

# Attachment A

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## MEMORANDUM

DATE: September 10, 2020

TO: Chair Chris Lopez and Monterey County Board of Supervisors

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Executive Summary – 2020 LAFCO Study of Fire Protection and  
Emergency Medical Services in Unincorporated Monterey County

Thank you for the opportunity to present an overview of LAFCO's 2020 Fire Protection and Emergency Medical Services Study at the October 13 Board of Supervisors meeting.

I am pleased to enclose the Study's executive summary as background to the presentation. The full Study is available at: <https://www.co.monterey.ca.us/home/showdocument?id=94997>

LAFCO is responsible for regulating the boundaries and services of cities and special districts. In addition to meeting State requirements for LAFCOs to periodically review fire and EMS services, goals of the Study were to:

- Focus on the critical role of special districts that deliver fire protection and EMS services,
- Identify the financial challenges and opportunities facing these special districts,
- Highlight the most significant observations and conclusions, and
- Present options for future consideration, and potential action, by the wider fire and EMS community.

I appreciate the opportunity to present the Study and answer any questions regarding these essential services.

Enclosure

# LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

## 2020 Municipal Service Review and Sphere of Influence Study:

### Special Districts Providing Fire Protection and Emergency Medical Services in Unincorporated Monterey County

The Executive Summary is attached below. The full Study is available at:  
<https://www.co.monterey.ca.us/home/showdocument?id=94997>



Adopted by the Commission on June 22, 2020

# EXECUTIVE SUMMARY

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## INTRODUCTION

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This report provides information about the services and boundaries of special districts providing fire protection and pre-hospital emergency medical services (EMS) in unincorporated Monterey County. The purpose of this study is twofold:

1. Illustrate the issues facing fire protection and emergency medical service agencies in the unincorporated area of Monterey County, as well as showcasing their efforts to protect the County; and,
2. Complete Municipal Services Review and Sphere of Influence determinations and recommendations to meet State-mandated requirements.

Fire protection and emergency services have evolved over many years in the County and the challenges that they face are many. In unincorporated Monterey County, these services are provided by a network of Federal, State, and local agencies, volunteer firefighters, and private ambulance providers. The maps on the following two pages show the boundaries of local fire protection agencies and the responsibility areas of state and federal firefighters.

