

BOARD MEETING AGENDA SUBMITTAL

TO:	GCSD Board of Directors		
FROM:	Peter Kampa, General Manager		
DATE:	October 10, 2023		
SUBJECT:	Agenda Item 6A: Adoption of a Resolution Authorizing the General Manager to Issue a Request for Proposal for Analysis and Development of a Fire Department Revenue Measure(s) Intended to Provide Revenue to Maintain and Improve Fire Services Within the District		

RECOMMENDED ACTION:

Staff recommends the following action: I move to adopt Resolution 44-2023 Authorizing the General Manager to Issue a Request for Proposal for Analysis and Development of a Fire Department Revenue Measure(s) Intended to Maintain and Improve Fire Services Within the District.

BACKGROUND:

Once again at our September 12th, 2023, the board thoroughly discussed our structural fire department budget deficit, and subsequently directed staff to initiate a process to secure a professional consultant to evaluate our options for some type of revenue measure to be voted on by registered voters and or property owners, to allow the fire department to remain staffed and critical equipment to be replaced when needed. We have attached as additional background documentation the agenda submittal from last month's board meeting and agenda item regarding this matter.

The purpose of this agenda item is for the board to consider approval of the request for proposal and authorize for it to be publicly distributed. In particular staff would like to ensure that we are in alignment with the board on the expectations for this critically important work and therefore we ask for your focus on the scope and schedule of work, as well as the proposal evaluation criteria contained in the request for proposals (RFP).

What is unique about an RFP is, rather than telling the consultant exactly which way to go in terms of a special tax or property assessment, in this process we are allowing professional consultants to propose an approach and scope of work that <u>they</u> believe will accomplish the objectives of the district.

ATTACHMENTS:

- 1. Resolution 44-2023
- 2. September 12th, 2023, board meeting agenda submittal regarding fire department funding

3. Request for Proposals

FINANCIAL IMPACT:

Other than staff and Board time in review of proposals, there is no direct cost at this step of the process. Once proposals are received and consultant contracts negotiated, we will then be able to inform the board of the fiscal impact of the work. We have budgeted \$40,000 in the current fiscal year for the work.

RESOLUTION 44-2023

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO ISSUE A REQUEST FOR PROPOSAL FOR ANALYSIS AND DEVELOPMENT OF A FIRE DEPARTMENT REVENUE MEASURE(S) INTENDED TO PROVIDE REVENUE TO MAINTAIN AND IMPROVE FIRE SERVICES WITHIN THE DISTRICT

WHEREAS, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the district has identified a serious funding shortfall in its fire department budget; and

WHEREAS, if allowed to continue, this budget shortfall will result in the inability to fund the Schedule A Cooperative Fire Protection agreement with CAL FIRE by the 25/26 fiscal year; and

WHEREAS, the district desires to contract with a professional municipal finance consultant for the purpose of evaluating options for increasing fire department revenue, and establishing either a special tax and/or property assessment proposal to be brought before the voters in 2024; and

WHEREAS, the first step in securing the right professional consultant for this work is to issue a request for proposals; and

WHEREAS, a request for proposals has been prepared and is attached hereto.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY adopt Resolution 44-2023 Authorizing the General Manager to Issue a Request for Proposal for Support of Emergency Response and Fire Protection Services Revenue Measure.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 10, 2023, by the following vote:

AYES: NOES: ABSTAIN: ABSENT APPROVE:

Nancy Mora, Board President

ATTEST:

Rachel Pearlman, Board Secretary

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 10, 2023. DATED: _____



BOARD MEETING AGENDA SUBMITTAL

TO:	GCSD Board of Directors	
FROM:	Peter Kampa, General Manager	
DATE:	September 12, 2023	
SUBJECT:	Agenda Item 6C:Consideration of Fire Department FundingOptions and the Associated Processes and Schedules, IncludingAssessments, Special Taxes and Fees	

RECOMMENDED ACTION:

Staff recommends the following action: Provide direction to staff to secure a proposal(s) from qualified consultants for the development of the desired fire revenue measure(s) and supporting processes and schedules, to be considered by the Board at a future meeting.

