

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council
From: Lucy Blanco, Deputy City Clerk
Subject: Second Reading and Adoption of Ordinance No. 1257
Date: October 14, 2015

Recommendation: It is recommended that the City Council: (1) waive the second reading and adopt Ordinance No. 1257; and (2) take such additional, related action that may be desirable.

Fiscal Impacts: None.

Personnel Impacts: None.

General Discussion: At the City Council Meeting of October 5, 2015, the City of Council waived the first reading and introduced Ordinance No. 1257.

Alternatives:

- A. Approve
- B. Deny

Attachment(s): Ordinance No. 1257

ORDINANCE NO. 1257

AN ORDINANCE AMENDING CHAPTER 16.140 OF THE SANTA PAULA MUNICIPAL CODE REGULATING THE PERMITTING PROCESS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

The Council of the City of Santa Paula does ordain as follows:

SECTION 1: The City Council finds and declares that:

- A. In September 2014, the Governor signed AB 2188 (Muratsuchi 2014), which among other things, requires local governments to adopt an ordinance and permitting checklist by September 30, 2015 creating an expedited permit process for small residential rooftop solar installations;
- B. The City has historically promoted the use of solar energy systems; however, this Ordinance is necessary to comply with AB 2188.
- C. The Development Code text amendment is consistent with the goals, policies, and objectives of the General Plan because the project is in the public interest and there is a community benefit resulting from the expedited permitting process for small residential rooftop solar energy systems.
- D. The Development Code text amendment promotes public health, safety, and general welfare and serves the goals and purposes of SPMC Title 16 by ensuring compliance with AB 2188.

SECTION 2: Section 16.140.160 is added to Chapter 16.140 of the Santa Paula Municipal Code to read as follows:

“16.40.160 Rooftop Solar Energy Systems

This section sets forth requirements for permitting of solar energy systems installed on roofs.

- A. Administrative Permit Requirements. Rooftop solar energy systems shall be subject to the following requirements:
 - 1. Rooftop energy systems may be installed upon issuance of an administrative permit in compliance with Chapter 16.238.
 - 2. Applications for rooftop energy systems may be submitted electronically, and an electronic signature shall be accepted in lieu of a wet signature.
 - 3. A complete application meeting the requirements of the City’s approved streamlined solar permitting checklist shall be approved in accordance with Chapter 16.40 upon successful completion of an inspection by the Director or his or her designee. No more than one inspection shall be required except where the system fails an initial inspection or a separate fire safety inspection is required.
 - 4. Notwithstanding Section 16.238.07, review of an application for an administrative permit for a rooftop energy system shall be limited to a determination of whether the system meets all health and safety requirements of federal and state law, and local standards and regulations

- necessary to ensure that the proposed system will not have a specific, adverse impact upon the public health or safety.
5. Notwithstanding subparagraph (4) above, a conditional use permit shall be required where the Director finds, based on substantial evidence, that the solar energy system could have specific, adverse impact on public health and safety. If the Director finds that a conditional use permit is required, such permit shall not be denied unless the Director makes written findings based on substantial evidence in the record that the proposed system would have a specific, adverse impact upon the public health and safety and there is no feasible method to satisfactorily mitigate or avoid that impact.
 6. Any conditions imposed on a permit to install a rooftop energy system shall be designed to mitigate specific, adverse impacts upon the public health and safety at the lowest cost possible.
 7. Development Standards. Rooftop energy systems shall conform to all applicable height standards as set forth in Title 16 of the Santa Paula Municipal Code.”

SECTION 3: Environmental Assessment.

- A. The California Environmental Quality Act (CEQA) requires that the environmental impacts of the action be assessed. The proposed amendment will not in itself result in any environmental impacts nor will the amendment result in any changes in the physical conditions that exist in the City. Staff has determined the project to be Exempt from the California Environmental Quality Act (CEQA) Guidelines per § 15061 (b)(3).

SECTION 4: Construction. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 5: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications, and to this end the provisions of this Ordinance are severable.

SECTION 6: Notice. The City Clerk is directed to certify the passage and adoption of the Ordinance, make a note of the passage and adoption in the records of this meeting, and within fifteen days after the passage and adoption of this Ordinance cause it to be published and posted in accordance with California law.

SECTION 7: Effectiveness. This Ordinance will become effective on the 31st day following its passage and adoption.

PASSED AND ADOPTED this 19th day of October, 2015.

John T. Procter, Mayor

ATTEST:

Judy Rice, City Clerk

APPROVED AS TO FORM:

By: _____
John C. Cotti, City Attorney

APPROVED AS TO CONENT

By: _____
Jaime M. Fontes, City Manager

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council
From: Steven McLean, Police Chief
Subject: Acceptance of Rescue Vehicle For Police Department
Date: October 13, 2015

Recommendation: It is recommended that City Council: (1) authorize the Police Department to accept the MRAP vehicle; (2) authorize the City Manager to execute any necessary documents to acquire the MRAP; and (3) take such additional related actions that may be desirable.

Fiscal Impacts: The MRAP vehicle is valued at \$500,000. However, the City will receive the vehicle at no cost. City staff anticipates that ongoing maintenance costs will be low for the next three years because the vehicle is a new model (2012 year model) with only 9,000 miles.

Personnel Impacts: There are no personnel impacts associated with this item.

General Discussion: The Santa Paula Police Department uses Armored Vehicles for rescue and SWAT Deployment. The City obtained its first armored vehicle in 1997 through a donation by Armored Transport. Because that truck was old, outdated and in constant need of repair, it was retired from service in 2005.

In 2005, Reserve Officer Mike Levy offered his personal Armored Personal Carrier (Dragoon) for use by our SWAT Team for rescue and SWAT deployment. While far superior to the Armored Truck, the 20-year old truck is difficult to drive, hard to maintain, and hard to get into and out of.

In order to update our armored vehicle, Police staff applied under the 1033 Program for military surplus. The 1033 Program permits the Secretary of Defense to transfer, without charge, excess U.S. Department of Defense personal property (supplies and equipment) to state and local law enforcement agencies. The 1033 Program allows law enforcement agencies to acquire vehicles (land, air and sea), weapons, computer equipment, fingerprint equipment, night vision equipment, radios and televisions, among other equipment.

For the Regular City Council Meeting of October 19, 2015

In order to update our armored vehicle, Police staff applied under the 1033 Program for an MRAP (Mine Resistant Ambush Protected). In late 2014, the Department learned that an MRAP (International Harvester Cab with an armored shell for carrying personnel and equipment) was allotted to us. City staff has completed all the necessary paperwork and are ready to take possession of it upon approval of the instant request.

Acceptance of the MRAP is warranted for the following reasons:

- The MRAP is a new model (2012)
- The MRAP has low mileage (9000)
- Maintenance is easy and parts are inexpensive and readily available.
- The City's connections on the local military bases improves access to parts and service.
- Lead Mechanic Jose Arreola approves of this vehicle.
- The MRAP's high clearance will be a great asset in any natural disaster.
- During an active shooter rescue, the MRAP provides a safe way to get medical personnel to injured citizens.
- Response time from other agencies is too great.
- The MRAP protects police officers, while serving high risk warrants on violent murder suspects, and will save lives.
- This is a limited use vehicle for emergencies and swat support.

Our New Rescue Vehicle will be identical to the South Lake Tahoe Rescue Vehicle below:



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SOUTH LAKE TAHOE'S MRAP RESCUE VEHICLE

Alternatives:

- A) Accept the new rescue vehicle;
- B) Provide further direction to staff.

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council
From: Jaime M. Fontes, City Manager
Subject: Appointment of Members to the Recreation Commission
Date: October 14, 2015

Recommendation: It is recommended that City Council appoint three members to the Recreation Commission for a three-year term.

Fiscal Impacts: None.

Personnel Impacts: None.

General Discussion: At the Special Matters City Council Meeting of October 5, 2015 the City Council interviewed Edd Bond, Karen Berry and Timothy Hicks to fill three vacancies that have expired, for the Recreation Commission for a three-year term.

Alternatives:

- A. Appoint three members to the Planning Commissioner for a three-year term.
- B. Provide alternate direction to staff.

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Janna Minsk, AICP, Planning Director
Stratis Perros, Deputy Planning Director

Subject: Update on Save Open Space and Agricultural Resources (SOAR)
Renewal Initiative for Santa Paula

Date: October 12, 2015

Recommendation: It is recommended that the City Council: (1) Receive and file the attached report on the background and status of SOAR; and (2) Provide any additional direction to staff.

Personnel Impacts: There are no personnel impacts associated with this item.

Fiscal Impacts: There are no fiscal impacts associated with this item.

General Discussion:

1. The City's CURB Line

Save Open Space and Agricultural Resources (SOAR) is a voter-approved initiative that requires a vote of the people before agricultural land or open space areas can be developed. In 1995, the City of Ventura approved the first SOAR initiative. Since then, SOAR initiatives have been approved in eight cities and the County (unincorporated areas). The SOAR ordinances require approval of the voters before allowing urban development beyond a City Urban Restriction Boundary (CURB) line.

In Santa Paula, the voters passed SOAR/Measure I in 2000 thereby amending the General Plan to include a CURB around the City and Expansion Areas. The Ordinance is identified in the City's General Plan Land Use Element (page LU-29) adopted the CURB "to provide for the reasonable urban growth of the City of Santa Paula and ensure that development policies, and underlying goals, objectives and principals and policies set forth in the Santa Paula General Plan relating to Land Use are inviolable against transitory short-term political decisions and that agricultural, watershed, and open space lands are not prematurely or unnecessarily converted to non-agricultural or non-open space uses without public debate and vote of the people."

In May, 2007, City voters approved an initiative to amend the CURB line to include Adams Canyon. Utilizing the SOAR process, voters in Santa Paula approved minor expansions of the CURB boundary several times for development purposes. Examples of voter approved CURB measures for Santa Paula include:

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- Peck/Foothill (Anderson site of 32.5 acres, 2003)
- Adams Canyon (Expansion of SOAR beyond the Expansion Area, 2007)
- East Area 1 (Limoneira development of 501 acres, 2008).

2. SOAR is Scheduled to Expire

The Santa Paula SOAR expires in December 2020. Currently, the countywide SOAR organization is gearing up a “drive” to renew SOAR protection by passing new initiatives during the November 2016 election. According to the SOAR website, the 2020 initiatives if approved by voters would extend SOAR to 2050.

SOAR is implemented by a non-profit organization comprised of individuals committed to keeping Ventura County from urban sprawl patterns found in Southern California. SOAR has active members in each city in Ventura County. City staff has been contacted by a member of the SOAR Board for feedback concerning the renewal of the initiative for Santa Paula. Therefore, this would be a good time to examine the existing SOAR boundary and provide input to the SOAR Board on a potentially logical SOAR/CURB boundary extension.

3. Areas where the CURB Line Should be Expanded

In most areas around the City, the CURB line is coterminous with the General Plan’s Land Use boundary and the Sphere of Influence (“SOI”) line. However, one exception is a portion of the West Area 2 Expansion Area near where the Water Recycling Facility (WRF) was established. In this case, the CURB, SOI, and General Plan Boundary are not coterminous and therefore require property owners in this area to seek their own costly ballot initiative to develop their properties in accordance with the General Plan.

In staff’s opinion, the CURB line should be amended to correlate with the General Plan land use boundary to include eight parcels generally located south of Highway 126 and west of Todd Lane based on the following:

- The CURB amendment would align the CURB line with Adams Barranca which is the natural physical boundary separating the city’s western edge from the Santa Paula/Ventura Greenbelt.
- The amendment would align with properties intended for future development based on their current General Plan land use designation of Mixed Use Commercial Light Industrial.
- The amendment is generally supported by the current property owners.

Amending the CURB line would just be one step in the process to develop the West Area 2 Expansion Area. The Planning Commission and City Council would be required to grant approval of any development proposals. If approved by the City, the developers would then be required to receive approval from LAFCo for annexation and to amend the Sphere of Influence boundary.

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4. Options for the City Council

This item has been brought to the City Council for informational purposes and to allow the Council to provide direction to staff. As noted above, the supporters of SOAR are preparing initiative petitions with the intent of qualifying those petitions for the November 2016 general election. Options for the Council include the following:

- As the SOAR campaign moves forward, the Council can create an ad hoc committee to engage the SOAR Board in discussions over concerns about the proposed initiatives.
- The Council can also direct City staff to monitor the SOAR process as it moves forward and bring regular updates to the Council for consideration.
- Provide suggestions to the SOAR Board about recommended changes to the Santa Paula 2016 SOAR ballot initiative.

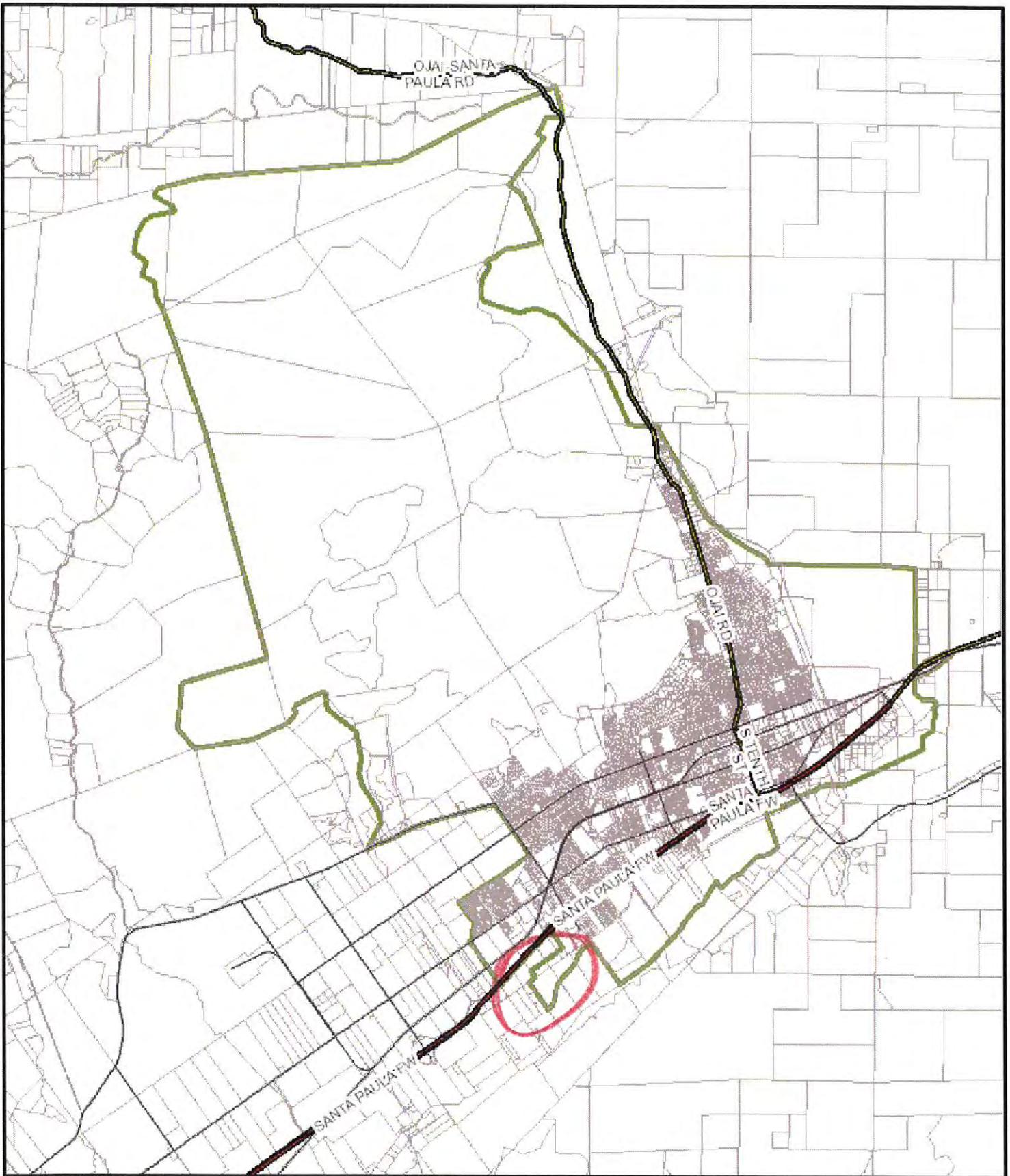
Richard Francis, a member of the SOAR Board, will give a presentation on this topic at the October 19 City Council meeting.