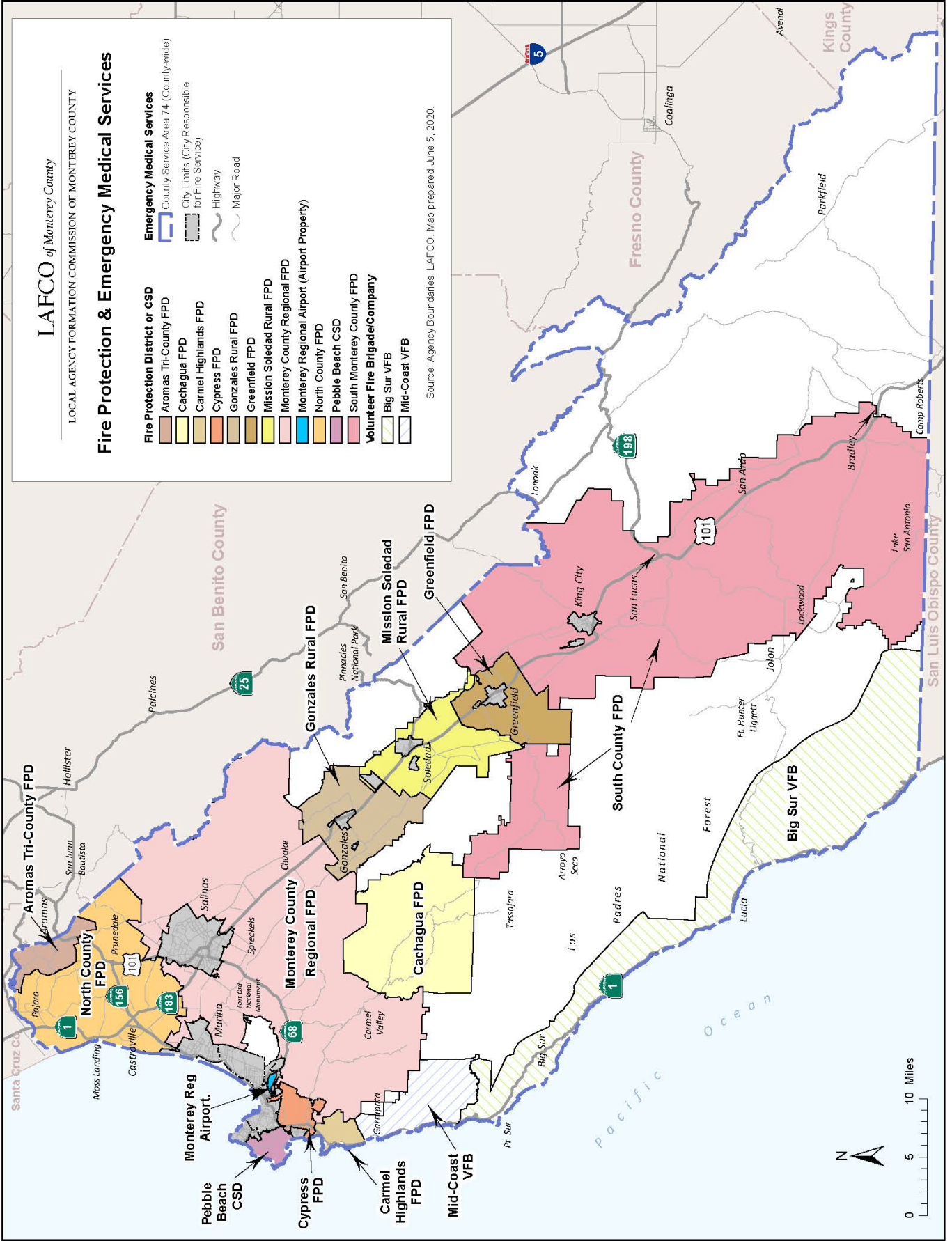
This report focuses on the crucial role of special districts that deliver fire protection and EMS. It does not address fire protection and EMS in Monterey County's cities. LAFCO will comprehensively address all City services countywide in a subsequent municipal service review in accordance with the annual work program.

The population of the unincorporated area is approximately 105,000. About 98% of this population lives within the boundaries of a fire agency. The entire county is included in the County EMS Agency's jurisdiction. The fire agencies in this study receive about 15,334 primary response calls a year for fire protection and EMS, about a third of all such calls in the County.

The special districts providing fire protection services cover about 1,497 square miles, almost half (45.6%) of the 3,281 square miles of land area of Monterey County. In addition, all Monterey County residents benefit from County Service Area 74 that provides countywide support for emergency medical services supplied by many participating agencies. As a group, special districts receive approximately \$47.4 million a year to provide fire and emergency medical services in unincorporated Monterey County. District comparisons are included in table form below, within this executive summary.

The Key Findings section within this Executive Summary highlights the report's most significant observations and conclusions. These findings were developed from LAFCO's research and from meetings with the fire and EMS agencies' representatives in 2019 and early 2020. The Executive Summary also includes a list of options for future consideration, and potential action, by the wider fire/EMS community, post-completion of this study. Implementation of these options for near-term and longer-term incremental improvements to fire protection and EMS is generally beyond LAFCO's scope. However, LAFCO could have an informational or other supporting role in assisting the further development of some of these options in the future.

This report also complies with State law for LAFCOs. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of the Spheres of Influence of all cities and districts in Monterey County (Government Code section 56425[e]). It also requires LAFCO to conduct a service review of municipal services before adopting sphere updates (Government Code section 56430). This report includes recommended determinations responding to these legal requirements. The Recommended LAFCO Actions section, immediately below, reflects these determinations.