BACKGROUND:

Since 2019, the board has been regularly discussing the financial shortfalls of the district fire department, including the fact that the cost of the CalFire Schedule A contract alone exceeds the total amount of property tax revenue received on an annual basis; not including any department operating costs, administrative costs or equipment replacement. Had it not been for several drought years where the district was not charged by Cal Fire to keep the Amador station open during the winter, the GCSD fire department fund balance would likely have been depleted by this time.

In our favor, the cost of the Schedule A contract came in under budget for all years but last year and the county has funded an engine Co-located in our fire station. This has resulted in an estimated fire department cash balance adequate to fund the fire department for up to the next two years only. This two years of funding assumes that there are no breakdowns of major equipment, such as having to replace a fire engine. Operating the Groveland fire department to its last dime is an extremely risky proposition and we must plan our financial future now.

As you will remember, in 2019 the district began down the road of preparing a special tax measure to be voted on by registered voters within our district boundaries, and then choose to form a joint powers authority with the county to submit a countrywide ballot measure to fund fire departments. Unfortunately, the countywide Measure V failed, and no additional

funding has been made available to GCSD for its fire department. As we have also discussed continuously, we are operating the fire department with the minimum amount of staffing on an engine and reducing the cost of the Schedule A contract is not possible, in fact that cost is increasing over 5% per year in the coming years. We'll need to have an increase in fire department revenue by the end of the 2024/2025 fiscal year. The purpose of this discussion is to secure board direction on our next steps to increase revenue for the fire department.

Following are several options to increase fire department revenue:

1. **Cost recovery fees** – Charged for responding First Responder Fee (Medical, Non-Resident)

The principal rationale for a First Responder Fee is that County Fire services have expanded beyond traditional fire suppression activities that are generally supported by property taxes. In recent years fire department operations have changed from pure fire suppression to also medical services, which has shifted the balance for financing these services from primarily property related taxes to a combination of property taxes and user fees. Fees for first responder medical fees could be charged to insurance companies of patients who are treated or evaluated by GCSD Firefighters for medical services.

The revenue/reimbursement for services provided by this fee would have to be closely evaluated to determine if the administrative cost of seeking reimbursement would outweigh the costs recovered. Response to structure and vehicle fires should also be evaluated. Many insurance companies include reimbursement to fire departments for response and fire protection activities related to a loss. A municipal finance consultant would be needed to evaluate the potential for increasing revenue by charging response fees.

2. Fire Parcel Benefit Assessment/Fire Parcel Tax

A **Fire Parcel Benefit Assessment** is a set fee that assesses a parcel annually, based upon established criteria (a specific benefit to the fee payers) and would be used exclusively to fund local GCSD Fire operations. A parcel assessment requires a simple majority plus one and is voted on by the property owners. One of the requirements of a parcel benefit assessment is the creation of an engineer's report on an annual basis. This report provides detailed analysis of the direct benefit received in relation to the revenue generated. One of the drawbacks of a parcel assessment is that it can be easily repealed with a simple majority.

A **Fire Parcel (Special) Tax** is a tax that assesses a parcel annually, based upon established criteria, and would be used exclusively to fund local GCSD Fire operations. This tax requires 2/3 majority of registered voters. No engineer's report is required; however, GCSD

Fire would keep the Board and public informed of how the funds are utilized on a frequent basis.

The Fire Parcel Benefit Assessment and/or Fire Parcel Tax could be a simple flat rate per parcel per year or it could be assessed only on those improved parcels that contain a structure. Another option includes breaking down parcels into different rates for different types-Residential, Multi-Family Residential, Commercial/Industrial, Mobile Home/Trailer Parks, Agricultural Land, Vacant Land, Agricultural Buildings, Hotel/Motels. Generally, special taxes also increase by a standard rate each year, often tied to a CPI or flat percentage increase. Court decisions and state law tend to favor assessment/tax structures based on land use type and building square feet.

Many local fire districts and governmental entities utilize parcel special taxes, assessments, and fees for fire, including Twain Harte Community Services District, Mi Wuk Sugar Pine Fire Protection District, Ebbets Pass Fire Protection District, Stanislaus County, Mariposa County, Calaveras County and Mono County.