Recommendation:

1. Receive and file the Report;
2. Provide direction to City Staff.

Attachment:

Map of Existing SOAR Boundary and Potential SOAR Boundary Extension



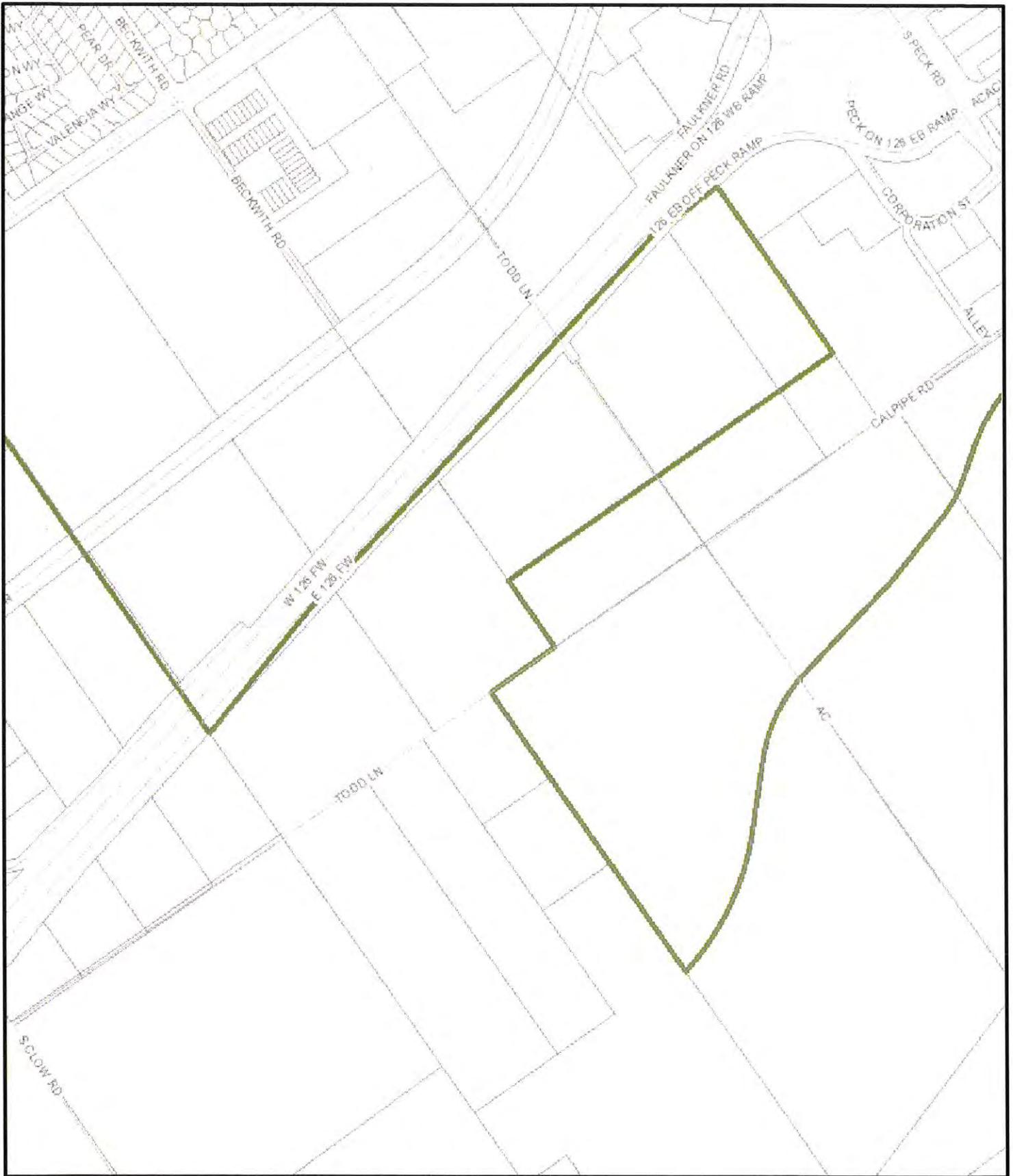
Existing CURB Boundary

Area in Question

Printed: Oct 14, 2015



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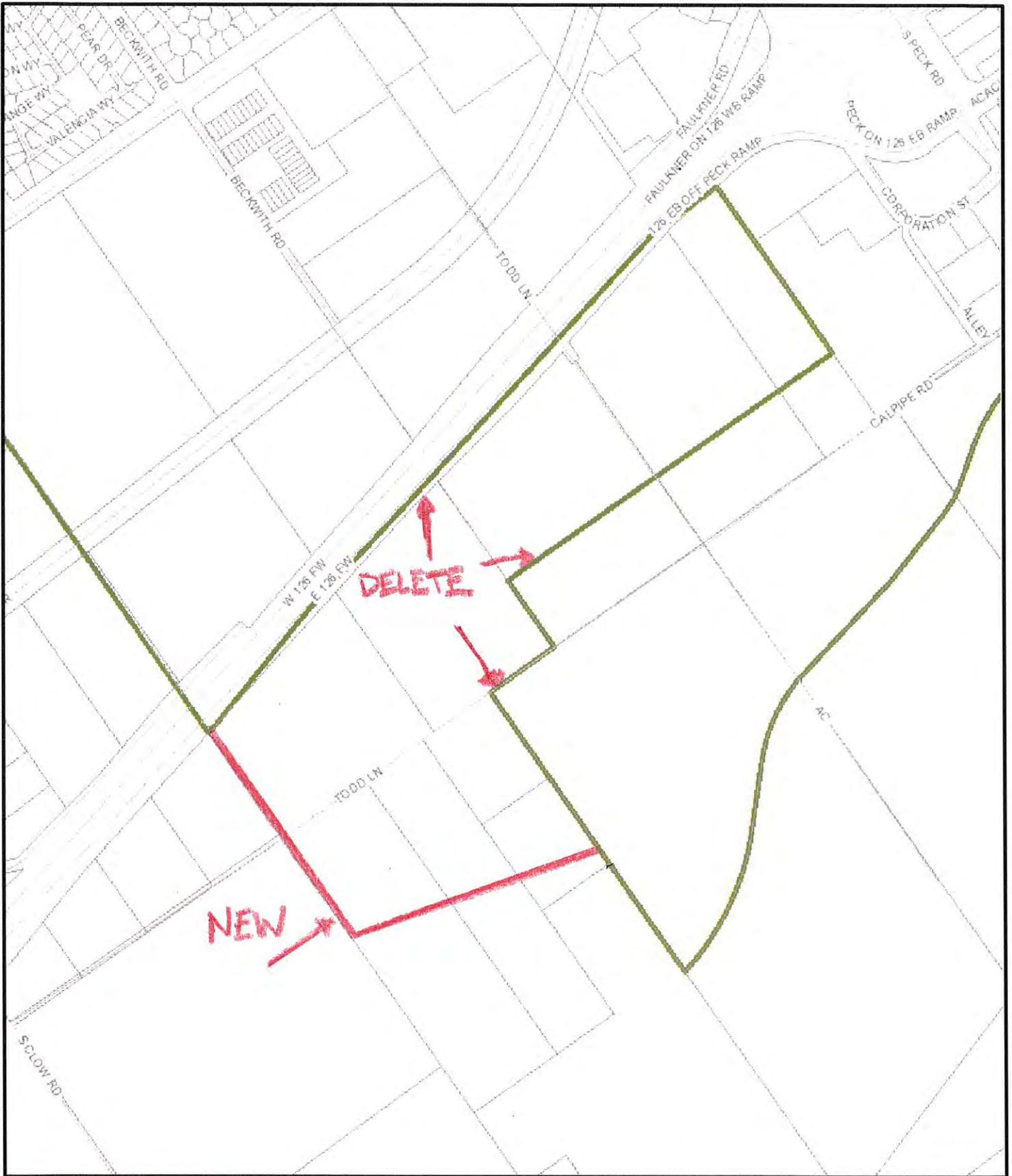


Existing Curb Boundary



Printed: Oct 14, 2015

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CURB Boundary

Recommended

Printed: Oct 14, 2015



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MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Elisabeth V. Paniagua, Assistant to the City Manager

Subject: Discussion and Consideration of the Rental Rates Applicable to the Boys and Girls Club, Chamber of Commerce and the Santa Paula Arts Society

Date: October 9, 2015

Recommendation: It is recommended that the City Council: (1) establish the rental rates applicable to non-profit tenants, the Santa Paula Arts Society, Santa Paula Chamber of Commerce and the Santa Clara Valley Boys and Girls Club pursuant to the Below Market Rental Policy; and (2) take such additional, related action as may be desirable.

Fiscal Impacts: Reduction from the appraised rental rates for the three City-owned properties could result in lost revenue of approximately \$48,600-\$64,200, annually. While the City does receive non-tangible public benefits as a result of these below-market rentals, it is difficult if not impossible to quantify the amount of that public benefit.

Personnel Impacts: There are no personnel impacts associated with this item.

General Discussion: On January 20, 2015, the City Council approved Resolution No.6913 adopting the Below Market Rate Rent Policy. The policy sets forth the criteria and guidelines by which the City can offer below-market rental rates for City-owned properties to non-profit organizations that provide benefits and services to the citizens of Santa Paula.

City staff met with each of the three nonprofit organizations currently occupying City owned buildings, which include the Santa Paula Arts Society (Train Depot back office); the Santa Paula Chamber of Commerce (Train Depot front and upstairs); and the Boys and Girls Club of the Santa Clara Valley (Harding Park Gymnasium). Each of the three organizations provided all requested documentation required by the Below Market Rate Rents Policy.

Appraisals for the three properties indicate a market rate rental value of approximately \$1000-\$1400 per month (Arts Society), \$2500-\$3500 per month (Boys and Girls club), \$1100-\$1300 per month (Chamber of Commerce) for each of the three properties, respectively. Based on that range, approval of below market rate rents would result in a loss of revenue to the City's General Fund and the Harding Park Trust of approximately \$48,600-\$64,200, annually. As a result,

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the City Council must balance the public benefit provided by the non-profit entity against the need of the City for funding for city operations i.e. capital improvements, equipment, salary and benefits.

As set forth below, each of the non-profit organizations requested 10 year leases with a rental rate of \$1.00 per year. In addition, the Boy and Girls Club of Santa Clara Valley also requested the Council's approval to continue to sublease a portable unit located on City property at a rate of \$1000.00 per month. The sublease of the unit by the Club has been in effect since at least 2000. The other two lessees do not sublease any portion of City buildings.

The rental agreement requires the City's consent to sublease, which was never obtained from the City Council or City Manager. The City Council can consent to the sublease but must find a public benefit for the loss of revenue to the Harding Park Trust.

A summary of the documentation provided by each organization and its' applicability to the Below Market Rental Policy is included below:

1) The Santa Paula Arts Society

- a) Property Criteria-
 - i) The City has no immediate or future plans for the Train Depot building, either to sell or use for any other purpose. In addition, there is no evidence that any funding used to rehabilitate the building prohibits a lease below market rental rates.
- b) Organization's Criteria-
 - i) The Santa Paula Arts Society continues to serve as a local non-profit organization by carrying out its mission to further art awareness, and support art activities. The organization provides community service to residents of Santa Paula through the Annual Santa Paula Art and Photography show, and sponsoring rotating art shows throughout the year.
 - ii) The organization received its non-profit status by the State of California in 1968.
 - iii) The organization is governed by a nine member Board of Directors.
 - iv) The organization serves all Santa Paulans ranging from youth to adults, who participate in art activities. The organization intends to continue its mission and current activities into the future.
 - v) The organization currently carries a public liability insurance policy which names the City as additional insured.

The organization does not rent any other buildings or offices.

- c) Annual Review and Financial Requirements-
 - i) The organization has no paid employees and is staffed by volunteer members.
 - ii) A list of the Board of Directors and current Bylaws was submitted.

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- iii) 12 months of financial reports were submitted. Please note the organization does not complete an annual tax return or have independent audits of its reports
 - (1) The reports include 12 months of income and expenses which include art sales totaling about \$791.00 for the year, with other main sources of income indicated from limited donations for art scholarships and art show expenses.
 - (2) A review of the 12 month financial reports indicate the organization shows a deficit nine months out of 12 months, which is covered by additional cash in a checking account. In addition, the reports do indicate that there are sufficient funds available in the additional cash account to provide a source of rental income back to the City.

2) Santa Paula Chamber of Commerce

- a) Property Criteria-
 - i) The City has no immediate or future plans for the Train Depot building, either to sell or use for any other purpose. In addition, there is no evidence that any funding used to rehabilitate the building prohibits a lease below market rental rates.
- b) Organization's Criteria-
 - i) The Santa Paula Chamber of Commerce continues to serve as a local non-profit organization by carrying out its mission to be "in Business for Business," by providing services and activities to enhance and improve the economic and business climate in Santa Paula, and the surrounding community. The organization provides community service to Santa Paula residents and businesses by promoting tourism, including the distribution of information and brochures highlighting points of interest and special events, membership development, special events, and sales of products and services featuring Santa Paula.
 - ii) The organization received its non-profit status by the U.S. Internal Revenue Service in 1941.
 - iii) The organization is governed by a 12 member Board of Directors.
 - iv) The organization currently serves 175+ Santa Paula member businesses. The organization intends to continue its mission and current activities into the future.
 - v) The organization currently carries a public liability insurance policy which names the City as additional insured.
 - vi) The organization does not rent any other buildings or offices.
- c) Annual Review and Financial Requirements-
 - i) The organization has three paid employees and one volunteer.
 - ii) A list of the Board of Directors and current Bylaws was submitted.
 - iii) 12 months of financial reports were submitted along with the most current tax return. Please note the organization does not have independent audits of annual tax return.
 - (1) The reports include 12 months of income and expenses, which include a main source of income from a monthly grant and

For the Regular City Council Meeting of October 19, 2015

membership dues and lesser amounts from mixer, sales and special events sponsorships. .

- (2) A review of the 12 months of financial reports indicate the organization shows a deficit 8 months out of 12 months, which is covered by additional cash in a checking account. In addition, the reports do indicate that there are sufficient funds available in the additional cash account to provide a source of rental income back to the City.

3) Boys and Girls Club of the Santa Clara Valley

a) Property Criteria-

- i) The City has no immediate or future plans for the Harding Park Gymnasium building, either to sell or use for any other purpose. In addition, there is no evidence that any funding used to rehabilitate the building prohibits a lease below market rental rates.

b) Organization's Criteria-

- i) The Club continues to serve as a local non-profit organization by carrying out its mission to provide daily access to safe, supervised activities that foster children to become productive, responsible and caring citizens. The organization provides community service to Santa Paula residents by serving 790 youth members at both the Harding Park site and seven school sites, providing mentorship and leadership youth programs to at-risk youth, and recreational and enrichment programs.
- ii) The organization received its non-profit status by the U.S. Internal Revenue Service in 1968.
- iii) The organization is governed by a 19 member Board of Directors.
- iv) The organization currently serves 790 youth members and intends to continue its mission and current activities into the future.
- v) The organization currently carries a public liability insurance policy which names the City as additional insured.
- vi) The organization does rent other sites in the City of Fillmore and according to the Club Director receives rent free of charge since a new lease was recently negotiated. In addition, the County of Ventura recently approved a \$1 per year lease for the Club at a Piru site which will begin July 1, 2015.

c) Annual Review and Financial Requirements-

- i) The organization has paid five full-time and 27 part time employees across its organization which serves all sites in the Santa Clara Valley including Santa Paula sites.
- ii) A list of the Board of Directors and current Bylaws was submitted.
- iii) Two years of the most recent audited financial reports along with the most recent six month profit and loss comparison were submitted.
- (1) The reports include 24 months of revenues and expenses, which include main source of income from rental income, membership dues, program fees, and grants, with lesser amounts from special events sponsorships and fundraising.

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- (2) A review of the 24 month end of year financial reports indicate the organization shows a balanced budget by June 30th of each year. It should be noted that some funds from a cash account are used to balance the end of year budget. In addition, the reports do indicate that there are sufficient funds available in the additional cash account to provide a source of rental income back to the City.

Based on staff's review of the information provided by the three non-profit organizations, it appears that each of the three non-profit organizations provide a public benefit to the community sufficient to warrant reduced rents. Hence, City staff believes that the each group meets the criteria and requirements of the Below Market Rate Rental Policy to receive a reduced rental rate.

While each organization does provide a public benefit to the community, the amount of minimal rent amount needs to be determined. Staff has prepared the attached list of nonprofit leases with market rate evaluations and below market nominal value ranges.

Staff has reviewed the documentation provided and reflected findings for each in the attached Resolutions No. 6953, 6954, 6955. Staff requests City Council's review and direction for each of the non-profit organizations lease requests to receive below market rate rents for each of the respective City buildings they currently occupy. In addition, staff also requests the City Council's review and direction of the Boys and Girls Club's request to approve the sublease of City property.

