



EAST CONTRA COSTA FIRE PROTECTION DISTRICT

Board of Directors Regular Meeting

Monday May 2, 2011 – 6:30 P.M.
Meeting Location: 3231 Main Street, Oakley

BOARD OF DIRECTORS		
Pat Anderson	Erick Stonebarger-President	Jim Frazier
Steve Barr	Kevin Romick-Vice President	Robert Kenny
Robert A. Brockman	Joel R. Bryant	

AGENDA

Preceded by a Special Closed Session Meeting at 5:30 P.M., 3231 Main Street, Oakley

5:30 PM – Call to Order and Adjourn to Closed Session on the following matters:

1. CONFERENCE WITH LABOR NEGOTIATOR
pursuant to Government Code Section 54957.6
Agency designated representative: Board President and Vice President
Employee Organizations: International Association of Fire Fighters, Local 1230,
East County Fire Fighters Association (Reserves), Unrepresented Management.
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
pursuant to Gov. Code section 54956.9 (b): one potential case

RECONVENE TO OPEN SESSION – 3231 Main Street, Oakley
Report from closed session (if any)

6:30 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS

At this time the public may address the District Board on subject matters pertaining to District business listed on the Consent Calendar, Closed Session, Future Agenda Items, or items *not* listed on the agenda. Remarks may be limited to 3-minutes subject to the discretion of the Board President and with the concurrence of the Board of Directors. Please complete and submit a "Public Comment Speaker Card" with the District Clerk.

CONSENT CALENDAR

Consent Calendar items are considered routine in nature and will be enacted by the Board in one motion. If discussion or public comment is required, any Board Member may request the item be removed from the Consent Calendar and considered separately.

- C.1** Approve minutes from April 4, 2011, Regular Board of Directors Meeting.

PUBLIC HEARINGS

Members of the public wishing to address the Board on a listed item shall complete and submit a "Public Comment Speaker Card" with the District Clerk.

None

DISCUSSION ITEMS

- D.1** Consideration of the formation of a Fire Suppression and Protection Assessment District and adoption of Resolutions:
- a) Declaring the intention to form the assessment district and levy and collect the assessment and preliminarily approving the Engineer's Report;
 - b) Providing notice of public hearing and the mailing of the assessment ballots; and
 - c) Adopting Proposition 218 assessment ballot proceedings procedures.
- D.2** Professional Services Agreement for Additional Public Outreach and Education Services
- D.3** Provide Direction for the Fiscal Year 2011-2012 Operation Budget Preparation

INFORMATIONAL STAFF REPORTS

1. Status of vacant Director's seat
2. Service calls for April 2011

DIRECTORS' COMMENTS

INFORMATIONAL REPORTS AND REQUESTS FOR FUTURE AGENDA ITEMS FROM BOARD MEMBERS

This portion of the agenda shall provide an opportunity for Board Members to report on activities, committee or event attendance pertaining to District business or to request a future item to be placed on the agenda.

ADJOURN TO THE NEXT REGULAR BOARD MEETING SCHEDULED: June 6, 2011

POSTING STATEMENT

A copy of this agenda was posted April 29, 2011, at the East Contra Costa Fire Protection District Administrative Office, 134 Oak Street, Brentwood, CA 94513. Pursuant to CA Government Code §54957.5, disclosable public records and writings related to an agenda item distributed to all or a majority of the Board of Directors less than 72 hours prior to this meeting is available for public inspection at the East Contra Costa Fire Protection District Administrative Office, 134 Oak Street, Brentwood, CA 94513.

NOTICE

In compliance with the Americans with Disabilities Act, any individuals requesting special accommodation to attend and/or participate in District Board meetings may contact the District Administrative Office at (925) 634-3400. Notification 48 hours prior to the meeting will enable the District to make reasonable accommodations.



EAST CONTRA COSTA FIRE PROTECTION DISTRICT

Meeting Minutes Board of Directors Regular Meeting

Monday April 4, 2011 – 6:00 P.M.

BOARD OF DIRECTORS		
Pat Anderson	Erick Stonebarger-President	Jim Frazier
Steve Barr	Kevin Romick-Vice President	Robert Kenny
Robert A. Brockman	Joel R. Bryant	

Call to Order and Adjourn to Closed Session – (6:00 P.M) 3231 Main Street, Oakley

- 1. CONFERENCE WITH LABOR NEGOTIATOR**
pursuant to Government Code Section 54957.6
Agency designated representative: Board President and Vice President
Employee Organizations: International Association of Fire Fighters, Local 1230,
East County Fire Fighters Association (Reserves), Unrepresented Management.
- 2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
pursuant to Gov. Code section 54956.9 (b): one potential case

RECONVENE TO OPEN SESSION – (6:30 PM) 3231 Main Street, Oakley

The Board in closed session gave direction to council regarding special litigation.

PLEDGE OF ALLEGIANCE – Led By: Chief Henderson

ROLL CALL – (6:32 PM) - Directors Present: Anderson, Barr, Brockman, Bryant, Frazier, Kenny, Romick, Stonebarger

PUBLIC COMMENTS – (6:33 PM)

CONSENT CALENDAR – (6:44 PM)

- C.1** Approve minutes from March 7, 2011, Special Board of Directors Meeting.

Motion by Romick to approve Consent Calendar Items C1, second by Frazier

Vote: Motion carried 8:0

Ayes: Anderson, Barr, Brockman, Bryant, Frazier, Kenny, Romick, Stonebarger,

Noes:

Absent:

PUBLIC HEARINGS

None

DISCUSSION ITEMS – (6:45 PM)

D.1 2011-2012 Budget Scenarios

D.2 Receive Update on Status of Fire Suppression Assessment Engineer's Report

Board of Directors instructed staff to stop any expenditure on the Outreach program until the Engineers Report has been approved.

D.3 Professional Services Agreement for Additional Public Outreach and Education Services:

Staff requested that this item be continued to the next Board of Directors Meeting scheduled for May 2, 2011

Motion to table D.3 until next Board Meeting on May 2, 2011

Motion by Romick to approve table D3 until next meeting, second by Frazier

Vote: Motion carried 8:0

Ayes: Anderson, Barr, Brockman, Bryant, Frazier, Kenny, Romick, Stonebarger

Noes:

Absent:

INFORMATIONAL STAFF REPORTS – (7:53 PM)

DIRECTORS' COMMENTS – (8:02 PM)

INFORMATIONAL REPORTS AND REQUESTS FOR FUTURE AGENDA ITEMS FROM BOARD MEMBERS– (8:02 PM)

ADJOURN TO THE NEXT REGULAR BOARD MEETING SCHEDULED: May 2, 2011– (8:02 PM)

Motion by Kenny to adjourn to the next regular BOD meeting, second by Frazier

Vote: Motion carried 8:0

Ayes: Anderson, Barr, Brockman, Bryant, Frazier, Kenny, Romick, Stonebarger,

Noes:

Absent:

BOARD OF DIRECTORS AGENDA ITEM NO. D-1

Meeting Date: Monday, May 2, 2011

Subject/Title: Engineer's Report for a Proposed Fire Suppression and Protection Assessment District and Resolutions of Intention to Levy Assessment; Directing the Mailing of Ballots, and Adopting Proposition 218 Procedures

Submitted by: Fire Chief Hugh Henderson

RECOMMENDATION FOR ACTION

Receive, review and approve Engineer's Report and Resolutions for the proposed assessment and the assessment ballot proceeding that will give property owners in the District the ability to decide on the proposed assessments and proposed services to be funded.

PREVIOUS ACTION

On March 7, 2011 the Board discussed funding options for the District, timing for a special benefit assessment, proposed improved services to be provided with proposed new funding, and heard public input about funding options and the future of the District. The Board directed SCI Consulting Group to prepare an Engineer's Report for the proposed benefit assessment.

SUBJECT BACKGROUND

The Board has five documents for consideration and approval tonight:

- Presentation slides summarizing the Engineer's Report
- Proposed timeline for the assessment balloting proceeding and other actions needed for a new assessment
- Engineer's Report for the proposed new "Fire Protection and Suppression Assessment District"
- Resolution declaring intention to levy assessments and preliminarily approving the Engineer's Report
- Resolution providing notice of public hearing and the mailing of the assessment ballots
- Resolution adopting Proposition 218 assessment ballot proceedings procedures

These documents are further explained as follows:

ENGINEER'S REPORT

As directed by the Board on March 7, SCI Consulting Group, the Assessment Engineer for this project, has prepared an Engineer's Report to initiate the proceedings for the proposed formation of a new assessment that would fund the cost of providing improved fire protection and suppression services within the East Contra Costa Fire Protection District. The Engineer's Report details the enhanced services to be funded by the assessments, the benefits from the proposed assessments, the method of assessment, an estimate of cost and budget for the assessments, and the apportionment of proposed assessments to property in the District.

The Engineer's Report describes baseline level of services that would exist in the District, absent a new revenue source for the District, and the enhanced fire protection and suppression services to be funded by the proposed Assessments. In summary, the District is currently maintaining an unsustainable level of fire protection and emergency response services by using up its reserve funds. Absent a new assessment or alternative revenue source for the District, the District Fire Chief, pursuant to the information provided to the Board at the public meeting on April 4, 2011, has determined that significant additional cuts to current fire protection and emergency response services would need to be made to bring operational costs in line with current revenues. These additional cuts could include the closure of three more fire stations, the elimination of the Cal-Fire contract for the Sunshine station, and the elimination of approximately 21 additional firefighters. This level of additional cuts, which should bring costs down to current revenues, would leave only approximately 9 firefighters on duty at any given time to serve the entire District (down from 16 currently). This materially reduced level of service could cause response times for fires and emergencies to double and could result in times when no fire or emergency medical responses can be provided. Moreover, the District's ISO rating likely would go up, possibly leading to increases in fire insurance rates for property owners in the District.

The proposed Assessments would tangibly and directly benefit property in the District by providing for materially enhanced services over and above the baseline level of service summarized above. The proposed Assessments would generate approximately \$3.9 million in fiscal year 2011-12. If approved by property owners, the proposed Assessments would provide sufficient funding to prevent the closure of up to 3 additional fire stations, to prevent the elimination of the Cal-Fire contract for the Sunshine Station, to increase firefighting staffing to approximately 54 positions from approximately 27 positions under the baseline level of services, to provide 3 firefighters per engine 24 hours a day, seven days a week at 6 stations, to fund a portion of the EBRCSA emergency response system, and to make needed repairs and upgrades to fire equipment and facilities.

The assessment rate needed to fund this amount of enhanced fire protection and suppression services is \$98 per single family home up to 3000 square feet, with an additional rate of 4.6 cents per square foot for any single family house area in excess of 3000 square feet. Other types of property would be assessed primarily based on building area, relative risk of fire and potential fire damage. The assessment rates for most other types of improved property are between 5.5 cents and 2.6 cents per square foot of building area.

RESOLUTIONS

If the Board approves the Resolution Declaring Intention to Levy Assessments and Preliminarily Approving the Engineer's Report, the Board will approve the Engineer's Report that forms the basis for the proposed Assessments and enhanced services to be funded by the Assessments.

Secondly, the Resolution Providing Notice of Public Hearing and the Mailing of Assessment Ballots, sets the date of Monday, August 1, 2011 for the public hearing to conclude the assessment balloting time period, and directs the District to prepare and mail notices and ballots to property owners within the proposed Assessment District.

Third, the Resolution Adopting Proposition 218 Assessment Ballot Proceedings Procedures establishes and clarifies specific requirements and procedures for the assessment ballot proceeding.

Attachments:

- Engineer's Report
- Resolutions (3)



EAST CONTRA COSTA FIRE PROTECTION DISTRICT

FIRE SUPPRESSION AND PROTECTION ASSESSMENT

ENGINEER'S REPORT

APRIL 2011

PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 50078 *ET SEQ.*
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:

SCIConsultingGroup

4745 MANGELS BLVD

FAIRFIELD, CALIFORNIA 94534

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EAST CONTRA COSTA FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS

Erick Stonebarger, President
Kevin Romick, Vice President
Pat Anderson, Director
Steve Barr, Director
Robert A. Brockman, Director
Joel Bryant, Director
Jim Frazier, Director
Robert Kenny, Director

FIRE CHIEF & CLERK OF THE BOARD OF DIRECTORS

Hugh Henderson

ENGINEER OF WORK

SCI Consulting Group
John Bliss, M.Eng., P.E , Lead Assessment Engineer

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INTRODUCTION

The East Contra Costa Fire Protection District (“District”) provides fire suppression, rescue, prevention, emergency medical response and disaster preparedness and response services to residents and businesses throughout its jurisdiction, which covers an area of over 249 square miles in the eastern portion of Contra Costa County, with a population of approximately 110,000 residents. Its service area includes the cities of Brentwood and Oakley as well as the unincorporated communities of Bethel Island, Byron, Discovery Bay, Knightsen, Marsh Creek and the Morgan Territory.

The District was formed in September of 2002, by the Contra Costa County Board of Supervisors and the Local Agency Formation Commission (LAFCo) by combining the three small fire districts of Bethel Island, East Diablo, and Oakley. The consolidation was needed to allow the following service efficiencies and improvements:

- More cost effective use of resources to provide a higher level of fire suppression and emergency medical response services
- Shared managerial and administrative costs, increased backup response, greater career advancement opportunities for personnel, reduced overtime costs, and coordinated disaster planning
- Potential for improved paramedic service response in the Oakley/Knightesen area
- Development of a system for fire suppression and emergency medical services which matches the needs and constraints dictated by the community design and local topography

The District currently maintains and operates 6 fire stations, and has 48 full time employees. The District protects all types of properties, structures and improvements from fire damage and provides emergency medical services. In addition to providing fire suppression and prevention, emergency response and emergency services, the District also provides basic hazardous materials response, and other services relating to the protection of lives and property. The District responds to about 5,400 calls for service per year. The mission of the District is to preserve and protect life, environment and property, with a service level above all else.

In October 2009 the Contra Costa County Board of Supervisors consented to a change in governing structure of the District, from an appointed board formed by the County Board of Supervisors to a board comprised of directors appointed by the cities of Brentwood and Oakley and the County of Contra Costa. The new Board of Directors (the “Board”) is

comprised of 9 directors that are appointed to represent their communities: 4 by the City of Brentwood, 3 by the City of Oakley, and 2 by the Contra Costa County Board of Supervisors for the unincorporated areas.

