fire Equipment Tax**

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**ISSUE:**

The City of Fort Bragg's Fire Equipment Tax, established in Fort Bragg Municipal Code Chapter 3.30, will expire on June 30, 2015. In order to extend the parcel tax without interruption, a measure will need to go before the voters on the November 2014 ballot.

Staff is seeking input from the Finance & Administration Committee (FAC) regarding the wording of the ballot measure, prior to agendizing the matter for Council consideration. Specific considerations are whether to increase the amount of the parcel tax; whether the purpose of the tax should be amended to allow for use of the tax proceeds for other operating expenses as well as equipment purchases; whether the structure of the parcel tax should be altered; and what the appropriate sunset date is for the tax.

**SUMMARY:**

Chapter 3.30 (Fire Equipment Tax Levy and Expenditure) was added to the Fort Bragg Municipal Code following a successful ballot measure on November 8, 1983. The tax rate at that time was \$15 per parcel and included a sunset date of June 30, 1995. The tax has been extended two times – once at an election held on November 8, 1994 and again by an election held on November 2, 2004. The Ordinance approved by the voters in 2004 (Ordinance 844-2004) increased the parcel tax from \$15 per parcel to \$18.

As shown below, approximately \$44,000 has been collected annually from this parcel tax over the past several years:

Fire Equipment Tax	
2008/09	44,154
2009/10	44,217
2010/11	44,280
2011/12	43,376
2012/13	44,095
2013/14	44,500 Projected

The current balance in the Fire Equipment Tax Fund is \$125,739. In FY 2013-14 \$193,800 was used toward the purchase of the new Pierce Fire Engine. Attached is the Fire Department's Engine Replacement Plan which projects out equipment replacement needs through 2018.

The City shares the cost of operating the Fire Department with the Fort Bragg Rural Fire District based on the proportional call ratio in each area. The table below shows the amount that the City has contributed toward operation of the Fire Department over the last several years:

City Share - Fire Dept. Budget					
	Budget	Call Ratio	PERS	Total	
2008/09	299,704	41,986	11,853	353,543	
2009/10	305,888	36,836	12,141	354,865	
2010/11	306,968	61,393	313	368,674	
2011/12	308,476	43,187	1,651	353,314	
2012/13	319,860	44,780	1,709	366,349	
2013/14	324,996	50,000	1,966	376,962	Projected
2014/15	334,756	50,000	2,000	386,756	Proposed Budget

The City's Fire Equipment Tax is currently established as a flat fee of \$18 per parcel. As a comparison, property owners in the Rural Fire District currently pay \$37.50 per parcel and, if there is more than one residential unit on the parcel (second units, duplex, apartments, etc.), an additional \$18.75 per unit is assessed.

Staff seeks a recommendation from the FAC regarding the wording of a new ballot measure to extend the City's Fire Equipment Tax. The FAC's recommendation will be brought forward to the full Council for discussion prior to Council action to put the measure on the November ballot. Issues for consideration include:

- What is the appropriate sunset date for the parcel tax?
- Should the parcel tax be increased to account for inflation over the past 10 years, and in the 10 years to come? If so, by what amount should it be increased?
- Should the purpose of the parcel tax be expanded to allow it to be used costs in addition to fire equipment? Options to consider are allowing some portion of the funds to be used for facility improvements at the Main Street and/or Highway 20 Fire Stations, both of which are City-owned facilities. If so, by what amount should it be increased?
- Should the structure of the parcel tax be changed such that the tax is increased for properties with multiple residential units?

Obviously, it is important for the FAC to receive input from the Fire Chief and to consider the likelihood of voter support for any changes to the Fire Equipment Tax. Chief Orsi has been invited to attend the FAC meeting.

**RECOMMENDATION:**

Provide recommendation to City Council regarding wording for a ballot measure to extend the City's Fire Equipment Tax.

**ATTACHMENTS:**

1. Fire Engine Replacement Plan

## FORT BRAGG FIRE DEPARTMENT ENGINE REPLACEMENT

As you read the following engine replacement plan you will note that we are staying on track.

There are a few items that need to be hi-lighted:

1. We are scheduled to purchase an engine in 2013 (this year!). The projected cost might be a little low. I predict the cost will be around the \$400,000 mark, instead of the projected \$350,000 we will know more as we proceed through the process. I will keep the JPA board informed throughout the planning procedure.
2. The City's Fire Tax is due to expire 2014/2015. We need to be aware of that and take steps to ensure that we can get it renewed. Having the equipment we do is part of the reason that insurance rates remain reasonable. The city, with an ISO (Insurance Services Offices) rating of 3 and the district with a rating of 4 (1-10, 1 being the ultimate in fire service, 10 representing poor or no fire service) are really in great shape. These are incredibly low ISO ratings and we need to stay current to maintain them! Having the Fire Tax allows the City to pay their share in Fire Engine Replacement purchases.