Alternatives:

- A. Direct Staff
- B. Provide further direction

Attachments:

- 1. List of Non-Profit Organizations with below market nominal value ranges
- 2. Adopted Below Market Rate Rent Policies and Procedures
- 3. Resolution No. 6953 Santa Paula Arts Society
- 4. Resolution No. 6954 Santa Paula Chamber of Commerce
- 5. Resolution No. 6955 Santa Clara Valley Boys and Girls Club

CITY OWNED PROPERTIES- NON PROFIT ORGANIZATIONS LEASES
October 19, 2015

#	CITY PROPERTY	LESSEE	AGREEMENT HISTORY	DESCRIPTION OF PROPERTY	USE	ZONE	CURRENT RENTS	MARKET RENTS BASED ON EVALUATIONS	BELOW MARKET NOMINAL VALUE RANGE
1	200 N. 10th Street	Santa Paula Art Society	Still under original: EXPIRED	Train Depot (back)	Art Visitor Center	Open Space-Parks 1645 sq ft (Art Gallery) 350 Sq ft (office)	Exchange for lease- a) Tenant to pay 5% of on-site sales of paintings; b) provide onsite distribution of City ad material; c) Keep premise clean; d) promote City's tourism by allowing tourist to enter	Two options: 1- \$1000-1400 per month (Total 1645 sq ft with Gallery) 2- \$450-550 per month (Office space only) with additional min charge for occasional use of community room.	\$1.00 to \$100-\$140 per month
2	1400 Harvard Blvd	Boys Club of Santa Paula	Still under original: 3/1/1993-3-1/1998 EXPIRED	1400 E HARVARD BLVD	Gym/Office space	Institutional/Civic 1.18 acre 7540 sq. ft building parking lot	\$1 per year	\$2500-3500 per month (Note limited type of tenants)	\$1.00 to \$250-\$350 per month
3	200 N. 10th Street	Santa Paula Chamber of Commerce	Still under original: EXPIRED	Train Depot (office)	Office space	Open Space-Parks 1,125 sq. ft	none	\$1,100 to \$1,300 per month with lessee paying utilities and maintenance of property. (Limitations to tenant to modify building)	\$1.00 to \$110-\$130 per month

* STAFF FINDS THAT A BELOW MARKET NOMINAL VALUE LEASE OF \$1 TO 10% OF THE MARKET VALUE WOULD PROVIDE THE CITY SOME REVENUE TO COVER COSTS ASSOCIATED WITH LEASES SUCH AS ONGOING ADMINISTRATION, MONITORING, AND OTHER RELATED PROPERTY COSTS.

CITY OF SANTA PAULA

ADMINISTRATIVE POLICIES AND PROCEDURES

APP NO.:

BELOW MARKET RENTAL POLICY FOR USE OF CITY-OWNED LAND AND BUILDINGS BY NONPROFIT OR CHARITABLE ORGANIZATIONS

I. PURPOSE

The policy is intended to establish a set of criteria, guidelines and requirements for the use of City-owned land or buildings not immediately required for public purposes. The policy establishes a method of giving assistance to non-profit organizations that may be quasi-public, community-oriented service groups which provide services to the citizens of Santa Paula. Under the policy, a qualifying non-profit organization or City sponsored program is charged a nominal fee as space rent for services provided to the community.

II. POLICY

It is the policy of the City of Santa Paula that approval for requests for preferential rates and use of City lands not immediately needed for public purposes will meet the following criteria, guidelines or requirements:

A. Property Criteria

The lands and buildings, which will be made available for use by qualifying non-profit organizations, will meet the following criteria:

1. The land or building is not immediately needed for public purposes but will be retained for a future public purpose.
2. The date of future City use has been estimated or established to be far enough into the future to justify an interim use.
3. The source of funding used for the original acquisition does not preclude the facility or property from legally being leased at less than fair market rate.
4. Property or facilities are not scheduled to be surplus.

B. Non-Profit or Charitable Organization Criteria:

Non-profit or charitable organizations may lease non-operating property from the City at reduced rental rates if they meet the qualifying criteria approved by the City Council. The criteria under which non-profit or charitable organizations will be evaluated for consideration for below market rents is as follows:

CITY OF SANTA PAULA

ADMINISTRATIVE POLICIES AND PROCEDURES

APP NO.:

1. The non-profit or charitable organization must perform a definitive community service provided primarily to citizens of Santa Paula, and substantiate that a continuing public need exists for the services being provided.
2. The non-profit or charitable organization must be designated, or in the process of requesting designation as a "non-profit" by the California State Board of Equalization (specified in Section 23710d of the State Revenue and Taxation Code) and hold tax exempt status from the Internal Revenue Service. Proof of said non-profit status shall be provided for review and verification by the Department administering the lease/property use agreement.
3. The non-profit or charitable organization must be governed by a Board of Directors.
4. To initially request the use of space, the non-profit or charitable organization must submit an outline of their program and organization to the City, for evaluation by the Public Works Department and other City Department Heads as affected by the particular requested space use, which shall include, but not be limited to the following:
 - a. The program's objective and a time frame for completion if applicable.
 - b. A profile of the clientele being served.
 - c. Projected staff and/or facilities expansion plans, if any.
 - d. A current certified financial statement including sources of funding and any constraints applied to funds.
 - e. Evidence of adequate public liability insurance and property damage for nonprofits or charitable organizations contents at proposed public facility and/or other insurance as determined by the City's Risk Manager.- amounts Arts \$2m, Chamber \$1m?
 - f. A list by address and monthly rental rate of any other real property rented by the non-profit or charitable organization and/or affiliated groups.
 - g. An evaluation of the non-profit or charitable organization program conducted by another governmental agency may be included if one exists.
5. The City will not enter into leases or property use agreements at below market rates to

CITY OF SANTA PAULA

ADMINISTRATIVE POLICIES AND PROCEDURES

APP NO.:

organizations engaged in political activities or to religious organizations that would use the leased premises to promote sectarian or religious purposes.

C. Annual Review Requirements

The non-profit or charitable organization must provide the City on an annual basis with the following:

1. An organizational chart of the non-profit or charitable organization along with a list of staff employees (by title) and salary.
2. Names and addresses of current members of the Board of Directors.- arts
3. A schedule of the non-profit or charitable organization Board of Directors meetings and the Board's meeting minutes for the past year.- Arts
4. A current certified annual financial report of the non-profit or charitable organization including all expenditures, sources of funding and any constraints on receivable or received funds.
5. Proof that their service is still available and quantitative reports of services provided during the preceding year.
6. As part of any rental agreement required by this Policy, the City Council may require a review at intervals longer than one year if warranted by the initial financial report of the non-profit or charitable organization.

D. Terms of Tenancy

The terms under which below market or subsidized lease/property use agreements will be granted are as follows:

1. City staff will recommend to council for approval all rental agreements of City owned facilities or property.
2. The minimum rent shall be one dollar per month.
3. The minimum tenancy shall be one year. The maximum tenancy shall be no longer than 10 year, unless extended by mutual agreement of the tenant and City.

CITY OF SANTA PAULA

ADMINISTRATIVE POLICIES AND PROCEDURES

APP NO.:

4. No alterations or improvements shall be made to the facility or site without the prior written approval of the City.

5. All repairs and maintenance of the leased site or facility shall be the responsibility of the tenant. City staff may inspect the property at least semiannually to insure that it is being properly maintained.

6. Any change in the type or level of services provided may result in a reevaluation of the tenancy.

7. The non-profit or charitable organization shall provide all necessary proof of insurance coverages as required by the City's Risk Manager prior to occupancy, during term of lease/property use agreement and at renewal of lease/property use agreement.

8. The non-profit or charitable organization shall not be entitled to relocation benefits as a result of its tenancy in the City-owned facility or property, unless such benefits are required by law.

9. The non-profit or charitable organization will be responsible for paying any possessory interest tax, which may be due as a result of the tenancy.

10. The facilities shall be for the exclusive use of the designated group and may not be sublet without the written consent of the City Manager.

11. The lease/property use agreement or rental agreement issued by the City will include a clause providing for revocation without cause, with the understanding that the non-profit or charitable organization will vacate the premises upon notice, at their own expense.

12. The City may require, prior to and during the lease/property use agreement, the submission of such additional information as may be needed.

13. A written agreement shall be prepared by the sponsoring department and submitted for review to the Public Works Department and approved as to form by the City Attorney's Office, setting forth the specific terms and conditions for each individual below market rental agreement. Nothing in these guidelines shall be construed as to limit the terms of any specific agreement.

14. The City Council will approve all lease/property use agreements, unless authority to approve the lease/property use agreements has been delegated to the City Manager either

CITY OF SANTA PAULA

ADMINISTRATIVE POLICIES AND PROCEDURES

APP NO.:

in the Municipal Code or by other Council action. The City Manager will comply with the terms of the delegation and report such lease/property use agreements to the City Council.

E. Termination

A below market lease/property use agreement may be terminated by the City at any time for any of the reasons established in the lease/property use agreement, including, but not limited to the following:

1. The property or facility is required for the specific purpose or project for which it was originally purchased.
2. The property or facility is required for some other government purpose.
3. It is determined by the City Council that the facility or site being rented should be sold as surplus property.
4. It is determined by the City that the services provided by the non-profit or charitable organization are no longer necessary or adequate to justify the below market rent.
5. It is determined by the City that the non-profit is not providing the services proposed or is providing unapproved alternative services.
6. Inspection of the property reveals that the property or facility is not being properly maintained.
7. The non-profit or charitable organization fails to provide proper liability insurance at all times during the lease/property use agreement period.
8. It is no longer economically feasible or beneficial for the City.

RESOLUTION NO. 6953

A RESOLUTION OF THE CITY OF SANTA PAULA APPROVING THE BELOW MARKET RENTAL RATE FOR USE OF A CITY-OWNED BUILDING LOCATED AT 200 N. 10th STREET BY THE SANTA PAULA ART SOCIETY

The City Council of the City of Santa Paula resolves as follows:

SECTION 1: The City Council finds and declares as follows:

- A. The City of Santa Paula leases City-owned land and buildings to all interested parties, including non-profit organizations.
- B. On January 19, 2015, the City Council adopted the Below Market Rental Policy ("Policy") to provide a method of giving assistance to non-profit organizations that may be quasi-public, community-oriented service groups, which provide services to the citizens of Santa Paula.
- C. The Train Depot back office and gallery meeting area located at 200 N. 10th Street is and will continue to be used for public purposes.
- D. The Santa Paula Art Society ("Art Society") was established in 1968 as a non-profit organization for the purpose of improving their member's art understanding; to further art awareness in the community and support enthusiastically all beneficial art activities; to create a nucleus for growth by sponsoring workshops, competitions and opportunities for members to show their works. The Art Society also offers encouragement and incentives to talented students through scholarships or other means; to sponsor programs relative to art in the Santa Paula community.
- E. The Art Society has continued to provide community service to residents of Santa Paula through the Annual Santa Paula Art and Photography show, and sponsoring rotating art shows throughout the year.
- F. The Art Society leased the Train Depot since 2001 and has requested a Below Market Rental Rate for the continued lease of the Train Depot Back office and meeting space to be used as an art gallery area.
- G. The Art Society has submitted all requested documentation as required by the Policy and the City has determined all criteria,

guidelines or requirements outlined in the Policy have been satisfied.

SECTION 2: The Council finds that the Arts Society is a non-profit organization that provides a definitive public purpose to the residents of Santa Paula by improving art understanding and art awareness in the community.

SECTION 3: The Council finds further that a below-market rental rate is warranted to assist the Arts Society in providing public benefits to Santa Paula.

SECTION 4: The City Manager or his designee are authorized to negotiate and execute any required documents, including a lease agreement, in order to implement the purpose set forth in this Resolution.

SECTION 5: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 19th day of October 2015.

John T. Procter, Mayor

ATTEST:

Judy Rice,
City Clerk

APPROVED AS TO FORM:

John C. Cotti
City Attorney

APPROVED AS TO CONTENT:

Jaime M. Fontes,
City Manager

RESOLUTION NO. 6954

A RESOLUTION OF THE CITY OF SANTA PAULA APPROVING THE BELOW MARKET RENTAL RATE LEASE FOR USE OF A CITY-OWNED BUILDING LOCATED AT 200 NORTH 10th STREET BY THE SANTA PAULA CHAMBER OF COMMERCE

The City Council of the City of Santa Paula resolves as follows:

SECTION 1: The City Council finds and declares as follows:

- A. The City of Santa Paula leases City-owned land and buildings to all interested parties including non-profit organizations.

On January 19, 2015, the City Council adopted the Below Market Rental Policy ("Policy") to provide a method of giving assistance to non-profit organizations that may be quasi-public, community-oriented service groups, which provide services to the citizens of Santa Paula.

- B. The Train Depot front office and upstairs storage area located at 200 N. 10th Street will continue to be used for future public purposes.
- C. The Santa Paula Chamber of Commerce ("Chamber") was established in 1941 as a non-profit organization for the purpose of being "in Business for Business," by providing services and activities to enhance and improve the economic and business climate in Santa Paula and the surrounding community. The Chamber promotes tourism, including the distribution of information and brochures highlighting points of interest and special events. The Chamber will develop resources to fulfill its mission through membership development, special events, and sales of products and services featuring Santa Paula.
- D. The Chamber continues to provide community service to Santa Paula residents and businesses by promoting tourism and supporting Santa Paula businesses which, in turn, enhances the local economy and increases City tax revenue.
- E. The Chamber has leased the Train Depot since 2001 and has requested a Below Market Rental Rate for the continued lease of the Train Depot Front office and second story office.
- F. The Chamber has submitted all requested documentation as required by the Policy and the City has determined all criteria,

guidelines or requirements outlined in the Policy have been satisfied.

SECTION 2: The Council finds that the Chamber is a non-profit organization that provides a definitive public purpose to the residents of Santa Paula by promoting tourism and supporting businesses in the community.

SECTION 3: The Council finds further that a below-market rental rate is warranted to assist the Chamber in providing public benefits to Santa Paula.

SECTION 4: The City Manager or his designee are authorized to negotiate and execute any required documents, including a lease agreement, in order to implement the purpose set forth in this Resolution.

SECTION 5: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 19th day of October 2015.

John T. Procter, Mayor

ATTEST:

Judy Rice,
City Clerk

APPROVED AS TO FORM:

John C. Cotti
City Attorney

APPROVED AS TO CONTENT:

Jaime M. Fontes,
City Manager

RESOLUTION NO. 6955

A RESOLUTION OF THE CITY OF SANTA PAULA APPROVING THE BELOW MARKET RENTAL RATE LEASE FOR USE OF A CITY-OWNED BUILDING AT 1400 E. HARVARD BOULEVARD BY THE BOYS AND GIRLS CLUB OF SANTA CLARA VALLEY

The City Council of the City of Santa Paula resolves as follows:

SECTION 1: The City Council finds and declares as follows:

- A. The City of Santa Paula leases City-owned land and buildings to all interested parties including non-profit organizations.
- B. On January 19, 2015, the City Council adopted the Below Market Rental Policy ("Policy") to provide a method of giving assistance to non-profit organizations that may be quasi-public, community-oriented service groups, which provide services to the citizens of Santa Paula.
- C. The Harding Park Gym building located at 1400 E. Harvard Blvd will continued to be used for future public purposes.
- D. The Boys and Girls Club of Santa Clara Valley ("Club") was established in 1968 as a non-profit organization for the purpose of providing daily access to safe, supervised activities that foster children to become productive, responsible and caring citizens.
- E. The Club has continued to provide community service to residents of Santa Paula by serving 790 youth members at both the Harding Park site and 7 school sites, providing mentorship and leadership youth programs to at-risk youth, and recreational and enrichment programs.
- F. The Club has leased the Harding Park Gym since 1993 and has requested a Below Market Rental Rate for the continued lease of the Harding Park Gym building and surrounding parking area.
- G. The Club submitted all requested documentation as required by the Policy and the City determined all criteria, guidelines or requirements outlined in the Policy have been satisfied.

SECTION 2: The Council finds that the Club is a non-profit organization that provides a definitive public purpose to the residents of Santa Paula by offering youth services in the community.

SECTION 3: The Council finds further that a below-market rental rate is warranted to assist the Club in providing public benefits to Santa Paula.

SECTION 4: The City Manager or designee are authorized to negotiate and execute any required documents, including a lease agreement, in order to implement the purpose set forth in this Resolution.

SECTION 5: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 19th day of October 2015.