This Engineer's Report (the "Report") for the Fire Suppression and Protection Assessment (the "Assessment") was prepared to:

- Describe the fire suppression and protection services and equipment that would be funded by the Assessments (the "Enhanced Services")
- Establish a budget for the Enhanced Services that would be funded by the proposed 2011-12 Assessments
- Determine the benefits received from the Enhanced Services by property within the Fire Suppression and Protection Assessment District (the "Assessment District") and
- Determine and assign a method of Assessment apportionment to lots and parcels within the Assessment District.

This Report has been made pursuant to the California Government Code Section 50078 *et seq.* (the "Code") and Article XIID of the California Constitution (the "Article").

LEGAL REQUIREMENTS

PROPOSITION 218

Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, as Article XIIC and XIID of the California Constitution, provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses of public improvements or public services which benefit the assessed property. Proposition 218 describes a number of important requirements, including property-owner balloting, for the formation of an assessment district and levy of the assessments.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. v SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling in the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA"). This ruling is a significant legal document interpreting Proposition 218. Several of the most important elements of the ruling include:

- Courts should exercise their independent judgment in reviewing an assessment's compliance with Proposition 218
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Assessment District
- The indirect or derivative advantages to property or the public at large from certain services or improvements are general benefits that cannot be funded by benefit assessments

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIII C and XIII D of the California Constitution and with the *SVTA* decision because the Enhanced Services to be funded are clearly defined; the Enhanced Services are available to and will be directly provided to all benefiting property in the Assessment District; and the Enhanced Services provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

INTRODUCTION TO BASELINE LEVEL OF SERVICE

The District's primary revenue source is the portion of local property taxes that are allocated to the District. Property tax revenues have decreased significantly since 2007 due to the recession and sub-prime and derivative mortgage crisis. In response to its declining revenues, the District has already reduced its fire and emergency services. Service reductions already implemented include eliminating an administrative Battalion Chief and an administrative assistant, closing 2 fire stations, cutting staff from 54 fire suppression personnel to 48 and keeping firefighter's salaries significantly below average rates in the area. In addition, the District has not replaced old equipment and vehicles that are in need of replacement, and has deferred some facility and equipment maintenance and repair expenditures.

Even after taking these steps to reduce costs, fire suppression and emergency expenses are still significantly above revenues. The current level of fire and emergency services, level of staffing and number of fire stations operated is being maintained by using up reserve funds. Without significant additional cuts to services the District's reserve funds would soon be exhausted. Therefore, the District will be forced to make major additional

cuts to its firefighting and emergency response capabilities to bring its operational costs in line with revenues.

The District projects that the additional cuts that will be necessary, absent a new revenue source, are the elimination of approximately 21 more full-time professional firefighter positions, the closure of 3 more fire stations and the elimination of the Cal-Fire services in the Marsh Creek/Morgan Territory area that are currently funded by the District. After these cuts, the District would be left with only 3 fire stations, each staffed with 3 firefighters per day. With only 3 fire engines and 9 firefighters available to protect nearly 250 square miles of property and over 110,000 people, the District would not be able to properly protect property from fires or often respond in time or with enough resources to save lives or prevent devastating fires.

This materially reduced level of service, generally defined as the level of service funded by existing revenue sources, is the level of service the District will be able to provide in future years, absent approval of a new assessment. In this Report, this future level of service, absent a new assessment, is defined as the "Baseline" Level of Service.

INTRODUCTION TO ENHANCED SERVICES

The proposed Enhanced Services to be funded by the Assessments (which are discussed in detail in the next section) can be described as two components. The first component includes the special benefit component of additional services that will be provided and that are currently not provided by the District. For fiscal year 2011-12, these include 6 additional professional firefighters to provide 3-0 staffing at the Knightsen and Bethel Island stations, the EBRCSA communication system, as well as replaced and upgraded equipment and other apparatus.

The second component of Enhanced Services, which are over and above the services that can be funded by existing revenue sources, includes restoration of funding for fire suppression and fire protection services equivalent to approximately 3 fire stations and approximately 21 professional firefighters. These Enhanced Services offset the anticipated services reductions needed to bring operational costs in line with existing revenues, absent a new assessment, as presented in the District Fire Chief's report to the District Board of Directors at their April 4, 2011 board meeting.

ASSESSMENT PROCESS

This Report has been prepared to quantify a new benefit Assessment that would provide funding for Enhanced Services within the Assessment District. Following submittal of this Report to the District for preliminary approval, the Board may, by Resolution, call for an assessment ballot protest procedure and public hearing on the proposed establishment of a Fire Suppression and Protection Assessment.

If the Board approves such Resolution, a notice of Assessment and assessment ballot shall be mailed to each property owner within the proposed Assessment District boundaries who will be subject to the proposed Assessment. Such notice will include a description of the Enhanced Services to be funded by the proposed Assessments, the total amount of the proposed Assessment chargeable to the Assessment District and the amount chargeable to the owner's parcel, the reasons for the proposed Assessments and the basis upon which they were calculated, and an explanation of the process for submitting a ballot. Each notice would also include a return envelope and a ballot on which the property owner may mark his or her approval or disapproval of the proposed Assessments as well as affix his or her signature.

After the ballots are mailed to property owners in the Assessment District, a minimum 45 day time period must be provided for the return of the assessment ballots. Following this 45 day time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed Assessments. At the public hearing, the public will have the opportunity to speak on the proposed Assessments and proposed Enhanced Services.

If it is determined that the Assessment ballots submitted in opposition to the proposed Assessments do not exceed the Assessment ballots submitted in favor of the Assessments (weighted by the proportional financial obligation of the property for which ballots are submitted), the Board may take action to approve the imposition of Assessments for fiscal year 2011-12 and each fiscal year thereafter. If the Assessments are so confirmed and approved, the Board will order the levy of the Assessment to be submitted to the Contra Costa County Auditor/Controller for inclusion on the property tax roll for fiscal year 2011-12.

In each subsequent year for which the Assessments will be levied, the Board must preliminarily approve at a public meeting a budget and costs for the upcoming fiscal year's Enhanced Services, an updated annual Engineer's Report, and an updated Assessment roll listing all parcels and their proposed Assessments. At this meeting, the Board will also call for the publication in a local newspaper of a legal notice of the intent to continue the Assessments for the next fiscal year and set the date for the noticed public hearing. At the

annual public hearing, members of the public can provide input to the Board prior to the Board's decision on ordering the Enhanced Services and the Assessments for the fiscal year.

BASELINE LEVEL OF SERVICES AND ENHANCED SERVICES

RECENTLY REDUCED LEVEL OF SERVICE

In response to the District's dramatic revenue decrease, the District has already reduced its level of fire and emergency services and fire protection capabilities. Following is a summary of the service and cost reduction steps taken to date:

- Reduced fire suppression personnel from 54 positions to 48 positions
- Closed 2 fire stations (Byron and Discovery Bay)
- Eliminated 2 administrative positions: a Battalion Chief and an administrative assistant
- No salary increases. The District has not implemented salary increases since 2007, even though the District's salaries and benefits are below average when compared to other fire districts in Contra Costa County and neighboring counties
- Limited overtime costs to those necessary to maintain critical service delivery levels
- Deferred needed repairs and upgrades to emergency equipment and facilities
- Deferred needed replacement of antiquated and aging fire apparatus, fire and emergency equipment and fire and emergency facilities

BASELINE LEVEL OF SERVICES

Even after these cutbacks, District expenses continue to exceed revenues. The current level of service, supported by the depletion of reserve funds, is unsustainable and would lead to the complete elimination of reserve funds, even after accounting for the service and cost cutbacks listed above.

Therefore, without a new funding source, the District will be forced to make further difficult and significant cuts to fire suppression and emergency personnel, fire stations, and services. As presented to the Board of Directors on April 4, 2011, the District anticipates that significant additional service reductions would need to be made to bring expenses in line with revenues. Following are the additional service cutbacks outlined to the Board that would bring expenses in line with revenues:¹

- Eliminate 21 more fire suppression personnel, leaving 27 positions remaining (with only 9 firefighters on duty at any given time to serve the entire District, down from 16 currently)
- Close 3 more fire stations, leaving only 3 stations open

- Eliminate contract with Cal-Fire for the Sunshine station, effectively closing this station

Clearly this level of additional reductions to fire suppression services will materially diminish the District's ability to properly and promptly respond to fires and emergencies and to prevent devastating fires. Some effects likely would be: the District's response times could effectively double; the District will be unable to respond to all the emergency calls (currently at an average of 18 calls per day); and the District would need to rely heavily and regularly on mutual aid from neighboring fire departments, if available, to assist with fire and emergency calls. In addition, and due to insufficient emergency personnel available and longer response times, the District's ISO rating is expected to go up, likely leading to significantly increased fire insurance rates for property owners in the District.

PROPOSED ENHANCED SERVICES

The Enhanced Level of Service (or Enhanced Services) is defined as the tangibly improved level of fire services, over and above the Baseline Level of Service, the District will be able to provide if the Assessments defined in this Report are approved by property owners and established by the District. The Enhanced Services are summarized as follows:

- Keep the current 6 stations open, avoiding likely 3 station closures under the Baseline scenario
- Continue the Cal-Fire contract for the Sunshine station. The State of California pays the costs to have the Cal-Fire station open during fire season (May 15 – Nov 15). The District would continue the contract with Cal-Fire to have the station open the remaining 6 months of the year
- Increase front-line firefighter staffing levels from approximately 27 personnel under Baseline to 54 positions
- Provide 3 firefighters per engine at the 6 stations, which effectively doubles the on-duty firefighters from 9 to 18 firefighters available 24 hours per day, 7 days a week. The fire suppression personnel at the Bethel Island and Knightsen stations would be increased to 3 firefighters per engine for all shifts (2 per engine currently)
- Improve fire responses and inter-agency coordination by funding a portion of the EBRCSA (East Bay Regional Communication Systems Authority), an integrated emergency management response system that allows more rapid and coordinated communication with neighboring fire districts, police departments, and state and federal agencies for mutual aid in fires and emergencies
- Make needed repairs and upgrades to equipment and facilities

- Accrue funds for the replacement of antiquated fire apparatus and other equipment and facilities

COST AND BUDGET

THE FOLLOWING BUDGET LISTS THE PROPOSED EXPENDITURES FOR THE DISTRICT AND THE COSTS TO BE FUNDED BY THE ASSESSMENT DISTRICT IN FISCAL YEAR 2011-12.

TABLE 1 – COST AND BUDGET

East Contra Costa Fire Protection District			
Estimate of Costs FY 2011-12			
Services	Total Costs	Non Fire ¹	Fire Costs ²
		21%	79%
Personnel Costs ³	\$8,694,000	(\$1,825,740)	\$6,868,260
3-0 Staffing at Knightsen and Bethel Island ⁴	\$725,000	(\$152,250)	\$572,750
Services and Supplies ⁵	\$1,760,000	(\$369,600)	\$1,390,400
Cal-Fire Contract - Marsh/Morgan ⁶	\$400,000	(\$84,000)	\$316,000
Advanced Life Support Startup ⁷	\$200,000	(\$200,000)	\$0
Equipment Payoff and Facilities ⁸	\$164,000	(\$34,440)	\$129,560
EBRCSA Emergency Response System ⁹	\$210,000	(\$44,100)	\$165,900
Equipment and Apparatus Replacement ¹⁰	\$382,000	(\$80,220)	\$301,780
Total Costs	\$12,535,000	(\$2,790,350)	\$9,744,650
Total Fire Expenditures			\$9,744,650
Less: General Benefits from Fire Services ¹¹			(\$974,465)
Net Fire Services			\$8,770,185
Less:			
Fire Services Funded by Property Taxes and Other Sources ¹²			(\$4,735,185)
Contribution from Reserve Funds ¹³			(\$200,000)
Plus: Incidental Costs ¹⁴			\$80,000
Net Amount to Assessment ¹⁵			\$3,915,000

Notes to Cost and Budget

1. This column lists the amount of costs allocated to non fire related services. Total costs for fiscal year 2011-12 are first reduced by the proportion of costs allocated to non fire related services, as calculated in the following section of this Report.

Non fire related services are conservatively calculated to be 21% of the overall costs, so the amount shown in this line is equal to the Total Costs * -21%, with the exception of the startup costs for advanced life support (ALS) at Brentwood-54 and Oakley-93 stations, which are considered to be 100% non fire related.

2. As defined under the Method of Apportionment, 79% of the District's costs, excluding ALS startup, are for fire related services. This column is equal to total fiscal year 2011-12 costs less non fire related costs.
3. Personnel costs for firefighters, fire chief and administrative staff.
4. The proposed budget for fiscal year 2011-12 includes funding an additional firefighter staffed 24 hours per day, 7 days a week at Bethel Island and Knightsen. In conjunction with the other line items included in this Budget, the overall Budget would provide for 3-0 staffing 24 hours a day, 7 days a week, at all 6 stations in the District. The combination of personnel costs under #3 and these additional personnel costs translates into total funding for 54 fire suppression personnel and 7 administrative personnel.
5. Services and supplies includes vehicle maintenance and operation, utilities, fire fighting supplies, dispatch and administrative services provided by other public agencies and other services and supplies.
6. This line item is the annual cost of funding the Marsh Creek/Morgan Territory Sunshine Station.
7. Startup costs for advanced life support (ALS) at Brentwood-54 and Oakley-93 stations. These are one-time costs for ALS equipment and other startup costs.
8. Equipment payoff and facilities costs, which includes purchase payments for apparatus and equipment, building occupancy costs and finance charges.
9. Initial funding to be reserved and accrued to pay for the EBRCSA emergency communication system. The total installation cost is estimated to be \$620,000, so if similar additional amounts are included in the budgets for the next two years, sufficient funding to fully pay for the installation of the EBRCSA system will be available by fiscal year 2013-14.
10. Funding to accrue for replacement of antiquated fire apparatus and emergency response equipment.
11. As defined in the following Method of Apportionment section of this Report, overall general benefits are quantified to be 4.9%, and the allocation for general benefits is set at 10%, which is over twice this measure. This line item is equal to the Net costs after reduction for non fire related costs * -10%.
12. These contributions from property taxes, reserve funds and other sources, fund fire protection and fire suppression services to property in the Assessment District.

