

General Questions

Why are we pursuing transferring fire service?

The City, currently in bankruptcy, is unable to pay for the costs associated with providing services at the level and quality that are required for the health, safety and welfare of the community. In the last two years, the San Bernardino City Fire Department (City Fire) shut down two fire stations to adhere to budget cuts. Financial instability continues to hinder employee recruitment and retention efforts. There are currently 17 vacant positions in fire suppression alone. There is an estimated \$13 million in overdue rehabilitation and replacement of apparatus, equipment and facilities. In addition, future capital improvement needs and growing long-term pension costs make it impossible to fund the department without cutting budgets for police, public works and parks.

Public safety and overall street maintenance are basic building blocks of any community. It impacts property values, people's decisions of where to raise their families, businesses' decisions to stay or open new locations and a community's overall well-being. To rebuild San Bernardino, cost-efficient and effective public safety and overall maintenance need to be restored.

In May 2015, the Federal Bankruptcy Court required the City to submit a Plan of Adjustment (Plan) document which outlines how the City will aim to become service and fiscally solvent. The City's Plan includes measures to restructure its debt, find alternative service delivery methods, generate new revenue, and direct funds to infrastructure and restore services needed to rebuild the City. To restore fire service and emergency medical response, the City evaluated transferring the service to a private company and other public agencies. This approach was expected to also eliminate **new** pension obligation costs.

How was County Fire selected?

As the City sought alternative service delivery options to restore fire service levels and eliminate new costly pension obligations, a request for proposals were sent to fire service entities. The proposals received were vetted by Citygate, an independent consultant firm specializing in fire service analysis. According to [Citygate's analysis](#), the San Bernardino County Fire Protection District (County Fire) provided the best service proposal. County Fire's proposal was expected to allow the City to take advantage of County Fire's substantial economies of scale and restore service levels.

On August 24, 2015, the City Manager's office presented Citygate's findings and recommended County Fire to the Common Council. That night, after hearing public comment, the Common Council approved moving forward with County Fire's proposal which included filing for annexation. County Fire will absorb all future fire service responsibilities and liabilities except for legacy costs (existing pension obligations and items that cannot be legally transferred). The service is estimated to cost \$31.4 million.

What is annexation?

Definition: Annexation [an-ik-sey-shuh n, -ek-], noun - the act or an instance of annexing, or adding to something larger, especially the incorporation of new territory into the domain of a city, country, or state.

In this particular case, the City is annexing a service territory into the domain of the San Bernardino County Fire Protection District's Valley Zone and Service Zone FP-5. This provides County Fire the legal authority and obligation to provide fire and emergency medical services to the City of San Bernardino.

Why annex into the San Bernardino County Fire Protection District’s Valley Service Zone and Service Zone FP-5?

Annexation is required for County Fire to provide fire and emergency medical services to the City. By annexing, County Fire will absorb all responsibilities and future liabilities associated with providing the proper public safety service levels to the community. The Valley Service Zone gives the City access to existing stations and additional personnel. It also requires that dispatch services be transferred to the joint powers authority known as Consolidated Fire Agencies (CONFIRE). Service Zone FP-5 is a special tax zone for funding fire protection and emergency medical response services. The annual special tax to parcel owners will supplement some of the fire service costs.

Once the transfer of service is complete, it will immediately:

- Add two (2) existing County fire stations, Muscoy and Devore, to the service area
- Fill 17 current vacant positions (City has 114 budgeted/only 97 filled)
- Tap into the County’s specialized resources such as, its Type III incident management team which was used during the December 2 attacks. (provided for the successful on-going response and mitigation of the incident)
- Centralize dispatch services through CONFIRE, who is directly connected to surrounding cities, which may cut down on response times
- Allow County Fire to begin to address the \$13 million deferred maintenance to stations and equipment
- Entrust fire, rescue and EMS to County Fire, who has a strong service reputation and the financial stability to sustain service during economic challenges
- Offer comparable employment opportunities to existing City Fire employees who already know the City’s hot spots
- Exempt residential property owners from the existing Verdemon CFD 1033 tax

For nearly the same cost of our City Fire, County Fire provides more specialized services and access to more equipment and resources.