John T. Procter, Mayor

ATTEST:

Judy Rice,
City Clerk

APPROVED AS TO FORM:

John C. Cotti
City Attorney

APPROVED AS TO CONTENT:

Jaime M. Fontes,
City Manager

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Elisabeth V. Paniagua, Assistant to the City Manager

Subject: Comparison of the Fire Department Budgets for the cities of Fillmore and Santa Paula

Date: October 14, 2015

Recommendation: It is recommended that the City Council: (1) receive and file the attached report; and (2) take such additional, related action as may be desirable.

Fiscal Impacts: Changes in Fire Department staffing from full time personnel to reserve personnel could result in savings of approximately \$1.6 million annually.

Personnel Impacts: If changes are implemented, personnel impacts would include reduction of full time fire personnel and increased dependency on fire reserve personnel.

General Discussion: As part of the City Council's ongoing exploration of budget saving ideas, the City Council requested a comparison of the Fillmore and Santa Paula Fire Department budgets.

The attached Santa Paula Fire Department Comparison tables were compared against the Fillmore Fire Department for a financial level comparison only and not an operational level comparison. Additional notes are indicated at the bottom of tables to clarify Fillmore Fire Department staffing differences.

The City Council asked staff to assume the following in developing the Fire Department comparison:

- Fillmore Fire Department staffing would be doubled for Santa Paula purposes since population differences are approximately double.
- Santa Paula Fire reserve stipends would be doubled to attract more qualified reserves as to education and academy training.

Staff also prepared the attached Santa Paula Fire Department Service Call table to help provide the City Council with an overview of the different type of fire service calls provided both inside the City of Santa Paula and outside to County areas.

It should also be noted that the Santa Paula Fire Department is certified as a Basic Life Support (BSL) - EMT level department and cannot provide Advanced Life Support (ALS)-Paramedic level services. BSL-EMT level medical services may include basic first aid, CPR, bandages, oxygen, splint injuries, stabilizing neck injuries, attempting to stop bleeding, and operating an automatic defibrillator. The Department contracts ALS-Paramedic level medical services to private ambulance services which may include medical procedures like

For the Regular City Council Meeting of October 19, 2015

administering oral and intravenous medications, intubating a patient, operating a heart monitor, using an EKG machine, and inserting an IV. Non-medical fire related calls include smoke checks, hard materials, structure fires, car accidents. While a majority of fire service calls are medical in nature, at this time it is difficult to determine how many are provided directly at the BSL-EMT level versus the ASL-Paramedic level. In many cases, both the Santa Paula Fire Department and Ambulance service may arrive on the scene at the same time, each providing its own level of medical services as needed.

Alternatives:

- A. Direct Staff

- B. Provide further direction

Attachments:

1. Santa Paula Fire Department Budgetary Comparison
2. Santa Paula Fire Department Service Call Table and Charts

SANTA PAULA VS. FILLMORE FINANCIAL MODEL FOR THE FIRE DEPARTMENT

<i>SCENARIO 1: MAINTAIN 2 EXISTING STATIONS</i>							
SANTA PAULA CURRENT	2 CHIEFS	6 CAPTAINS	6 ENGINEERS	1 FIREFIGHTER	5 SAFER	6 RESERVES	
Currently: Salaries & Benefits	391,747.00	759,948.83	685,644.95	113,562.35	438,661.80	60,000.00	2,449,564.93
							Total Existing
<i>If the City went to Fillmore model:</i>							
SANTA PAULA	2 CHIEFS	6 CAPTAINS	ENGINEERS	FIREFIGHTER	SAFER	6 RESERVES	
Salaries & Benefits	391,747.00	759,948.83	-	-	-	131,400.00	1,283,095.83
							Approximate Savings in salaries & benefits
							<u>1,166,469.09</u>
*Potential Savings only reflects salary and benefits and does not account for savings in equipment needs							
**Assuming staffing of 1 captain and 3 reserves per shift per engine							

<i>SCENARIO 2: MAINTAIN ONLY 1 STATION/ ENGINE</i>							
SANTA PAULA CURRENT	2 CHIEFS	6 CAPTAINS	6 ENGINEERS	1 FIREFIGHTER	5 SAFER	6 RESERVES	
Currently: Salaries & Benefits	391,747.00	759,948.83	685,644.95	113,562.35	438,661.80	60,000.00	2,449,564.93
							Total Existing
<i>If the City went to Fillmore model:</i>							
SANTA PAULA	2 CHIEFS	3 CAPTAINS	ENGINEERS	FIREFIGHTER	SAFER	3 RESERVES	
Salaries & Benefits	391,747.00	379,974.42	-	-	-	65,700.00	837,421.42
							Approximate Savings in salaries & benefits
							<u>1,612,143.51</u>
*Potential Savings only reflects salary and benefits and does not account for savings in equipment needs							
Also does not account for potential savings in lesser costs to maintain engine/ building, etc.							
**Assuming staffing of 1 captain and 3 reserves per shift per engine							

This is a very rough estimate. Fillmore Fire Department has paid paramedics on each shift who receives a higher stipend, and use fire reserves to fill Captain, Engineer and Firefighter spots.

	Stipend Increased per shift	182.5 shifts per year	3 Reserves per shift per station
RESERVES	\$ 120.00	\$ 21,900.00	\$ 65,700.00

*Shift is 48 hrs.

Fillmore Fire notes:

- * Total Budget of \$1,011,022 FY 15-16
- * 1 primary daily engine (3-4 staffing) with 1 chief FT paid/ 3 FT paid Captains/ 1 paramedic daily/ supplement reserves as needed. No FT engineers
- * Rotate all other support staff 20 reserves (4 Reserve Captains, 10 engineer reserves, firefighters) at \$56/ shift for 2 per month
- * Fillmore uses 1 Paramedic level fire personnel daily at \$250 per shift
- * Department includes 3 Full time Captains at \$68,000 each
- * Fillmore maintains a Mutual Aid agreement with Ventura County not Auto aid agreement as Santa Paula (mutual aid means called if seriously needed verses Auto aid meaning called each type if closest engine is needed)
- * Fillmore Fire Department's staffing is not represented by an employee union

FIRE RESPONSE CALLS (October 11, 2014-November 11, 2015)

TYPE OF SERVICE PROVIDED	INSIDE CITY	COUNTY AREA	CITY AND COUNTY
All services provided inside City limits (City and Ambulance services)	2553 or 87.3 %		
AUTO AID all services provided by City and County			359 or 12.7%
AUTO AID all services provided by City out to County		162 or 45.1%	
AUTO AID provided by County into City	197 or 54.9%		
City provided BSL- EMT level medical aid by being first on scene*			829 or 28.5%
Both City EMT level and Ambulance ALS-Paramedic** level service provided some form of medical services only			1986 or 68.2%
City providing Fire services only ***			926 or 31.8%

*City Engine was on scene first by itself for some period of time, while ambulance-paramedic service is responding from outside City. BSL- EMT level medical services include bandages, Oxygen, splint injuries, stabilize neck injuries, attempt to stop bleeding, operate an automatic defibrillator.

**ALS-Paramedic medical services may include, administering oral or intravenous medications, intubate a patient, operate heart monitor, use EKG machine, apply r

***Fire calls include smoke checks, hard materials, structure fires, car accidents

****City Fire only provides Basic Life Support (BLS)-EMT medical services, while Advanced Life Support (ALS)-Paramedic level services are provided and contracted to private amb

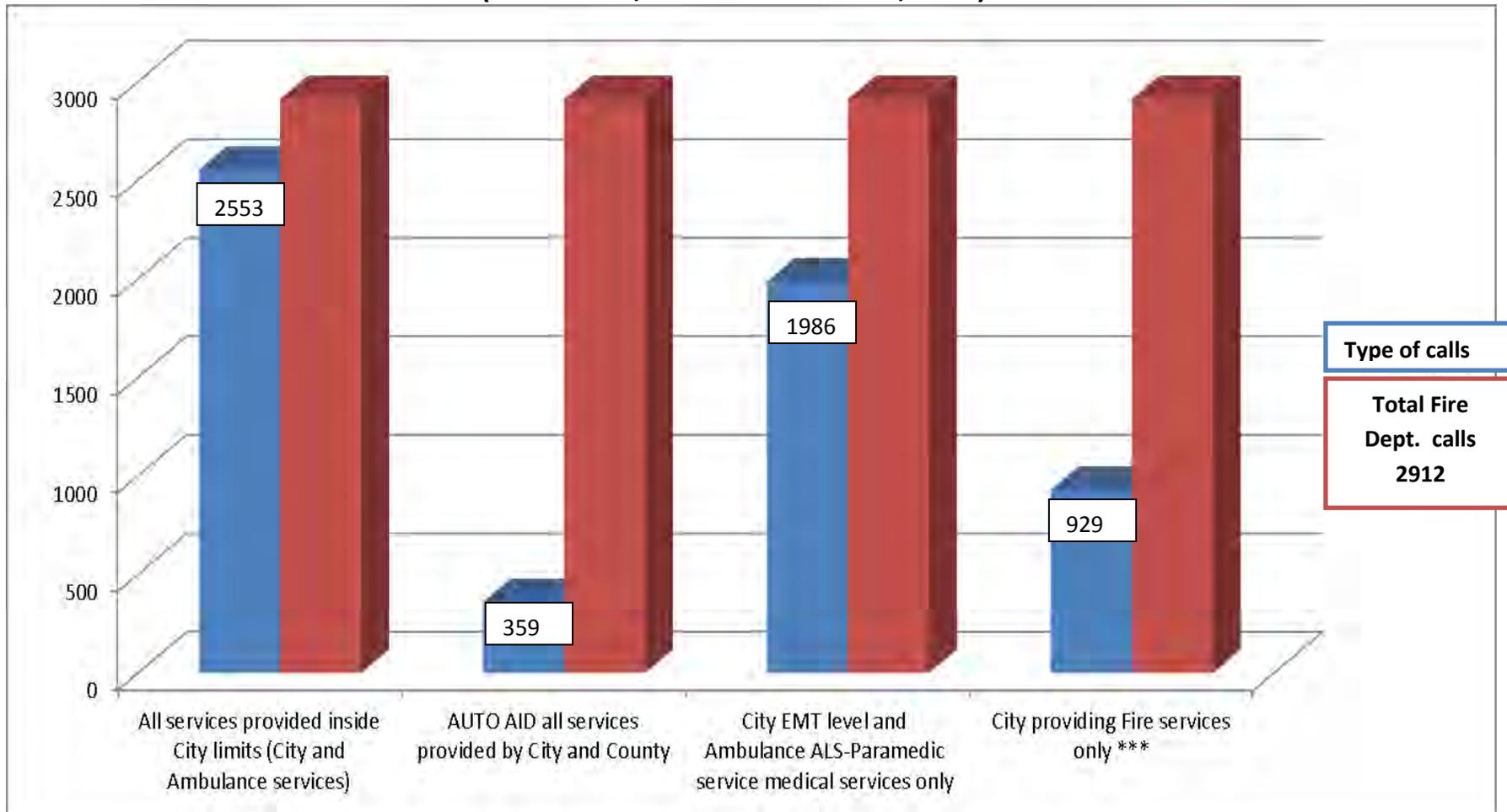
Of Total Calls	
	2912
	2912
of 359 total auto aid	
of 359 total auto aid	
of 1986 total medical only	
	2912
	2912

es include basic first aid, CPR,

nitro paste-spray, insert an IV.

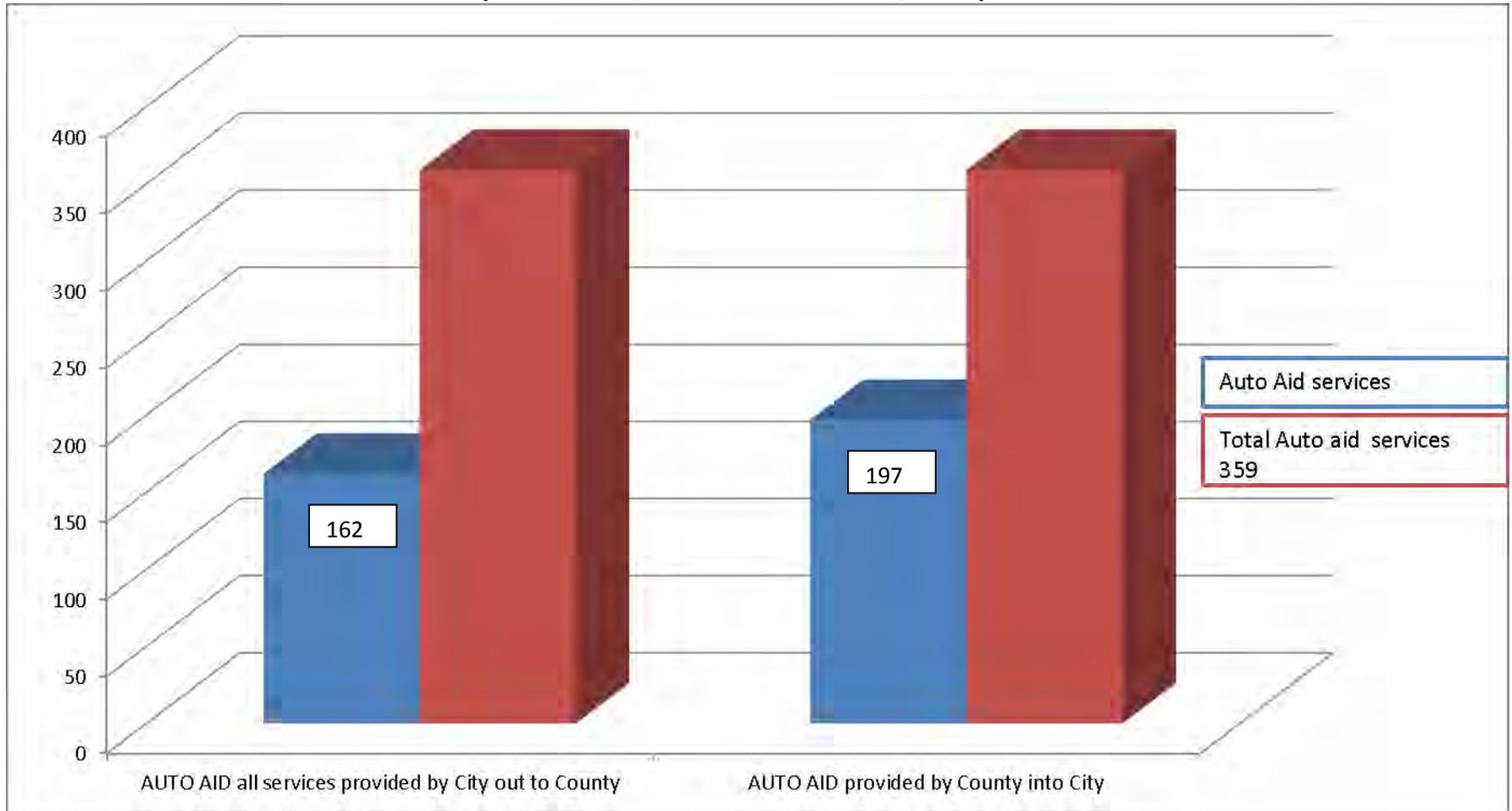
ulance .

TYPE OF FIRE RESPONSE CALLS (October 11, 2014-November 11, 2015)



- City Fire only provides Basic Life Support (BLS)-EMT medical services in 829 calls, while Advanced Life Support (ALS)-Paramedic level services are provided and contracted to private ambulance.
- City Engine was on scene first by itself for some period of time, while ambulance-paramedic service is responding from outside City. BSL- EMT level medical services include basic first aid, CPR, bandages, Oxygen, splint injuries, stabilize neck injuries, attempt to stop bleeding, operate an automatic defibrillator.
- ASL-Paramedic medical services may include, administering oral or intravenous medications, intubate a patient, operate heart monitor, use EKG machine, apply nitro paste-spray, insert an IV.
- Fire calls include smoke checks, hard materials, structure fires, car accidents

Auto Aid Fire Services in and out of City limits (October 11, 2014-November 11, 2015)



MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Jaime Fontes, City Manager

Subject: Discussion and Possible Action to Issue a Request for Proposal for Fire Department Sustainability Analysis Services

Date: October 14, 2015

Recommendation: It is recommended that the City Council: (1) receive the report; (2) approve RFP for Fire Department Sustainability Analysis Services and (3) take such additional, related action as may be desirable.

Fiscal Impacts: The action will involve minimal staff time for preparation of the analysis report, together with the costs associated with the execution of the analysis.

Personnel Impacts: There will be minimal personnel impacts related to assistance with the preparation of the analysis. The extent of these impacts is unknown at this time.

General Discussion: The City Council directed staff to prepare a request for proposal (RFP) for qualified firms to provide a Fire Sustainability Analysis. The attached draft RFP was prepared for the City Council's review and approval.