13. Contribution from reserve funds to be used to further offset fire related costs for FY 2011-12. (The District's remaining reserve funds are in line with the District's reserve policy.)
14. Estimated fiscal year 2011-12 incidental costs for assessment balloting, tabulation, legal fees, assessment administration, county charges for inclusion of assessments on property tax bills and other incidental costs.
15. This is the net cost of Enhanced Services to be funded by the Assessments.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section includes an explanation of the special benefits to be derived from the Enhanced Services, the criteria for the expenditure of Assessment funds and the methodology used to apportion the total Assessments to properties within the Assessment District.

The Assessment District consists of all Assessor Parcels within the East Contra Costa Fire Protection District. The method used for apportioning the Assessment is based upon the proportional special benefits from the Enhanced Services to be derived by the properties in the Assessment area over and above general benefits conferred on real property or to the public at large. Special benefit is calculated for each parcel in the Assessment District using the following process:

1. Identification of special benefit factors derived from the Enhanced Services
2. Calculation and quantification of the general benefits
3. Determination of the relative special benefit within different areas within the Assessment District
4. Determination of the relative special benefit per property type
5. Apportionment of the costs to Assessment and calculation of the Assessment for each individual parcel based upon special benefit; location, property type, property size, property characteristics, improvements on property and other supporting attributes.

DISCUSSION OF BENEFIT

California Government Code Section 50078 *et seq.* allows agencies which provide fire suppression services, such as East Contra Costa Fire Protection District of Contra Costa County, to levy assessments for fire suppression services. Section 50078 states the following:

“Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article.”

In addition, California Government Code Section 50078.1 defines the term “fire suppression” as follows:

“(c) “Fire suppression” includes firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard.”

The Assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner’s specific use of the Enhanced Services or a property owner’s specific demographic status. With reference to the requirements for Assessments, Section 50078.5 of the California Government Code states:

“(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit.”

“The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used.”

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

“No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

The following section describes how and why the Enhanced Services specially benefit properties.

SPECIAL BENEFIT FACTORS

In order to allocate the Assessments, the Engineer identified the types of special benefit arising from the Enhanced Services that will be provided to property in the Assessment District. These benefit factors must confer a direct advantage to the assessed properties, otherwise they would be general benefit.

The following benefit categories have been established that represent the types of special benefit conferred to residential, commercial, industrial, institutional and other lots and parcels resulting from the improved fire suppression and protection services that will be provided in the Assessment District.

1. Protection of real property assets and occupants from fires, fire damage and property loss

The Assessments will fund improved fire suppression and protection services, and thereby will reduce the risk of property damage associated with fires for property in the Assessment District. This is a direct and tangible special benefit to property in the Assessment District.

*"Over 140,000 wildfires occurred on average each year, burning a total of almost 14.5 million acres. And since 1990, over 900 homes have been destroyed each year by wildfires."*²

*"Fire is the largest single cause of property loss in the United States. In the last decade, fires have caused direct losses of more than \$120 billion and countless billions more in related cost."*³

*"The strategies and techniques to address fire risks in structures are known. When implemented, these means have proven effective in the reduction of losses."*⁴

*"Statistical data on insurance losses bears out the relationship between excellent fire protection...and low fire losses."*⁵

2. Prompt response to fires directly to any property in the Assessment District and direct delivery of services to any property in the Assessment District

The Assessments will fund substantially higher levels of fire suppression and fire protection services than would be provided absent the Assessments. These Enhanced Services will result in an improved and more effective response to fires, thereby enhancing the protection of property and reducing the risk of property damage associated with fires. Such improved fire suppression and protection responses are another tangible and direct advantage that will be received by properties in the Assessment District.

*"A reasonably disaster-resistant America will not be achieved until there is greater acknowledgment of the importance of the fire service and a willingness at all levels of government to adequately fund the needs and responsibilities of the fire service."*⁶

3. Protection of the use of property and use of improvements on property and protection of the life and safety of occupants of property

The Enhanced Services funded by the Assessments will allow the District to respond with more appropriate levels of firefighters and resources in comparison to the Baseline Level of Service. The Enhanced Services will better protect property and the life and safety of occupants. This is another direct special benefit from the Assessments.

4. Enhanced access to properties in the Assessment District, and utility and use of such properties.

As noted, the Assessments will fund improved fire suppression and protection services in the Assessment District. In addition to preventing damage to property from fires, the Assessments will also protect access to property, because fires can impede or prevent access to property. This benefits even those properties that are not directly damaged by fire by maintaining access to properties in the area. In addition, the Enhanced Services will enhance the utility and use of the properties in the Assessment District by better protecting properties from fire damage. These are additional direct benefits to property in the Assessment District that are not received by other properties or the public at large because the Enhanced Services will be provided for properties in the Assessment District.

NON FIRE RELATED SERVICES

The District primarily provides fire suppression, fire protection and emergency medical response services (EMS). Non fire related services, such as EMS, which are provided directly to property in the Assessment District, arguably are another direct and distinct service conferred on property that is of special benefit to property. However, because the Code does not specifically authorize assessments for emergency response services, non fire related services will not be funded by the Assessments.

It should be noted that the District's first priority on dispatch is fire protection. Secondly, the District is comprised of firefighters, fire engines, fire apparatus and fire stations. These resources are necessary and needed for fire protection, not emergency medical services. If the District were providing exclusive fire protection services, it would be comprised nearly identically and would have nearly equivalent operational costs. In contrast, if it were providing exclusive emergency medical response services, its staffing, equipment, facilities and operational costs would be materially less.⁷ Therefore, we could conclude that any time when firefighters are not on emergency medical response calls, should be allocated to fire suppression services. Using this approach, time on non fire related services equals 129,600 minutes per year, and total available minutes across all six stations is 3.1 million

minutes, so time expended on non fire services equates to 4% of total time. Although the measure above is justified, this section uses a more conservative approach, whereby the allocation of costs to fire and non fire services is based on actual time expended providing both categories of services, and time when District firefighters are not on service calls is apportioned to both fire and non fire proportionally.

The following table summarizes the annual fire and non fire responses, duration of services and the number of fire engines used on average per response. This data is then used to calculate percentage of fire engine/firefighter time expended on fire and non fire services. As shown, 79% of time is expended on fire services. As noted, since the Code does not specifically authorize an assessment for non fire services, they will be funded by non Assessment revenues.

TABLE 2 – FIRE AND NON FIRE RELATED SERVICES

	<i>Responses</i>	<i>Duration (min)</i>	<i>Engines Deployed</i>	<i>Total Minutes/Yr</i>	<i>Percent</i>
Fire Responses					
Fires	446	210	5	468,300	
Vehicles	200	30	1	6,000	
Fire Alarms	140	30	1	4,200	
Other - Fire	50	30	1	1,500	
Subtotal Fire Responses	836			480,000	79%
Non Fire Responses					
Emergency Medical	4,223	30	1	126,690	
Other - Non Fire	97	30	1	2,910	
Subtotal Non Fire Responses	4,320			129,600	21%
Mutual Aid - Going Out	199				
Totals	5,355			609,600	

Source: East Contra Costa Fire Protection District, Year 2010 Incidents and Analysis by Fire Chief.

Mutual Aid Responses are not included in time analysis because they are fully offset by mutual aid responses in District by other agencies. Moreover, approximately 75% of mutual aid responses are fire related.

Duration includes time in field and time restoring equipment and apparatus for reuse.

Total minutes per year equals (responses * duration * engines deployed).

Other fire responses include smoke investigations; other non fire responses include elevator emergencies and water line ruptures and hazardous materials responses.

GENERAL VERSUS SPECIAL BENEFIT

Article XIID of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to “separate the general benefits from the special benefits conferred on a parcel.” The assessment levied on properties can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

$$\text{Total Benefit} = \text{Total General Benefit} + \text{Total Special Benefit}$$

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. *SVTA* provides some clarification by indicating that general benefits provide “an indirect, derivative advantage.”

The starting point for evaluating general and special benefits is the 2011 Baseline Level of Service, if the Assessment is not approved by property owners, because this is the level of fire suppression and protection services that would exist in the Assessment District absent the Assessments. The Assessment will fund Enhanced Services “over and above” this baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

$$\begin{aligned} \text{General Benefit} = & \\ & \text{Benefit to Real Property Outside the Assessment District} + \\ & \text{Benefit to Real Property Inside the Assessment District that Is Indirect} \\ & \text{and Derivative} + \\ & \text{Benefit to the Public at Large} \end{aligned}$$

Special benefit, on the other hand, is defined in the state constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” In this Assessment, as noted, the improved Enhanced Services are available to all properties in the Assessment District and will be directly

delivered when needed, so the overwhelming proportion of the benefits conferred to property are direct and special.

Nevertheless, some of the Enhanced Services could benefit the public at large and properties outside the Assessment District. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the Assessment.

CALCULATING GENERAL BENEFIT

This section quantifies the measure of the general benefits from the Assessments.

BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT

Properties within the Assessment District receive almost all of the special benefits from the Enhanced Services because the Enhanced Services will be provided solely in the Assessment District boundaries. (It should be noted that the Enhanced Services may, at times, be used outside the District boundaries. However, this use is part of a mutual aid agreement and is offset by the provision of over twice the number of mutual aid services by other agencies directly to property within the Assessment District boundaries.)⁸ Properties proximate to, but outside of, the boundaries of the Assessment District may receive some benefit from the Enhanced Services due to some degree of indirectly reduced fire risk to their property (from prevention of fires on adjoining parcels in the Assessment District). These parcels that are proximate to the boundaries of the Assessment District do not receive the same level of the benefits relative to parcels within the Assessment District, because they do not directly receive the improved fire protection resulting from the Enhanced Services funded by the Assessments. However the Assessment Engineer determined that they could receive some indirect benefits from improved services close to these properties. The Assessment Engineer estimates that the indirect benefits to such parcels outside the Assessment District is less than ½ of the relative benefit in relation to parcels inside the District and, therefore assigns a 50% relative benefit to the outside parcels.

At the time the Assessment District was proposed, the Assessment Engineer, using the Geographic Information System parcel map, counted the number of proximate parcels to the proposed Assessment District boundary but outside the proposed Assessment District, and thereby determined that there were approximately 1,057 of these “proximate” properties.⁹

Criteria:

- 1,057 parcels outside the district but proximate to the District Boundaries
- 43,697 parcels in the Assessment District
- 50% relative benefit compared to property within the Assessment District

Calculation:

$$\text{General benefit to property outside the Assessment District} = 1,057 / (43,697 + 1,057) * .5 = 1.2\%$$

Although it can reasonably be argued that properties protected inside, but near the Assessment District boundaries, are offset by similar fire protection provided outside the District boundaries, we use the more conservative approach of finding that 1.2% of the Enhanced Services may be of general benefit to property outside the Assessment District.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

All parcels in the Assessment District will directly benefit from the 24 hour a day/7 day a week availability of the Enhanced Services for their property. Furthermore, all parcels in the Assessment District would directly benefit from the ability to request service from the District and to have District firefighting resources more promptly and effectively respond directly to the parcel. Therefore, the availability of the Enhanced Services for all parcels in the Assessment District could support the conclusion of zero general benefits to property inside the District. Nevertheless, general benefits to property inside the Assessment District are quantified more conservatively as follows:

One potential general benefit to property inside the Assessment District is services provided for vehicular accidents involving occupants of property within the Assessment District, but not proximate to their specific properties. Such services are fire related because all vehicle accidents involve highly flammable liquids and most involve explosives (in airbags). Moreover, such services are not included in the calculation of non fire related services described previously. In other words, vehicle accident services provided to a resident of the Assessment District on a main thoroughfare away from the resident's actual property, certainly provides benefit to that resident; however, it may be argued that the direct linkage with his specific property in the Assessment District is less straightforward. The quantification of indirect and derivative benefits to property inside the Assessment District is contained in the following paragraph.

To conservatively calculate general benefits to property inside the District, we shall utilize unweighted calls, instead of total engine time on calls as described in Table 2. Out of 5,355 total responses, the District responds to approximately 200 calls per year for traffic accidents, of which 70% involve occupants of property in the Assessment District. This equates to approximately 2.6% of all yearly District fire and emergency calls ($0.70 \times 200 / 5,355$). Since the people in the affected vehicles occupy property in the District, and District services to occupants ultimately are conferred indirectly back to property, this is a measure of general benefits to property in the Assessment District. This measure of 2.6% therefore is a reasonable quantified measure of the general benefit to property within the Assessment District.

BENEFIT TO THE PUBLIC AT LARGE

A measure of services that generally benefit the public at large is services provided for vehicular accidents involving people who do not live or work within the Assessment District, because such people are part of the public at large. Out of 5,355 total calls, the District responds to approximately 200 calls per year for traffic accidents, of which 30% involve the public at large. This equates to approximately 1.1% of all calls ($0.30 \times 200 / 5,355$). Therefore, 1.1% is the measure of general benefits to the public at large.

SUMMARY OF GENERAL BENEFITS

Using a sum of the measures of general benefit for the public at large and land outside the Assessment Area, we find that approximately 4.9% of the benefits conferred by the Fire Suppression and Protection Assessment may be general in nature and should be funded by sources other than the Assessment.

<p>General Benefit =</p> <p>1.2 % (Outside the district)</p> <p>+ 2.6 % (Inside the district - indirect and derivative)</p> <p>+ 1.1 % (Public at large)</p> <p>= 4.9 % (Total General Benefit)</p>
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Although this analysis supports the findings that 4.9% of the Assessment may provide general benefits, this number is increased by the Assessment Engineer to 10% to conservatively ensure that no Assessment revenue is used to support general benefit.

The total cost of District services for 2011-12 is \$12,535,000. After reduction for non fire related services as shown in the budget, the net cost of fire services for 2011-12 is \$9,744,650. The quantified general benefits from the services, at 10%, are \$974,465. Of the net cost of fire suppression and protection services, the District will contribute approximately \$4,935,185, or about 56% of the cost of services that provide direct advantage to property in the Assessment District from sources other than this proposed Assessment. This additional contribution, over and above the non fire related services and general benefits, is a significant additional contribution towards fire suppression and fire protection services in the Assessment District.

