

Key Fire Agency Introductory Term Sheets for Preliminary Agreements to Support Stabilization and Consolidation.

Key Agency Term Sheet Attached:

- Northern Sonoma County Fire Protection District and CSA 40
- Gold Ridge Fire Protection District and CSA 40
- Sonoma County Fire District and CSA 40
- Sonoma County Fire District and Bodega Bay Fire Protection District
- Kenwood Fire Protection District

Bodega Bay and Sonoma County Fire Districts
Introductory Term Sheet for Preliminary Agreements
To Support Stabilization and Consolidation
7/20/21

This Introductory Term Sheet for Preliminary Agreements to Support Stabilization for Future Consolidation sets forth the key objectives and terms between Bodega Bay and the County of Sonoma (County) to support the stabilization for future consolidation of Fire Protection Districts in Sonoma County. Bodega Bay and the County acknowledge that this is a non-binding preliminary term sheet, and while it summarizes the key terms, it is not a final embodiment of any agreement between Bodega Bay and the County (“the Parties”). The Parties further acknowledge that these terms are guideposts, and they, including any funding sources discussed, are subject to change prior to entering into a final agreement.

A) Objectives and Key Assumptions

- The County has finite resources and is seeking a holistic solution to distribute funding that support efforts to stabilize Bodega Bay, while simultaneously implementing a plan to consolidate CSA 40 territory and stabilize the Kenwood Fire Protection District for future consolidation with the Sonoma Valley Fire District.
- The holistic plan being utilized generally meets the recommendations of the Fire Services Work Group (FSWG) and/or is consistent with discussions that Supervisor’s Gore and Gorin with Northern Sonoma County and Kenwood Fire Protection Districts.
- The County has agreed to make use of the \$900,000 in TOT funds dedicated to cover REDCOM dispatch fees based on the recommendation from FSWG that these costs will be included for all fire agencies in the County as a part of the new fire tax plan.
- The County has relied upon the recommendations of FSWG to develop the introductory term sheets, but also recognizes that agency needs may not be fully met with this holistic distribution plan.
- The County’s efforts are intended to ultimately reduce the number of fire agencies in the county from the current 32 agencies consolidating down to 18, made up of six city agencies and 12 fire districts.
- The County plans to enter into an agreement with Bodega Bay to distribute the stabilization funding authorized during budget hearings and to also negotiate the execution of an additional preliminary agreement that will facilitate consolidation with Sonoma County Fire.
- A contingency stabilization plan is also accounted for in the event Sonoma County Fire does not agree to the funding terms outlined.

B) Preliminary Terms

1) Bodega Bay Short-Term Stabilization Effort

- The Board authorized up to \$1m for two years to stabilize Bodega Bay as a bridge effort to the fire tax. The original authorization is based on the May 19 Fire Ad Hoc meeting where the stated goal was to authorize enough funding for Bodega Bay and Sonoma County Fire to enter into a JPA as glide path to the fire tax. The amounts to support the formation of a JPA are as follows:

Bodega Bay Fire Protection District Glide Path Numbers

Item	Amount	Note
Firefighter Paramedics (3)	\$594,733.68	Fully burdened including training, testing, overtime staff for preceptors and mentoring
Fiscal Year 20/21 Deficit	\$424,800.00	Adopt balanced budget by clearing deficit at start of Fiscal Year 21/22. No Reserve Funds available to clear deficit.
Salary Equalization with SCFD	\$307,045.00	Match SCFD MOU Rates for Retention, Recruitment, Interoperability and Consolidation
Contingency 10%	\$132,657.87	Allow for flexibility in hiring and coverage until fully staffed and stable.
Subtotal (without promised \$500,000) :	\$1,459,236.55	If the County DOES NOT grant the \$500,000 to the designated Districts, including BBFPD
Total Deducting \$500,000	\$959,236.55	If the County DOES grant the \$500,000 to the designated Districts, including BBFPD

- Since we have heard that the original plan to form a JPA is untenable, CAO staff will coordinate with Bodega Bay to identify the proper amount of funding to support the stated objective of stabilizing Bodega Bay until a long-term path is identified in sufficient time for Bodega Bay to adopt their final FY 21-22 budget in September.
- Enhanced Services Funding would stay in place as recently authorized by the Board until such time that the funding made available for consolidation efforts is authorized.
- Bodega Bay is expected to negotiate an agreement that provides fiscal stability for the next two years using up to \$1m per year as authorized by the Board during budget hearings.