| Service/Equipment/Item | City Fire | County Fire |
|---|-----------------|-----------------------|
| Budget - total | \$31 million | \$31.4 million |
| Service and Staffing Plan* | 125 (19 vacant) | 128.59 |
| A. Fire Suppression Personnel | 114 (17 vacant) | 117.73 |
| B. Fire Prevention Personnel | 8 (2 vacant) | 8 |
| C. Deputy Fire Marshall/Fire Marshall Personnel | 1 | 1 |
| D. Office Assistant/Staff Analyst | 2 | 1.86 |
| Capital Replacement Fund | | \$1.83 million / year |
| 1. Incident Response | | |
| A. Fire Suppression | Yes | Yes |
| a. Ladder trucks | Yes | Yes |
| b. Water Tenders | No | Yes |
| c. Elevated stream operations | Yes | Yes |
| d. Fire boats for water rescues | No | Yes |
| e. Snow cats for winter operations | No | Yes |
| f. Heavy equipment dozers and front-loaders for flooding and earth moving | No | Yes |

| Service/Equipment/Item | City Fire | County Fire |
|---|-------------------|---|
| g. Hand crews | No | Yes |
| B. Emergency Medical Response | Yes | Yes |
| a. Ambulance transportation | No | Yes – in seven areas |
| b. Automatic External Defibrillator (AED) program | Yes - limited | Yes - extensive |
| c. Paramedics on engines and ambulances | Yes – engines | Yes |
| d. Large incident command and control capability | Yes | Yes |
| C. Hazardous Material Response | Yes | Yes |
| a. Registered Environmental Health Specialists trained at the State of CA Hazardous Materials Specialist level | Yes - 1 | Yes – 10 |
| b. Type II Hazardous Material Response Units | No | Yes – two (2) West Valley and North Desert – each staffed with 36 Special Level members |
| c. Decontamination Trailers | Yes - 1 | Yes - 5 |
| D. Rescue Operations | Yes | Yes |
| a. One of California’s largest Office of Emergency Services (OES) Urban Search and Rescue (USAR) <ul style="list-style-type: none"> i. Multi-hazard discipline for emergencies such as earthquakes, storms, floods, dam failures, terrorist activities and hazardous material releases | No | Yes |
| b. Heavy Rescues | Yes - 1 | Yes - 3 |
| c. Medium Rescues | No | Yes - 1 |
| d. Certified Regional Taskforce for USAR (RTF-6) | No | Yes |
| e. “Heavy” Type I response capability | Yes - 10 | Yes - 70 |
| f. Swift-water rescue, over-the-side rescue and others technical rescues | Yes | Yes |
| g. Active on the Terrorism Early Warning Group, Terrorism Oversight Committee and Bio-Terrorism Operations Committee | No | Yes |
| E. Mass-casualty Incident Response | Yes – Duffle bags | Yes – 11 trailers |
| F. Arson Investigation Services personnel | Yes – 2 | Yes - 6 |
| G. Major Disaster Response | Yes | Yes |
| H. Confined-space Operations | Yes – Limited | Yes |
| 2. Fire Prevention | | |
| A. Pre-development planning | Yes | Yes |
| B. Plan submittal review | Yes | Yes |
| C. Development inspection | Yes | Yes |

| Service/Equipment/Item | City Fire | County Fire |
|---|----------------------------|---------------------------------|
| D. Post Occupancy Inspections | Yes | Yes |
| a. Pre-fire planning | Yes | Yes |
| b. Permit inspection and permit issuance | Yes | Yes |
| c. New business review | Yes | Yes |
| E. Weed Abatement | Yes – Wildland inspections | Yes – with Code Enforcement |
| F. Fire Investigations | Yes - Limited | Yes - 24 hours per day |
| G. Public Education | Yes | Yes – Community Safety Division |
| H. Special Event Unit | Yes – no specific unit | Yes |
| 3. Dispatch/Communications | Local | CONFIRE JPA (regional) |
| A. Automatic Vehicle Locators – all units | Yes | Yes |
| B. Mobile Data Computer – all units | Yes | Yes |
| C. WiFi hotspots – all units | Yes | Yes |
| D. Certified Medical Priority Dispatch System | Yes | Yes |

*Excludes Dispatch which will be transferred to CONFIRE and fleet personnel being absorbed by County.

What is the annexation application process?