ZONES OF BENEFIT

The Insurance Services Office (ISO) provides fire insurance cost ratings based on the level of fire services within a community. Ideally, the ISO would prefer that properties are within 3 miles of a fire station. Moreover, the National Fire Protection Association developed a response time goal of 6 minutes. A primary Zone of Benefit, Zone A, is established for properties within 2.5 miles of a current fire station, because under the Enhanced Level of Services the District will be able to respond within Zone A in six minutes or less most of the time. Properties outside Zone A are designated as Zone B. District response times within Zone B will be approximately double those for Zone A. Therefore, the rate of Assessment within Zone B will be 50% of Zone A.

Also, properties in an area of the District commonly known as the Cypress Lakes Development, currently support an annual Community Facilities District special tax at the rate of \$228.32 per parcel, plus annual cost inflation, for the purpose of financing the cost of providing fire suppression and emergency services in this area. Since properties in the Cypress Lakes area are already paying more than the Assessment rate for fire services in their area, they receive no special benefit from the Enhanced Services. These properties are designated as Zone of Benefit C and are assigned a \$0 Assessment rate.

ASSESSMENT APPORTIONMENT

In the process of determining the appropriate method of assessment, the Assessment Engineer considered various alternatives. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate

because vacant, commercial, industrial and other properties also receive special benefits from the Assessments (because they also will receive the Enhanced Services).

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger commercial/industrial properties and residential properties with multiple dwelling units receive a higher degree of benefit than other similarly used properties that are significantly smaller. For two properties used for commercial purposes, there clearly is a higher benefit provided to the larger property in comparison to a smaller commercial property, because the larger property has a larger structure with greater overall fire damage potential. This benefit ultimately flows to the property. Larger parcels, therefore, receive an increased benefit from the Assessments.

The Assessment Engineer determined that the appropriate method of Assessment should be based on the type of property, the relative risk of fire by type of property, the relative size of the property, and the relative damage value factors of fires by property type. This method is further described below.

METHOD OF ASSESSMENT

The next step in apportioning Assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a "benchmark" property, a single family detached dwelling on one parcel (one "Single Family Equivalent Benefit Unit" or "SFE"). This SFE methodology is commonly used to distribute Assessments in proportion to estimated special benefits and is generally recognized as providing the basis for a fair and appropriate distribution of Assessments. In this Engineer's Report, all properties are assigned an SFE value, which is each property's relative benefit in relation to a single family home on one parcel.

The relative benefit to properties from fire related services is:

EQUATION 1 – RELATIVE BENEFIT TO PROPERTIES

$$\text{Benefit} \approx \Sigma (\text{Fire Risk Factors}) * \Sigma (\text{Fire Damage Factors})$$

That is, the benefit conferred to property is the "sum" of the fire risk factors multiplied by the "sum" of the fire damage factors, and then normalized by average areas.

FIRE RISK FACTORS

Typical fire assessments are evaluated based upon the fire risk of a certain property type. These evaluations consider factors such as use of structure (e.g. used for cooking), type of structure (centralized heating), etc.

In 2003, the National Fire Protection Association (“NFPA”), one of the pre-eminent authorities on fire protection in the United States, published the 2003 US Fire Problem Overview Report. This report comprehensively tabulates the number of fires for each property type within the United States in the year 1999, and serves as a reasonable and rational basis to determine fire risk.

The number of fires for each property type is then divided by the total number of that property type to determine un-normalized fire risk factor. Finally, the risk factors are normalized based upon a factor of 1.00 for a single family property. Table 3 below tabulates the Fire Risk Factors for each property type.

TABLE 3 – FIRE RISK FACTORS

Property Type	Normalized Fire Risk Factors
Single Family	1.0000
Multi-Family & Condo	1.8769
Commercial/Industrial	0.9982
Office	0.3571
Institutional & Cemeteries	0.9675
Storage	2.8916
Commercial Marinas	0.9982
Vacant	0.2221
Agriculture - Orchards & Vineyards	0.3451
Agriculture - Rice & Flood Irrigation	0.3451
Agriculture - Pasture & Row Crops	0.3451
Agriculture - Dairy, Livestock, Animals	0.3451
Range Land & Open Space	0.0598

Analysis based upon: 2003 US Fire Problem Overview Report, NFPA

FIRE DAMAGE FACTORS

The relative replacement factors of different property types were evaluated within the District area to determine the Fire Damage Factors according to the following formula:

EQUATION 2 - FIRE DAMAGE FACTORS

$$\Sigma (\text{Fire Damage Factors}) \approx \text{[(The average normalized cost to replace structures, improvements and potential fire damage on property)]}$$

Where:

"Fire Damage Factor" is based upon the estimated replacement cost per property type, the structure square footage per property type, as provided by the County Assessor records, and average improved values for newly sold properties, as provided by County Assessor records.

Table 4 is a tabulation of the Fire Damage Factors for each property type as defined by Equation 2, above.

TABLE 4 – FIRE DAMAGE FACTORS

Property Type	Damage Factor
Single Family	1.0000
Multi-Family & Condo	0.6400
Commercial/Industrial	0.8000
Office	1.6000
Institutional & Cemeteries	0.6400
Storage	0.2400
Commercial Marinas	0.2400
Vacant	0.0022
Agricultural	0.0022
Range Land & Open Space	0.0004

SUMMARY OF BENEFITS FOR EACH PROPERTY TYPE

Per Equation 1, the relative special benefit for each property type (the “SFE” or “Single Family Equivalent” Benefit Units) is determined as the product of the normalized Fire Risk Factors and the normalized Fire Damage Factors. Table 5, summarizes the benefit for each property type.

TABLE 5 – BENEFIT SUMMARY PER PROPERTY TYPE

Property Type	Fire Risk Factors	Fire Damage Factors	SFE Factors
Single Family	1.0000	1.0000	1.000000
Multi-Family & Condo	1.8769	0.6400	1.201190
Commercial/Industrial	0.9982	0.8000	0.798599
Office	0.3571	1.6000	0.571387
Institutional & Cemeteries	0.9675	0.6400	0.619212
Storage	2.8916	0.2400	0.693982
Commercial Marinas	0.9982	0.2400	0.239580
Vacant	0.2221	0.0022	0.000483
Agricultural	0.3451	0.0022	0.000751
Range Land & Open Space	0.0598	0.0004	0.000022

SFE factor is multiplied by the building area in square footage to determine the total SFE Units for a parcel, with the exception of vacant, agricultural and range land/open space, which are multiplied by parcel acreage. SFE factor has been converted from “per square foot” to “per acre” for vacant, agricultural and range land/open space by converting the single family Fire Damage Factor per square foot into a damage factor per acre.

RESIDENTIAL PROPERTIES

Single family homes in the District, unlike other types of properties, generally have similar occupant densities regardless of structure size. Occupant densities serve as a measure of relative special benefit because people ultimately receive utility from services and/or improvements that provide special benefits. Moreover, the benefit factor of fire damage is determined to be generally equal for houses in the District that are up to 3,000 square feet in size, because most fire damage and structure replacement costs are generally equivalent for small and medium sized houses. Houses over 3,000 square feet are classified as large houses and are assigned a higher fire damage factor that is proportional to the increased house size. Accordingly, the average size of all houses in the District up to 3,000 square feet, which equals 2,130.4 square feet, is used as the building area SFE factor for all homes up 3,000 square feet. Homes in excess of 3,000 square feet are

assigned the same average building area factor of 2130.4 for the first 3,000 square feet, plus the additional habitable building area in excess of 3,000 square feet.¹⁰

Furthermore, residential properties on parcels that are larger than one acre receive additional benefit for the land area that is protected by the Assessments and are assigned additional SFEs for acreage over one acre on an "Agricultural" basis. Detached or attached houses, zero-lot line houses, duplexes, triplexes, fourplexes and town homes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. The relative benefit for multi-family properties was determined per Equation 1 to be 1.20119 per square foot of habitable building area. This rate applies to condominiums as well.

OTHER PROPERTIES WITH STRUCTURES

The single family equivalent factors for other types of improved properties is shown in Table 5. For each property type, the SFE factor is based on relative fire risk and fire damage factors and is applied on a building area basis.

VACANT, AGRICULTURE AND RANGELAND PROPERTIES

Vacant, agricultural and rangeland properties receive special benefit from fire suppression services through protection of crops, landscaping, minor structures and equipment, as well as increased suitability for future development. The relative benefit for vacant, agriculture and rangeland/open space properties is established on a per acre basis and is shown in Table 5 as well.

OTHER PROPERTIES

Article XIIIID, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from an assessment unless there is clear and convincing evidence that those properties receive no special benefit.

All public properties that are specially benefited are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

Miscellaneous, small and other parcels such as roads and right-of-way parcels typically do not have significant risk or Fire Damage Factors and have limited economic value. These

miscellaneous parcels receive no special benefit from the Assessments and are assessed an SFE benefit factor of 0.

ASSESSMENT RATES

The specific SFE factors are calculated for each property in the Assessment District by applying the SFE Factors from Table 5 to the relevant building area and/or land area of the parcel. The final step in the apportionment of the Assessments is to apportion and allocate the cost of the Assessments to each parcel based on special benefit (SFE factor) assigned to each parcel and the overall cost of the Assessments over and above general benefits.

The overall cost of the Assessments for special benefits to property is \$3,915,000. This amount is divided by the total SFE benefit factors assigned to all parcels, as shown in Table 6 to establish the Assessment rate of \$0.046 per SFE benefit factor.

TABLE 6 – SPECIAL BENEFIT COST OF ASSESSMENTS APPORTIONED TO SFE FACTORS

Assessment Allocation to SFE Benefit Units			
	Total Cost of Assessment for Special Benefits	\$3,915,000	
	Total SFE Benefit Units	85,108,695.65	
	Rate per SFE Benefit Unit	\$0.046	

ASSESSMENT AMOUNTS BY PARCEL

Table 7 below summarizes the assessment rates by property type. The assignment of the average building area of 2,130.4 to single family homes up to 3,000 square feet translates into an assessment rate of \$98.00 per single family home up to 3,000 square feet in size. Homes greater than 3,000 square feet have an additional Assessment rate of \$0.046 per square foot for habitable area in excess of 3,000 square feet. Other types of properties generally have fire damage factors that increase in proportion to the property size; therefore, the Assessment rates for other types of properties are applied on a per square foot or per acre basis as appropriate. The Assessment Rates by property type are summarized in the following Table.

TABLE 7 – ASSESSMENT RATES BY PROPERTY TYPE

Property Type	Fire Risk Factors	Fire Damage Factors	SFE Factors	Assessment Rate	Unit
Single Family <=3000 sq. ft. ¹	1.0000	1.0000	1.000000	\$98.00	per home
Single Family > 3000sq. ft. ²	1.0000	1.0000	1.000000	\$0.046	per sq ft
Multi-Family & Condo	1.8769	0.6400	1.201190	\$0.055	per sq ft
Commercial/Industrial	0.9982	0.8000	0.798599	\$0.037	per sq ft
Office	0.3571	1.6000	0.571387	\$0.026	per sq ft
Institutional & Cemeteries	0.9675	0.6400	0.619212	\$0.028	per sq ft
Storage	2.8916	0.2400	0.693982	\$0.032	per sq ft
Commercial Marinas	0.9982	0.2400	0.239580	\$0.011	per sq ft
Vacant	0.2221	0.0022	0.000483	\$0.291	per acre
Agricultural	0.3451	0.0022	0.000751	\$0.451	per acre
Range Land & Open Space	0.0598	0.0004	0.000022	\$0.013	per acre

Notes: Assessment rates shown are for Zone A. Zone B rates are 50% of the Zone A rates and Zone C is 0.

1. Single family homes up to 3,000 square feet have an assessment of \$98.00 per home.
2. Single family homes in excess of 3,000 square feet of habitable area have an assessment of \$98.00 per home plus \$0.046 per square foot of habitable area in excess of 3,000 square feet.

AN EXAMPLE OF BENEFIT CALCULATION

Below is an example of the benefit calculation per Equation 1 for Commercial/Industrial parcels to illustrate the methodology (a summary of the results of all calculations is given in Tables 5 and 7).

Commercial/Industrial Example:

The benefit is the normalized Fire Risk Factor times the normalized Fire Damage Factor, then normalized per average square footage.

$$\text{Benefit} = ((\text{Fire Risk Factor}) * (\text{Fire Damage Factor})) * ((\text{Average Structure Sqft by type} / \text{Avg Structure Sqft for single family home}))$$

The fire risk of commercial/industrial parcels is determined by taking the percentage of all fires in commercial/industrial parcels, and dividing it by the percentage of square footage area that are commercial/industrial. The fire percentages are taken from the NFPA 2003 US Fire Problem Overview Report. The resulting figure is normalized relative to the risk of a single family home, by taking the percentage of fires in single family homes over the

percentage of square footage area that are single family homes, and dividing that figure into the commercial/industrial fire risk figure.

Fire Risk \approx ((% of all fires) / (% of square footage area)) / (normalization factor versus Single Family Homes)

% of all fires = 9.222% for commercial/industrial, and 53.846% for single family homes

% of area = 10.664% for commercial/industrial, and 62.157% for single family homes

Fire Risk Factor = ((9.222% of all fires) / (10.644% of all square footage area)) / ((53.846% of all fires) / (62.157% of all square footage area))

Fire Risk Factor = 0.9982

The fire damage factor is determined by analyzing the County Assessor's data including the average structure square footage area and the average assessed value per square foot of commercial area for recently sold properties. Using this and other structure replacement cost data, the average fire damage cost is established for each property type. The local average fire damage cost is normalized and multiplied by the average square footage area for each property type.

Fire Damage Factor \approx Normalized Local Average Replacement Costs * Adjustment Factor

Local Average Replacement Cost for commercial/industrial \approx \$100.00/sqft

Local Average Replacement Cost for single family homes \approx \$125.00/sqft

Fire Damage Factor = (100.00/125.00)

Fire Damage Factor = 0.8000

Since the Benefit is the Fire Risk Factor times the Fire Damage Factor, then converted into a per square foot rate, the Commercial/Industrial benefit single family equivalent factor is 0.037 per square foot of commercial/industrial property type:

Benefit = (0.9982 * 0.8000 * 0.046) = \$0.037 per square foot

BENEFIT FINDING

As noted, the Assessment funds will be used to tangibly improve fire suppression and protection services throughout the proposed Assessment District. In comparison, under the Baseline Level of Services that will exist absent this new Assessment, fire protection services throughout the District will be clearly inadequate and insufficient to properly protect property and the lives of occupants of property. Properties in communities with inadequate fire services are materially less valuable and so it is very reasonable to find that the direct advantages conferred by the Enhanced Services to property in the Assessment District are reasonably well in excess than the annual costs of the Assessments. Moreover, fire insurance costs alone absent the Enhanced Services would likely increase by more than the cost of the Assessments per year. In conclusion, this Engineer's Report finds that the Enhanced Services are a significant, tangible benefit to property that should reasonably and rationally confer more direct advantages from the special benefits to properties in the Assessment District than the base Assessment rate of \$0.046 per benefit unit.