2) Funding to Consolidate with Sonoma County Fire

- This agreement is reliant upon all partner agencies entering into preliminary agreements, thereby meeting the County's interest for a holistic solution. The amount of funding and sources to support the Bodega Bay consolidating with Sonoma County Fire District is \$3,000,000, sourced from Measure L TOT, Budget Hearing Funds, and Dispatch TOT funds. In the event that one or more agencies refuse to sign a preliminary agreement, the remaining agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County is amenable to revising the partnerships and amounts as outlined, as long as all partners agree upon proposed changes. In the event that one or more agencies refuse to sign a preliminary agreement, the agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County and partner agencies will cooperate and/or jointly apply with LAFCO for consolidations. Denial by LAFCO would result in the need to negotiate new terms.
- Funding to support consolidations is reliant upon the execution of the preliminary agreements, with the distribution of funds becoming effective upon the consolidations being finalized by LAFCO, whereby formal revenue exchange agreements would be entered into, estimated to begin in FY 2022-23.
- Agreements will contain growth provisions based on actuals from source funding for CSA 40 property taxes, Measure L TOT, and Prop 172. There are no growth provisions for the \$1.5 million appropriated at Budget Hearings or for the \$900,000 TOT dispatch funds.
- Funding for stabilization efforts is contingent upon the execution of the preliminary agreements and will be distributed based on the timing and terms negotiated with partner agencies.

- The structure of the preliminary agreements will need to address potential limitations of the portion of CSA 40 property tax funding as a result of any future dissolution or annexation of all or a portion of CSA40.
- The timing of LAFCO annexations processes is assumed to coincide with the expiration of the Enhanced Services Agreements. In the event the LAFCO process takes longer than expected, the County would seek to further extend these agreements to act as bridge funding.
- Bodega Bay and Sonoma County Fire are expected to fully support and cooperate with the pursuit of a new fire tax.
- If the \$3 million or terms offered in this plan prove to be insufficient during negotiations, then Bodega Bay will coordinate with CAO staff to identify the amount of funding necessary to stabilize Bodega Bay until a tax or other form of supplemental funding can be identified to support final consolidation. Execution of a preliminary agreement is still expected in this instance.

C) Next Steps

Staff will continue to coordinate with ACTTC and County Counsel to finalize the preliminary agreements. Staff recommends giving partner agencies 30 days to advise of their intent to enter into negotiations to implement this plan.

**Gold Ridge Fire Protection District and North Bay Fire
Introductory Term Sheet for Preliminary Agreements
To Support Annexation of CSA 40 Territory
7/20/21**

This Introductory Term Sheet for Preliminary Agreements to Support Stabilization for Future Consolidation sets forth the key objectives and terms between the Gold Ridge Fire Protection District, North Bay Fire and the County of Sonoma (County) to support the stabilization for future consolidation of Fire Protection Districts in Sonoma County. Gold Ridge Fire Protection District, North Bay Fire and the County acknowledge that this is a non-binding preliminary term sheet, and while it summarizes the key terms, it is not a final embodiment of any agreement between Gold Ridge Fire Protection District, North Bay Fire and the County (“the Parties”). The Parties further acknowledge that these terms are guideposts, and they, including any funding sources discussed, are subject to change prior to entering into a final agreement.

A) Objectives and Key Assumptions

- The County has finite resources and is seeking a holistic solution to distribute funding that support efforts to consolidate CSA 40 territory, while simultaneously supporting efforts to consolidate Bodega Bay Fire Protection District and stabilize the Kenwood Fire Protection District for future consolidation with the Sonoma Valley Fire District.
- The holistic plan being utilized generally meets the recommendations of the Fire Services Work Group (FSWG) and/or is consistent with discussions that Supervisor’s Gore and Gorin with Northern Sonoma County and Kenwood Fire Protection Districts.
- The County has agreed to make use of the \$900,000 in TOT funds dedicated to cover REDCOM dispatch fees based on the recommendation from FSWG that these costs will be included for all fire agencies in the County as a part of the new fire tax plan.
- The County has relied upon the recommendations of FSWG to develop the introductory term sheets, but also recognizes that agency needs may not be fully met with this holistic distribution plan.
- The County’s efforts are intended to ultimately reduce the number of fire agencies in the county from the current 32 agencies consolidating down to 18, made up of six city agencies and 12 fire districts.