Transferring fire service to County Fire requires joint application from City and County Fire requesting annexation into its Valley Service Zone, which gives the City access to existing stations and additional personnel, and Service Zone FP-5, a special tax zone for funding fire protection and emergency medical response services. The annual special tax to parcel owners will supplement some of the fire service costs. The process provides a 45-day protest period for San Bernardino City registered voters and parcel owners which ends on April 21, 2016.

The annexation process requires the City and County Fire to file a joint [application](#) to the [Local Agency Formation Commission \(LAFCO\)](#). LAFCO is the governing body that evaluates and approves requests for annexation. On January 27, 2016, LAFCO held a [public hearing](#) to discuss LAFCO’s [staff recommendation](#) to accept the joint annexation application. The hearing aired live on the City’s government channel and may be [viewed online](#). The application, including County Fire’s proposed [service plan](#), was approved unanimously by the LAFCO board.

LAFCO manages the process of annexation which includes notifying the public of hearings and the proposed changes. They send notifications via mail, place newspaper ads and posts the information on their website, www.sbclafco.org. Any questions regarding the proposed changes should be directed to LAFCO at (909) 388-0480 or via email to lafco@lafco.sbcounty.gov.

How will this impact the City’s plan to exit bankruptcy?

Annexation is a major component of the Plan of Adjustment (Plan). Providing an alternative service method that is cost-efficient and effective is vital to the City’s Plan of Adjustment which includes a 20-year financial model. Not annexing will jeopardize the Plan, which includes settlements reached with multiple creditors.

For example, the [global settlement](#) reached with the San Bernardino City Fire Union in February settling an estimated \$40 million in potential claims is contingent on annexation. The agreement brings stability to the workforce as it guarantees comparable County Fire employment opportunities to current City Fire employees.

What is required for annexation to County Fire?

County Fire requires the City to annex into County Fire’s Valley Service Zone and Service Zone FP-5. Service Zone FP-5 is a special tax zone for funding fire protection and emergency medical response services. Due to the annual special tax condition, a 45-day protest period has been set for parcel owners and City of San Bernardino registered voters. The protest period will end on April 21, 2016 at a formal LAFCO Protest Hearing.

To learn more about annexation and the special tax, please call LAFCO at (909) 388-0480 or send an email to lafoo@lafco.sbcounty.gov.

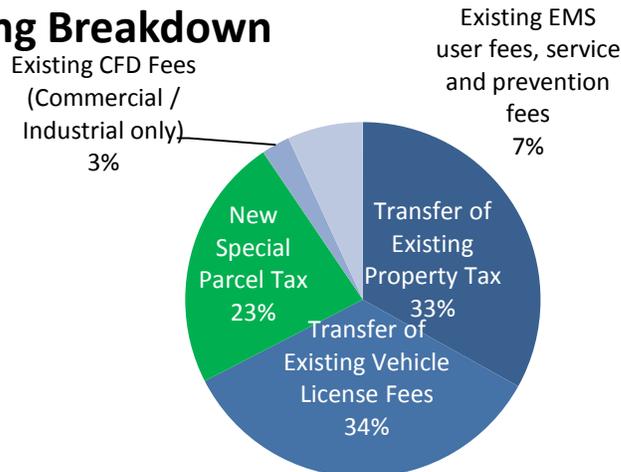
How will the new service be funded?

A combination of tax dollars and other fees will fund the \$31.4 million fire service.

To guarantee funding, the City is required to transfer revenue from property taxes and 35 percent of its Vehicle Registration Fees to County Fire. This will provide \$21.6 million towards fire services within the City footprint. The remaining dollars needed will come from the existing Verdemont Community Facilities District #1033 (CFD 1033) revenues (commercial and industrial property only), service fees, and the new Service Zone FP-5 annual special tax.

| Source | Type | Estimated Amount |
|---|--|------------------|
| Property Tax | Transfer to County Fire | \$10.6 million |
| Vehicle License Fees | Transfer (35%) to County Fire | \$11 million |
| Commercial and Industrial CFD fees (Verdemont area) | Transfer to County Fire | \$830,000 |
| EMS user fees, service and prevention fees | Transfer to County Fire | \$2.2 million |
| Service Zone FP-5 special tax | New annual special tax per parcel levied and collected by the Fire Protection District | \$7.4 million |
| Total | Excess will go to establish a 10% reserve | \$32 million |