Per the City Council's direction, the RFP includes analysis of the three key areas including:

1. The possible structural and financial restructuring of our current Fire Department within current revenue levels to ensure the same or better service levels and long term sustainability. This may include the continued and/or increased use of reserve personnel.
2. A detailed structural and financial analysis of how the City Fire Department could ensure the better or same service levels by joining the Ventura County Fire District in a format that ensures long term sustainability of this function within an arrangement that is financially advantageous to the City.
3. A detailed structural and revenue production analysis of various options that could be used to fund public safety/fire on a long term, sustainable format. The analysis should include all possible public safety election measures including, but not limited to special and general measures, hybrid measures, assessment districts, parcel and utility taxes.

Attached is a memorandum prepared by Councilwoman Gherardi comparing the costs associated with operating the Fire Department now against the Department's Fiscal Year 1990/1991 operational costs. In the memo, Councilwoman Gherardi advocates for the creation of an ad hoc committee to investigate potential structural and operational changes as well as potential funding mechanisms to create a sustainable fire department.

For the Regular City Council Meeting of October 19, 2015

The Council is free to follow either approach or undertake a hybrid approach involving the issuance of an RFP followed by an assessment of a subcommittee of the Council.

City staff recommends that the City Council direct staff to issue solicitation for proposals. If approved, the RFP would be issued during the week of October 19th with an anticipated contract being issued by end of November 2015.

Alternatives:

- A. Approve RFP
- B. Do not approve RFP

Attachments:

- 1. Draft RFP for Fire Services
- 2. White Paper - Financial Options for the City of Santa Paula to Enhance Revenues and/or Reduce Costs

REQUEST FOR PROPOSALS
TO PROVIDE
FIRE DEPARTMENT SUSTAINABILITY ANALYSIS
SERVICES
FOR THE
CITY OF SANTA PAULA
SANTA PAULA, CALIFORNIA

October 19, 2015

CITY OF SANTA PAULA
SANTA PAULA, CALIFORNIA

SECTION 1 ADMINISTRATIVE OVERVIEW

1.1 INTRODUCTION

The City of Santa Paula, California is soliciting proposals from individuals and/or firms, hereinafter referred to as the “Firm(s)” to provide Fire Sustainability Analysis of the Santa Paula Fire Department. The Santa Paula Fire Department (See attachment “A” Fire Budget and Structure) is a full Service Fire Department responsible for the protection of life property and the environment for the City of Santa Paula.

The City proposes to enter into an agreement with a firm/individual to provide a Fire Department Sustainability Analysis for the City Council to be completed within 45 days of the award of the Request for Proposals. The Firm selected must conduct a detailed three part analysis of our Fire Services. The Firm should have significant in house expertise in each area of the three part analysis indicated below. They are as follows:

Part 1. The possible structural and financial restructuring of our current Fire Department within current revenue levels to ensure the same or better service levels and long term sustainability. This may include the continued and/or increased use of reserve personnel.

Part 2. A detailed structural and financial analysis of how the City Fire Department could ensure the better or same service levels by joining the Ventura County Fire District in a format that ensures long term sustainability of this function within an arrangement that is financially advantageous to the City.

Part 3. A detailed structural and revenue production analysis of various options that could be used to fund public safety/fire on a long term, sustainable format. The analysis should include all possible public safety election measures including, but not limited to special and general measures, hybrid measures, assessment districts, parcel and utility taxes etc. Please refer to Attachment “B” for a summary of these various alternatives.

1.2 AUTHORITY

This Request for Proposals (RFP) is issued under the authority of the City of Santa Paula, a California corporation. All prospective Firm(s) are charged with presumptive knowledge of all requirements of the cited authority. Submission of a valid executed proposal by any prospective Firm shall constitute admission of such knowledge on the part of such prospective Contractor.

1.3 SCHEDULE OF KEY DATES

The schedule of key dates set forth herein represents the City of Santa Paula’s best estimate of the schedule that will be followed. Any of the dates listed below may be changed at any time.

RFP Issued	<u>October 20, 2015</u>
Closing Date for Receipt of Proposals	<u>November 20, 2015</u>
Contract Award	<u>November 27, 2015</u>
Start Date	<u>November 30, 2015</u>

1.4 SUBMISSION OF PROPOSALS

Offerors shall submit an original plus THREE (3) copies (total of FOUR [4] copies) of the proposal. The Deputy City Clerk of Santa Paula shall receive proposals no later than 4:30 p.m. P.S.T., on November 20, 2015. If there are any questions or clarifications please contact Lucy Blanco, Deputy City Clerk, at (805) 933-4208.

Proposals shall be mailed or delivered to:

City of Santa Paula
Lucy Blanco, Deputy City Clerk
970 Ventura Street (Delivery)
Santa Paula, CA 93060

Any proposal received after this date and time shall be rejected.

1.5 COSTS FOR PROPOSAL PREPARATION

Any costs incurred by offerors in preparing or submitting a proposal shall be the offeror's sole responsibility.

1.6 CONTACT INFORMATION

This RFP is issued by the Administrative Services Department of the City of Santa Paula. The contact regarding financial provisions of the RFP is Sandy Easley, City of Santa Paula, POB 569, Santa Paula, CA 93061, (805) 933-4211.

1.7 RFP AMENDMENTS

The City of Santa Paula reserves the right to amend the RFP any time prior to the closing date for receipt of proposals.

1.8 AWARD ON INITIAL PROPOSALS

The City of Santa Paula may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms.

1.9 RFP SUBMITTALS BECOME PROPERTY OF THE CITY

All proposals and other material submitted shall become the property of the City of Santa Paula and may be returned only at the City's option.

SECTION 2

2.1 BACKGROUND OF THE CITY OF SANTA PAULA

The City of Santa Paula is located approximately 65 miles northwest of Los Angeles and 14 miles east of Ventura, and is 14 miles from the coastline of the Pacific Ocean. Santa Paula is the geographic center of Ventura County, situated in the rich agricultural Santa Clara River Valley. The City is surrounded by rolling hills and rugged mountain peaks in addition to orange, lemon and avocado groves. In fact, Santa Paula is often referred to as the “Citrus Capital of the World.”

The Chumash Indians established the original community as the villages of Mupu and Srswa. The land was later given away as part of a Spanish land grant to Rancho Santa Paula and Saticoy in 1840. In the 1860s, it was subdivided into small farms. In 1880, oil was discovered leading to the formation of the Union Oil Company in 1890.

The City was incorporated April 22, 1902 as a general law city. The City Council is made up of five members, elected at large, serving four year terms. The Mayor is elected for a one-year term from among the members of the City Council. City Council, in separate session, also serves as the governing board of the Santa Paula Public Financing Authority. The City operates under a council-Manager form of government. The City Council appoints the City Manager and City Attorney. The City Clerk and City Treasurer are elected and serve four year terms.

Santa Paula covers an area of 5.4 square miles and has a population of 30,556, as of January 1, 2014, based on estimates from the State of California. The square miles will change slightly with the recent annexation of property to the East of Santa Paula. The City of Santa Paula delivers municipal services through six departments: Administration (City Council, City Clerk, City Attorney, City Manager, Personnel, Risk Management, Information Technology, Mobile Home Rent Review and California Oil Museum), Community Services (Community Center, Recreation, Senior Services, Cable Television, Buildings & Grounds Maintenance), Finance (City Treasurer, Utility Billing and Payments, Accounting and Payroll), Fire (Fire Emergency Services, Building-Code Enforcement), Police, Public Works (Streets, Water, Wastewater and Engineering), Wastewater treatment plant operations and solid waste services are provided under contract. Library services in Santa Paula are provided by the Blanchard/Santa Paula Library District and public transit services are provided by the Ventura County Transportation Commission.

2.2 MINIMUM QUALIFICATIONS

Interested Firms should have significant experience in providing in house fire, financial and elections analysis services. Experience with government bodies, Cities and Counties, Special Districts etc. is preferred.

2.3 MINIMUM INFORMATION

The proposal shall include, at a minimum, the following information:

1. Firm/individual name, address and phone numbers (including fax).
2. Firm profile/individual resume(s).
3. List of four (3) professional references that can attest to the reliability of the Firm's service and personnel, including the names of companies, addresses, phone numbers, and contact persons. The City of Santa Paula reserves the right to contact the references for additional information.
4. A schedule of proposed approach/method and fee for providing the Fire Department Sustainability Analysis.
5. Any other information to assist the City in the selection of the Firm.
6. Offerors shall provide the name(s) and telephone number(s) of the individual(s) who would be the primary contact for the City of Santa Paula in the event that a contract is awarded.
7. The firm should have substantial experience in performing similar work for government entities.
8. As the RFP work involves review of information that is confidential in nature, the firm must assure the City of its capability in properly dealing with confidential matters.

City of Santa Paula
PROPOSAL LETTER

We propose to furnish and deliver any and all of the deliverables and services named in the Request for Proposals (RFP).

It is understood that this proposal constitutes an offer.

It is understood and agreed that we have read the City of Santa Paula's specifications described in the RFP and that this proposal is made in accordance with the provisions of such specifications. By signing this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all such specifications.

We agree, if awarded the contract, to deliver goods or services that meet or exceed the specifications.

Respectfully submitted,

Legal Name of Offeror

Date

Authorized Signature (original) (Typed Name)

Title

Street Address

Telephone

City, State, Zip Code

Fax No.

Social Security OR Federal Tax Payer ID No.

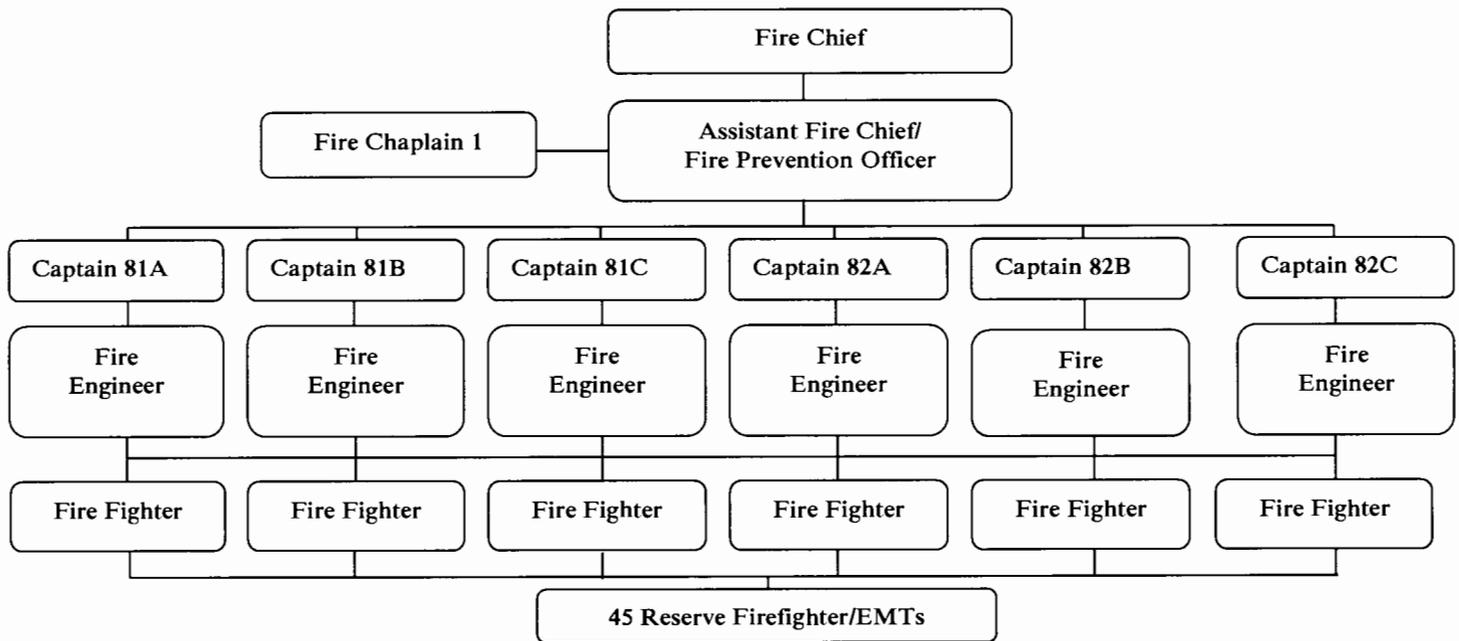
Attachment “A”

Department Description: The Santa Paula Fire department is a combination, full-time/reserve department providing fire suppression and emergency medical services, as well as fire prevention and business hazardous materials regulation functions within the City. The twenty full-time personnel are the Fire Chief, Assistant Chief, six Captains, six Engineers and six Firefighters, all of whom are also Emergency Medical Technicians. There are up to 45 Reserve Firefighter/EMTs and one volunteer Fire Chaplain.

Administration and Prevention offices are at the Community Development Building Annex. Fire Stations 81 and 82 house most of the department's equipment. Station 81 houses a 2015 Pierce pumper and a 1992 Pierce Pumper. Station 82 houses a 2008 E-one pumper, 2002 Ferrera Pumper, a light and air unit and a mass casualty trailer. The department also maintains a 1954 Mack Pumper and a 1923 Seagrave pumper as historical engines, two command vehicles and two support vehicles. A 2008 Ferrera pumper is currently out of service in a fire related incident. The Public Works department's Equipment Maintenance Division provides mechanics' services.

Routine fire, medical and other calls are handled by the two on-duty Engine Companies on a rotating 24-hour-shift system. Engine 81 responds out of Station 81 with a full-time Captain, Engineer, Firefighter/EMT, and Engine 82 responds out of Station 82 with a full-time Captain, Engineer Firefighter/EMT, reserves supplement both stations on an available need and serve as the fourth firefighter. All available personnel are dispatched to major emergencies. Station 82's crew is also responsible for responding to automatic aid calls in Santa Paula's Light and Air unit when requested. This duty alternates daily between Santa Paula Fire department and Fillmore Fire department.

Incoming 911 calls generated within the City are routed to Santa Paula Police Dispatch. Fire and medical calls are transferred to the Ventura County Fire Protection District's Fire Communications Center, which handles fire and medical dispatching for most fire and ambulance agencies within Ventura County. For Santa Paula this dispatching service is provided pursuant to a contract by which SPFD provides certain automatic aid services in exchange. The City also contracts with various agencies on a fee-for-service basis for hazardous materials responses requiring more than the city's own resources and for continuing EMT training.



Department Goals:

- Minimize the number and impact of fires and hazardous materials emergencies through effective code enforcement and education.
- Respond safely and effectively to minimize injury to persons and property when fires, floods, hazardous materials and other emergencies occur.
- Respond safely and effectively to 911 medical and rescue calls to provide EMT-D level basic life support/pre hospital treatment prior to ambulance transportation.

Budget Commentary: There are two fire department budget programs: 1) Administration (Fire Chief, Assistant Chief and related administrative expenses including fire prevention and hazardous materials expenses), 2) Fire Operations (all other fire department personnel and expenses).

For the last two years with the funding from a SAFER grant we have had five additional full time firefighters added to our staffing at both stations. This enabled the department to at times man a full complement of four personnel on each engine. The 2012 Safer grant expired in September of 2014 and we are currently looking for additional funding as a way to maintain the current staffing levels. As of June 30, 2015 all funding for the five grant funded firefighter positions will end. We are awaiting word on a renewal of our SAFER application. The Reserve Firefighter/EMT program has been in effect since February 1, 2005. Up to 45 Reserve Firefighter/EMT's volunteer to provide additional personnel per shift at Stations 81 and 82. Each Reserve Firefighter EMT is committed to serving a minimum of two 24-hour shifts per month. The next personnel step, depending on future funding, will be to provide 5 full-time Firefighter positions for Stations 81 and 82 which are being lost as of June 30, 2015. If funding is not secured for the 5 full-time firefighter positions, the department will need to revert back to the use of reserve firefighters as the primary means of providing service. The department would need to continue to

train and maintain a larger number of reserves and increase stipends to attract enough qualified reserves and to maintain these firefighter positions.

Fire Administration Program

Program Description: The Chief, who reports directly to the City Manager, administers the department. The Assistant Fire Chief assists in the administration of the department. The program includes minor expenses of the volunteer Fire Chaplain. This program also includes the Fire Prevention activities. These duties include plan checking, fire code enforcement and inspections, fire cause investigation and public education. The Assistant Chief assigns the on-duty engine companies to conduct school and business inspections, weed abatement enforcement, public education and other related duties. The Fire Department has been a Participating Agency in the local Certified Unified Program Agency that is responsible for business hazardous materials inventory and emergency plans. The Assistant Chief has been responsible for managing this program.