B) Preliminary Terms

- This agreement is reliant upon all partner agencies entering into preliminary agreements, thereby meeting the County’s interest for a holistic solution. The amount of funding and sources to support the annexation of identified CSA 40 territory is \$2.9 million, sourced from CSA 40 property taxes, Measure L Transient Occupancy Tax (TOT), Prop 172, and Budget Hearing Funds. In the event that one or more agencies refuse to sign a preliminary agreement, the remaining agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County is amenable to revising the partnerships and amounts as outlined, as long as all partners agree upon proposed changes. In the event that one or more agencies refuse to sign a preliminary agreement, the agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County and partner agencies will cooperate and/or jointly apply with LAFCO for consolidations. Denial by LAFCO would result in the need to negotiate new terms.
- Funding to support consolidations is reliant upon the execution of the preliminary agreements with the distribution of funds becoming effective upon the consolidations being finalized by LAFCO,

whereby formal revenue exchange agreements would be entered into, estimated to begin in FY 2022-23.

- Agreements will contain growth provisions based on actuals from source funding for CSA 40 property taxes, Measure L TOT, and Prop 172. There are no growth provisions for the \$1.5 million appropriated at Budget Hearings or for the \$900,000 TOT dispatch funds.
- The structure of the preliminary agreements will need to address potential limitations of the portion of CSA 40 property tax funding as a result of any future dissolution or annexation of all or a portion of CSA40.
- The timing of LAFCO annexations processes is assumed to coincide with the expiration of the North Bay Fire and Enhanced Services Agreements. In the event the LAFCO process takes longer than expected, the County would seek to further extend these agreements to provide continued support of the Volunteer Fire Companies and act as bridge funding.
- Gold Ridge and North Bay Fire entities are expected to fully support and cooperate with the pursuit of a new fire tax.

C) Next Steps

Staff will continue to coordinate with ACTTC and County Counsel to finalize the preliminary agreements. Staff recommends giving partner agencies 30 days to advise of their intent to enter into negotiations to implement this plan.

Kenwood Fire Protection District
Introductory Term Sheet for Preliminary Agreements
To Support Stabilization for Future Consolidation
7/20/21

This Introductory Term Sheet for Preliminary Agreements to Support Stabilization for Future Consolidation sets forth the key objectives and terms between the Kenwood Fire Protection District (Kenwood) and the County of Sonoma (County) to support the stabilization for future consolidation of Fire Protection Districts in Sonoma County. Kenwood and the County acknowledge that this is a non-binding preliminary term sheet, and while it summarizes the key terms, it is not a final embodiment of any agreement between Kenwood and the County (“the Parties”). The Parties further acknowledge that these terms are guideposts, and they, including any funding sources discussed, are subject to change prior to entering into a final agreement.

A) Objectives and Key Assumptions

- The County has finite resources and is seeking a holistic solution to distribute funding that support efforts to consolidate CSA 40 territory, while simultaneously supporting efforts to consolidate Bodega Bay Fire Protection District and stabilize the Kenwood Fire Protection District for future consolidation with the Sonoma Valley Fire District.
- The holistic plan being utilized generally meets the recommendations of the Fire Services Work Group (FSWG) and/or is consistent with discussions that Supervisors Gore and Gorin with Northern Sonoma County and Kenwood Fire Protection Districts.
- The County has agreed to make use of the \$900,000 in TOT funds dedicated to cover REDCOM dispatch fees based on the recommendation from FSWG that these costs will be included for all fire agencies in the County as a part of the new fire tax plan.
- The County has relied upon the recommendations of FSWG to develop the introductory term sheets, but also recognizes that agency needs may not be fully met with this holistic distribution plan.
- The County’s efforts are intended to ultimately reduce the number of fire agencies in the county from the current 32 agencies consolidating down to 18, made up of six city agencies and 12 fire districts.

B) Preliminary Terms

- This agreement is reliant upon all partner agencies entering into preliminary agreements, thereby meeting the County’s interest for a holistic solution. The amount of funding and sources to support the stabilization for Kenwood is \$180,000, sourced from Measure L TOT funds. In the event that one or more agencies refuse to sign a preliminary agreement, the remaining agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County is amenable to revising the partnerships and amounts as outlined, as long as all partners agree upon proposed changes. In the event that one or more agencies refuse to sign a preliminary agreement, the agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County and partner agencies will cooperate and/or jointly apply with the Sonoma County Local Agency Formation Commission (LAFCO) for consolidations. Denial by LAFCO would result in the need to negotiate new terms.
- Funding to support consolidations is contingent upon the execution of the preliminary agreements, with the distribution of funds becoming effective upon the consolidations being finalized by LAFCO, whereby formal revenue exchange agreements would be entered into, estimated to begin in FY 2022-23.

