



## Legislation Text

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**File #:** 2020-0725, **Version:** 1

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**To:** Board of Supervisors

**Department or Agency Name(s):** County Administrator's Office, Auditor-Controller-Treasurer-Tax-Collector

**Staff Name and Phone Number:** Sheryl Bratton and Erick Roeser

**Vote Requirement:** Majority

**Supervisorial District(s):** 5<sup>th</sup> District

**Title:**

Bodega Bay Fire Protection District Revenue Analysis

**Recommended Action:**

Direct Staff to return with alternative revenue source policy options for the Board's future consideration that would facilitate the consolidation of Sonoma County and Bodega Bay Fire Protection Districts (Fifth District)

**Executive Summary:**

This item seeks authority for the County to explore revenue enhancement alternatives to strengthen the Bodega Bay Fire Protection District's (Bodega Bay FPD) fiscal outlook. Bodega Bay FPD was unable to complete an effort to reorganize through the Local Agency Formation Commission (LAFCO) annexation process because of its current fiscal position. The Fire Services Ad Hoc, represented by Supervisors Rabbitt and Hopkins, is supportive of exploring these options for strengthening Bodega Bay's fiscal standings so they may complete the LAFCO annexation process.

**Discussion:**

Background

The County of Sonoma has been working with local fire service agencies to provide more efficient, effective, and sustainable fire services in Sonoma County in a concerted effort since 2014. The County of Sonoma dedicates approximately \$3.1 million in Transient Occupancy Tax (TOT) and \$2.1 million from Prop. 172 for the Fire Services Project that supports the County's effort to consolidate fire agency and support overall improvements to countywide fire services. Due to the Coronavirus emergency, receipts from both funding sources are down and the Board had voted to back-fill these sources with \$1.65 million in County discretionary funds to meet obligations for FY 2020-21.

On November 19, 2019, the Board of Supervisors adopted an ordinance to place a half cent sales tax on the March 2020 Ballot to support wildfire prevention, emergency alert and response within the County. Measure G was approved by 64.84% of the electorate, but did not meet the two-thirds threshold required of special taxes. The loss of Measure G has been a major setback in the County's effort to holistically improve fire services in Sonoma County. As a result of the tax failure, and further hampered by the Coronavirus emergency, efforts to improve fire services in the County must at this juncture rely on fragmented or piecemeal efforts to maintain progress.

### Bodega Bay and Sonoma County Fire Consolidation Efforts

Bodega Bay FPD provides fire protection, emergency medical, hazardous material, and rescue operations for Bodega Bay and adjoining areas for emergency medical services (EMS), and has been serving the area since 1953, and as a Fire Protection District since 1984. Based on County and State Park data, the area receives approximately 3.7 million visitors a year and approximately 29% of its land is dedicated to state and county parks which are non-taxable and therefore do not provide any tax revenue to Bodega Bay FPD making it a challenge to maintain service readiness for the number of visitors the area receives. Additionally, Bodega Bay FPD responds to approximately 750 calls per year and based on medical transport data, estimates that only 20% of their calls come from the 850 residents of Bodega Bay. A map of the District's boundaries is included as an attachment.

The Sonoma County Fire District, which consolidated the Windsor, Rincon Valley, Bennett Valley Fire Districts and Mountain Volunteer Company in 2017, applied to annex the Russian River and Bodega Bay Fire Protection Districts in December 2019. The application was contingent upon negotiations with the County to provide financial assistance to bridge operational gaps that Bodega Bay FPD was experiencing. Measure G was expected to be a source for this financial assistance. Following the failure of Measure G, Bodega Bay FPD was unable to continue with the multi-agency consolidation effort. Given the location and nature of service provided by both these agencies, this consolidation is a critical next step towards overall fire agency consolidations and would undoubtedly improve overall service delivery in West County.

### Alternative Revenue Options

The number of visitors to Bodega Bay generates the need for additional fire and rescue services to accommodate the visitors, while meeting the needs of the resident community. The higher ratio of visitors to existing residents results in visitors having a larger impact on emergency services in Bodega Bay than in other unincorporated area.

Your Board may consider placing a measure on the ballot that would collect an additional TOT in the area served by the Bodega Bay FPD district area. As an example, Marin County voters approved a similar measure in 2018. The West Marin TOT is a 4% TOT imposed solely upon the 620 registered operators in the West Marin area, *in addition to* Marin County's 10% countywide TOT. . The West Marin 4% TOT generated \$1 million in 2019 (estimated at \$1.3 million pre-Coronavirus) and all the revenue must be spent in the West Marin area for fire and emergency services and community housing. A measure like this could increase the TOT collected in the District Area by the rate your Board chooses. For example, if your Board chose a rate of 2%, the TOT collected in the Bodega Bay district area would be 14% upon voter approval. A measure of this nature would be considered a special tax, which requires 2/3 voter approval.

Additionally, the Sonoma County TOT Ordinance, Section 12-10 authorizes the collection of TOT on both public and private campgrounds. However, as a matter of policy, TOT has not been collected on campgrounds operated by Regional Parks. (The Revenue and Taxation Code does not allow the collection of TOT upon State-managed campgrounds). With your Board's direction, the Tax Collector can work with Regional Parks to analyze expanding collections for all campsites managed by the County. Since the TOT Ordinance already authorizes this type of collection, your Board could adopt a resolution directing that the TOT revenue be collected on all campgrounds.

Based on this information, this Board item would direct staff from County Counsel, Auditor-Controller-

Treasurer-Tax-Collector, Registrar of Voters, County Administrator's Office, and Regional Parks to analyze alternative revenue measures for the Board's consideration. The work required includes coordinating with the Tax Collector and Registrar of Voters to determine the exact boundary of the District Area, and estimating potential revenue based on this boundary. The boundary of the proposed District Area will be developed in consultation with the Fire Services Ad Hoc Board Members. The effort would yield an analysis of the legal and practical implications of these alternative revenue measures, implementation considerations, including ballot, LAFCO, and tax collection timing and related costs for the Board's consideration.

County Counsel estimates approximately \$3,000 in staff hours are needed to perform this task and the other departments can manage the analysis with existing resources. Staff estimates that \$25,000 would be sufficient to cover any consultant needs and can return within approximately 90 days with the analysis.

**Prior Board Actions:**

March 19, 2019 - Board of Supervisors approved 2-year funding agreement totaling \$1.125 million.

2014 - 2018 - The Board of Supervisors has provided approximately \$425,000 in financial support to Bodega Bay Fire District.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Recommended</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	\$28,000		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$28,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF	\$28,000		
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$28,000</b>		

**Narrative Explanation of Fiscal Impacts:**

The Board of Supervisor/County Administrator and Fire Services Budgets contain sufficient appropriations to cover these cost.

**STAFFING SUMMARY**

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Map of Bodega Bay Fire Protection District Boundary

**Related Items "On File" with the Clerk of the Board:**

None