Performance Areas: Financial: Financial functions include planning the next fiscal year's department budget, ongoing review and approval of expenditures, review and approval of employee time sheets, reviewing revenue for specific fire department services.

- Personnel: Personnel functions include scheduling, supervision and performance review.
- Training: A variety of training programs are coordinated. These include basic training for new personnel, advanced training for senior personnel, engine company drills, emergency medical training, DMV Class B Firefighter Restricted driver license program, participation in mutual aid training and California Fire Academy classes.
- Operations: The Fire Chief acts as Incident Commander at major fire emergencies.
- City Management Team: The Fire Chief assists the City Manager and other Management Team members with a variety of special and long-term projects that cross department lines.
- Emergency Preparedness: Under the general direction of the City Manager, the Fire Department has assumed primary responsibility for coordination of emergency preparedness for the City.

Fire Prevention

- *Plan Checking* - Plans for development and new construction are received and checked for compliance with the California Fire Code and other applicable regulations.
- *Fire Code Enforcement and Inspections* -This includes investigation of complaints about fire code violations, regular inspections of businesses, schools and public assembly buildings and conducting the annual summer weed abatement inspection and enforcement program.
- *Fire Cause Investigation* - The causes of fires are investigated and arson fire investigations are coordinated and prepared for prosecution when a suspect can be identified.
- *Public Education* - Children and others are taught fire safety through station tours and school presentations. Fire safety advice and literature is provided to adults upon request.

- *Hazardous Materials* - Approximately 80 businesses in Santa Paula are subject to this program, which includes emergency plans and inspections.
- *Emergency Preparedness Coordinator* - This assignment includes responsibility for most emergency planning for the City, creation of CERT Teams, updating existing and creating needed emergency plans, implementing an AM emergency radio broadcast system and other assignments.

Specific Objectives:

Administration

- Administer an efficient, cost effective fire department with full-time, reserve and volunteer personnel while planning for the future needs of the community and the department.
- Periodically recruit, promote and train personnel to fill accumulated vacancies.
- Upgrade the City's state of disaster preparedness.

Fire Prevention

- To save property and lives by minimizing the number of uncontrolled and illegal fires through an effective fire prevention program, and by minimizing the destructive effect of fires through an effective plan-checking program that enforces the fire code.
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- B
To provide a high level of customer satisfaction with the professional conduct of the plan checking and enforcement functions.
- To conduct an equitable and comprehensive program utilizing the on-duty engine companies under the supervision of the Assistant Fire Chief to include the following:
 - Identification of all occupancies and properties to be inspected.
 - Establishment of regular periodic inspection schedules.
 - Establish daily, weekly, monthly and yearly inspection goals.
 - Continue the Emergency Preparedness program
 - Update and coordinate City emergency planning
 - Develop and train CERT teams
 - Manage the Citizen Corps program
 - Maintain the emergency AM radio system
 - Represents the City in area-wide emergency planning groups and activities and perform other assignments as needed.
- To make sure that fire codes are enforced and maintained and that each business is inspected and maintains a safe environment.
- To reduce the potential for hazardous materials emergency incidents, the fire department will continue to be involved, working with affected businesses and with Ventura County

Environmental Health Agency who will continue the Certified Unified Program Agency to encourage the reduction of hazardous materials inventories, where appropriate and encourage safe storage, handling and transportation of these materials.

- To continue implementation of a computerized network between the Fire Department and the Environmental Health Agency to facilitate the transfer between agencies of information concerning the hazardous materials inventories and plans.

Budget Commentary: The budget is funded by the General Fund and includes increases in the retirement rate.

Fire Operations Program

Program Description: The second program is called “Fire Operations”. This includes the salaries, benefits and expenses of the 18 full-time line fire personnel, the expenses for the 45 Reserve Firefighter/EMTs, the maintenance and operation of the two fire stations, the fire engines, light and air unit, mass casualty trailer, support vehicles and all other equipment and supplies.

In 2014, the department was dispatched to approximately 2,500 incidents of all kinds of which approximately two thirds were emergency medical calls. All full time personnel and all reserves are certified Emergency Medical Technicians.

There are two engine companies on duty around the clock, which are dispatched to all fires, rescues, 911 medical calls and other emergencies within the City

Normal staffing at Stations 81 and 82 is: a full-time captain, engineer, firefighter and a reserve/firefighter on 24 hour rotating shifts. When more personnel and equipment are needed, the Chiefs and all available personnel are dispatched to assist. Mutual aid with neighboring departments is provided and received when requested.

Performance Areas

- To respond safely and effectively to fires and other emergencies to save lives and prevent or reduce loss of property.
- To safely and effectively treat victims of 911 medical emergencies at the EMT-D-Basic Life Support level and save lives where possible, and assist the ambulance provider in preparing the victim for transportation to the hospital.

Specific Objectives

- Continue a training program to certify Fire Captains and Engineers as Fire Prevention Officers.
- Maintain CPR, EMT-D, Class B/Firefighter DMV License certifications.
- Implement a public access defibrillator program for City Hall and the Community Development buildings.
- Provide these services without injury to our personnel or other citizens.

- Respond safely and effectively to an estimated 2,500 annual emergency calls.
- Arrive on scene within 5 minutes of being dispatched 90 percent of the time.

Budget Commentary: This budget includes funds to staff Station 81 and 82 with a full time Fire Captain and Engineer. The current budget includes the gap funding for the five SAFER firefighters, as well as, the retirement rate increases.

FIRE DEPARTMENT SUMMARY

	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Expenditures							
Salaries	1,158,789	1,321,132	1,514,146	1,557,953	1,619,368	1,325,898	-14.9%
Benefits	738,312	963,645	1,024,571	1,100,027	1,160,415	1,073,806	-2.4%
Total	1,897,101	2,284,776	2,538,717	2,657,980	2,779,783	2,399,704	-9.7%
Supplies, Services & Maint.	198,561	210,491	278,238	285,885	289,129	310,478	8.6%
Transfers, Overhead & Debt Payments	0	0	0	0	0	0	
Total	198,561	210,491	278,238	285,885	289,129	310,478	8.6%
Capital Outlays	45,380	20,242	22,259	0	95,113	0	0.0%
Total	45,380	20,242	22,259	0	95,113	0	0.0%
Total	2,141,042	2,515,510	2,839,215	2,943,865	3,164,025	2,710,182	-7.9%
Authorized Employee Count	15.0	20.0	20.0	20.0	20.0	20.0	

FIRE DEPARTMENT - GENERAL FUND SUMMARY

	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Expenditures							
Salaries	1,153,107	1,146,532	1,280,726	1,336,988	1,567,043	1,325,898	-0.8%
Benefits	738,201	814,844	841,787	995,060	1,123,419	1,073,806	7.9%
Total	1,891,308	1,961,377	2,122,513	2,332,048	2,690,462	2,399,704	2.9%
Supplies, Services & Maint.	198,285	198,333	275,583	285,885	272,375	303,478	6.2%
Transfers, Overhead & Debt Payments	0	0	0	0	0	0	0.0%
Total	198,285	198,333	275,583	285,885	272,375	303,478	6.2%
Capital Outlays	24,528	4,087	0	0	56,277	0	0.0%
Total	24,528	4,087	0	0	56,277	0	0.0%
Total	2,114,122	2,163,797	2,398,095	2,617,933	3,019,113	2,703,182	3.3%
Revenue & Other Resources							
Fees, Fines & Permits	56,106	63,577	75,000	67,500	58,019	70,000	3.7%
Intergovernmental Revenues	77,386	101,075	79,500	87,500	90,222	92,500	5.7%
Charges for Services, User Fees	15,074	14,950	13,687	13,105	20,872	18,855	43.9%
Other Revenues	14,861	41,418	5,800	6,600	156,267	206,261	3025.2%
Total Revenues	163,427	221,020	173,987	174,705	325,380	387,616	121.9%
Net GF (Cost)/Benefit	(1,950,695)	(1,942,777)	(2,224,108)	(2,443,228)	(2,693,733)	(2,315,566)	-5.2%

FIRE

ADMINISTRATION & PREVENTION

FUND 100

BUDGET UNIT: 2501

Acct #	Account Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Salaries & Wages								
001	Full Time Salaries	186,595	186,820	194,492	227,563	256,879	211,208	-7.2%
003	Overtime	1,845	0	0	250	5,721	5,800	2220.0%
	Total	188,440	186,820	194,492	227,813	262,600	217,008	-4.7%
Employee Paid Benefits								
041	Cafeteria Allowance	11,608	16,914	22,369	22,712	31,401	22,712	0.0%
042	Retirement	83,157	84,079	89,091	106,570	136,156	113,729	6.7%
xxx	All Other Paid Benefits	19,889	21,864	22,116	27,289	31,214	38,298	40.3%
	Total	114,654	122,856	133,576	156,571	198,772	174,739	11.6%
	Total	303,095	309,677	328,068	384,384	461,372	391,747	1.9%
Services & Supplies								
101	Postage	32	0	0	0	0	0	0.0%
103	Dues & Subscriptions	200	0	250	1,400	0	600	-57.1%
120	Supplies Office	105	161	316	500	310	500	0.0%
121	Supplies Clothing/Uniform	179	1,404	702	1,000	1,418	1,000	0.0%
123	Supplies - Shop & Field	197	0	0	250	250	3,300	1220.0%
124	Supplies - Safety	0	0	0	0	0	1,650	100.0%
129	Supplies - Other	0	0	462	1,650	169	0	-100.0%
209	Prof/Contr Svcs - Other	769	894	1,049	850	542	750	-11.8%
214	Prof/Contr Svcs - Medical	0	0	0	0	85	250	100.0%
241	Printing & Binding	71	0	0	0	0	0	0.0%
282	Utility - Telephone	282	0	0	0	0	0	0.0%
301	Maint - Bldgs & Improvements	0	90	0	0	20	0	0.0%
305	Maint - Vehicle Fuel	2,868	983	899	3,000	759	4,500	50.0%
352	Training/Workshops/Meetings	1,675	2,329	591	2,400	4,099	2,400	0.0%
	Total	6,378	5,862	4,269	11,050	8,492	14,950	35.3%
	Total	309,472	315,538	332,336	395,434	469,864	406,697	2.8%

FIRE

OPERATIONS

FUND 100

BUDGET UNIT: 2504

Acct #	Account Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Salaries & Wages								
001	Full Time Salaries	778,889	785,145	810,604	929,175	994,841	867,890	-6.6%
002	Part Time Salaries	2,291	2,374	56,174	0	45,834	41,000	100.0%
003	Overtime	183,487	172,192	219,456	180,000	263,768	200,000	11.1%
	Total	964,667	959,712	1,086,234	1,109,175	1,304,442	1,108,890	0.0%
Employee Paid Benefits								
041	Cafeteria Allowance	168,772	172,547	171,256	217,910	217,262	223,448	2.5%
042	Retirement	346,391	354,507	386,653	436,903	492,795	451,951	3.4%
xxx	All Other Paid Benefits	108,383	164,935	150,302	183,677	214,590	223,668	21.8%
	Total	623,546	691,988	708,211	838,490	924,647	899,067	7.2%
	Total	1,588,213	1,651,700	1,794,445	1,947,665	2,229,090	2,007,957	3.1%
Services & Supplies								
103	Dues & Subscriptions	0	0	0	0	3,800	3,800	100.0%
120	Supplies Office	51	66	76	200	49	200	0.0%
121	Supplies-Clothing/Uniform	0	0	0	0	20	0	0.0%
122	Supplies - Medical	7,324	9,389	9,220	10,000	6,363	10,000	0.0%
123	Supplies - Shop & Field	6,998	16,733	7,086	8,000	13,952	16,000	100.0%
124	Supplies - Safety	6,389	14,647	35,129	50,000	54,592	65,000	30.0%
129	Supplies - Other	340	2,414	44	0	0	0	0.0%
171	Minor Equipment - Office	0	53	1,773	0	0	0	0.0%
175	Minor Equipment - Computer	0	0	0	0	711	0	0.0%
179	Minor Equipment - Other	830	7,262	12,095	2,000	2,316	2,000	0.0%
209	Prof/Contr Svcs - Other	0	0	3,918	0	2,183	6,028	100.0%
212	Prof/Contr Svcs - Train EMT	0	550	0	4,000	7,906	4,000	0.0%
214	Prof/Contr Svcs - Medical	0	0	449	4,000	1,325	4,000	0.0%
219	Svcs - Ventura County Fire	2,085	2,830	2,871	4,000	3,643	4,000	0.0%
241	Printing & Binding - External	170	0	303	0	0	0	0.0%
245	Svcs - Uniform Cleaning	0	60	0	0	0	0	0.0%
282	Utility - Telephone	18	0	0	0	300	0	0.0%
301	Maint - Bldgs & Improvements	4,994	5,893	5,363	7,500	7,681	10,000	33.3%
304	Maint - Vehicles, Equipment	6,537	4,420	81,669	12,000	11,874	20,000	66.7%
305	Maint - Vehicle Fuel	17,923	20,408	22,664	20,000	18,778	24,000	20.0%
307	Equipment Main. Charges	51,809	52,337	53,559	57,853	72,015	57,000	-1.5%
321	Reserve Officer Expenses	48,199	34,631	28,966	60,000	20,379	60,000	0.0%
352	Training/Workshops/Meetings	923	6,852	3,279	2,500	2,728	2,500	0.0%
355	CPR Training Costs	0	0	0	0	87	0	0.0%
360	Educational Reimbursement	0	2,812	2,851	0	1,487	0	0.0%
370	Lease/Rental	35,498	11,229	0	32,782	31,695	0	-100.0%
378	Prior Year Adj Expenditures	1,819	(115)	0	0	0	0	0.0%
	Total	191,908	192,471	271,314	274,835	263,883	288,528	5.0%
Capital Outlay								
610	Equipment - New	24,528	4,087	0	0	56,277	0	0.0%
	Total	24,528	4,087	0	0	56,277	0	0.0%
	Total	1,804,650	1,848,258	2,065,759	2,222,500	2,549,250	2,296,485	3.3%

FIRE

PREVENTION & OPERATIONS - HOMELAND SECURITY

FUND 313

BUDGET UNIT: 2502/2504

	Account Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Salaries & Wages								
001	Full Time Salaries	0	0	362	0	0	0	0.0%
002	Part Time Salaries	1,090	88	0	0	0	0	0.0%
003	Overtime	4,592	1,751	925	0	0	0	0.0%
	Total	5,682	1,838	1,286	0	0	0	0.0%
Employee Paid Benefits								
042	Retirement	94	9	0	0	0	0	0.0%
xxx	All Other Paid Benefits	17	2	0	0	0	0	0.0%
	Total	111	11	0	0	0	0	0.0%
	Total	5,793	1,849	1,286	0	0	0	0.0%
Services & Supplies								
129	Supplies - Training	86	261	0	0	0	0	0.0%
241	Printing & Binding - External	1,592	1,442	0	0	0	0	0.0%
125	Supplies - Emergency Prep	0	0	1,952	0	10,111	7,000	100.0%
179	Minor Equipment - Other	417	1,547	704	0	4,193	0	0.0%
212	Prof/Contr Svcs-Training	0	0	0	0	2,450	0	0.0%
678	Prior Year Adj-Expenditures	(1,819)	0	0	0	0	0	0.0%
	Total	275	3,250	2,656	0	16,754	7,000	0.0%
Capital Outlay								
*610	Equipment - New	0	0	22,259	0	38,836	0	0.0%
	Total	0	0	22,259	0	38,836	0	0.0%
	Total	6,068	5,099	26,201	0	55,591	7,000	0.0%

FIRE

MISC STATE GRANT FIRE OPERATIONS

FUND 319

BUDGET UNIT: 2504

	Account Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Services & Supplies								
123	Supplies - Shop & Field	0	318.56	0	0	0	0	0.0%
124	Supplies - Training	0	3,908.30	0	0	0	0	0.0%
209	Printing & Binding - External	0	4,681.44	0	0	0	0	0.0%
	Total	0	8,908	0	0	0	0	0.0%
	Total	0	8,908	0	0	0	0	0.0%

FIRE

SAFER GRANT - FEDERAL

FUND 407

BUDGET UNIT: 2504

	Account Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Estimated	FY 15-16 Budget	% Change
Salaries & Wages								
001	Full Time Salaries	0	172,761	232,134	220,965	52,325	0	-100.0%
	Total	0	172,761	232,134	220,965	52,325	0	-100.0%
Employee Paid Benefits								
041	Cafeteria Allowance	0	54,169	60,443	35,146	11,193	0	-100.0%
042	Retirement	0	72,824	95,890	55,979	23,584	0	-100.0%
043	All Other Paid Benefits	0	21,796	26,450	13,842	2,219	0	-100.0%
	Total	0	148,789	182,784	104,967	36,996	0	-100.0%
Capital Outlay								
610	Equipment - New	0	16,155	0	0	0	0	0.0%
	Total	0	16,155	0	0	0	0	0.0%
	Total	0	337,706	414,918	325,932	89,321	0	-100.0%

ATTACHMENT B

1. General versus Special Excise Taxes

Taxes are projected to make up 67 percent of the City's 2015-2016 revenues. If the Council chooses to raise additional tax revenue, voter approval is required. The number of votes required for approval and the extent to which use of the revenue is restricted depends on whether a general or special tax is proposed. An excise tax is **based upon a person's voluntarily performing an act, enjoying a privilege, or using a service** which is the subject of the tax. Sales taxes and parcel taxes are common examples of excise taxes.