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## REPORT OVERVIEW

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Interviews were conducted with officials from each of the agencies. During the interviews, there were common denominators of issues facing the agencies. There were also wide variations to the finances, staffing, and geographic areas served.

This study is intended to capture an overview of the complexities and the major issues that the fire and EMS agencies face in the unincorporated areas of Monterey County. Some of the issues could entail extensive additional research.

Fundamentally, as the financial underpinning of the fire districts, property tax revenues are mostly inadequate to properly fund most of the districts. This is largely due to Proposition 13 (passed in 1978) and subsequent tax allocation formulas. This has been identified as a foundational structural issue regarding consistent funding that requires action beyond the local level.

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## COVID-19

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During the preparation of this report, the COVID-19 pandemic is having a significant global impact as well as impacting all of the agencies. The pandemic is impacting virtually every aspect of the agencies' personnel, operations, finance, administration and governance. It will most certainly change the landscape of how the agencies do business and it remains to be seen what the new "normal" will be. From a practical perspective, much of what was prepared in this report did not contemplate those impacts since most of the data gathering predates the pandemic. Priorities will need to be adjusted accordingly and additional financial pressure will likely exacerbate some issues, which could have significant impacts to providing services.

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## RECOMMENDED LAFCO ACTIONS

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The Executive Officer recommends that the Commission consider and adopt a resolution:

1. Finding that the action is exempt from provisions of the California Environmental Quality Act (CEQA) as "information collection" under Section 15306 of the State CEQA Guidelines and based on the determination that this action does not have the potential for causing a significant effect on the environment (Section 15061(b)(3));
2. Adopting the 2020 Municipal Service Review for all thirteen special districts providing fire protection and emergency medical services in unincorporated Monterey County;
3. Removing the City of Greenfield from the Greenfield Fire Protection District's sphere of influence and affirming the currently adopted spheres of influence of the other special districts in the Study; and
4. Encouraging all parties in the wider fire/EMS community, and the County of Monterey, to consider and explore the ideas expressed in the Options for Consideration section at the end of this report's Executive Summary section, and to continue expanding existing partnerships and dialogues, as part of the ongoing effort to support and improve fire/EMS services in unincorporated Monterey County.

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## KEY FINDINGS

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1. Each agency is providing services within their respective jurisdictions. All of those interviewed reported being able to sustain services for at least another five years.
2. The range of possible LAFCO actions (consolidation, formation, dissolution, annexations, detachments) would not likely resolve long term structural funding problems faced by the fire protection agencies and are generally not being requested by the fire agencies as a means of addressing their funding difficulties.
3. 98% of residents in Monterey County live in a city or special district providing fire protection and EMS services. No major inhabited areas in the County are unserved.
4. Special districts providing fire protection and EMS services and volunteer fire companies in unincorporated Monterey County handled 15,334 incidents annually, including structural fires, wildland fires, emergency medical calls, traffic collisions, hazardous materials incidents and others.
5. Over the past 10 years, LAFCO has approved annexations to Cypress, Carmel Highlands, North Monterey County, Monterey County Regional, and South Monterey County Fire Protection Districts (FPDs), as well as other organizational changes such as detaching the City of Greenfield from the Greenfield FPD. Fire agencies and LAFCO find that current district boundaries and spheres of influence (SOIs) are appropriate, and LAFCO staff concurs with this finding. No changes to SOIs are being requested at this time with the exception that this study recommends that the City of Greenfield be removed from the Greenfield FPD's SOI.
6. Some agencies have struggled with financial sustainability largely because of a funding model based primarily on property tax, which has proven inadequate to support operations.
7. Fiscal health of the agencies varies widely, with the most financially secure agencies concentrated in the Peninsula area.
8. There is a significant financial gap between the cost of operations of primarily volunteer operations and the cost of career firefighter operations.
9. Cachagua and the fire companies on the coast have successful volunteer programs due to their grass roots level recruitment and community connection by their chiefs. However, funding for the primarily volunteer operations is inadequate for equipment and facility replacement. Cachagua and Mid-Coast reported utilizing surplus equipment from other agencies to be able to afford equipment.
10. None of the fire agencies reported having adopted service level standards related to response times or weight of a response. The County General Plan, however, has identified emergency response standards for fire and EMS.
11. The EMS Agency has expressed desire in modifying the countywide ambulance contract's service model. The local fire districts are concerned that any changes to the service model not adversely affect the agencies' services or revenues<sup>1</sup>. Several districts expressed the critical importance of receiving service from the closest ambulance. Further, some of the fire agencies expressed that there may be public models that may provide additional funding into the EMS system.
12. Longer fire seasons and more severe fires along with more people at risk due to growth raise the stakes for wild land fire exposure.
13. There are reportedly inconsistencies between agencies regarding approaches to fuel reduction/vegetation management and related approach to enforcement of clearance requirements.
14. Fire insurance providers have responded to larger, more destructive fires in recent years by dropping fire insurance coverage entirely or raising insurance rates significantly for homeowners and business