Goal: To have FBFD on a schedule that will have apparatus replaced at, or near, the 25-year mark (per NFPA Standards), while keeping the community's fire taxes at a reasonable rate.

Working towards this goal in the past few years paid off when the ISO (Insurance Services Office) re-evaluated the FBFD's response capabilities. ISO took into consideration the FBFD's responding apparatus, training and responses to emergencies. The results were lower insurance premiums for our entire district. The money kept in our community is a huge boost to our local economy, but the bigger picture is often overlooked by the general public. The reason ISO lowered the district's rating is because we have improved our response. Our community is paying less in insurance premiums, but the bigger picture is that they are receiving better fire protection from the FBFD.

Engine/apparatus replacement is a key element in this improvement in service. Although we are in good shape as far as responding equipment goes, this is an issue that must be dealt with on an annual basis. We cannot let ourselves fall behind. Fire apparatus carry large price tags and we have to be careful to assure we are ready when replacement is needed. The following findings, along with the actual replacement plan, will work to meet the needs of the FBFD for the next 10+ years.

Findings:

- 1) The FBFD has 14 vehicles in service. This does not include the two vehicles owned by the volunteers (LaFrance and "Muster truck.") Also omitted from the list are the trailers, ATV and boat.
- 2) Three of the vehicles (Chief's rig, prevention and maintenance rigs) are included in the vehicle inventory, but are not included in the "Engine Replacement Schedule." The schedule addresses major response vehicles (with price tags over \$100,000+). The smaller vehicles should be addressed on a year-to-year basis. Two of these vehicles, Prevention and Maintenance, were replaced in 2008-2009.
- 3) The FBFPA adopted an engine replacement schedule (2004) that works on the goal of replacing major response vehicles after 25 years of service.
- 4) This plan, as presented, works toward accomplishing the 25-year replacement goal. It does, however, take into consideration the following: funding restraints and reserve engines (not "first-outs.")
- 5) Engines that are not considered "first-out" are used sparingly. These engines respond as backup to the first-out vehicles and are considered as "reserve engines." In this capacity, the department may keep the vehicles past the 25-year replacement goal. This will assist the FBFD in maintaining their goal (first-out apparatus will be replaced within the 25-year period) and staying within their financial constraints.
- 6) The FBFD has a State-owned OES engine. This engine is a 2001, 1250 gallons per minute pumper. FBFD "earned" this engine by attending necessary training in order to be able to respond to all sorts of emergencies. The volunteers donated their time to attend the training. The result was a new engine at no cost to the FBFPA. After looking at the replacement schedule, it is obvious that this is a huge benefit to our community. The FBVFD will continue to respond when requested by OES and there is no reason to believe the State will not replace this engine when the time comes.
- 7) The figures used in the replacement funding schedule are very conservative. The City's funding is based on a 1% annual interest, which will most likely rise in the near future. The District's funding is based on their ability to continue to place \$40,000 into their "Fund Balance Restricted Account," which, to date, has not been a problem. The most conservative number is the JPA's contribution. The figure used is \$15,000 per year. The reason for this is that out-of-district responses (which is where most of the money is earned) is not planned or scheduled. Most years should generate considerably higher profits, but we cannot count on it.

***Note: The City's "Fire Tax" expires 2014-2015.***

FORT BRAGG FIRE DEPARTMENT  
SCHEDULE OF VEHICLES - 2011

YEAR	MAKE	BODY	VIN#	FBFD#
2010 *	International	Type 3 engine	1HWEAZR9AJ283841	8360
2009	Ford	Utility	1FTWX3269EA32798	8340
2008	Dodge	Prevention/Duty Officer	1D7HU18217S155700	8320
2006	Pierce	Quint/Aerial	4TICA01F47A006943	8386
2005	Kenworth	Tanker	2NKMHDX15M091758	8390
2003	Ford	First Response	1FTNW21P33ED60317	8300
2002	Ferrara	Pumper	44KFT42832WZ19996	8380
2000	Westates	Pumper	44FT42821WZ19163	OES
1997	F-350	Rescue	1FDLF47F9VEA85844	8331
1996	International	Pumper	1HTSLABMOTH207907	8370
1989	Ford	Pumper	1FDYD80UXXVA28771	8385
1987	IHC	Tanker	1HTLDUGN4HHA25268	8391
1984	Ford	Pumper	1FDXD84N3EVA36830	8381
1983 *	GMC	Mini-Pumper	1GDDJC34W2DJ500765	8330
1951	Mack	Hose wagon	95LS1245	8350
<b>Fort Bragg Volunteer Association-Owned Vehicles</b>				
YEAR	MAKE	BODY	VIN#	FBFD#
1955	Chevy	Pumper	W550001182	"Muster"
1926	American LaFrance	Pumper	5907	Antique
<b>Trailers</b>				
2006	Interstate	MCI/ATV	4RACSI10145K002547	MCI
2004	Wells Cargo	USAR	1WC200F2254056892	USAR
1997	Pacific West	SCBA fill	1A9CF12118VA079138	SCBA Fill
<b>Miscellaneous</b>				
1999	Zodiac	Boat	FRXDC9883LJ900	Boat
2006	Polaris	ATV	4XAACL50A064105530	ATV