Funding Breakdown



Annexation Questions***What is LAFCO and why am I receiving notices from its office?***

The Local Agency Formation Commission (LAFCO) for San Bernardino County is the governing body that evaluates and approves requests for annexations. It holds public hearings on the third Wednesday of the month and sends out information surrounding public hearings for requests for annexation. Information on the City's proposed annexation can be found on the LAFCO website:

<http://www.sbclafco.org/Proposals/ProposalsAvailable/SignificantProposals/LAFCO3198.aspx>

Its office is located at 215 North D Street, Suite 204, San Bernardino, CA 92415. If you have any questions regarding the proposal, please contact the LAFCO office at (909) 388-0480 or by email at lafco@lafco.sbcounty.gov.

Why not contract fire services to County Fire instead of annexing?

Contracting the service to County Fire was not an option as the City's finances are too unstable to ensure the funding necessary to provide proper fire and emergency medical services.

Why not keep our own fire department?

There are multiple reasons.

- In the last two years, City Fire shut down two fire stations to adhere to budget cuts.
- Financial instability hinders employee recruitment and retention efforts.
- The Fire Union supports the annexation because of the stability and resources offered by County Fire. All City Fire employees will have comparable employment opportunities with County Fire.
- Future capital replacement needs and growing long-term pension costs make it impossible to fund the department without cutting budgets for police, street maintenance and parks.
- Inability to generate sufficient revenue to pay \$13 million to bring stations and equipment up-to-date.

Annual Special Tax Questions***Why am I being subject to an annual special tax?***

Annexing into the Service Zone FP-5 comes with an annual special tax for funding fire protection and emergency medical response services. Due to the annual special tax condition, a 45-day protest period has been set for parcel owners and City of San Bernardino registered voters. The protest period will end on April 21, 2016 at a formal LAFCO Protest Hearing.

To learn more about annexation and the special tax, please call LAFCO at (909) 388-0480 or send an email to lafco@lafco.sbcounty.gov.

What are the details surrounding the annual special tax?

The current annual special tax for property within the Service Zone FP-5 is \$143.92 per parcel for Fiscal Year 2015-16. The tax includes an annual inflationary factor (up to a maximum of 3 percent). If the maximum 3 percent increase is applied for Fiscal Year 2016-17, the annual special tax will be \$148.24.

The Service Zone FP-5 annual special tax will be administered through the County Assessor's Office and will appear on your standard tax bill.

For more detailed information, please call the LAFCO office at 909-388-0480 or email lafco@lafco.sbcounty.gov.

How do I know that my annual special tax dollars are going to this service and not anywhere else?

LAFCO is requiring County Fire to create a subzone within the Valley Service Zone dedicated only to the City of San Bernardino. This will ensure that all dollars collected and spent fall within the City footprint. County Fire will publish all budget information online for the community to view.

I own residential property in the Verdemon area and currently pay the CFD 1033 tax. Will I be double taxed?

No. County Fire will exempt all residential properties previously assessed the CFD 1033. However, residential parcel owners will be subject to pay the annual Service Zone FP-5 annual special tax. The CFD 1033 tax will continue to be assessed on commercial, retail, office and industrial properties as specified in the City's resolution #2004-210. All transactions utilizing these funds shall be accounted for and described in the annual audit and/or comprehensive financial reports recognizing CFD 1033.

Can I protest moving fire services to County Fire and the annual special tax?

Yes. Any registered voter or owner of land within the territory proposed to be annexed may file an official protest.

Can I protest just the annual special tax?

No. By submitting an official protest you agree to protest **all** conditions of annexation, including rejecting County Fire services.

How do I file a protest?

All protests must be made in writing and submitted to the LAFCO office prior to the conclusion of the Protest Hearing. The written protest must be signed and dated during the official 45-day protest period, which begins on March 7, 2016 and ends on April 21, 2016, at the close of the Protest Hearing.

Protest forms are available from LAFCO's website homepage at <http://sbclaifco.org>.

- Protest Period: March 7 – April 21, 2016
- Protest Hearing Date and Time: Thursday, April 21, 2016 at 1:00 p.m.
- Protest Hearing Location: Norman F. Feldheym Central Library, Bing Wong Auditorium – 555 West 6th Street, San Bernardino, CA 92410

Service Questions

What will County Fire assume through the annexation?