All revenue generated from a general tax would be deposited into the City's General Fund and would be available for use by the City to pay for general City operations and services. The City would not be legally bound in any way to use the tax revenue for any special purpose or for any particular facility or program. However, it may be possible to include a non-binding advisory provision in the ballot materials **indicating the City's intent** to use the new tax revenue for specific purposes, such as public safety. Ultimately, however, the funds could be used for other general government purposes if the City so desired. Four-fifths of the Council must vote to place a general tax on the ballot and the ballot measure must be approved by a **simple majority of the City's voters**.

Unlike a general tax, use of special tax revenue is legally restricted to the purposes identified in the ballot measure. If a special tax ballot measure requires the use of funds for public safety, the revenue raised through a special tax could not be re-purposed to other City operations, programs or services. A majority of the Council must vote to place a special tax on the ballot and the ballot measure must be approved by two-**thirds of the City's voters**.

The timing of the election is also affected by the type of measure proposed. An election on a general tax measure must be consolidated with a regularly scheduled general election for members of the governing body of the local government (i.e., a City Council election), unless the Council unanimously determines that an emergency exists. An election on a special tax measure is not similarly restricted.

Except where indicated, the taxes discussed below may be proposed as either a general or special tax.

A. Sales Tax Increase

The local sales tax increase is a “Transactions and Use Tax,” which was adopted by the legislature in 1969 and authorizes the adoption of local “transactions and use tax” add-ons to the combined state and local sales tax rate. Since 2003, add-on Transaction and Use Taxes (local sales tax add-ons) by cities for general purposes have become more frequent. In California, there are approximately 100 cities, counties and special districts with local sales tax add-ons. In Ventura County for example, the cities of Port Hueneme and Oxnard have 0.5.% sales tax add-ons, increasing the sales tax rate to 8% in those cities.

There are differences between the statewide “Sales and Use Tax” and the locally approved “*Transactions and Use Tax.*” The statewide Sales and Use Tax, currently at 7.50%, includes portions that go to the State General Fund, to several specific State funds, the cities, and the counties, based on the *location of the purchase.* The Transactions and Use Tax, however, generally applies to merchandise that is *delivered* in a jurisdiction that imposes the tax. For purchases of everyday items, the state allocates the taxes paid on those purchases to the city or county in which the item was purchased; but, for the sale or lease of a vehicle, vessel or aircraft, the Transactions and Use Tax is charged and allocated based on the location in which the property will be registered.

B. Parcel Tax

A parcel tax is a revenue-raising excise tax on the privilege of consuming municipal services and is generally a flat-rate annual tax on non-vacant property or a rate that varies depending on use or consumption of the service. A parcel tax may be used to generate revenue for police and fire services. For instance, a three-year, \$75 special parcel tax adopted by the voters in the City of California City “to pay for police fire and recreational services, and to repair streets, parks, water line replacement and repair, and building maintenance” was upheld in *Neilson v. City of California City*, 133 Cal.App.4th 1296 (2005) against a claim that the tax was unconstitutional because nonresident property owners were assessed but ineligible to vote on the measure.

Unlike property taxes, a parcel tax is not based on ownership of property and therefore, occupants and tenants may be taxed. A parcel tax would also not be assessed through the property tax roll, and a delinquency would result in a personal debt of the taxpayer rather than a lien on property. Parcel taxes must be adopted as special taxes (and therefore approved by two-thirds of the voters)

unless the tax is something other than a tax on a parcel of property or an incident of property ownership.

C. Community Services District

Community Services Districts (“CSDs”) are **independent multi**-purpose special districts that are governed by an elected board of directors. CSDs can provide a broad level of services including, among others, fire protection. Government Code §61600 set forth the powers authorized to CSDs. Compliance with Proposition 218, including an election of affected property owners and a public protest hearing, is required for approval.

October 14, 2015

MEMO TO: SANTA PAULA CITY COUNCIL
FROM: GINGER GHERARDI, COUNCILWOMAN
SUBJECT: WHITE PAPER - FINANCIAL OPTIONS FOR THE CITY OF SANTA PAULA TO ENHANCE REVENUES AND/OR REDUCE COSTS

RECOMMENDATIONS:

- Form a subcommittee consisting of two Councilmembers, Fire Chief Rick Araiza, City Attorney John Cotti, Mike Sedell, and 3 or 4 interested members of the public to investigate the proposed alternatives further and recommend which option/s the City Council should pursue.
- Continue to pursue opportunities for increased sales tax revenue through the development of new businesses, industries and residences.
- Begin the process to revise salary ranges for all employees
- Other direction, as appropriate

BACKGROUND:

The City of Santa Paula has a serious and on-going financial problem which cannot be addressed by simply adding sales tax dollars. The problem is structural in nature and must be addressed so that the City can provide the services that its citizens need and deserve, as well as to compensate its employees fairly. At one time the City was considered a “full-service” city, providing its residents with police, fire, and trash services. We may no longer be able to afford to operate in that capacity. This paper focuses on the General Fund, since all other funds are financially stable and sustainable¹.

While the City was probably never “flush” with money, it did manage to pay its bills and have significantly more employees at one time. So what changed? Obviously, the recession and downturn in tax receipts created problems that had to be offset by reductions in staff, employee furlough days and other cutbacks in programs and services. The City “sold” the trash business to Crown Disposal (later replaced by Recology) removing those employees from the payroll and now receives an annual franchise fee. The City also embarked on a very expensive Sewer Plant upgrade through a design/build/lease operation that created extremely high bills for residents and a good deal of public unrest. That situation has now been rectified with the City acquiring the plant and reductions in monthly payments for the public expected to happen in the near-future.

¹ The dollar amounts citing the cost of existing services come from the adopted FY 2015/16 City of Santa Paula Budget, amended to include funding from the SAFER grant.

In order to understand how the City got in this predicament, it is necessary to look at the City prior to the recession and to understand what services are affecting our budget in order to help determine what structural changes, if any, need to be made to place us back on a sound financial footing.

In order to do this Fiscal Year 1990/91 was used as the base year. At that time the City Budget was \$7,706,292 with General Fund Revenue of \$5,234,204. Property tax was 35.8% of the general fund budget, or, \$1,873,385 and Sales tax was 22.1% of the general fund budget, or, \$1,155,825.

In 1990/91 the Police Department consisted of 38 people, including the Chief and 4 dispatcher/clerks. The Department cost \$2,467,345 or 47.9% of the General Fund to operate. The Fire Department was staffed with 3 full-time employees; a Chief, a Fire Marshall and an Inspector with the rest of the services provided by per call paid volunteers, The Fire Department budget was \$577,815 which represented 10.9% of the General Fund.

Today, twenty-five years later, the 2015/16 General Fund is a little over 2 ½ times larger the 1990/91 budget, in the amount of \$14,086,725. However, one critical issue is that that sales tax in the General Fund now only represents 13.8% of the fund, significantly lower than the 22.1% received in 1990/91. Sales tax in 2015/16 is projected to be \$1,950,000. If it was at the same rate as received in 1990/91, our sales tax should have grown to at least \$3,113,166 or higher, approximately \$1,163,166 in additional revenue. This is one of the reasons for the financial crunch that Santa Paula is facing. While the Council has taken steps to increase those revenues, efforts were set back by the recession and it will take some time for the City to gain additional resources from new development, industry and businesses.

The Police Department now comprises 30 sworn officers, plus the Chief and Police Commander (32), 6 dispatcher/clerks, 1 records clerk, 1 Animal Control Officer, 1 Graffiti abatement Officer, 1 Community Services Officer for a total of 42 full time personnel, plus several part-time personnel in various areas. The cost of existing police services is \$6,214,712 or 43% of the General Fund. To simply keep even with the expenditures for police services in 1990/91, another \$532,829 would need to be spent on these services in 2015/16.

The Fire Department is another matter, altogether. Today, we have a Santa Paula Fire Department that is a combination, full-time/reserve department providing "All-Risk" fire suppression, emergency medical services, hazardous materials and technical rescue response, as well as fire prevention and business hazardous materials regulation within the City. There are now twenty full-time personnel including the Fire Chief, Assistant Chief, six Captains, six Engineers and six Firefighters, all of whom are Emergency Medical Technicians. There are up to 45 Reserve Firefighters/EMTs and one Fire Chaplain. The budget for the Fire Department is now \$3,083,587, or 22% of the General Fund, which is a little over an 11% increase from the budget in 1990/91.

In terms of real dollars. the General Fund is now 2.7 times larger than it was in 1990/91 from \$5,234,204 to \$14,086,725. In general, so that expenses stay on track with revenues, costs for General Fund services should not exceed 2.7 times the amount expended in 1990/91. The Police Department costs in 2015/16 are 2.5 times higher than in 1990/91, meaning that despite the recent increases and additional officers hired, the City has reduced the strength of the Police Department and will need to expend another \$532,829 on police services to simply keep even with services provided in 1990/91. Compounding this is the cost of police services

includes \$500,000 of “grant” money, paid ½ by Limoneira and ½ by the City for a three year period, so the real shortage of city funds is \$782,829.

The Fire Department costs, however, have increased by 5.3 times, way outpacing any increased revenues. Notwithstanding, at some point the City chose to provide its residents with the benefit of a much more professional Fire Department presence in the City and the services to go with that. However, to keep track with the growth in revenue, Fire Department expenses should not have exceeded \$1,560,100, but we are now paying \$1,523,489 over that amount, a major contributor to the reason why we have had to cut some services and have been unable to provide salary or cost-of-living increases for our employees. Fortunately, the Fire Department was able to obtain a SAFER grant in the amount of \$912,000 for the next two years (\$456,000 per year) providing funding for 5 firemen, which lessens the impact of the shortfall in funding to only \$1,067,489 for this year.

Clearly, this is a situation which Santa Paula cannot sustain and with the Limoneira grant funding and SAFER grant set to expire Santa Paula will again return to “crisis mode”. It, therefore, becomes incumbent on us to look for other ways to provide fire services or reduce the cost of fire services provided, while still assuring the public the protection it needs. The choices are simple: reduce costs and free up existing revenue to pay for needed services or find additional revenue. To that end there are several alternatives that can be considered:

1. Status Quo
 - a. Seek Federal and State Grants
 - b. Enact a Parcel Tax
 - c. Establish a new assessment district
 - d. City Sales Tax
2. Return to a “volunteer” Fire Department, similar to Fillmore
3. Join the County Fire District

Obviously, we need to include continuing the Status Quo among the alternatives and that will give us good measure to use in judging which alternative/s might be the best for the City Council to adopt. Each Alternative has financial implications for the City, pros and cons, and significant challenges which need to be considered. None of these alternatives can be implemented tomorrow and therefore an estimated timeline for each alternative has been included in the discussion below. It is possible that we may want to implement more than one alternative or some combination of these alternatives.

STATUS QUO

Maintain current staffing levels within the Police and Fire Departments.

Pros

Retaining the Status Quo structure of a Santa Paula Fire Department and Police Department can only work if significant amounts of additional revenue are found. This would provide the greatest amount of local control over how police and fire services are provided for our residents.

Cons

Without the influx of significant amounts of additional funding on an annual basis, and based on the information above, it should be fairly obvious to all that maintaining the Status Quo is unsustainable.

Additional money for sworn police officers and necessary equipment for them has been augmented for three years (we are in the second year now) by a \$750,000 grant from the Limoneira Company which requires a City match of a like amount, meaning that there is \$750,000 (\$250,000 per year in city money) less to pay for other city services or personnel. The assumption was that in 3 years additional sales tax revenue would be generated by the East Area One development which would cover needed police costs. That is clearly unlikely to be the case since there have been delays in getting the East Area One or its related commercial component started. While there may be some other grant opportunities to fill in the gap, without which we will be looking at a reduction in the number of police officers again; something which is clearly unacceptable to the public. The funding and costs noted above, assume that no additional police officers will be added to the force, which also may not be consistent with public sentiment.

The City employees, on average, are underpaid, some as high as 30%. Our police and firemen are also underpaid. This issue must be addressed if we wish to maintain qualified employees and police officers, instead of losing them to other cities and agencies. Clearly, the cost-of-living has increased for everyone, but, under the status quo, it is unlikely we will be able to make these minor increases in pay for our employees, or even cost-of-living adjustments. This is an unacceptable situation for all.

Further, it is safe to assume that costs will continue to rise at a rate which far exceeds any growth we may expect in the sales tax revenue for the foreseeable future. This means that under the status quo situation the financial health of the General Fund will continue to get worse. While some fees may come in related to development, those are largely one-time fees that cannot be relied on for any on-going costs, like personnel.

Earlier, City Attorney John Cotti provided information on funding mechanisms and tax measures which have been incorporated into the alternatives. Some alternative funding sources are:

a.) Seek Additional Federal and State Grants –

While largely retaining the status quo the City Council may wish to direct staff to further investigate opportunities for federal and state funding since intergovernmental transfers are projected to only comprise six percent of the City's 2015-2016 revenues. A 2005 report by the League of California Cities found that state and federal aid to California cities was declining, down from 21 percent of a city's budget in 1974 to 10 percent in 2005. However, several state and federal programs continue to provide funding for local law enforcement and fire services, including:

Federal

- **FEMA Fire Administration Assistance to Firefighters Grant Program.** The purpose of the program is to award one-year grants directly to fire departments of a State to enhance their abilities with respect to fire and fire-related hazards.

- **1033 Program.** Permits the Secretary of Defense to transfer, without charge, excess DoD personal property to State and local law enforcement agencies.
- **1122 Program.** Allows State and local governments to purchase new law enforcement equipment for counter-drug activities through the Federal Government at large-volume discount.
- **Bulletproof Vest Partnership Grant Program.** Through this program, BJA provides funding assistance to State, local, and tribal governments for the purchase of body armor. BJA will match up to 50 percent of the cost of the armor.
- **Justice Assistance Grant Program.** Funds from this program may be used to provide personnel, equipment, training, technical assistance, and information systems for more widespread apprehension, prosecution, adjudication, detention, and rehabilitation of offenders who violate such state and local laws.
- **Making Officer Redeployment Effective (COPS MORE) Grants.** This grant program, provided through the Community Oriented Policing Services (COPS) office, is designed to expand the time available for community policing by current law enforcement officers through the funding of technology, equipment, and support personnel.
- **Department of Homeland Security Grant Programs.** The Department of Homeland Security enhances the ability of states, local and tribal jurisdictions, and other regional authorities in the preparation, prevention, and response to terrorist attacks and other disasters, by distributing grant funds. Localities can use grants for planning, equipment, training and exercise needs.
- **Office of Justice Programs Technology Initiatives.** The OJP Information Technology Initiatives Web site offers access to timely and useful information on the information sharing process, initiatives, and technological developments. The funding section of this site provides information on both Federal and private funding sources, examples of innovative funding ideas, and tips on researching funding legislation.
- **Surplus Property Donation Program.** Each State and territory has a State Agency for Surplus Property to receive Federal surplus personal property and donate it to public agencies and certain nonprofit, tax-exempt agencies.
- Services (COPS) office, is designed to expand the time available for community policing by current law enforcement officers through the funding of technology, equipment, and support personnel.

State

A significant portion of state funding for local law enforcement comes in the form of various taxes and fees levied by the state and county governments and allocated to cities according to statutory formulas. For instance, the **Citizens Option for Public Safety** program (COPS, not to be confused with the federal COPS program discussed above) provides funding to cities for front-line law enforcement, county jails, district attorneys, and local juvenile justice programs according to a statutory formula. State subvention is provided in relatively small amounts through similar statutory fiscal programs. Additionally, the state is required to reimburse cities for costs incurred in implementing state-mandated programs and reimbursement generally requires submission of a claim. The City takes advantage of state mandate reimbursements when available but may wish to analyze whether it is claiming all of the state mandate reimbursements to which it is eligible.

Pros

This could provide the City with the additional resources it needs to retain local control and continue to provide quality police and fire services for our residents.