FORT BRAGG FIRE DEPARTMENT  
 APPARATUS REPLACEMENT PLAN  
 2010 - 2018

YEAR	VEHICLE SURPLUSED	AGE	PURCHASE	PROJECTED COST	BALANCE ***
**2010	N/A	-	Type 3 4X4 engine	\$294,396	
2011					\$538,175
2012					\$638,175
*2013	1984 Ford pumper	29	New engine	\$350,000.00	\$388,175
2014					\$488,175
*2015	1987 International water tender	28	New water tender	\$250,000.00	\$338,175
2016					\$438,175
2017					\$538,175
2018	1997	21	New rescue unit	\$160,000.00	\$478,175

\* Will review the plan at this time to see if there is a possibility of combining these two purchases into one. They make a pumper/tender that would accomplish both jobs. This will be taken up in 2012/13.

\*\* Plan altered in 2010 to allow purchase of a 4X4, Type III, wildland fire attack engine. Plans also changed to allow the 1983 GMC mini-pumper to remain on the schedule of vehicles, so as to allow response from the City of Fort Bragg's Corporation yard during work hours. (Four volunteer firefighters work for the City's corporation yard).

\*\*\* Balance is calculated at a \$100,000 total deposit into the three accounts used to purchase engines: The City's "fire tax," the District's "Restricted Fund," and the JPA's Apparatus Replacement Account. The actual money placed into these accounts will add up to over \$100,000.

FORT BRAGG RURAL FIRE  
RESTRICTED FUND BALANCE  
FIRE APPARATUS REPLACEMENT FUND

DATE	BEGINNING BALANCE	DEPOSIT	EQUIPMENT PURCHASE	BALANCE
7/2009	\$240,000	-	-	\$240,000
<b>8/2009</b>	<b>Replacement plan altered to allow purchase of a new Type 3 engine. District's share: \$62,000</b>			
8/2009	\$240,000	0	0	\$240,000
7/2010	\$240,000	\$40,000	\$62,000	\$205,000
7/2011	\$205,000	\$40,000	0	\$245,000
7/2012	\$245,000	\$40,000	0	\$285,000
<b>7/2013</b>	<b>Replace 1984 pumper-District's projected share: \$157,500</b>			
7/2013	\$285,000	\$40,000	\$157,500	\$167,500
7/2014	\$167,500	\$40,000	0	\$207,500
<b>7/2015</b>	<b>Replace 1987 water tender-District's projected share: \$112,500</b>			
7/2015	\$207,500	\$40,000	\$112,500	\$135,000
7/2016	\$135,000	\$40,000	0	\$175,000
7/2017	\$175,000	\$40,000	0	\$215,000
<b>7/2018</b>	<b>Replace 1997 rescue truck-District's projected share: \$75,000</b>			
7/2018	\$215,000	\$40,000	\$75,000	\$180,000

\*\* 2010 balance shows \$205,000, this reflects a withdrawal of approximately \$13,000 which was voted on and approved at a regular FBRRFD board meeting. Balance is still adequate for future plans.



CITY OF FORT BRAGG  
FIRE APPARATUS REPLACEMENT PLAN  
"FIRE TAX"

DATE	BEGINNING BALANCE	INCOME	INTEREST (1%)	EQUIPMENT PURCHASE	BALANCE **
7/2010	\$196,749	\$46,000	\$1,677	\$82,184 **	\$162,242
7/2011	\$162,242	\$46,000	\$2,154	0	\$210,396
7/2012	\$210,396	\$46,000	\$2,635	0	\$259,031
<b>7/2013</b>		<b>Replace 1984 pumper. City's projected share: \$157,500</b>			
7/2013	\$259,031	\$46,000	\$3,122	\$157,500	\$150,653
* 7/2014	\$150,653	\$46,000	\$2,038	0	\$198,691
<b>* 7/2015</b>		<b>Replace 1987 water tender. City's projected share: \$112,500</b>			
7/2015	\$198,691	\$46,000	\$2,518	\$112,500	\$134,709
7/2016	\$134,709	\$46,000	\$1,878	0	\$182,587
7/2017	\$182,587	\$46,000	\$2,357	0	\$230,944
<b>7/2018</b>		<b>Replace rescue truck. City's projected share: \$75,000</b>			
7/2018	\$230,944	\$46,000	\$2,841	\$75,000	\$204,785

\* 2014/2015: City Fire Tax expires

\*\* These balances are based on 2010/2011 estimates on tax revenue into the City's fire tax. There have been some changes, but the effect on the fire tax should be minimal. We will continue to monitor this