- Agreements will contain growth provisions based on actuals from source funding for CSA 40 property taxes, Measure L TOT, and Prop 172. There are no growth provisions for the \$1.5 million appropriated at Budget Hearings or for the \$900,000 TOT dispatch funds.
- Funding for stabilization efforts is reliant upon the execution of the preliminary agreements and will be distributed based on the timing and terms negotiated with partner agencies.
- The structure of the preliminary agreements will need to address potential limitations of the portion of CSA 40 property tax funding as a result of any future dissolution or annexation of all or a portion of CSA40.
- The timing of LAFCO annexations processes is assumed to coincide with the expiration of the Enhanced Services Agreements. In the event the LAFCO process takes longer than expected, the County would seek to further extend these agreements to act as bridge funding.
- Kenwood is expected to fully support and cooperate with the pursuit of a new fire tax.

C) Next Steps

Staff will continue to coordinate with ACTTC and County Counsel to finalize the preliminary agreements. Staff recommends giving partner agencies 30 days to advise of their intent to enter into negotiations to implement this plan.

Northern Sonoma County Fire Protection District
Introductory Term Sheet for Preliminary Agreements
To Support Annexation of CSA 40 Territory
7/20/21

This Introductory Term Sheet for Preliminary Agreements to Support Stabilization for Future Consolidation sets forth the key objectives and terms between the Northern Sonoma County Fire Protection District and the County of Sonoma (County) to support the stabilization for future consolidation of Fire Protection Districts in Sonoma County. Northern Sonoma County Fire Protection District and the County acknowledge that this is a non-binding preliminary term sheet, and while it summarizes the key terms, it is not a final embodiment of any agreement between Northern Sonoma County Fire Protection District and the County (“the Parties”). The Parties further acknowledge that these terms are guideposts, and they, including any funding sources discussed, are subject to change prior to entering into a final agreement.

A) Objectives and Key Assumptions

- The County has finite resources and is seeking a holistic solution to distribute funding that support efforts to consolidate CSA 40 territory, while simultaneously supporting efforts to consolidate Bodega Bay Fire Protection District and stabilize the Kenwood Fire Protection District for future consolidation with the Sonoma Valley Fire District.
- The holistic plan being utilized generally meets the recommendations of the Fire Services Work Group (FSWG) and/or is consistent with discussions that Supervisor’s Gore and Gorin with Northern Sonoma County and Kenwood Fire Protection Districts.
- The County has agreed to make use of the \$900,000 in TOT funds dedicated to cover REDCOM dispatch fees based on the recommendation from FSWG that these costs will be included for all fire agencies in the County as a part of the new fire tax plan.
- The County has relied upon the recommendations of FSWG to develop the introductory term sheets, but also recognizes that agency needs may not be fully met with this holistic distribution plan.
- The County’s efforts are intended to ultimately reduce the number of fire agencies in the county from the current 32 agencies consolidating down to 18, made up of six city agencies and 12 fire districts.

B) Preliminary Terms

- This agreement is reliant upon all partner agencies entering into preliminary agreements, thereby meeting the County’s interest for a holistic solution. The amount of funding and sources to support the annexation of Region 6 CSA 40 territory is \$1.2 million, sourced from CSA 40 property taxes, Measure L Transient Occupancy Tax (TOT), and Prop. 172. In the event that one or more agencies refuse to sign a preliminary agreement, the remaining agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County is amenable to revising the partnerships and amounts as outlined, as long as all partners agree upon proposed changes. In the event that one or more agencies refuse to sign a preliminary agreement, the agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County and partner agencies will cooperate and/or jointly apply with the Sonoma County Local Agency Formation Commission (LAFCO) for consolidations. Denial by LAFCO would result in the need to negotiate new terms.
- Funding to support consolidations is reliant upon the execution of the preliminary agreements with the distribution of funds becoming effective upon the consolidations being finalized by LAFCO,

whereby formal revenue exchange agreements would be entered into, estimated to begin in FY 2022-23.

- Agreements will contain growth provisions based on actuals from source funding for CSA 40 property taxes, Measure L TOT, and Prop. 172. There are no growth provisions for the \$1.5 million appropriated at Budget Hearings or for the \$900,000 TOT dispatch funds.
- The structure of the preliminary agreements will need to address potential limitations of the portion of CSA 40 property tax funding as a result of any future dissolution or annexation of all or a portion of CSA40.
- The timing of LAFCO annexations processes is assumed to coincide with the expiration of the Enhanced Services Agreements. In the event the LAFCO process takes longer than expected, the County would seek to further extend these agreements to act as bridge funding.
- Since LAFCO has already approved a Sphere of Influence (SOI) for Northern Sonoma County Fire Protection District (NSCFPD) that includes the Cloverdale Fire Protection District, the funds in this plan may be used to facilitate the annexation of all the territory approved in the LAFCO SOI. Annexation of Cloverdale is not a pre-condition of the preliminary agreement since the County acknowledges full annexation may rely upon a future fire sales tax.
- NSCFPD and partner Region 6 entities are expected to fully support and cooperate with the pursuit of a new fire tax.