3. Development mitigation/impact fees

Fees charged to new land development projects or building projects to offset the cost of providing fire services to new development, including purchasing additional engines and building new fire stations or expanding existing. The District has completed an impact fee study and adopted a fee, which was to be collected by the county on development, and paid to the GCSD. However, within months after the Board approved the fee, the law changed and we now need to revise the fee calculation method; a process that is nearing completion.

4. Community Facilities Districts

Community facilities districts or CFDS are a mechanism to allow the district to levy a special tax on new development projects to fund the operating cost of expanding the fire department to serve new development. Where development impact fees can only be used to fund equipment and infrastructure, shaft's find the staff, fuel, insurance, and all other non-capital costs of the department. The policy of the GCSD Board is for new land subdivision projects and large commercial development projects to form CFD's to offset the future cost of expanding the fire department.

Staff is recommending that we continue with the process of requiring the large new land development projects to form CFD's and to pay development impact fees, thereby ensuring that new development does not negatively impact our current level of services. In addition, staff recommends that we seek proposals from qualified municipal finance firms for the evaluation, recommendation, and assistance with implementation of the optimal long term

funding mechanism for the Groveland fire department, be it special tax or property assessment pushed to the voters and/or property owners for consideration.

ATTACHMENTS: None

FINANCIAL IMPACT: None at this time.

Groveland Community Services District Issued: October 11, 2023



REQUEST FOR PROPOSALS (RFP)

Support of Emergency Response and Fire Protection Services Revenue Measure

Deadline for Submission of Proposals:

November 9, 2023, 4:00pm

SECTION ONE: ACTIVITIES AND SCHEDULE			
ACTIVITY	DATE		
Release of published RFP	October 11, 2023		
• Deadline for RFP responses to be received by District	November 9, 2023		
Review Committee evaluates and ranks proposals	November 13, 2023 -		
	November 17, 2023		
• Notice of contract award (Tentative)	November 20, 2023		
Contract executed (Tentative)	November 21, 2023		

SECTION ONE. A CENTRES AND SCHEDULE

SECTION TWO: GENERAL RFP SUMMARY

The Groveland Community Services District is seeking proposals from qualified consultants to provide Emergency Response and Fire Protection services revenue measure public polling and engagement, planning and Special Tax and/or Assessment Engineering services.

Prospective firms are required to provide team qualification, proposed work plans, schedules, and other related items as described in this Request for Proposals. The deadline for submitting proposals is 4:00PM on October 27, 2023.

SECTION THREE: PROGRAM BACKGROUND AND OVERVIEW

The Groveland Community Services District is seeking proposals from qualified consultants to provide Emergency Response and Fire Protection services revenue measure public polling and engagement, planning and Special Tax or Assessment Engineering services.

Established as mining camps in 1852, Groveland and the nearby town of Big Oak Flat were once thriving California Gold Rush towns. After the decline in gold production, the historic town of Groveland made its mark offering hospitality to weary travelers coming to and from Yosemite National Park. Located only 26 miles from the northern entrance to the Park on Highway 120, today Groveland is the most convenient gateway for tourists coming from the San Francisco Bay Area, Sacramento, Stockton, or Modesto.

Although Groveland boasts a population of approximately 3,000 full-time residents, this number more than triples during the summer months. The parcel count is approximately 2,944. Visitors are attracted to both the magnificent beauty of our area, as well as the many recreational opportunities offered nearby. Our quiet hilltop community has managed to retain much of its old west charm, and still boasts the oldest continuously operating saloon in California. Travelers enjoy playing golf at Pine Mountain Lake's 18-hole golf course, taking in the sun at one of the numerous recreational lakes nearby, fishing, hiking, and of course sightseeing.

It is important to note that an income survey performed by a contractor for the State Water Resources Control Board resulted in reported incomes ranging from a low of \$22,000 per year to a high of. \$1.8 million per year. The survey also reported that 48% of the survey respondents were transient owners, meaning that they did not live in their home full time. In Groveland, primarily in the gated Pine Mountain Lake community, many of these vacation homes are now

being operated as short term rentals. We have seen a significant increase in population load year round versus just on the weekends and holidays. Unfortunately, the district has been unable to locate data or documentation regarding the number of short-term rentals and their occupancy rate to assist in determining population changes and impacts to our services.