County Fire will assume fire suppression and emergency medical services, which includes complete assumption of fire, rescue, and EMS services. This also includes all rights, duties, responsibilities, properties (both real and personal "as-is" condition), contracts, equipment, assets, liabilities, obligations,

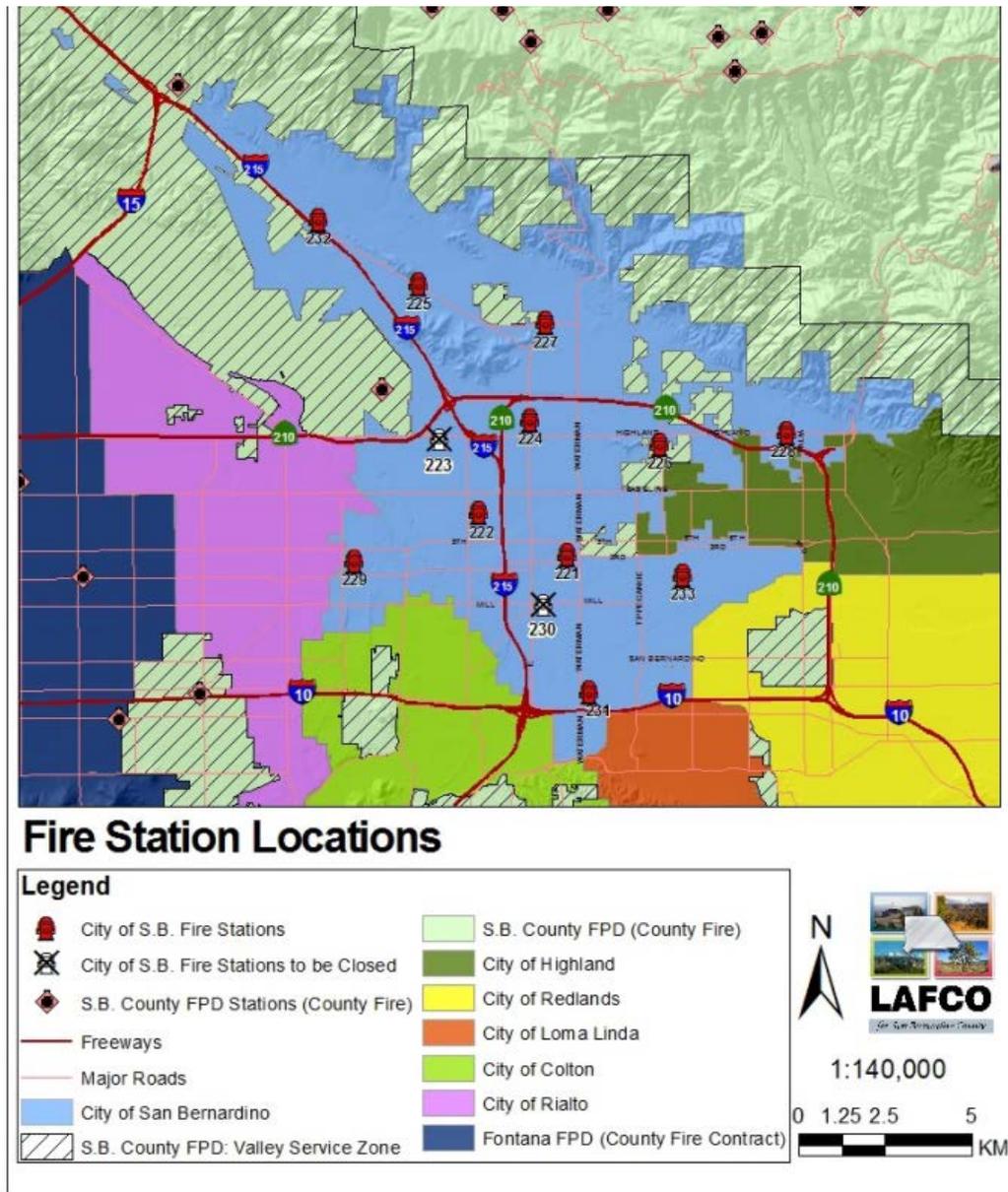
functions, executory provisions, entitlement, permits and approvals of the City of San Bernardino Fire Department (City Fire).