C) Next Steps

Staff will continue to coordinate with ACTTC and County Counsel to finalize the preliminary agreements. Staff recommends giving partner agencies 30 days to advise of their intent to enter into negotiations to implement this plan.

Sonoma County Fire District
Introductory Term Sheet for Preliminary Agreements
To Support Annexation of CSA 40 Territory
7/20/21

This Introductory Term Sheet for Preliminary Agreements to Support Stabilization for Future Consolidation sets forth the key objectives and terms between the Sonoma County Fire District and the County of Sonoma (County) to support the stabilization for future consolidation of Fire Protection Districts in Sonoma County. Sonoma County Fire District and the County acknowledge that this is a non-binding preliminary term sheet, and while it summarizes the key terms, it is not a final embodiment of any agreement between Sonoma County Fire District and the County (“the Parties”). The Parties further acknowledge that these terms are guideposts, and they, including any funding sources discussed, are subject to change prior to entering into a final agreement.

A) Objectives and Key Assumptions

- The County has finite resources and is seeking a holistic solution to distribute funding that support efforts to consolidate CSA 40 territory, while simultaneously supporting efforts to consolidate Bodega Bay Fire Protection District and stabilize the Kenwood Fire Protection District for future consolidation with the Sonoma Valley Fire District.
- The holistic plan being utilized generally meets the recommendations of the Fire Services Work Group (FSWG) and/or is consistent with discussions that Supervisor’s Gore and Gorin with Northern Sonoma County and Kenwood Fire Protection Districts.
- The County has agreed to make use of the \$900,000 in TOT funds dedicated to cover REDCOM dispatch fees based on the recommendation from FSWG that these costs will be included for all fire agencies in the County as a part of the new fire tax plan.
- The County has relied upon the recommendations of FSWG to develop the introductory term sheets, but also recognizes that agency needs may not be fully met with this holistic distribution plan.
- The County’s efforts are intended to ultimately reduce the number of fire agencies in the county from the current 32 agencies consolidating down to 18, made up of six city agencies and 12 fire districts.

B) Preliminary Terms

- This agreement is reliant upon all partner agencies entering into preliminary agreements, thereby meeting the County’s interest for a holistic solution. The amount of funding and sources to support the annexation of the identified CSA 40 territory is \$569,000, sourced from CSA 40 property taxes, Measure L Transient Occupancy Tax (TOT), and Prop 172. In the event that one or more agencies refuse to sign a preliminary agreement, the remaining agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County is amenable to revising the partnerships and amounts as outlined, as long as all partners agree upon proposed changes. In the event that one or more agencies refuse to sign a preliminary agreement, the agencies and County may still come to a good faith agreement to move forward with the consolidation.
- The County and partner agencies will cooperate and/or jointly apply with the Sonoma County Local Agency Formation Commission (LAFCO) for consolidations. Denial by LAFCO would result in the need to negotiate new terms.
- Funding to support consolidations is reliant upon the execution of the preliminary agreements, with the distribution of funds becoming effective upon the consolidations being finalized by LAFCO,

whereby formal revenue exchange agreements would be entered into, estimated to begin in FY 2022-23.

- Agreements will contain growth provisions based on actuals from source funding for CSA 40 property taxes, Measure L TOT, and Prop 172. There are no growth provisions for the \$1.5 million appropriated at Budget Hearings or for the \$900,000 TOT dispatch funds.
- The structure of the preliminary agreements will need to address potential limitations of the portion of CSA 40 property tax funding as a result of any future dissolution or annexation of all or a portion of CSA40.
- The timing of LAFCO annexations processes is assumed to coincide with the expiration of the Enhanced Services Agreements. In the event the LAFCO process takes longer than expected, the County would seek to further extend these agreements to act as bridge funding.
- Sonoma County Fire is expected to fully support and cooperate with the pursuit of a new fire tax.

C) Next Steps

Staff will continue to coordinate with ACTTC and County Counsel to finalize the preliminary agreements. Staff recommends giving partner agencies 30 days to advise of their intent to enter into negotiations to implement this plan.