Cons

Additional staffing may be required to successfully obtain state and/or federal funds. Often there is a long lead time to receiving grant awards and the cycle for funding may conflict with the budget process. Lastly, these sources of funds are generally not predictable over a long period of time and may be directed to special programs rather than helping to address the general funding shortage in the police and fire departments.

b.) Enact a Parcel Tax

One way to provide additional revenue to pay for existing police and fire services would be through enacting a parcel tax. Parcel taxes must be adopted as special taxes (and therefore approved by two-thirds of the voters) unless the tax is something other than a tax on a parcel of property or an incident of property ownership. The ballot measure must be carefully crafted to survive a legal challenge. If the Council were to try this approach, it could get to a November 2016 election and if successful funding would be available sometime in 2017.

A parcel tax is a revenue-raising excise tax on the privilege of consuming municipal services and is generally a flat-rate annual tax on non-vacant property or a rate that varies depending on use or consumption of the service. A parcel tax may be used to generate revenue for police and fire services. For instance, a three-year, \$75 special parcel tax adopted by the voters in the City of California City "to pay for police fire and recreational services, and to repair streets, parks, water line replacement and repair, and building maintenance" was upheld in *Neilson v. City of California City*, 133 Cal.App.4th 1296 (2005) against a claim that the tax was unconstitutional because nonresident property owners were assessed but ineligible to vote on the measure.

Unlike property taxes, a parcel tax is not based on ownership of property and therefore, occupants and tenants may be taxed. A parcel tax would also not be assessed through the property tax roll, and a delinquency would result in a personal debt of the taxpayer rather than a lien on property.

Pros.

Parcel tax revenues are not shared with the county or any other jurisdiction. The City could generate a fairly accurate estimate of potential revenues based on the number of non-vacant properties in the City that would be subject to a flat-rate tax.

Cons.

The additional tax may present a hardship to property owners facing financial difficulties. These taxes are usually of limited duration. It would be costly to run an election and the prognosis for meeting a 2/3s approval rating by voters is doubtful.

c.) Establish New Assessment District/s

Many cities have created assessment districts or assessment overlay districts for fire protection. In general, police services are not eligible for such an assessment district which have been successfully used throughout the state.

These assessments are placed on the property tax rolls for some period of time and would be subject to an election by the voters with a 2/3's approval required. Unfortunately, these assessment districts cannot simply pay for existing services but need to be drawn up in such a way to demonstrate a specific benefit that would be provided to each parcel.

In the case of Santa Paula we might be able to overlay a hillside protection assessment in some areas due to the danger from wildfires. We might be able to overlay a downtown assessment, as well. Such an approach could provide additional revenue that might offset some current costs.

Pros

A special assessment district could, potentially, offset some existing costs of the fire department if constructed properly and provides additional services residents might like such as paramedic services. In most cases property owners would deduct the cost of this assessment from their income tax.

Cons

To create such an assessment district/s or overlays, it would require hiring an engineer to create maps and prepare a report showing the nexus between the benefit received and the assessment. This is likely to take some time. Until this work is done, it would be impossible to determine if the assessment provides any financial assistance to offset existing costs. If the property included in the assessment district went outside the boundaries of the City of Santa Paula, say to the river bottom or hillsides, there would need to be an agreement with the County of Ventura Fire District and might possibly involve a LAFCo process, as it might result in a reduction in the size of the County Fire District.

The completed assessment district would then be subject to a vote of the public with a 2/3's approval required. The prognosis for approval of such an assessment district with a direct benefit to the property owner is much higher than other tax options. However, the time needed to prepare and evaluate the district would mean that this assessment would be unlikely to make it to the ballot before 2020 and, if successful, funding available in 2021.

d.) Implement a City Sales Tax

Taxes are projected to make up 67 percent of the City's 2015-2016 revenues. If the Council chooses to raise additional tax revenue, voter approval is required. The number of votes required for approval and the extent to which use of the revenue is restricted depends on whether a general or special tax is proposed. An excise tax is based upon a person's

voluntarily performing an act, enjoying a privilege, or using a service which is the subject of the tax. Sales taxes and parcel taxes are common examples of excise taxes.

All revenue generated from a general tax would be deposited into the City's General Fund and would be available for use by the City to pay for general City operations and services. The City would not be legally bound in any way to use the tax revenue for any special purpose or for any particular facility or program. However, it may be possible to include a non-binding advisory provision in the ballot materials indicating the City's intent to use the new tax revenue for specific purposes, such as public safety. Ultimately, however, the funds could be used for other general government purposes if the City so desired. Four-fifths of the Council must vote to place a general tax on the ballot and the ballot measure must be approved by a simple majority of the City's voters.

Unlike a general tax, use of special tax revenue is legally restricted to the purposes identified in the ballot measure. If a special tax ballot measure requires the use of funds for public safety, the revenue raised through a special tax could not be re-purposed to other City operations, programs or services. A majority of the Council must vote to place a special tax on the ballot and the ballot measure must be approved by two-thirds of the City's voters.

It is expected that a 1% sales tax measure would generate approximately \$1,920,000² which could be used to offset police and fire service costs as well as pay for other city services.

Pros

Proponents of sales tax increases generally perceive the tax as levied on a voluntary act of engaging in a sales transaction (i.e., a "luxury tax"). Thus, the sales tax provides an opportunity to generate revenue while potentially avoiding imposing an additional burden on the entire community. The Council may re-submit an increase in the City's Transactions and Use Tax as a special tax (2/3s approval required) or as a general tax measure (simple majority) in November 2016 and, if successful, revenue would become available by September 2017.

Cons

As the economy shifts toward services and away from the traditional sale of goods, the sales tax base is declining. Also, as consumers become more mobile, it may be easier to avoid sales taxes by making purchases in nearby jurisdictions with lower combined sales and use taxes. The revenue generated by a 1% sales tax is not sufficient to make up the combined shortfall in funding from the fire department and the police services to simply keep parity with the level services that were provided in 1990/91, or the \$2,306,318 shortfall (\$782,829 police and \$1,523,489 fire).

Passing a sales tax measure in November, 2016 may be difficult as there may be other revenue generating measures such as a school bond and a ½ cent transportation sales tax measure on the same ballot. Clearly a general tax measure would be easier to pass since it only requires a simple majority vote, rather than 2/3's.

Should a tax measure pass in Santa Paula, it may contribute to more "sales tax" leakage as residents purchase big ticket items like furniture and clothing outside the city to save money.

² This represents the same amount as our sales tax, less 1.5% charged by the State Board of Equalization of approximately \$30,000.

An increase in the sales tax will also cost residents more money to purchase a new vehicle, regardless of where they buy it, as the tax rate where the vehicle is registered applies to the sale.

Although the additional sales tax funding will help in the near-term, unless the amount of sales taxes increases in tandem with inflation, it will only provide temporary relief. Depending on how the measure is structured, it is unlikely to allow adjustment to the salaries for city employees with the possible exception of police and fire or the restoration of services which were cut. A 1% local sales tax may be a good mechanism to augment funding in the short term, but clearly structural change in costs or how the department is run may be required for a long-term solution.

RETURN TO A “VOLUNTEER” FIRE DEPARTMENT, SIMILAR TO FILLMORE

Councilmember Jim Tovias requested that the City consider returning to an All-Volunteer Fire Department, similar to the situation in the City of Fillmore. He expressed concern with the number of medical calls where the Santa Paula Fire Department responds. Santa Paula Fire Department currently handles about 2,900 calls per year and approximately 68% of those calls are medically related. Santa Paula currently has two fire stations, 5 fire engines (one out of service) 3 command vehicles, various trailers, such as the CERT trailer, 3 command vehicles and a command trailer shared with the Police Department. Currently, the Ventura County Fire District dispatches all fire related calls for us at no cost under their auto-aid program and we respond to calls that would otherwise be covered by the County Station 26 (Ventura) and County Station 27 (Fillmore). There were 349 such calls last year or 12.7% of the total calls provided. Fillmore has mutual aid but, not auto-aid and therefore they must pay a charge for any service the County performs for them which could be a considerable cost, depending on the incident.

Elizabeth Paniagua compared the composition of the Santa Paula Fire Department with the composition of the Fillmore Department and assumed that Santa Paula, based on its population, would need to be approximately twice the size of Fillmore. Not all of the positions are “volunteer” – some are paid but there would be an overall reduction in the number of full-time paid personnel. Santa Paula currently has 2 Chiefs, 6 Captains, 6 Engineers, 1 Firefighter, 5 SAFER firemen and 6 Reserves for a total of 24 people covering the all the shifts. The current cost of the Fire Department is \$3,083,589, or \$2,627,589 in city funds this year, since \$456,000 is being provided in federal SAFER funds. If the City went to the Fillmore model it would have 2 Chiefs, 6 Captains and 16 reserves for a total of 24 people covering all the shifts. Included in that number is one paramedic daily who would be paid at a higher rate. The switch to eliminate 10 full time positions and replace them with reserves would reduce costs to \$1,502,092. This means that this year the City could save \$1,125,497 and would save \$1,581,497 in years when there was no SAFER funding.

Pros

Returning to a largely volunteer fire department would save the City up to \$1,581,497 per year. Those savings would be reduced this year and next year by \$456,000 to approximately

\$1,125,497 since these are funds provided to Santa Paula by a federal SAFER grant and are not local funds.

This savings would enable to City to adjust salaries for its employees, potentially add police officers, make some capital improvements and perhaps restore some positions and cuts that were made to services.

Cons

Returning to a largely volunteer fire department would be regressive resulting in a lower level of fire protection and services for our residents. It would likely result in increased fire insurance rates and costs for businesses and possibly homeowners. If we return to that system it is likely that response times will be longer, especially if the Department is only able to staff one engine.

One of the biggest areas of concern would be the lack of consistent crews to staff the fire stations and engines. Some volunteers lack the experience and training, while others have both. Many people volunteer as a reserve to gain experience while waiting on a list to get a full-time job as a fireman. They leave as soon as they find a job. Santa Paula, especially if our pay rates were higher, could severely impact services in Fillmore by reducing the pool of potential reserve fireman. In considering this approach it is helpful to look at operational issues in Fillmore.

Fillmore is currently having problems maintaining numbers of Volunteer employees. Many times Fillmore does not have a full complement of three people on the engine which negates all mutual aid agreements and the Chief is responding to all calls. Trying to maintain two engines this way would be extremely difficult. In addition, training becomes a problem as you need to train many more people just to get small numbers of volunteers. People with other jobs cannot be expected to be signing up for ten shifts a month. According to Chief Araiza, in order to have the number of volunteers needed to staff two engines full time a minimum of 30 volunteers would be needed.

Santa Paula's experience with volunteers requires a lot of time just getting them to complete training requirements and keep up their skills testing, along with working the two shifts a month required to stay active.

Under All-Volunteer scenario, the City would lose automatic mutual-aid that we currently have with the Ventura County Fire District, although we would probably get assistance in times of emergencies. This would certainly be a less than optimal situation for our residents, whether experiencing a medical emergency or a fire. This past year our Fire Department provided 829 life-saving calls, or 28.5% of the calls, as opposed to the ambulance service providing it. Most likely, in these cases, the ambulance was responding from outside the City.

We could retain our mutual aid agreement with the City of Fillmore and the County, however, we would no longer have automatic mutual aid with the County Fire District meaning that we would have to pay for any services they perform on our behalf which could be very expensive. For instance, the recent fire in the river bottom earlier this summer was mostly within the city limits. We were not charged for the County's efforts to put the fire out, including water dropping helicopters. Under this scenario, that fire would have had an enormous impact on the City budget and clearly wiped out any savings the City might accrue from going to a largely volunteer department. Further, it would be impossible to predict when these type of events might occur, making budgeting difficult.

Fillmore and their staffing are non-union, whereas much of the Santa Paula Department are union employees. It is not unreasonable to assume that should this change be implemented by the City Council, it could result in a strike, work stoppage or other costly legal action against the City because of the reductions in staff and pay. It is not unreasonable to assume that such a work action would be supported by the other union employees within the City, including SEIU and the SPPOA.

JOIN THE COUNTY FIRE DEPARTMENT

Today, the Santa Paula Fire Department costs \$3,083,589, or 22% of the General Fund. Santa Paula Fire Department currently handled about 2,900 calls last year and approximately 68% of those calls were medically related. Santa Paula has automatic aid with the County and as such, it covers services for County Fire Stations 26 (Ventura) and 27 (Fillmore) and provided 349 such calls last year or 12.7% of the total calls provided and in return Santa Paula received dispatching services from the County at no charge.

One option to consider is to disband the Santa Paula Fire Department and join the County Fire District. Santa Paula currently has two fire stations, 5 fire engines (one out of service) 3 command vehicles, various trailers, such as the CERT trailer, 3 command vehicles and a command trailer that is shared with the Police Department. In addition, the East Area One project contains a site for a new fire station and some money to construct a station. If we were to join the County District, they would be required to buy us out of our existing stations and equipment; a one-time negotiated payment which could be used for other needed city capital projects, placed in reserve or just about any purpose. The County Fire District would locate a "Chief" in Santa Paula to be in charge of our operation, similar to what they do in Simi Valley and Thousand Oaks. The situation works very well for both of those communities. In addition to negotiating these items, negotiations would take place to absorb Santa Paula firefighters, although it is possible that not all of them would qualify to work for the County.

There are many advantages to joining Ventura County as it is a much larger department with great flexibility and added services which we currently can't provide. They are a full service department with specialties in all areas. For us to do any special projects or handle any assignments requires us to become as proficient in an area while still dealing with day to day activities. Whether it involves training, inspections or operations, we rely on others to train us and then come back to teach our fellow employees. Other advantages include engine company personnel for special events, such as the 4th of July.

The real issue is cost. The County Fire Department gets 15% of the assessed value in Simi Valley, Thousand Oaks, Moorpark and Camarillo. It is my understanding that the assessed value in Santa Paula is \$1.9 billion dollars and if they were to get the same 15% for Santa Paula, it would generate \$3 million, a sufficient amount of money to provide excellent fire service in Santa Paula. Right now the City of Santa Paula gets \$6,490,437 in property tax and 15% of that amount would be \$973,552, which is not enough to run a fire department. The question is whether any of that money would be retained by the County if were to join the Fire District and, if so, how much? So the question is - Where is the rest of the money that would have otherwise gone to Santa Paula for fire services going to and how do we get it? The County Assessor, Steve Hintz is looking into this question and will get back to us. It is possible that the money has gone into the Count General Fund, a matter which will need to be discussed

with Mike Powers, County CEO. But, in the best case, joining the County Fire District could save the City \$3.1 million dollars on the high end or \$2.1 million, on the low end if 15% of our property tax was removed. This would leave on-going money to bring the police department up to parity as well as provide for salary adjustments and other needs of the City. All of this is negotiable and it is impossible to know with any degree of certainty at this point, however, joining the district would in effect remove any additional costs of inflation as our fee would be set. This approach permanently reduces expenses and provides our citizen with quality services.

So, why would the County be interested in consolidating services with Santa Paula. It is likely that the County could obtain efficiencies in service by realigning how services are provided and possibly eliminating some stations. Should the City wish to join the County Fire District, we could be annexed to the District or ask them to provide services under contract, something they have not done before and not likely to be financially beneficial to the City.

If we were to take this approach, the City and the Fire District would need to go through the LAFCo process because that action would constitute a change in the District boundaries. A report, outlining a cost/benefit analysis and whatever other information LAFCo needs would have to be prepared, followed by the LAFCo hearing process. It is probably relevant to point out that there have been discussions in both Ventura and Oxnard about joining the County Fire District and basically establishing one Fire District for the entire County. There have also been discussions of creating a new Santa Clara Valley District which would include Oxnard and Ventura. However, these discussions are further off and much more complicated. So, if the Council decides that this is an option to consider, we should probably proceed on our own at this time. Since this action doesn't envision any change in the 1% property tax cap for the public and there is increase in the amount of taxes paid, I assume there would be no requirement for an election and that the action of LAFCo would be final.

Pros

This could provide the City with excellent service while saving the General Fund between \$2.1-\$3.1 million which could be used for police, salaries for city employees, restore cuts to service and provide other services Santa Paula needs. It would lead to greater efficiencies in how fire services are provided in the County. It would be cost effective and would provide for a professional level of fire services of Santa Paula residents. It will take a relatively short period of time to join the County Fire District, with the political process and LAFCo taking the longest time. Still, this could probably be accomplished within a year.

Cons

Joining with the County Fire District could lead to a loss of local control. Some current members of the Santa Paula Fire Department may not be eligible to join the County Fire District. Similar to the Volunteer approach, the SAFER funds cannot be transferred to the county, so the \$456,000 in year 2 of the grant would be relinquished, if the process was completed before then.