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<sup>1</sup> Section 6.2, Comments on the Administrative Draft includes a letter from the Monterey County EMS Agency dated June 8, 2020 commenting on this key finding.



owners in high fire risk areas. This has resulted in an acute need for property owners living in high risk areas to seek cost effective fire insurance solutions.

15. The County General Plan requires that a condition of development in the unincorporated area not currently in a fire district is annexation into a fire protection district or restriction of the deed to identify the lack of local fire protection. It is unclear if the policy is consistently implemented and a meeting to follow up is recommended.
16. Some fire protection districts may have difficulty replacing retiring tenured board members due to lack of population in the district, partly as a result of city annexations, which further reduce the remaining in-district population.
17. Continued and expanding growth of tourism, particularly along the Big Sur coast, is resulting in increased service calls for the volunteer fire brigades, as well as the Peninsula-area districts and districts that visitors travel through on their way to the coast.
18. The Mid-Coast volunteer brigade expressed interest in forming a fire protection district. The Big Sur volunteers wish to remain a volunteer organization.
19. Public Safety radio infrastructure costs have become overwhelming due, in part, to the advent of digital radios. Radio equipment life expectancy has been reduced and coverage diminished due to limited range of digital radios (compared to analog radios). The costs have risen sharply.
20. Monterey County Emergency Communications Department had twelve openings at the time of their interview and is constantly recruiting for qualified dispatch staff while their workload has continued to increase.



*Photo credit: Big Sur Volunteer Fire Brigade*

While LAFCO does not have the authority for implementation of the following options, the observations during the report data gathering process displayed some areas where improvements may be possible. The intent is to illustrate these items in hopes of facilitating the best possible service to the public.

**1. State Legislative Advocacy Options**

- a) Encourage County, local fire agencies, Fire Districts Association of California, Cal Chiefs, and California Special Districts Association (CSDA) legislative efforts to include support for funding for special districts that provide fire protection, including initiatives to increase property tax funding to a baseline level, and/or other revenue stream creation.
- b) Encourage County, local fire agencies, and CSDA legislative efforts to include support for improving the statewide fire insurance issue of dropped coverage and high premiums in high fire risk areas; efforts may include support for legislation that improves the State Department of Insurance's oversight of insurers.