The Groveland Community Services District (GCSD) was formed in 1953 to provide public services to the growing community, and to address the need for a solid water supply and wastewater treatment. GCSD provides water treatment and distribution; sewer collection, treatment, and disposal; fire protection/emergency response, and park services to the community and its visitors.

Population growth rate is basically non-existent. The Community Services District has no direct control over the County General Plan, which was last updated in 2018. Land Use control is a responsibility of Tuolumne County. Consistent with the County General Plan, there is limited current growth potential within the District boundaries.

The Groveland Fire Department started as an all-volunteer operation in the early nineteen hundreds. The citizens of Groveland formed the Groveland Community Services District in 1953. The District was successor to the Groveland Sewerage and Water District. In addition to its water and sewerage tasks, the District also added garbage collection, parks, and street lighting, as well as providing "Protection against fire." Given the strong volunteer force at that time and the small size and growth expectations of what is now the District, the leadership over the decades never anticipated the need for a tax structure to pay for many, if any, full-time, career firefighters. Long-time residents may remember this as "yesterday;" but growth occurred and Proposition 13 left special districts that relied on property taxes especially vulnerable, and the pressures on the volunteers decimated their ranks. This left the District with no choice but to start a career-staffed fire department and to ask the property owners to assess themselves to pay for it.

In 1986, the District hired its first full-time fire chief and assessed its first parcel assessment. In 1988, the District hired its first full-time firefighter and constructed Fire Station #1 on State Route 120 in the center of Groveland. In 1990, the District went back to the voters and requested a second parcel assessment. This, too, passed with a two-thirds majority and generated about \$80,000 per year from 1990-1994. The District hired its second firefighter in 1990. The District hired its first full-time engineer in 1995. By 1999, the staff was 1 fire chief, 3 engineers, and 11 volunteers. In 2000, the District increased the staffing by hiring three full-time firefighters. Using reserve funds earmarked for an engine purchase, the District purchased its first new fire engine. In 2001, the property owners approved another benefit assessment on 3502 Single Family Residential Equivalents (SFRE) which generated approximately \$250,000 annually and sunset in 2011/12. In 2012, a Special Tax measure was placed on the ballot to replace the expired assessment, which ultimately failed to achieve even a majority vote.

With only ad-valorem property taxes remaining to fund the fire department, the District chose to abolish its paid-staff department and to enter into a Schedule A Cooperative Fire Protection Agreement with CAL FIRE; initially a less expensive alternative. The current cost of the CAL

FIRE Schedule A contract alone, not including operating costs or equipment/apparatus replacement, consumes almost 92% all of the ad valorem property taxes received; 8% of property taxes are allocated to the District's Park Fund for its operation and maintenance costs. Approximately \$400,000 annually in increased revenue is needed to balance the budget, and another \$260,000 annually to fund the equipment/apparatus replacement needs of the department. The GCSD Fire Fund balance is estimated to be depleted by June 30, 2025 unless additional revenue is raised.

SECTION FOUR: REVENUE MEASURE CONSULTING SERVICES GOALS AND OBJECTIVES

The goals of this consulting work in development of the Fire Department Revenue Measure are to select a consultant that will get to know the profile of the community and:

- 1. Develop a funding measure or measures with the highest degree of potential success for being approved by the voters or property owners
- 2. Provide a long term funding source for the department, adequate to fund the full cost of operations and equipment replacement

The project objectives, anticipated efforts and deliverables include, but are not limited to:

- 1. Evaluate the history of the District fire department and its revenue sources, associated successes and failures
- 2. Understand the voter and property owner makeup in terms of what type of measure they will be most likely to support
- 3. Conduct the polling necessary to advise the GCSD Board of Directors on the likelihood of support of a fire revenue measure, be it a property assessment, special tax or combination thereof, and its acceptable amount(s)
- 4. Quickly develop recommendations to the GCSD Board of Directors on the type and schedule for the revenue measure(s) being proposed
- 5. Develop public engagement and measure outreach processes and documents
- 6. Prepare supporting memoranda and submittals for Board consideration of items, and prepare draft notices, resolutions and ballot language for review by District counsel