Will I get better fire service?

Yes. Due to County Fire's economies of scale, more stations nearby can provide faster response times and assist City units during high call volume.

Currently, County Fire operates and services 70 fire stations serving 750,000 citizens across 16,535 square miles (unincorporated and seven incorporated cities: Adelanto, Fontana, Grand Terrace, Hesperia, Needles, Victorville, and Yucca Valley).

Here are the proposed fire station locations:



What happens to the City’s firefighters?

All current City Fire employees (suppression, prevention, and administrative) will transfer to County Fire with comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights and become subject to the terms and conditions set forth in County Fire’s Plan for Service.

Current City Fire dispatch employees will transfer to the joint powers authority known as Consolidated Fire Agencies (CONFIRE).

What happens to the City’s equipment and fire stations?

Most will be transferred to County Fire. The City will retain Fire Station 223 that closed during budget cuts. County Fire Station 75 in Muscoy will assist in serving the area surrounding Station 223.

Here is County Fire’s **proposed** station equipment and staffing configuration:

| Station | Equipment | Personnel |
|---|------------------------|---|
| 221 – 200 E. 3rd St. | Engine Truck | 3 – Captain, Engineer, Firefighter/Paramedic 3 – Captain, Engineer, Firefighter/Paramedic |
| 222 – 1201 W. 9th St. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 224 – 2641 N. E St. | Engine Truck | 3 – Captain, Engineer, Firefighter/Paramedic 3 – Captain, Engineer, Firefighter/Paramedic |
| 225 – 1640 W. Kendall Dr. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 226 – 1920 N. Del Rosa Ave. | Engine Squad | 3 – Captain, Engineer, Firefighter/Paramedic 2 – Firefighter/Paramedic, Firefighter |
| 227 – 282 W. 40th St. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 228 – 3398 E. Highland Ave. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 229 – 202 N. Meridian Ave. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 231 – 450 E. Vanderbilt Dr. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |
| 232 – 6065 Palm Ave. | Engine | 3 – Captain, Engineer, Firefighter/Paramedic |

Is County Fire offering anything new to the station configuration?

Yes, a new squad unit. A two-person squad unit may respond to low-severity medical aid calls (A and B level) without an engine company. This approach accomplishes two goals: (1) ensures a response and (2) keeps the engine companies available for the higher-level calls. County Fire proposes to serve the City with one squad in the core of the City to run the A and B level calls.

What liabilities will the City retain after annexation?

The City is expected to continue to be responsible for approximately \$2.4 million per year in unfunded liabilities. This includes retirement obligations under California Public Employees Retirement Systems (CalPERS) and other pension benefit liabilities (OPEBs) such as health insurance maintenance, payments or other contractual obligations.

Debt obligations associated with City Fire shall be either paid in full prior to annexation or assigned to County Fire.

What is the expected timeline?

| Date | Item |
|-----------------------|---|
| May 18, 2015 | Common Council approved the Plan of Adjustment that is the City's roadmap to exiting bankruptcy. The cornerstone of the plan was to contract out fire and emergency medical response services to either a private or public entity. |
| May 30, 2015 | City submitted the approved Plan of Adjustment to the Federal Bankruptcy Court. |
| Aug. 24, 2015 | Common Council approved to file an application with LAFCO for annexation. |
| Sept. 21, 2015 | LAFCO circulated Notice of Filing, commencing the review process. |
| Dec. 16, 2015 | Revised Plan of Service submitted to LAFCO for review. |
| Jan. 27, 2016 | LAFCO held public hearing; board approved City's and County Fire's Plan of Service for annexation. |
| Feb. 16, 2016 | Common Council gave City Manager approval to meet LAFCO conditions. |
| Feb. 26, 2016 | 30-day reconsideration period closed. |
| Mar. 4, 2016 | Common Council adopted tax transfer / Vehicle License Fee (VLF) swap agreement. |
| Mar. 7, 2016 | LAFCO individually noticed 42,783 landowners and legally noticed 67,833 registered voters. Protest vote 45-day period opens. |
| Apr. 21, 2016 | LAFCO to hold Protest Hearing; protest period closes. |
| July 1, 2016 | Service to start with County Fire. |