**2. County-Level/Countywide Options**

- a) Consider developing a funding strategy countywide to augment fire protection: Benefit assessment, special tax, sales tax, Transient Occupancy Tax (TOT), property tax transfer. Could be countywide or assistance to individual districts. May include creation of countywide unincorporated area County Service Area (CSA) benefit assessment or parcel tax to fund existing FPDs.
- b) Support the ongoing coordination of the Fire Safe Council, fire agencies, California Department of Forestry and Fire Protection (CAL FIRE), County Resource Management Agency (RMA), and the Resource Conservation District in their efforts to conduct vegetation management and defensible space projects and inspections. Coordinate a review of existing laws, ordinances and regulations to determine if there are gaps and/or conflicts that should be addressed by a County ordinance regarding vegetation management and related environmental impacts.
- c) Encourage the fire agencies and County EMS to work collaboratively to research and explore various models for EMS delivery to develop an "outcome-based" system that maximizes alternate revenue sources in the best interest of the patient while recognizing existing fire agency resource deployment.<sup>2</sup>
- d) Conduct a summit/workshop of key leaders in the County and CAL FIRE to communicate key issues to various departments, including district boundaries (Office of Emergency Services (OES), Planning, Building, Communications, EMS, Fire). Outcome would be intended to assure departments have accurate information for interpretation of the General Plan regarding construction/development in areas without local fire protection.
- e) Facilitate a meeting of Monterey County staff that negotiates the Payment in Lieu of Taxes (PILT) payments and the fire protection agencies that provide local services on the Los Padres National Forest to seek Payment in Lieu of Taxes support from the federal government for the fire agencies.

**3. Local Fire Agency Options**

- a) When feasible, each fire agency is recommended to articulate a level of service approved by the agency's governing body. The purpose is to communicate the agency's abilities and limitations, given identified funding levels, which helps to give the public a choice regarding the service level they choose to fund.

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<sup>2</sup> Section 6.2 Comments on the Administrative Draft includes a letter from the Monterey County EMS Agency dated June 8, 2020 and an email from the Pebble Beach Community Services District dated June 9, 2020 commenting on this option for consideration.

- b) Consider expanding the use of city-district Memoranda of Agreement (MOAs) to allow special districts providing fire protection and EMS services to retain the “base” property tax for parcels that are annexed to a city (Example: Monterey County Regional and City of Salinas).
- c) Review existing automatic aid agreements to assure equity and appropriate response plans and update if necessary, including kind, type and quantity of resource commitment.
- d) The three special districts in the Salinas Valley (Gonzales, Soledad, Greenfield) all have sparse populations to draw from for board member recruitment as a result of city annexations. Consider consolidation while retaining the contracts with the cities in order to fill board member positions if board member recruitment becomes unsustainable.
- e) Fire districts to consider annexing adjoining unprotected areas including public lands and/or prepare service agreements with State and Federal agencies (if one doesn’t exist) to assure clear understanding of responsibilities, financial consideration, resource commitments, and liability protections.

#### **4. Communications-Specific Matters**

- a) Explore collaborative solutions among County Emergency Communications Department and the police, fire, and EMS stakeholders to address County Emergency Communications Department resource challenges such as staffing levels, backup center plan, call center facility space needs, and obtaining specialized Information Technology (IT) services and funds for communications equipment and technology.
- b) Support the continued efforts between the County Emergency Communications Dept. and CAL FIRE regarding the connection of the computer aided dispatch (CAD) systems. This will enhance call transfer times and accuracy, which improves overall communications and assists responders.
- c) Develop a strategic plan to replace and fund needed radio infrastructure for the fire radio system in coordination with the Monterey County Information Technology Department who oversees the Next Generation Emergency Network (NGEN) radio system.
- d) Assure policies and procedures are in place for interoperable radio communications between fire units and AMR ambulances, including appropriate command channel utilization. Conduct training on the procedures and assure follow up accountability, coordinating with Fire Communications and Ambulance Communications (AMR).
- e) Develop a more robust use of Geographic Information System (GIS) for purposes of emergency response, data collection and display of data and explore opportunities for the Monterey County IT Department’s GIS services to work with county fire agencies in collaborative and cost-effective ways.

#### **5. Big Sur and Mid-Coast Areas**

- a) Support collaborative efforts between Mid-Coast and Big Sur Volunteer Fire Brigades. Both organizations share similar values of service to the local community and maintain strong connections with community members and organizations.