SECTION FIVE: SCOPE OF WORK

The consultant will be required to evaluate and make recommendations regarding the fire department revenue measure type and amount with the highest potential for voter approval; according to a schedule that allows the District to levy the tax or assessment in the 2024/2025 fiscal year. The consultant will first establish a public engagement process with the intent of developing broad public support for the measure. The consultant will gather the information necessary to make a solidly supported funding measure type and schedule recommendation to the GCSD Board. Once the desired revenue measure type(s) is (are) approved by the Board, the consultant will assist the workgroup, Board and staff in preparing outreach methods and assist in the preparation and review of related materials, and attend working group or Board committee

meetings. The consultant will fully prepare the District Board for approval of the measure, and to submit the measure for election. Legal review of resolutions, notices and ballot measure language will be provided by District counsel.

The anticipated work scope includes:

- 1. Preparation of a summary report of the findings associated with public polling; and
- 2. Development of a recommendation to the Board regarding the appropriate revenue measure type to prepare and advance to the voters and/or property owners for approval; and
- 3. Development of the tax application methodology and/or benefit assessment methodology for Board approval; and
- 4. Prepare the assessment engineer's report if this revenue option is chosen; and
- 5. Assistance in the public outreach and engagement process development for a successful measure; and
- 6. Prepare the draft ballot language and assist with the voting process as appropriate
- 7. Preparation of agenda submittals, draft resolutions and other supporting documents

SECTION SIX: SERVICES TO BE PROVIDED BY CONSULTANT

1. Review existing plans, budgets, assessment reports and related documents.

- 2. Attend Meetings. Attend an in-person kick-off meeting with a Board Committee and District staff to begin the project. Initial recommendations will be made by Consultant at this meeting regarding the identification, orientation and role of a community based working group. Meet or confer with District and CAL FIRE staff as needed by phone, virtually or email. Attend three meetings of the Fire Funding Workgroup and/or Board Ad-hoc Committee, two of which will be in person. Attend two meetings of the Board of Directors to support the recommended revenue measure type and to present the measure's cost application methodology and final ballot language.
- 3. **Conduct Analysis.** Conduct the necessary analysis of zoning, property types, land use, occupancies, incidents and response rates and types, response trends and other data to devise the appropriate application methodology.
- 4. Prepare Report on Revenue Measure options, considerations, schedule and estimated revenue generation.
 - a) Prepare and submit draft revenue measure options and supporting documentation to staff/working group for review.
 - b) Prepare final draft revenue measure options and recommendation report to the Board for approval.

5. Prepare Draft Ballot Measure Language and Assist in Drafting the Supporting Board Resolution and Staff Submittal.

- a) For an Assessment District Formation, prepare the required Assessment Engineer's Report.
- b) Conduct or assist the District in conducting a mail (assessment) ballot measure process.
- 6. **Time Schedule.** Supply a time schedule for the consultant's recommendations and Board approval of the desired revenue measure type, Board approval of the measure and the voting process. The revenue measure must be approved by the voters in time for levy on the 2024/25 tax rolls.
- 7. **Public Relations and Outreach.** Provide a draft recommended procedure for public engagement in development of the revenue measure and a draft recommended measure outreach strategy. Develop one draft press release and one draft informational flyer summarizing the evaluation, findings and recommendations of the measure, its importance and implications of its success and failure, as appropriate.

SECTION SEVEN: SERVICES TO BE PROVIDED BY THE DISTRICT

The services to be provided by the District include, but are not necessarily limited to the following:

- 1. **Furnish Data.** Furnish all reasonably available records and information, including reports, budgets and audits, projected future revenue and expenses, related Board and public presentations, entities and groups for engagement.
- 2. Master Plans. Provide electronic copies of Master Plans or other documentation.
- 3. **Customer and Property Owner Data.** Provide customer lists, and lists of property owners.
- 4. **Staff Support.** Coordinate work group, Board and/or Committee meetings, staff meetings, provide staff submittals for Board meeting action items, provide for legal review of methodologies and ballot language as necessary, support and assistance as required and agreed to in advance of the study.