DURATION OF ASSESSMENT

It is proposed that the Assessment be levied for fiscal year 2011-12 and may be continued every year thereafter, so long as the risk of fire on property in the Assessment District remains in existence and the East Contra Costa Fire Protection District requires funding from the Assessment for its fire suppression Enhanced Services. As noted previously, if the Assessment and the duration of the Assessment are approved by property owners in an Assessment ballot proceeding, the Assessment can be imposed and levied annually after the East Contra Costa Fire Protection District Board of Directors approves an annually updated Engineer's Report, budget for the Assessment, Enhanced Services to be provided, and other specifics of the Assessment. In addition, the District Board of Directors must hold an annual public hearing to continue the Assessment.

APPEALS OF ASSESSMENTS LEVIED ON PROPERTY

Any property owner who feels that the Assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of Assessment or for any other reason, may file a written appeal with the Fire Chief of the East Contra Costa Fire Protection District or his or her designee. Any such appeal is limited to correction of an Assessment during the then current fiscal year. Upon the filing of any such appeal, the Fire Chief or his or her designee will promptly review the appeal and any information provided by the property owner. If the Fire Chief or his or her designee finds that the Assessment should be modified, the appropriate changes shall be made to the Assessment roll. If any such changes are approved after the Assessment roll has been

filed with the County for collection, the Fire Chief or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Fire Chief or his or her designee shall be referred to the East Contra Costa Fire Protection District Board of Directors and the decision of the Board shall be final.

ASSESSMENT FUNDS MUST BE EXPENDED WITHIN THE DISTRICT AREA

The net available Assessment funds, after incidental, administrative, financing and other costs, shall be expended exclusively for Enhanced Services within the boundaries of the Assessment District, namely, the District area.

ASSESSMENT RATE IS SUBJECT TO ANNUAL ADJUSTMENT

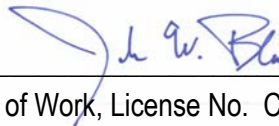
The Assessment rate is subject to an annual increase tied to the Consumer Price Index-U for the San Francisco Bay Area as of December of each succeeding year (the "CPI"), with a maximum annual increase not to exceed 3% (the "CPI adjustment schedule"). Each year, the Board must approve the Assessment rate to be levied for the next fiscal year, which cannot exceed the maximum Assessment rate, as defined by the annual CPI adjustment schedule, but also can be less than the maximum Assessment rate.

OVERSIGHT, ANNUAL REVIEW AND ACCOUNTABILITY

The Assessment proceeds and expenditures will be annually audited by an independent auditing entity. The results of the audit will be publicly reviewed at a public meeting of the District. The Assessment proceeds and expenditures will also be reviewed and overseen by the District Board. In addition, the Assessment budget, Assessment rate and proposed Enhanced Services will be reviewed at a noticed public hearing by the Board and public. In general, the public review and accountability process is as follows: The Assessments will not automatically continue and will require specific actions, reports and procedures for continuation. In each subsequent year for which the Assessments will be levied, the Board must preliminarily approve at a public meeting a budget and costs for the upcoming fiscal year's Enhanced Services, an updated annual Engineer's Report, and an updated Assessment roll listing all parcels and their proposed Assessments. At this meeting, the Board will also call for the publication in a local newspaper of a legal notice of the intent to continue the Assessments for the next fiscal year and set the date for the noticed public hearing. At the annual public hearing, members of the public can provide input to the Board prior to the Board's decision on ordering the Enhanced Services and the Assessments for the next fiscal year.

CERTIFICATES

1. The undersigned respectfully submits the enclosed Engineer's Report to the East Contra Costa Fire Protection District Board of Directors.



Engineer of Work, License No. C052091

2. I, the Clerk of the East Contra Costa Fire Protection District, Contra Costa County, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on _____.

Clerk of the Board

3. I, the Clerk of the East Contra Costa Fire Protection District, Contra Costa County, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the Board on _____, by Resolution No. _____.

Clerk of the Board

4. I, the Clerk of the East Contra Costa Fire Protection District, Contra Costa County, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of Contra Costa County, California, on _____.

Clerk of the Board

5. I, the County Auditor of Contra Costa County, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2011-12 was filed with me on _____.

County Auditor, Contra Costa County

ASSESSMENT

WHEREAS, the Board of Directors of the East Contra Costa Fire Protection District is proceeding with the proposed Fire Suppression and Protection Assessment District and proposed levy of Assessments under California Government Code sections 50078 *et seq.* (the “Code”) and Article XIII D of the California Constitution (the “Article”);

WHEREAS, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the Assessment District and an Assessment of the estimated costs of the Enhanced Services upon all assessable parcels within the Assessment District;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Code and Article and the order of the Board of said District, hereby make the following Assessment to cover the portion of the estimated cost of said Enhanced Services, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for said Enhanced Services and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2011-12 is generally as follows:

TABLE 8 – SUMMARY COST ESTIMATE

FISCAL YEAR 2011-12 BUDGET	
Total Cost of Services and Improvements	\$12,535,000
Contribution for Non Fire Related Services and from Property Taxes and Other Revenues	(\$8,700,000)
Incidental Costs	\$80,000
Total Fire Suppression & Protection Services Budget	\$3,915,000

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Assessment district. The distinctive number of each parcel or lot of land in the Assessment district is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the Enhanced Services, including the costs and expenses incident thereto, upon the parcels

and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Enhanced Services, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The maximum authorized Assessment rate is equal to the Assessment rate in the first fiscal year the Assessment was levied increased annually by the minimum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described as follows. Any change in the CPI in excess of 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized Assessment rate in years in which the CPI is less than 3%.

Since property owners in the Assessment District, in an Assessment ballot proceeding, will approve the initial fiscal year benefit Assessment for special benefits to their property including the CPI adjustment schedule, the Assessment may be continued annually and may be increased by up to the maximum annual CPI adjustment without any additional Assessment ballot proceeding. In the event that in future years the Assessments are assessed at a rate less than the maximum authorized Assessment rate, the Assessment rate in a subsequent year may be increased up to the maximum authorized Assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Contra Costa for the fiscal year 2011-12. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of Contra Costa County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the Assessment for the fiscal year 2011-12 for each parcel or lot of land within the said Assessment District.

Dated: April 27, 2011



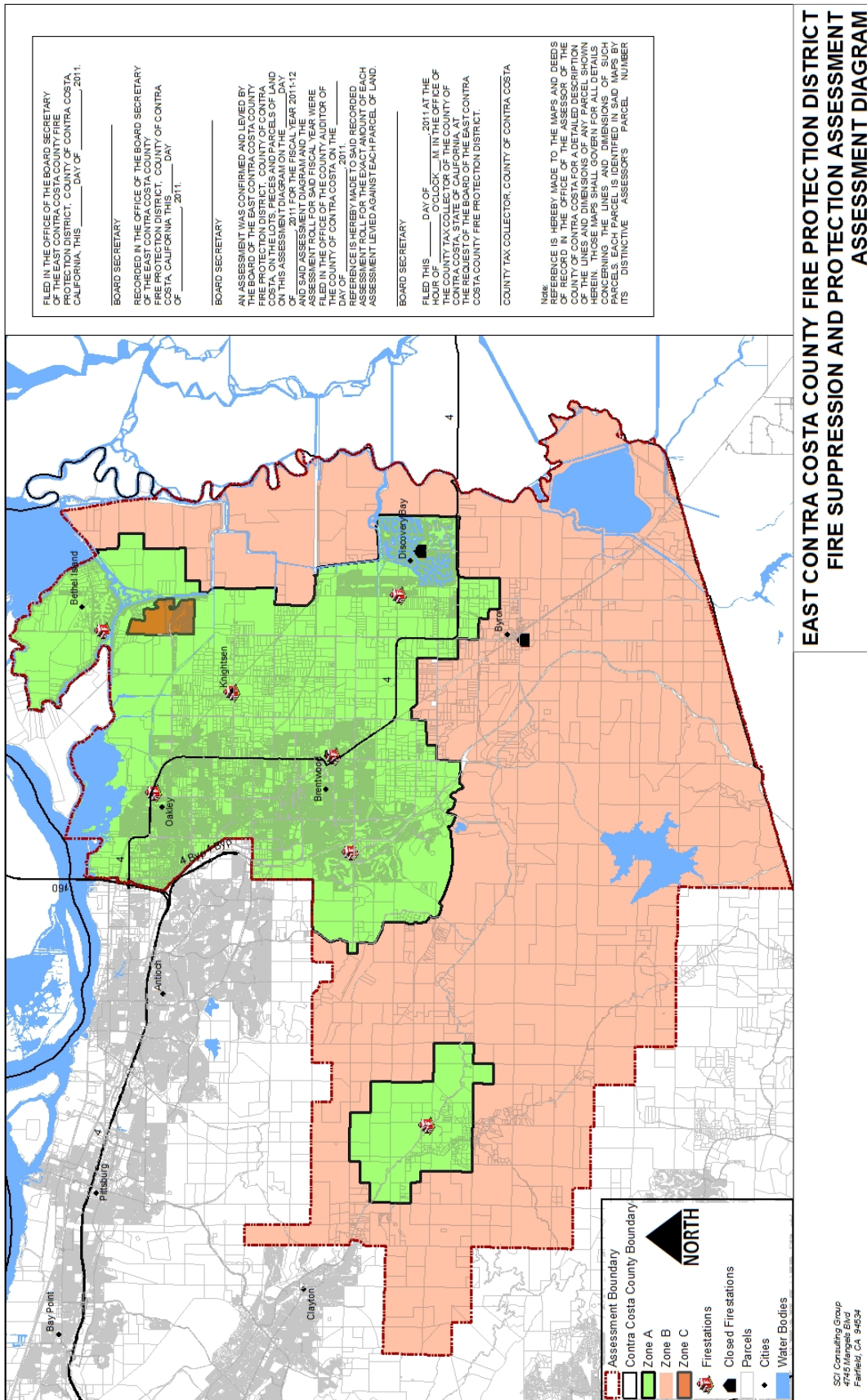
Engineer of Work

By

John W. Bliss, License No. C052091

ASSESSMENT DIAGRAM

The Assessment District includes all properties within the boundaries of the Fire Suppression and Protection Assessment District. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of Contra Costa County, and are incorporated herein by reference, and made a part of this Diagram and this Report.



APPENDIX A – ASSESSMENT ROLL, FISCAL YEAR 2011-12

The Assessment Roll is made part of this report and is available for public inspection during normal office hours. Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference, made part of this report. These records shall govern for all details concerning the description of the lots of parcels.

END NOTES

¹ The specific service reductions have not yet been finalized, but are anticipated to be similar to the summary listed.

² Institute for Business & Home Safety, "Protect Your Home Against Wildfire Damage," <http://www.ibhs.org/publications/view.asp?id=125>

³ Insurance Services Offices Inc.
<http://www.rockwall.com/FireDepartment/Insurance%20Services%20Office%20Rating%20Information.pdf>

⁴ U.S. Fire Administration, Department of Homeland Security, "America Burning, Recommissioned: Principal Findings and Recommendations," p.2, <http://www.usfa.fema.gov/downloads/pdf/abr-rep.PDF>

⁵ Insurance Services Offices Inc., p. 1,
<http://www.rockwall.com/FireDepartment/Insurance%20Services%20Office%20Rating%20Information.pdf>

⁶ U.S. Fire Administration, Department of Homeland Security, "America Burning, Recommissioned: Principal Findings and Recommendations," p.1, <http://www.usfa.fema.gov/downloads/pdf/abr-rep.PDF>

⁷ For example, instead of three firefighters on a fire engine, staffing of only two personnel in an ambulance is needed for emergency medical response services. Moreover, EMS services could be provided from much smaller and less expensive facilities.

⁸ In 2010, the District responded to 196 mutual aid service requests outside the District. These mutual aid responses by the District were more than offset by 525 mutual aid service responses provided by other fire protection districts to property in the District in 2010.

⁹ Proximate can be defined as those parcels that are adjacent to the Assessment District boundaries. However, to establish a more conservative measure, proximate is defined in this analysis as those parcels within 1000 feet of Assessment District boundaries.

¹⁰ . Fire damage costs for small to medium sized homes, defined as up to 3000 square feet, are considered to be generally equivalent, because these homes would have generally equivalent costs for plans, permits and reconstruction. Each of these homes would be rebuilt with generally equivalent finishes, kitchens and other primary cost areas. Homes over 3,000 square feet are considered to be large homes with higher levels of finishes and larger areas that may need to be replaced, which ultimately translates into a proportionally higher fire damage factor, related to habitable building area.

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**EAST CONTRA COSTA FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS RESOLUTION NO. _____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT
DECLARING INTENTION TO FORM THE FIRE PROTECTION AND SUPPRESSION
ASSESSMENT DISTRICT AND LEVY AND COLLECT ASSESSMENTS AND
PRELIMINARILY APPROVING THE ENGINEER'S REPORT**

WHEREAS, the East Contra Costa Fire Protection District (the "District") is responsible for providing fire suppression, fire protection, fire prevention, emergency response and emergency services, basic hazardous materials response, and other services relating to the protection of lives and property; and

WHEREAS, the District was formed in September 2002 by combining the three small fire districts of Bethel Island, East Diablo, and Oakley; and

WHEREAS, the District desires to initiate the proceedings for the formation of a fire protection and suppression assessment district pursuant to Government Code sections 50078—50078.20 to provide improved fire protection and fire suppression services for all the properties within the boundaries of the District; and

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIIC and XIID to the California Constitution; and

WHEREAS, Articles XIIC and XIID of the California Constitution and implementing statutes impose certain procedural and substantive requirements relating to assessments (; and

WHEREAS, an Engineer's Report (the "Report") has been prepared by SCI Consulting Group (the "Assessment Engineer") and submitted to the District Board of Directors (the "Board"), in which a new assessment is proposed to fund the cost of providing enhanced fire suppression and fire protection services within the District boundaries. This proposed assessment shall be described as the "Fire Protection and Suppression Assessment District" (hereinafter the "Assessment District") of the District.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT AS FOLLOWS:

1. **Reference to Initiation.** Pursuant to direction from the District Board, the Assessment Engineer, SCI Consulting Group, prepared an Engineer's Report pursuant to Title 3, Division 1, Part 1, Article 3.6 of the California Government Code, "Fire Suppression Assessments", beginning with Section 50078 and Article XIID of the California Constitution. The Report has been made, filed with the Secretary of the District and duly considered by the Board and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to this Resolution.
2. **Description of the Enhanced Services.** Within the Assessment District, the proposed enhanced services and equipment to be funded by the assessments ("Enhanced

Services”) are generally described as including, but not limited to, the following: the costs of firefighting personnel, fire suppression and protection services equipment and apparatus; and costs, training and administration of volunteer firefighting personnel and a portion of the general and overhead costs of administering and operating the District, its facilities and equipment.