Table ES-1						
ANNUAL PRIMARY RESPONSE CALLS FOR SERVICE FOR DISTRICTS PROVIDING FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES						
District	Estimated Area (Square Miles)	Estimated Population	ISO Public Protection Classification <sup>4</sup>	Total Staffing (Volunteers)	Number of Fire Stations	Annual Calls for Service
Aromas Tri-County FPD	17.3	5,800	4 / 4X	6.67 (0)	1	511
Cachagua FPD	108.0	1,000	9 / 10	21 (21)	2	121
Carmel Highlands FPD	9.3	1,075	2 / 9	13.3 (0)	1	204
Cypress FPD	11.4	7,600	2 / 9	16.8 (0)	2	1,731
Gonzales Rural FPD <sup>1</sup>	58.4	650	3 / 3X (5 in City)	18 (14)	1	840
Greenfield FPD <sup>2</sup>	43.2	700	5 / 10	28 (20)	1	1,573
Mission Soledad Rural FPD <sup>3</sup>	59.6	1,150	3 / 10 (4 in City)	6.5 (0)	1	1,442
Monterey Co. Regional FPD	399.6	38,350	3 / 10	77 (12)	7	3,579
Monterey Peninsula Airport District	0.8	N/A	2	12 (0)	1	172
North County FPD	122.9	42,000	4 / 10	37 (15)	3	3,437
Pebble Beach CSD	8.3	4,100	1	30.2 (0)	2	856
South Monterey Co FPD	637.2	4,600	8 / 10	36.6 (35)	4	455
Big Sur Volunteer Fire Brigade	254.0	4,350	8 / 10	29 (29)	3	303
Mid Coast Volunteer Fire Brigade	41.0	270	5 / 7B	16 (16)	1	110
County Service Area 74 (EMS)	3,771.0	433,000	N/A	N/A	N/A	37,023

**Data Sources:**

- Estimated Area: LAFCO district maps and Monterey County GIS system
- Estimated Population: 2010 U. S. Census data, updated where recent estimates are available or rounded up by approximately 5% to reflect incremental growth since 2010 where post-2010 updates are not available
- ISO Rating: As provided by the Districts
- Annual Calls for Service: As provided by the Districts and Monterey County Emergency Communications Department, information from 2018 and 2019

<sup>1,2,3</sup> The County does not list calls separately for: 1) the City of Gonzales and the Gonzales Rural FPD, 2) the City of Soledad and the Mission Soledad Rural FPD, and 3) the City of Greenfield and Greenfield FPD. Therefore, the total call volume for the City and its corresponding contracted service area FPD are shown for each.

<sup>4</sup> The ISO Public Protection Classification, or ISO Rating, is issued by the Insurance Services Office, Inc. ISO's Rating gauges the capability of a fire agency to respond to structure fires. ISO collects information on a community's public fire protection and analyzes the data using a fire suppression rating schedule. ISO then assigns a Rating from 1 to 10, with "1" representing the best protection and "10" indicating no recognized protection. A rural area often receives a lower rating than an urban area due to the longer response times and a scarcity of fire hydrants. Insurance companies use ISO Ratings as a basis for determining property insurance rates. If the listing shows two numbers, unless otherwise noted, the first number is for properties with a credible source of water (usually hydrants) and within 5 road miles of a fire station, and the second number is for properties without a credible source of water.

**Notes:**

This table only lists calls referred to the primary response jurisdiction. Additional calls are referred for mutual and automatic aid.

The population estimated for Aromas Tri-County FPD is for the entire district, which is within the boundaries of San Benito and Santa Cruz Counties, as well as Monterey County.

The estimated area for the Monterey Peninsula Airport District is the area of the District's airport, where it has firefighting responsibilities, not the area of the entire district.