SECTION EIGHT: PROPOSAL PACKAGE

Proposals are to be straightforward, clear, concise, and responsive to the information requested. In order for proposals to be considered complete, proposers must provide all requested information. Each proposer must submit their proposal package electronically, which may include a link to an online/cloud based file repository or website which must have all final files uploaded by the proposal submittal deadline.

PROPOSAL ELEMENT

1. Qualifications and Experience

Identify the individuals who will be responsible for directly conducting and preparing the evaluation and recommendations. Describe the background and experience of the individuals who will actually perform the services including individual experience in polling, conducting surveys and preparing reports for similar projects.

Provide a list of five similar revenue measures that your firm has undertaken. For each project, please list the following:

- Project name, location, population served by the entity and other relevant information to determine the comparability with the GCSD funding measure.
- Detailed description of the services performed, and the time period in which they were performed, and whether the measure was approved by the voters.
- The name and telephone number of at least one reference for the project that can attest to the quality and effectiveness of the Consultant's work.

2. Methodology and Approach

The Proposal shall describe the methodology and approach that the Consultant will use to perform the requested services, and develop the desired report and recommendations. At a minimum the proposal should include the following:

- A description of the step by step process that the consultant will utilize to evaluate the appropriate revenue measure type, conduct polling, the methods to be used to engage and inform the public, and how the measure application methodology (special tax and/or assessment) will be determined.
- A list of the proposed tasks and the effort proposed to be devoted to each.
- A schedule of milestones and tasks, and estimated dates of completion for each task.

3. Fee Proposal

A fee proposal shall be included separately from the proposal itself, and can be either mailed to the District or sent as a separate email attachment and named "Confidential Fee Proposal." The fee schedule shall be broken down into three main categories shown below, and listing the cost by major steps and tasks identified as your recommended approach and methodology. Provide a cost subtotal of each of the three categories below and a total estimated cost of items A, B and C using the number of meetings listed in the this RFQ Section 6, Item #2:

- A. Revenue measure opportunities evaluation, development and support through ballot, less travel and meeting costs which are included separately in Item C below
- B. Public engagement and outreach broken down by task
- C. The cost of attending in-person meetings in Groveland

Emailed electronic proposals must be received, *NO LATER THAN* November 9, 2023 by 4:00pm.

Proposals are to be sent to: Jennifer Donabedian, Administrative Services Manager at jdonabedian@gcsd.org

If sending sealed Fee Proposal via mail, send to:

Groveland Community Services District 18966 Ferretti Rd. Groveland, CA 95321

SECTION NINE: SELECTION OF CONSULTANT

Timely received proposals will be reviewed by GCSD staff and Board Ad Hoc Committee who will make a recommendation of contract award. Staff and the committee will assess and rate the Consultant's proposals based upon the following criteria:

- Responsiveness to the RFP
- Qualifications of individuals to be assigned to this project
- Experience and demonstrated success of the Consultant in preparing similar revenue measures for entities located in rural communities
- Success of consultant's other revenue measures in receiving voter approval
- Evidence that the Consultant understands the project purpose and requirements
- Consultant's approach to the project
- Evidence of the Consultant's ability to design public engagement processes and to produce (or assist in producing) well-written outreach materials
- Demonstration of commitment to project and ability to deliver the finished product on time

EVALUATION CRITERIA & SCORING

А.	Completeness of Proposal	Pass/ Fail
B.	Qualifications and Experience	40%
C.	Approach/Service Delivery/Methodology	40%
D.	Cost	20%

Award will be made to the qualified proposer whose proposal will be most advantageous to the District, with price and all other factors considered. The District will negotiate with the highest ranked proposer to develop the scope of work and contract for mutual satisfaction.

If the District cannot successfully negotiate a contract with the highest ranked proposer, the District will terminate negotiations and begin negotiations with the next highest ranked proposer.