3. **Reference to Engineer’s Report.** Reference is hereby made to the Report for a full and detailed description of the Enhanced Services, the boundaries of the Assessment District and the proposed assessments upon assessable lots and parcels of land within the Assessment District. Reference is also hereby made to the Report for an estimate of the costs of the Enhanced Services proposed to be financed from the proceeds of the proposed Assessment.
4. **Report of the Assessment Engineer.** The Report, which is available for public review at the East Contra Costa Fire Protection District (located at 134 Oak Street, Brentwood, CA 94513), is hereby incorporated by reference. This Engineer’s Report includes:
 - A. A description of the Enhanced Services to be funded with assessment proceeds;
 - B. An estimate of the annual cost of such Enhanced Services;
 - C. A description of the assessable parcels of land within the District and proposed to be subject to the new assessment;
 - D. A description of the proportionate special and general benefits conferred on property by the proposed assessment;
 - E. A description of the boundaries of the proposed assessment district, and
 - F. A specification of the amount to be assessed upon various types of assessable land to fund the cost of the Enhanced Services.
 - G. The proposed method and formula of assessing the costs and expenses of the Enhanced Services to the properties which will specially benefit from the Enhanced Services.
5. **Description of Assessment District.** The Assessment District consists of the lots and parcels shown on the boundary map of the Assessment District on file with the Secretary of the Board, and reference is hereby made to such map for further particulars.
6. **Proposed Assessment Rate.** It is the intention of this Board to levy and collect assessments within the Assessment District. The estimated fiscal year 2011-12 cost of providing the Enhanced Services is \$3,915,000. This cost results in a proposed assessment rate of NINETY-EIGHT DOLLARS (\$98.00) per single-family home up to 3,000 square feet of habitable building area and \$0.046 per square foot of single family habitable building area in excess of 3,000 square feet for fiscal year 2011-12, with assessment rates for other types of property based on relative risk of fire and relative potential fire damage. The assessment rate may increase in future years by an amount not to exceed consumer price index as described more particularly in the Report and based on further action by the Board. It is the further intention of the Board to have the assessment collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the East Contra Costa Fire Protection District at a regular meeting held on the 2nd day of May, 2011 by the following vote:

AYES _____

NOES _____

ABSENT _____

ABSTAIN _____

ERICK STONEBARGER
President, Board of Directors

ATTEST:

HUGH HENDERSON
District Clerk

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS RESOLUTION NO. _____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT
PROVIDING NOTICE OF PUBLIC HEARING
AND THE MAILING OF THE ASSESSMENT BALLOTS ON THE MATTER OF AUTHORIZING
THE LEVY OF ANNUAL ASSESSMENTS AGAINST PROPERTIES WITHIN THE DISTRICT**

WHEREAS, the East Contra Costa Fire Protection District (the “District”) is responsible for providing fire suppression, fire protection, fire prevention, emergency response and emergency services, basic hazardous materials response, and other services relating to the protection of lives and property; and

WHEREAS, the District was formed in September 2002 by combining the three small fire districts of Bethel Island, East Diablo, and Oakley; and

WHEREAS, the District desires to initiate the proceedings for the formation of a fire suppression and protection assessment district pursuant to Government Code sections 50078—50078.20 to provide improved fire protection and fire suppression services for all the properties within the boundaries of the District; and

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIIC and XIID to the California Constitution; and

WHEREAS, Articles XIIC and XIID of the California Constitution and implementing statutes impose certain procedural and substantive requirements relating to assessments; and

WHEREAS, an Engineer’s Report (the “Report”) has been prepared by SCI Consulting Group (the “Assessment Engineer”) and submitted to the District Board of Directors (the “Board”), in which a new assessment is proposed to fund the cost of providing enhanced fire suppression and fire protection services within the District boundaries (the “Enhanced Services”). This proposed assessment shall be described as the “Fire Suppression and Protection Assessment District” (hereinafter the “Assessment District”) of the District.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT AS FOLLOWS:

1. **Public Hearing.** The public hearing on the Report and the imposition of the proposed assessment shall be held before the Board of the District at the Oakley City Council Chambers, located at 3231 Main Street, Oakley, CA 94561 as follows: on Monday, August 1, 2011 at the hour of 6:30 p.m. for the purpose of this Board’s determination of whether the public interest, convenience and necessity require the formation of the Assessment District and the levy and collection of assessments against properties within the Assessment District to pay for costs and expenses of the Enhanced Services and this Board’s final action upon the Report and the assessments therein.

2. **Notice and Ballot.** The Board's Secretary is hereby authorized and directed to cause Notice of the hearing ordered under Section 1 hereof to be given in accordance with law by mailing in the United States mail, and such Notice shall be deemed to have been given when so deposited in the mail. The envelope or cover of the mailing shall include the name of the Assessment District. The mailed Notice shall be given to all property owners within the Assessment District by such mailing by name to those persons whose names and addresses appear on the last equalized secured property tax assessment roll of Contra Costa County, or in the case of any public entity, the representative of such public entity at the address thereof known to the Secretary. The Notice shall include, but not be limited to, the total amount of assessment proposed to be levied in the Assessment District for fiscal year 2011-12, the assessment proposed for the owner's particular parcel(s) and the duration thereof and the reason for the assessment. Each Notice shall also contain the basis upon which the amount of the assessment was calculated. Each Notice shall also contain an assessment ballot, a summary of the procedures applicable to the completion, return and tabulation of assessment ballots, the date, time, and location of the public hearing and a statement that the assessment shall not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with ballots weighted according to the proportional financial obligations of the affected property. The Notice herein provided shall be mailed not less than forty-five (45) days before the date of the public hearing.
3. **Additional Information.** To get additional information about the proposed assessments, the Assessment District or the proposed Enhanced Services contact: Hugh Henderson, Fire Chief, 134 Oak Street, Brentwood, CA 94513, phone number (925) 240-2131. The Engineer's Report and other written material about the Assessment District may also be reviewed at the East Contra Costa Fire Protection District during regular District's business hours.
4. **Annual Assessments.** The assessments are proposed to be levied annually. If the proposed assessments are approved and confirmed by the District Board of Directors, the assessment rate may increase in future years by an amount equal to the annual change in the Consumer Price Index for All Urban Consumers in the San Francisco Bay Area, not to exceed 3% (three percent) per year without a further vote or balloting process. In each subsequent year in which the assessments will be levied, an updated Engineer's Report, including a proposed budget and assessment rate, shall be prepared. The updated Engineer's Report shall be considered by the Board of Directors at a noticed public hearing. The updated Engineer's Report shall serve as the basis for the continuation of the assessments.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the East Contra Costa Fire Protection District at a regular meeting held on the 2nd day of May, 2011 by the following vote:

AYES _____

NOES _____

ABSENT _____

ABSTAIN _____

ERICK STONEBARGER
President, Board of Directors

ATTEST:

HUGH HENDERSON
District Clerk

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS RESOLUTION NO. _____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT
ADOPTING PROPOSITION 218 ASSESSMENT BALLOT PROCEEDINGS PROCEDURES**

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIII C and XIII D to the California Constitution; and

WHEREAS, Articles XIII C and XIII D of the California Constitution impose certain procedural and substantive requirements relating to assessments; and

WHEREAS, some of the requirements of Proposition 218 are unclear and require, or have required, judicial interpretation and/or legislative implementation; and

WHEREAS, the East Contra Costa Fire Protection District ("District") believes it to be in the best interest of the District and its property owners to confirm and memorialize the District's procedures and guidelines regarding implementation of the provisions of Proposition 218 and pertinent statutes relating to assessments.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS ("Board") OF THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT AS FOLLOWS:

SECTION 1. Statement of Legislative Intent. In adopting this resolution, it is the Board's intent to adopt assessment ballot proceedings, which are consistent and in compliance with Articles XIII C and XIII D of the California Constitution and with Government Code Sections 53750 through 53754. It is not the intent of the Board to vary in any way from the requirements of either the California Constitution or the laws of the State of California. If there is any inconsistency between a provision of this resolution and state law, state law will govern.

SECTION 2. Definition of Assessment. Proposition 218 defines "assessment" as "any levy or charge by an agency upon real property that is based upon the special benefit conferred upon the real property by a public improvement or services, that is imposed to pay the capital cost of the public improvement, the maintenance and operation expenses of the public improvement or the cost of the service being provided." "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment," and "special assessment tax."

SECTION 3. Assessment Ballot Proceeding. The following procedures shall be used in an assessment ballot proceeding that follows the requirements of Article XIII D, section 4 of the California Constitution:

1. **Amount of Assessment.** Only special benefits are assessable. The amount of each assessment shall be each identified parcel's proportionate share of the cost of the additional fire suppression services based upon that parcel's special benefit from the Service. The amount shall be proportional to and no greater than the special benefits conferred on the property.

2. **Engineer's Report.** The Board shall direct the filing of an engineer's report that shall comply with the applicable state statute authorizing the assessment and with Article XIID, Section 4, of the California Constitution. The engineer's report shall explain the special benefits conferred by the improvements and/or services funded by the assessments. The engineer's report shall also provide the evidence upon which the Board may find that a special benefit exists. If the improvement or service confers a general benefit, the engineer's report shall describe the general benefit and an alternative funding source for any general benefits. The engineer's report shall be prepared by a registered professional engineer certified by the State of California, (the "Assessment Engineer"). The cost of preparing the engineer's report may be included as a cost of the assessment.
3. **Notice.** The following guidelines shall apply to giving notice of an assessment:
 - a. The record owner(s) of each parcel to be assessed shall be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner shall receive notice. Only property owners shall receive notice;
 - b. The notice shall be sent at least forty-five (45) days prior to the date set for the public hearing on the assessment;
 - c. The notice provided by this section and in accordance with Government Code Sections 53753(b) and (c) shall supersede and be in lieu of any other statutes requiring notice to levy or increase an assessment, including but not limited to the notice required by the state statute authorizing the assessment and Government Code section 54954.6;
 - d. Failure of any person to receive notice shall not invalidate the proceedings;
 - e. The cost of preparing and providing notice shall be included as a cost of the assessment.
4. **Assessment Ballot.** The following guidelines shall apply to the assessment ballot:
 - a. The ballot required by Article XIID, section 4(d), of the California Constitution shall be mailed to all property owners of record subject to the proposed assessment at least forty-five (45) days prior to the date of the public hearing on the proposed assessment. This ballot shall comply with Government Code Sections 53753(b) and (c).
 - b. All ballots must be returned either by mail or by hand delivery; not later than the date for return of ballots stated on the notice and ballot described in this section. Mailed ballots must be returned to 700 Ygnacio Valley Road, Suite 360, Walnut Creek, CA 94596-8225; or, if delivered at the time and location of the public hearing, to be held at the Oakley City Council Chambers, located at 3231 Main Street, Oakley, CA 94561, and handed to the District Clerk (the "Clerk"). Ballots must be returned either by mail or by hand delivery prior to the conclusion of the public input portion of the public hearing. Carol Keane and Associates, a professional accounting and auditing firm, shall tabulate the ballots (the "Tabulator").

- c. Each ballot must be signed under penalty of perjury. In the event that more than one of the record owners of a parcel submits an assessment ballot, the amount of the proposed assessment to be imposed upon the parcel shall be allocated to each ballot submitted in proportion to the respective record ownership interests or, if the ownership interests are not shown on the record, as established to the satisfaction of the Board or Assessment Engineer by documentation provided by the record owners. If two or more persons own a parcel subject to the assessment, any one owner may cast an assessment ballot for all owners.
- d. If a parcel has multiple owners, any owner may request a proportional assessment ballot. If the ownership interest of the owner is not shown on the last equalized secured property tax assessment roll, such request must include evidence, satisfactory to the District, of the owner's proportional rights in the parcel. The Assessment Engineer will provide the proportional ballot to the owner at the address shown on the assessment roll. Any request for a ballot to be mailed to another location must include evidence, satisfactory to the District, of the identity of the person requesting the ballot. Each proportional ballot will be marked to identify it as a proportional ballot and to indicate the owner's proportional rights in the parcel. The Assessment Engineer will keep a record of each proportional ballot provided to an owner.
- e. The District will only accept official ballots mailed or otherwise provided to owners by the Assessment Engineer.
- f. If an assessment ballot is lost, withdrawn, destroyed or never received, the Assessment Engineer will mail or otherwise provide a replacement ballot to the owner upon receipt of a request delivered to the District or the Assessment Engineer. The replacement ballot will be marked to identify it as a replacement ballot or a replacement proportional ballot. Any request for a replacement or replacement proportional ballot to be mailed to another location must include evidence, satisfactory to the District or the Assessment Engineer, of the identity of the person requesting the ballot. The same procedure applies to replacement ballots or replacement proportional ballots, which are lost, withdrawn, destroyed, or never received.
- g. If an assessment ballot is returned by the United States Post Office as undeliverable, the Assessment Engineer may mail a redelivered ballot to the current property owner, if updated ownership or owner mailing address can be determined. The redelivered ballot will be marked to identify it as a redelivered ballot.
- h. An assessment ballot proceeding is not an election.
- i. An assessment ballot is a disclosable "public record" as that phrase is defined by Government Code section 6252 during and after tabulation of the ballots.
- j. The California Government Code requires that assessment ballots be signed by property owners.

