

Ad Hoc Committee Fire Services Recommendation

April 16th, 2024

Recommendation

**The Fire Ad Hoc Committee's
recommendation is to merge with Gold
Ridge**

Background

- 7 years of conversation
- Numerous community meetings
- Research, studies, and analysis
- Meetings with fire chiefs and firefighters
- Meetings with Boards of Directors & City Council

Governance

- City Council vs. Board of Directors
- Gold Ridge:
 - Seven member Board of Directors
 - Typically veterans of fire services, but not a requirement
 - District-wide election
 - Sebastopol residents eligible to run
 - No assurance of seats
 - No limit on number of seats

Purpose for merger

- Reliable
- Sustainable
- Adaptable

Appropriate Response

- Training and Standard Operating Procedures
- Speed and Weight of Response
- Depth of resources

Leadership

- Executive
- Management
- Operations
- Incident Management

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Fire Marshal & Prevention

- Review of New Development
- Fire Inspections
- Fire Investigations
- Public Information
- Public Education

The Role of Volunteer Firefighters

- Honor & Respected
- Increased Opportunities
- Career Development
- Necessary for Organizational Success

Preferred Organization for Quality of Service

- Increased Response Capabilities
- Strong Leadership Team
- Fire Marshal and Prevention Expertise
- Successful volunteer participation

Finances

- Estimates and Starting Points for Negotiations
- Confident Enough to Recommend Consolidation
- Assessed Three Options: Independent, Gold Ridge, and Graton

Finances:

Staff and Other Operating Expenses

- Staff: Largest Cost
 - Gold Ridge: Lowest Cost Due to Economies of Scale with Shared Leadership and Administrative Support
- Other Operating Costs: Assuming Equal Across Options
- Estimated Annual Operating Cost:
 - Independent: \$2.5 million
 - Gold Ridge: \$2.1 million
 - Graton: \$2.7 million

Finances: Fleet and Buildings

- Sebastopol Fleet
 - Two new engines coming soon
 - \$714,000 in payments remain for one; other paid for
 - Do not have sufficient funding set aside
 - Costs increasing 10%+ per year
 - Determining annual amount needed; will be substantial
- Sebastopol Fire Station
 - Preliminary estimate: \$5 million
 - Actual amount: Unknown but substantial
 - No funds set aside

Finances: Revenues

- Three Potential Sources:
 - City General Fund
 - \$1.5 million FY 23-24, but major deficits ahead . . .
 - \$1.2 million/10% of General Fund required w/Measure H
 - Maintenance of Effort (MOE)
 - Measure H: \$1.1 million
 - Parcel Tax with Consolidation: \$1.1 million

Revenue Potential

- Three options
 - Independent: \$2.7 million (FY 23-24 General Fund + Measure H)
 - Gold Ridge: \$3.8 million (% of GF + Measure H + Parcel Tax)
 - % of General Fund is item for negotiation
 - Graton: \$3.7 million (FY 23-24 GF + Measure H + Parcel Tax)

Finances: Overall

Independent

- Revenue potential: \$2.7 million
- Operating Expenses: \$2.5 million
- Available: \$200,000/year: Likely insufficient for fleet and building

Gold Ridge

- Revenue potential: \$3.8 million
- Operating Expenses: \$2.1 million
- Available: \$1.7 million: Likely sufficient for fleet and building

Finances: Overall

- Graton
 - Revenue potential: \$3.7 million
 - Operating Expenses: \$2.7 million
 - Available: \$1 million: Could well be sufficient for fleet and building

Overall Assessment: Why Gold Ridge?

- Highest rated for service quality
- Stronger, deeper leadership
- Most cost-effective
- Most strategic proposal
- Governance
- Prior experience with mergers
- Strong support for volunteers

Local Area Formation Commission (LAFCO)

- Oversees merger process
- Two steps:
 - Amend Sphere of Influence
 - Merger
- Costs uncertain; \$15,000?
- Timing uncertain; LAFCO has numerous projects
- Protest Opportunities for residents

Recommended Actions

1. Direct staff to move forward with Gold Ridge
2. Direct staff to send letter to LAFCO, with request for fee waiver
3. Authorize staff to take other actions as needed, including payment of \$10K deposit to LAFCO
4. Authorize City Manager to enter short-term agreement with Gold Ridge for Chief Officer; develop longer-term agreement for Council/Board approval

Recommended Actions

5. Terminate Current Fire Ad Hoc Committee
6. Create/Appoint New Fire Ad Hoc Committee
 - Represent City in Negotiations with LAFCO and Gold Ridge
 - Tasks, Roles, Responsibilities for later Council approval
7. Terminate Recruitment for New Fire Chief and Interim Chief Agreement with Todd Derum
8. Authorize City Manager to Explore Consulting Assistance for Negotiations and Related Needs