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## NCCFD STAFF REPORT

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**To:** NCCFD Board of Directors  
**From:** Tim Fike, Chief  
**Subject:** Special Tax  
**Date:** November 8, 2011

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With the decline in property tax and other revenue including AB-1600, of totaling nearly \$350,000, and increasing costs of \$200,000 for Workers Comp, the District is currently operating at a significant deficit in excess of half a million dollars. After careful consideration of future known cost increases, and continued declining revenues, Staff recommends immediate action be taken to stabilize the budget.

We recommend this action be in the form of a Special Tax that will allow the voters an opportunity to maintain our existing level of service. Further, Staff recommends a rate of:

- \$52.00 annually for a single family dwelling
- \$39.00 annually for 2<sup>nd</sup> dwelling units and mobile homes
- \$26.00 annually for unimproved vacant/timber/ag
- \$0.04 annually per square foot commercial/office/industrial

The sum of these rates provides \$868,823. This will allow the District to provide the existing level of service for the foreseeable future and avoid the current station brownouts. Assuming that the first \$550,000 is needed to re-balance our current budget, there would be approximately \$318,823 available for known future costs to the District, bulleted as follows:

- It will provide for the known increases in worker's compensation and liability insurances, and PERS, as well as ever-escalating costs for fuel, propane, and other utilities, \$170,400.
- It will allow funding for our current capital obligations for fire station 84 and B-Engine 84 lease payments, \$85,000.
- It will allow funding for our fire engine replacement plan, the replacement of, and/or major repairs to, equipment such as SCBAs, Jaws of Life, ladders, hose, and other essential firefighting tools, \$50,000.
- It will provide funding for mandated personal protective clothing/equipment and required training, and allow for necessary, ongoing maintenance of 12 fire stations, as well as data management and communications systems, \$15,000.

The District has annual obligations to pay the County of Nevada approximately \$60,000 per year for tax collection fees and approximately \$90,000 to CalFIRE for dispatch services, both of which show no signs of being reduced. In addition, each year the District forfeits to the State of California approximately \$300,000 out of our General Fund for the State of California's Educational Relief Augmentation Fund (ERAF).

Without the additional funding as outlined above, the District will be forced to permanently reduce costs before the end of this fiscal year, June 2012. The only viable option to achieve permanent reductions of this magnitude is a reduction of personnel. Any reduction of personnel translates into a reduction of service level to the District.

**NEVADA COUNTY CONSOLIDATED FIRE DISTRICT**

**RESOLUTION R011-16**

**Resolution to Enact the Nevada County Consolidated Fire District  
Special Tax on All Taxable Real Property for the Purpose of  
Providing Fire Protection and Emergency Medical Response Services,  
Including Fire Prevention and Suppression, Rescue and Other Services;  
to Approve an Increase in the District's Spending Limit;  
and to Call an Election Thereon.**

**WHEREAS**, the Board of Directors (the "Board") of the Nevada County Consolidated Fire District (the "District") has determined that it is in the best interests of the District's citizens to prevent significant service cutbacks and provide the appropriate level of fire protection and emergency medical response services for our community; that the cost to maintain such adequate levels of service is beyond the reach of the District absent this proposed special tax, and that this tax is therefore necessary for public protection and public safety; and

**WHEREAS**, pursuant to the provisions of California Health & Safety Code section 13911 and Government Code sections 50075-50077.5, the Board of Directors is authorized to adopt this resolution which shall, subject to the approval of the voters, impose a special tax, which shall be applied against all taxable real property within the District; and

**WHEREAS**, the Board has also determined that it is in the best interest of the community to seek voter approval, which will require approval by two-thirds voters voting thereon, for the proposed special tax in order to be able to maintain appropriate fire protection and emergency medical response services; and

**WHEREAS**, the Board has also determined that the interests of the voters are best served by a transparently impartial tabulation of the returned verified ballots, the signatures on the returned ballots shall be verified by the Elections Office of the County of Nevada and tabulated by the Nevada County League of Women Voters. The tabulation process shall be overseen by an independent CPA firm retained specifically for that purpose; and

**WHEREAS**, if approved by the voters, the special tax will be used solely for the purpose of providing fire protection and emergency medical response services within the District; and

**WHEREAS**, if this special tax is approved by the voters, the District may exceed the appropriations limit as previously established for the District in accordance with the provisions of Article XIII B of the California Constitution; and