**Table ES-2**  
**ANNUAL REVENUE, FUND BALANCE, AND POPULATION OF DISTRICTS PROVIDING FIRE PROTECTION/EMERGENCY MEDICAL SERVICES**

District	Time Period	a. Annual Revenue	b. Fund Balance	c. Fund Balance as a Percent of Annual Revenue ("b/a")	d. Assessed Valuation (FY 18-19)	e. Estimated Population	f. Per Capita Annual Revenue ("a/e")	f. Average Portion of County 1% Property Tax
Aromas Tri-County FPD <sup>1</sup>	FY 2017-18	\$1,623,930	\$1,549,100	95%	\$977,778,014	5,800	\$280	14¢/\$1
Cachagua FPD	FY 2017-18	\$108,894	\$427,092	392%	\$284,080,239	1,000	\$109	0¢/\$1
Carmel Highlands FPD	FY 2017-18	\$3,297,484	\$4,517,332	137%	\$1,377,140,289	1,075	\$3,067	25¢/\$1
Cypress FPD	FY 2017-18	\$5,406,946	\$9,132,478	169%	\$4,313,475,902	7,600	\$711	15¢/\$1
Gonzales Rural FPD	FY 2018-19	\$221,698	\$3,954	2%	\$1,075,603,691	650	\$341	15¢/\$1
Greenfield FPD	FY 2017-18	\$1,002,218	\$133,913	13%	\$281,291,571	700	\$1,432	3¢/\$1
Mission Soledad Rural FPD	FY 2017-18	\$236,320	\$93,315	39%	\$1,671,227,798	1,150	\$205	8¢/\$1
Monterey Co. Regional FPD	FY 2018-19	\$17,760,083	\$5,741,934	32%	\$11,136,715,714	38,350	\$463	13¢/\$1
Monterey Pen. Airport Dist. <sup>2</sup>	FY 2018-19	\$2,331,273	\$5,269,056	226%	N/A	N/A	N/A	N/A
North County FPD	FY 2018-19	\$6,675,392	\$1,178,552	18%	\$4,420,805,779	42,000	\$159	9¢/\$1
Pebble Beach CSD <sup>3</sup>	FY 2018-19	\$6,331,670	\$7,326,548	116%	\$6,813,639,438	4,100	\$1,544	9¢/\$1
South Monterey Co. FPD <sup>4</sup>	FY 2016-17	\$662,965	\$1,426,927	215%	\$2,205,727,576	4,600	\$144	1¢/\$1
Big Sur Volunteer Fire Brigade <sup>5</sup>	2018	\$570,788	\$3,012,489	528%	\$599,022,353	4,350	\$131	N/A
Mid Coast Volunteer Fire Brigade <sup>6</sup>	2018	\$151,791	\$313,612	207%	\$279,557,354	270	\$562	N/A
County Service Area 74 (EMS) <sup>7</sup>	FY 2019-20	\$1,737,000	\$3,299,253	190%	\$69,460,992,190	433,000	\$4	N/A

Data Sources:

- Annual Revenue and Fund Balance: District audits and budgets, unless as otherwise noted below.
- Estimated Population: Estimated Population: 2010 U. S. Census data, updated where recent estimates are available or rounded up by approximately 5% to reflect incremental growth since 2010 where post-2010 updates are not available
- Average Portion of County 1% Property Tax Received: Data from the County of Monterey Auditor-Controller's Office.

<sup>1</sup> The population estimated is for the entire district, which is within the boundaries of San Benito and Santa Cruz Counties, as well as Monterey County.

<sup>2</sup> The amount listed under Annual Revenue for the Monterey Peninsula Airport District is Operating Funds expended for the District's Fire Department; Fund Balance is "Unrestricted Reserve Balances," which are not for fire services only.

<sup>3</sup> The amount listed under Annual Revenue for the Pebble Beach CSD is the amount of General Fund monies expended for fire protection; Fund Balance is General Government Services Fund Balance.

<sup>4</sup> For South Monterey County FPD, the 2016-17 audit was used since it contained the most recent information on revenues, expenditures, and fund balances. The District prepares audits on a biennial basis.

<sup>5</sup> The Brigade's financial information was obtained from its annual IRS form 990 filings, which are submitted on a calendar year basis.

<sup>6</sup> The Brigade's financial information was obtained from its annual IRS form 990 filings, which are submitted on a calendar year basis.

<sup>7</sup> The amount listed under Annual Revenue is the amount budgeted, the amount listed under Fund Balance reported in the County's FY 19-20 budget for CSA 74, as of June 2019.

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