- k. To complete an assessment ballot, the owner of the parcel or his authorized representative must (1) mark the appropriate box (or circle) supporting or opposing the proposed assessment, and (2) sign, under penalty of perjury, the statement on the ballot that the person completing the ballot is the owner of the parcel or the owner's authorized representative. Only one box (or circle) may be stamped or marked on each ballot. All incomplete or improperly marked ballots shall be disqualified from balloting. The Tabulator will retain all such invalid ballots.
- l. After returning an assessment ballot to the District, or the Tabulator on behalf of the District, the person who signed the ballot may withdraw the ballot by submitting a written statement to the District directing the District to withdraw the ballot. Such statement must be received by the District or the Tabulator prior to the close of the public input portion of the public hearing on the proposed assessment. When ballots for the assessment are tabulated, the Tabulator will segregate withdrawn ballots from all other returned ballots. The Tabulator will retain all withdrawn ballots and will indicate on the face of such withdrawn ballots that they have been withdrawn.
- m. In order to change the contents of a ballot that has been submitted, the person who has signed that ballot may (1) request that such ballot be withdrawn, (2) request that a replacement ballot be issued, and (3) return the replacement ballot fully completed. Each of these steps must be completed according to the procedures set forth above.

5. **Tabulating Ballots.** The following guidelines shall apply to tabulating assessment ballots:

- a. The Tabulator shall tabulate the assessment ballots. The Tabulator shall follow the rules and procedures of the laws of the State of California, this resolution and any other rules and procedures of the District. If the Tabulator needs clarification, then they shall inquire of the Board, who is the final arbiter. All ballots shall be accepted as valid except those in the following categories:
 - A photocopy of a ballot, a letter or other form of a ballot that is not an official ballot provided by the District or the Assessment Engineer on behalf of the District;
 - An unsigned ballot, or ballot signed by an individual other than the property owner or legally authorized representative of the property owner;
 - A ballot which lacks an identifiable mark in the box for a "yes" or "no" vote or with more than one box marked, will not be counted;
 - A ballot which appears tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;
 - A ballot for which the barcode representing the parcel number is

damaged or obstructed, unless the parcel number or property ownership information is legible and allows the Tabulator to clearly determine the property(s) identified on the ballot.

- A ballot received after the close of the balloting time period.
- b. The Tabulator's decision, after consultation with the District's Attorney that a ballot is invalid shall be final and may not be appealed to the Board.
- c. In the event of a dispute regarding whether the signer of a ballot is the owner of the parcel to which the ballot applies, the Board will make such determination from the official County Assessor records and any evidence of ownership submitted to the Board prior to the conclusion of the public hearing. The Board will be under no duty to obtain or consider any other evidence as to ownership of property and its determination of ownership will be final and conclusive.
- d. In the event of a dispute regarding whether the signer of a ballot is an authorized representative of the owner of the parcel, the Board may rely on the statement on the ballot signed under penalty of perjury that the person completing the ballot is the owner's authorized representative and any evidence submitted to the Board prior to the conclusion of the public hearing. The Board will be under no duty to obtain or consider any other evidence as to whether the signer of the ballot is an authorized representative of the owner and its determination will be final and conclusive.
- e. A property owner who has submitted an assessment ballot may withdraw the ballot and submit a new or changed ballot up until the conclusion of the public input portion of the public hearing on the assessment. Assessment ballots may be withdrawn and newer changed ballots submitted up until the conclusion of the public input portion of the public hearing on the assessment.
- f. A property owner's failure to receive an assessment ballot shall not invalidate the proceedings conducted under this section and section 4, Article XIID, of the California Constitution.
- g. The District shall retain all ballots for a period of two (2) years from the date of the public hearing.

6. Public Hearing.

- a. At the public hearing, the Board shall hear all public testimony and protests regarding the proposed assessment and accept ballots until the close of the public input portion of the public hearing.
- b. Reasonable time limits may be imposed on both the length of the entire hearing and the length of each speaker's testimony.
- c. At the conclusion of the public input portion of the hearing, the Tabulator shall begin tabulation of the ballots at the direction of the Board, including those

received during the public hearing. The tabulation shall be in public view so as to permit all interested persons to meaningfully monitor the accuracy of the tabulation process.

- d. If it is not possible to tabulate the ballots on the day of the public hearing, or if additional time is necessary for public testimony, the Board may continue the public hearing to a later date to receive additional testimony, information, or to finish tabulating the ballots.
- e. If according to the final tabulation of the ballots, ballots submitted against the assessment exceed the ballots submitted in favor of the assessment, weighted according to the proportional financial obligation of the affected property, a "majority protest" exists and the Board shall not impose the assessment.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the East Contra Costa Fire Protection District at a regular meeting held on the 2nd day of May, 2011 by the following vote:

AYES _____
NOES _____
ABSENT _____
ABSTAIN _____

ERICK STONEBARGER
President, Board of Directors

ATTEST:

HUGH HENDERSON
District Clerk

BOARD OF DIRECTORS AGENDA ITEM NO. D-2

Meeting Date: May 2, 2011

Subject/Title: Professional Services Agreement for Public Outreach and Education Services.

Submitted by: Chief Henderson

RECOMMENDATION FOR ACTION

Consideration of a resolution approving and authorizing the Fire Chief to execute a Professional Services Agreement with Tramutola LLC for Public Outreach and Education services.

PREVIOUS ACTION

On February 7, 2011, by Resolution 2011-02, the Board approved an agreement for Assessment Engineering, Assessment Balloting, Educational Outreach and Professional Consulting Services for Fire Revenue Enhancement with SCI Consulting Group, including basic Public Outreach services by Tramutola LLC, as a sub-consultant.

At the March 7, 2011 Board meeting, staff was directed to prepare Requests for Proposals for additional Educational Outreach services.

At the April 4, 2011 the Board provided direction to stop current outreach efforts and continue discussion to the May Board meeting pending review of an Assessment District Engineer's Report.

SUBJECT BACKGROUND

Public outreach is intended to educate District property owners and voters of the purpose of a Benefit Assessment, including the current financial situation and challenges, assessment amount and future use of assessment funds. Pursuant to State law, District officials and employees may educate voters on the proposed assessment question, including providing impartial information about the ballot measure and attending community meetings

Currently, the District has entered into an agreement to receive basic educational outreach services from Tramutola, as a sub-consultant of the Benefit Assessment Firm, SCI Consulting Group. The scope of services includes formulating an outreach plan, assisting in setting up a website, train/guide District personnel and assist making fact sheets and hand-out materials in the amount of \$25,000.

As directed by the Board, a Request for Proposals was prepared to solicit additional educational outreach services; two responsive proposals were received, each identifying optional levels of service with associated rates.

Tramutola LLC

- Option1 \$25,000
 - One direct mailer to property owners including development, design, creation and mailing.
- Option 2 \$50,000

- Two direct mailers to property owners including development, design, creation and mailing.

Ehrlich Campaigns

- Option 1: \$42,500
 - One direct mailer to property owners including design, copy, production and mailing. \$24,500
 - Educational outreach including creation of outreach calendar, FAQ fact sheets, talking points and website copy, public meeting attendance, press assistance and stakeholder identification. \$18,000
- Option 2: \$66,500
 - Two direct mailers to property owners including design, copy, production and mailing. \$41,000
 - Educational outreach including serving as District spokesman, creation of outreach calendar, FAQ fact sheets, talking points, website copy and informational e-mail, public meeting attendance, press assistance and stakeholder identification. \$25,500
- Option 3: \$75,000 + \$3,000/month retainer
 - Two direct mailers to property owners and one direct mailer to the Discovery Bay community including design, copy, production and mailing.
 - Educational outreach including creation of outreach calendar, FAQ fact sheets, talking points and website copy, public meeting attendance, press assistance and stakeholder identification.

Since Tramutola is currently under contract and has begun to provide basic services, to maintain continuity of message and consultant management efficiency, staff is recommending continuing any additional educational outreach services with this same firm. Contract amount would be determined upon the Board's decision of choosing one of the two levels of service proposed as outlined above.

Attachments:
Resolution
Agreement

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS RESOLUTION NO.**

A RESOLUTION OF THE EAST CONTRA COSTA FIRE PROTECTION DISTRICT BOARD OF DIRECTORS APPROVING AND AUTHORIZING THE FIRE CHIEF TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TRAMUTOLA LLC FOR PUBLIC OUTREACH AND EDUCATION SERVICES.

WHEREAS, at the January 10, 2011 Board meeting, direction was provided to move forward with a proposed Fire Suppression Benefit Assessment; and

WHEREAS, on February 7th, 2011, the Board approved an agreement for Assessment Engineering, Assessment Balloting, Educational Outreach and Professional Consulting Services for Fire Revenue Enhancement with SCI Consulting Group, including basic public outreach services by Tramutola LLC, as a sub-consultant; and

WHEREAS, District staff solicited proposals for additional public outreach services and received two responsive proposals ranging in cost from \$25,000 to \$75,000 with amounts dependent upon optional levels of included services; and

WHEREAS, Tramutola is currently under contract and has begun to provide basic services, to maintain continuity of message and consultant management efficiency, staff is recommending continuing any additional educational outreach services with this same firm.

NOW, THEREFORE BE IT RESOLVED that the East Contra Costa Fire Protection District does hereby:

1. Approve a Professional Services Agreement for Public Outreach and Education Services with Tramutola LLC in the amount of \$_____.
2. Authorize the Fire Chief to execute said Agreement and other such documents as may be necessary to implement the outreach services.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the East Contra Costa Fire Protection District at a regular meeting held on the 2th day of May, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

NAME
President, Board of Directors

ATTEST:

NAME
District Clerk

EAST CONTRA COSTA FIRE PROTECTION DISTRICT
AGREEMENT FOR PROFESSIONAL SERVICES
WITH
TRAMUTOLA LLC

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EXHIBIT A - SCOPE OF SERVICES
EXHIBIT B - INSURANCE

This AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") effective as of _____, 2011 ("Effective Date"), is by and among the East Contra Costa Fire Protection District, an independent special district ("ECCFPD") and Tramutola LLC ("Consultant").

Section 1. Term of Agreement.

Subject to the provisions of Section 20 ("Termination of Agreement"), the term of this Agreement will be for a period commencing on the Effective Date and will expire upon the completion of Consultant's services which is anticipated to be June 30, 2012.

Section 2. Scope and Performance of Services.

2.1 Consultant agrees to provide consulting services as fully described in Exhibit A ("Scope of Services"), which is made a part of this Agreement.

2.2 Consultant will furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, vehicles, transportation, office space and facilities, calculation, and all other means whatsoever, except as otherwise expressly specified in this Agreement, necessary or proper to perform and complete the services required of Consultant under this Agreement.

2.3 Consultant's designated representative(s) who is authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement is Bonnie Moss, Executive Vice President and Senior Consultant.

2.4 Should Consultant utilize additional employees or Sub-Consultants, Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's key personnel and sub-consultants to perform the services required under this Agreement. Consultant shall notify ECCFPD and obtain ECCFPD's written approval with respect of any changes in key personnel prior to the performance of any services by replacement personnel.

2.5 The ECCFPD officer responsible for the administration of this Agreement is the Fire Chief. The Fire Chief may, in writing, from time to time delegate another person to exercise any portion of the Fire Chief's authority in this Agreement. Such written delegation shall refer to the specific provision of the Agreement that provides the authority being delegated, and the delegation shall not extend beyond that authority. Consultant is responsible for ensuring that the Fire Chief is kept informed of the progress of Consultant's performance of services and must refer any decision to be made by ECCFPD to the Fire Chief or the person to whom the Fire Chief has delegated the authority to make that decision. Unless otherwise specified in this Agreement, any approval required under this Agreement means the approval of the Fire Chief or the person to whom the Fire Chief has delegated in writing the authority to provide that approval.

2.6 Consultant must obtain the Fire Chief's prior written approval before utilizing any sub-consultants to perform any services under this Agreement. This written approval must include the identity of the sub-consultant and the terms of compensation. Consultant shall incorporate the indemnity and insurance clauses of this Agreement into each sub-consultant agreement.

2.7 Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant will at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in this Agreement. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

Section 3. Additional Services and Changes in Services.

3.1 Consultant will not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in this Agreement or listed in the Scope of Services, unless such additional services are authorized in advance and in writing by ECCFPD Board of Directors.

3.2 If Consultant believes that additional services are needed to complete the Scope of Services, Consultant will provide the Fire Chief with written notification describing the proposed additional services, the reasons such services are needed and were not anticipated prior to execution of this Agreement, and a detailed proposal regarding the cost of the additional services.

3.3 ECCFPD may order changes to the Scope of Services, consisting of additions, deletions, or other revisions, and the compensation to be paid Consultant will be adjusted accordingly. All such changes must be authorized in writing and shall be reflected in an amendment to this Agreement executed by Consultant and the ECCFPD's Board of Directors.

Section 4. Familiarity with Services and Site.

4.1 By executing this Agreement, Consultant warrants that Consultant:

- (a) has thoroughly investigated and considered the Scope of Services to be performed;
- (b) has carefully considered how the services should be performed;
- (c) understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement; and
- (d) possesses all licenses, if any, required under local, state or federal law to perform the services contemplated by this Agreement and will maintain all required licenses during the performance of this Agreement.

4.2 If services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing before commencing its services. Should Consultant discover any latent or unknown conditions that may materially affect the performance of its services, Consultant will immediately inform ECCFPD of such fact and will not proceed except at Consultant's own risk until written instructions are received from ECCFPD.

Section 5. Compensation and Payment.

5.1 Subject to any limitations set forth in this Agreement, ECCFPD agrees to pay Consultant the amount of _____, for the term of the Agreement as specified in Exhibit A. The total compensation may not exceed _____, unless additional compensation is approved in advance and in writing by ECCFPD Board of Directors.

5.2 Prior to the 10th day of each month during the term of this Agreement, Consultant shall furnish ECCFPD with an original invoice for all services performed during the preceding month in accordance with the fees and services set forth in Exhibit A. The invoice shall describe the services provided during the month covered by the billings.

5.3 ECCFPD will independently review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with this Agreement. In the event that no charges or expenses are reasonably disputed, the invoice will be approved and paid. In the event any

charges or expenses are reasonably disputed by ECCFPD, the original invoice will be returned by ECCFPD to Consultant for correction and resubmission.