**WHEREAS**, all District elections shall be called, held and conducted in all respects as nearly as is practicable in conformity with the Uniform District Election Law (Election Code 10500 *et seq.*). Section 10517 of which provides that the County Elections Official shall conduct such elections, and Section 10518 of which allows the County Elections Officer to authorize an appropriate officer of the district to perform the functions of the elections official; and

**SECTION 4. Effective Date of the Special Tax.** The special tax shall be deemed established and shall be in effect as of the day following the election, upon certification of the election results, evidencing approval by at least two-thirds of the registered voters voting thereon; by the Board of Directors of the District. The increase in the District's appropriations limit shall be deemed effective beginning in the 2012-2013 fiscal year. The special tax shall be levied against all taxable real property within the District beginning with the 2012-2013 fiscal year.

**SECTION 5. Use and Accountability of the Special Tax Proceeds.** The special tax shall be used solely for the purpose of providing fire protection, both prevention and suppression, for emergency medical response services within the District and for any responses outside of the District under automatic/mutual aid agreements with other fire suppression or emergency service agencies, and for any incidental expenses related to the collection of the tax.

In accordance with Government Code Section 50075.3, the District's Fire Chief, as the chief fiscal officer of the District, shall file a report with the District Board of Directors at least once a year, no later than January 1 of each year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; (b) the status of any project required or authorized to be funded with the proceeds of the special tax in accordance with this Section.

**SECTION 6. Adjustment of Tax Rate** There may be an annual adjustment in the fee special tax rate based on a change in the Consumer Price Index (CPI) or 3%, WHICHEVER IS LESS. The District will consider changes using data provided by the United States Bureau of Labor Statistics, Western States averages for the preceding calendar year (or, if discontinued, a comparable index). Under no circumstances can the cost of living adjustment be put in place without the proposed modification of the fee adjustment of tax rate being placed on the agenda of the Nevada County Consolidated Fire District Board of Director's regular meeting with an opportunity for public input and discussion.

**SECTION 7. Levy, Collection and Deposit of the Special Tax.** Unless otherwise ordered pursuant to a resolution adopted by the Board, the special taxes shall annually be collected on the County of Nevada property tax bill in the same manner and subject to the same penalty as the county property taxes are collected. The District Board shall annually take such steps as are necessary to have the special tax collected through the property tax bill and shall coordinate with the County Auditor and Tax Collector in this regard. The County shall be entitled to deduct its reasonable costs incurred in collecting the special tax before the balance of the tax is remitted to the District.

Upon receipt of the special taxes the District shall cause same to be deposited in a special tax account or such other account established by the District which allows the District to properly account for the special taxes in compliance with the provisions of Government Code Section 50075.3.

**SECTION 8. Appeals.** Any property owner who is assessed a special tax as provided for herein may appeal any determination by the District concerning the nature of the use of the property or the calculation of the amount of the tax by filing a notice of appeal with the District offices. Any such appeal shall be filed by December 1st of the calendar year for which the tax is levied. The appeal shall be filed on the form provided by the District and shall contain a statement by the property owner as to the nature and basis for the appeal in accordance with the District's appeal procedure.

**EXHIBIT A**

**TEXT OF THE BALLOT MEASURE**

The question submitted to the voters shall read substantially as follows:

To maintain prompt local fire protection and emergency medical response services within Nevada County Consolidated Fire District, to maintain current fire station staffing, and to prevent the immediate layoff of personnel so that firefighters are available to respond to all emergencies; do you support an annual special tax, with all revenue staying in our community, for local fire protection and emergency medical response services?

(75 words)

50075.1, and shall be expended by the District according to a plan developed annually by the District's staff and approved and adopted by the District's Board of Directors. A citizens' oversight committee appointed by the Board will review and report on the expenditure of tax revenues.

The District will cause to be filed an annual report with its Board of Directors, which report shall include the amount of special tax revenues collected and expended, and which shall otherwise comply with the accountability measures established in Government Code Sections 50075.1 et seq.

Any property owner who is assessed a special tax as provided for herein may appeal any determination by the District concerning the nature of the use of the property or the calculation of the amount of the tax by filing a notice of appeal with the District offices. Any such appeal shall be filed by December 1st of the calendar year for which the tax is levied. The appeal shall be filed on the form provided by the District and shall contain a statement by the property owner as to the nature and basis for the appeal in accordance with the District's appeal procedure.