5.4 Except as to any charges for work performed by Consultant that are reasonably disputed by ECCFPD, ECCFPD will cause Consultant to be paid within 45 days of receipt of Consultant's invoice.

5.5 Payment to Consultant for services performed under this Agreement may not be deemed to waive any defects in the services performed by Consultant.

5.6 ECCFPD will have no obligation to pay Consultant for any services negligently performed or necessary to correct any negligent work or services.

Section 6. Required Documentation Prior to Performance.

6.1 Neither Consultant nor Consultant's sub-consultants will perform any services under this Agreement until:

(a) Consultant and the sub-consultant, if any, performing the services furnishes proof of insurance as required in Exhibit B; and

(b) Fire Chief gives Consultant a written notice to proceed.

Section 7. Time of Performance; Excusable Delays; Extensions.

7.1 Consultant will adhere to all schedules and deadlines set forth in this Agreement. Time is of the essence.

7.2 Consultant will not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Consultant. Such causes include, but are not limited to, acts of God, acts of terrorism, acts of federal, state or local governments, acts of ECCFPD, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather.

Section 8. Cooperation by ECCFPD.

ECCFPD will provide to Consultant all public information, data, reports, records, plans and maps existing and available to ECCFPD necessary for Consultant to perform the Scope of Services.

Section 9. Project Documents.

9.1 All original maps, models, designs, plans, drawings, photographs, studies, surveys, reports, data, notes, computer programs, files and other documents (collectively, "Project Documents") prepared, developed, or discovered by Consultant or Consultant's sub-consultants in the course of providing services under this Agreement will become the sole property of ECCFPD and may be used, reused or otherwise disposed of by ECCFPD without the permission of Consultant or the sub-consultant. Consultant will take such steps as are reasonably necessary to perfect or protect the ownership interest of ECCFPD in such Project Documents. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to ECCFPD all such original Project Documents in its possession; provided, however, that Consultant may retain copies of Project Documents. ECCFPD acknowledges and agrees that use of Consultant's or any sub-consultant's completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at ECCFPD's own risk.

9.2 Consultant will not, without the ECCFPD's prior written approval, release any Project Documents prepared under this Agreement by Consultant or its sub-consultants to any other person or entity except as necessary for the performance of the Consultants' and its sub-consultants' services under this

Agreement. Consultant and its sub-consultants shall not release any press releases or other publicity related to the project, including graphic display information, unless otherwise approved in writing by ECCFPD.

Section 10. Consultant's Books and Records.

10.1 Consultant shall maintain any and all documents and records demonstrating or relating to Consultant's or sub-consultants' performance of services under this Agreement. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to ECCFPD under this Agreement. Any and all such documents or records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant or sub-consultant under this Agreement. Consultant shall maintain any and all such documents or records for three years following the final payment under this Agreement.

10.2 Consultant shall, upon reasonable prior written request, make available to ECCFPD for inspection, audit and copying at any time during regular business hours any and all records or documents required to be maintained by this section. Consultant shall provide copies of such documents or records directly to ECCFPD for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, Consultant shall make such documents and records available at Consultant's address indicated for receipt of notices in this Agreement.

10.3 Where ECCFPD has reason to believe that any of the documents or records required to be maintained by this section may be lost or discarded due to dissolution or termination of Consultant's business, ECCFPD may, by written request, require that custody of such documents or records be given to a person or entity mutually agreed upon and that such person shall thereafter maintain the documents and records at Consultant's expense. Access to such documents and records shall be granted to ECCFPD, as well as to its successors-in-interest and authorized representatives.

Section 11. Status of Consultant.

11.1 Consultant is and will at all times remain a wholly independent contractor and not an officer or employee of ECCFPD. Consultant has no authority to bind ECCFPD in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against ECCFPD, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by ECCFPD.

11.2 The personnel performing the services under this Agreement on behalf of Consultant will at all times be under Consultant's exclusive direction and control. Neither ECCFPD, nor any elected or appointed boards, officers, officials, employees or agents of ECCFPD, will have control over the conduct of Consultant or any of Consultant's officers, employees, agents or sub-consultants, except as provided in this Agreement. Consultant warrants that it will not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, agents or sub-consultants are in any manner officials, officers, employees or agents of ECCFPD.

11.3 Neither Consultant, nor any of Consultant's officers, employees, agents or sub-consultants, will obtain any rights to retirement, health care or any other benefits which may otherwise accrue to ECCFPD's employees. Consultant expressly waives any claim to any such rights or benefits.

Section 12. Compliance with Applicable Laws.

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement.

Section 13. Nondiscrimination.

Consultant shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this Agreement.

Section 14. Unauthorized Aliens.

Consultant agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C. § 1101 et seq., "FINA"), as amended, and further agrees not to employ unauthorized aliens as defined in FINA. Should Consultant employ any unauthorized aliens for the performance of any work or services covered by this Agreement, and should any liability or sanctions be imposed against ECCFPD for the use of unauthorized aliens, Consultant agrees to reimburse ECCFPD for the amount of all such liabilities or sanctions imposed, together with any and all related costs, including attorneys' fees, incurred by ECCFPD.

Section 15. Conflicts of Interest.

15.1 Consultant and its officers, employees, associates and sub-consultants, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and sub-consultants, shall not, without the prior written approval of the Fire Chief, perform work for another person or entity for whom Consultant is not performing work at the time this Agreement is executed that would require Consultant or one of its officers, employees, associates or sub-consultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

15.2 ECCFPD understands and acknowledges that Consultant and its sub-consultants are, as of the Effective Date, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant represents that, except as otherwise disclosed to ECCFPD, it is unaware of any stated position of ECCFPD relative to these projects. Any future position of ECCFPD on these projects will not be considered a conflict of interest for purposes of this section.

15.3 Consultant acknowledges and agrees that neither Consultant nor its sub-consultants, nor any officer, principal or employee of its firm or of any sub-consultant may bid on the construction contracts, nor have any financial interest in any of the contracts for construction of the Project.

Section 16. Confidential Information; Release of Information.

16.1 All information gained or work product produced by Consultant in performance of this Agreement will be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than ECCFPD without prior written authorization from the Fire Chief, except as may be required by law.

16.2 Consultant, its officers, employees, or agents, shall not, without prior written authorization from the Fire Chief or unless requested by the General Counsel of ECCFPD, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order will not be considered "voluntary" provided Consultant gives ECCFPD notice of such court order or subpoena.

16.3 Consultant shall reimburse and indemnify ECCFPD for any damages, costs and fees, including attorneys fees, incurred by ECCFPD caused by Consultant or Consultant's sub-consultants release of any information or work product (including Project Documents) in violation of this Agreement.

16.4 Consultant shall promptly notify ECCFPD should Consultant, its officers, employees, agents or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed under this Agreement. ECCFPD retains the right, but has no obligation, to represent Consultant or be present at any such deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with ECCFPD and to provide ECCFPD with the opportunity to review any response to discovery requests provided by Consultant. However, ECCFPD will not have the authority to control, direct, or rewrite such responses.

Section 17. Indemnification.

17.1 Consultant shall indemnify, defend, protect and hold harmless ECCFPD its officials, officers, and employees from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively, "Claims"), which ECCFPD may suffer or incur or to which ECCFPD may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by and to the extent of the negligent, reckless or willfully wrongful acts or omissions of Consultant, its officers, employees, agents or sub-consultants committed in performing any services under this Agreement.

17.2 If any action or proceeding is brought against ECCFPD by reason of any of the matters against which Consultant has agreed to indemnify ECCFPD as provided above, Consultant, upon notice from ECCFPD, shall defend ECCFPD at Consultant's expense by counsel reasonably acceptable to ECCFPD. ECCFPD need not have first paid for any of the matters to which ECCFPD is entitled to indemnification in order to be indemnified.

17.3 For the purposes of this section, "ECCFPD" includes ECCFPD's officers, officials, agents, employees and volunteers.

17.4 The insurance required to be maintained by Consultant under this Agreement is intended to ensure Consultant's obligations under this section, but the limits of such insurance do not limit the liability of Consultant.

17.5 The provisions of this section do not apply to Claims to the extent occurring as a result of the ECCFPD's negligence or willful acts or omissions.

17.6 In the event of any Claim made against ECCFPD, ECCFPD may, in its sole discretion, reserve, retain or apply any funds due to Consultant under this Agreement for the purpose of resolving such Claim.

17.7 The provisions of this section will survive the expiration or earlier termination of this Agreement.

Section 18. Insurance.

Consultant agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance coverages listed in Exhibit E ("Insurance"), which is made a part of this Agreement. All insurance policies are subject to approval by ECCFPD as to form and content. These requirements may be amended or waived in writing by the Fire Chief, in consultation with General Counsel and Risk Management. Consultant also shall require each of its sub-consultants to obtain and maintain during the

term of this Agreement the insurance coverages listed in Exhibit E ("Sub-Consultant Insurance") required of them in Exhibit E.

Section 19. Assignment.

The expertise and experience of Consultant are material considerations for this Agreement. ECCFPD has an interest in the qualifications of and capability of the persons and entities that will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant may not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of ECCFPD. Any attempted assignment will be null and void, and will constitute a material breach of this Agreement entitling ECCFPD to any and all remedies at law or in equity, including summary termination of this Agreement.

Section 20. Termination of Agreement.

20.1 Either party may terminate this Agreement without cause by providing thirty (30) days prior written notice to the other party. In the event such notice is given, Consultant will cease immediately all work in progress.

20.2 Either party may terminate this Agreement for cause after first providing the other party with written notice of the basis for the default and the failure of the other party to cure the default within thirty (30) days following receipt of the notice.

20.3 Upon termination of this Agreement by Consultant without cause or by ECCFPD for cause, Consultant shall return to ECCFPD all property belonging to ECCFPD which is in Consultant's possession. Consultant shall promptly deliver to ECCFPD a final invoice for all services performed and expenses incurred by Consultant as of the date of termination, which invoice shall be processed and paid as provided in Section 5, except that ECCFPD may deduct the difference between the amount of this contract and the amount incurred by ECCFPD to retain a new consultant, if any, to complete Consultant's services. Compensation for work in progress will be prorated based on the percentage of work completed as of the date of termination.

20.4 Consultant acknowledges ECCFPD's rights to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might otherwise arise from ECCFPD's termination of this Agreement.

Section 21. Notices.

21.1 All written notices required or permitted to be given under this Agreement will be deemed made when received by the other party at its respective address as follows:

To ECCFPD: East Contra Costa Fire Protection District
 134 Oak Street
 Brentwood, CA 94513
 Attention: Fire Chief
 Telephone: (925) 634-3400
 Facsimile: (925) 634-1423

To Consultant: Tramutola LLC
191 Ridgeway Avenue
Oakland, CA 94611
Attn: Bonnie Moss
Telephone: (510) 658-7003
Facsimile: (510) 658-7302

21.2 Notice will be deemed effective on the date personally delivered or transmitted by facsimile. If the notice is mailed, notice will be deemed given three days after deposit of the same in the custody of the United States Postal Service, postage prepaid, for first class delivery, or upon delivery if using a major courier service with tracking capabilities.

21.3 Any party may change its notice information by giving notice to the other party in compliance with this section.

Section 22. General Provisions.

22.1 Authority to Execute. Each party represents and warrants that all necessary action has been taken by such party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.

22.2 Binding Effect. This Agreement is binding upon the heirs, executors, administrators, successors and assigns of the parties.

22.3 Entire Agreement. This Agreement, including Exhibits A and B is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed in this Agreement and supersedes all other agreements or understandings, whether oral or written, between Consultant and ECCFPD prior to the execution of this Agreement.

22.4 Modification of Agreement. No amendment or modification of this Agreement will be valid unless made in writing and approved by Consultant and by the ECCFPD. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver will be void.

22.5 Facsimile Signatures. Amendments to this Agreement will be considered executed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will have the same effect as an original signature.

22.6 Waiver. Waiver by either party to this Agreement of any term, condition, or covenant of this Agreement will not constitute a waiver of any other term, condition, or covenant. Waiver by either party of any breach of the provisions of this Agreement will not constitute a waiver of any other provision, or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by ECCFPD of any services by Consultant will not constitute a waiver of any of the provisions of this Agreement.

22.7 Interpretation. This Agreement will be interpreted, construed and governed according to the laws of the State of California. Each party has had the opportunity to review this Agreement with legal counsel. The Agreement will be construed simply, as a whole, and in accordance with its fair meaning. It will not be interpreted strictly for or against either party.

22.8 Severability. If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement will not be affected and the Agreement will be read and construed without the invalid, void or unenforceable provision.

22.9 Venue. In the event of litigation between the parties, venue in will be in the Contra Costa County Superior Court.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the day and year first above written.

EAST CONTRA COSTA FIRE PROTECTION DISTRICT

Hugh Henderson, Fire Chief

APPROVED AS TO FORM:

Jim Karpiak, ECCFPD General Counsel

CONSULTANT:

NAME

EXHIBIT "A"
SCOPE OF SERVICES

OPTION1 \$25,000

- One direct mailer to property owners including development, design, creation and mailing.

-OR-

OPTION 2 \$50,000

- Two direct mailers to property owners including development, design, creation and mailing.

Details of included services as outlined in proposal dated March 25, 2011

EXHIBIT "B"

INSURANCE REQUIREMENTS

A. General Requirements.

Before commencing the performance of services under this Agreement, and at all other times this Agreement is effective, Consultant must procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance Limits (combined single)

Commercial General Liability: \$2,000,000

Business Automobile Liability \$1,000,000

Workers' Compensation and Employer's Liability \$1,000,000.

Professional Liability \$1,000,000

i. Commercial General Liability Insurance.

This policy must meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above must be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. The insurance must be on an "occurrence" not a "claims made" basis.

ii. Business Automobile Insurance.

Automobile coverage must be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol I (Any Auto) and Endorsement CA 0025, or equivalent forms subject to the written approval of ECCFPD. Coverage amount is single limit for bodily injury and property damage.

iii. Workers Compensation.

Consultant must have a State of California approved policy form providing the statutory benefits required by law with employer's liability limits of no less than \$1,000,000 per accident for all covered losses, or Consultant must provide evidence of an approved self-insurance program.

iv. Professional Liability

Errors and omission liability appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim.

v. Additional Insureds.

Each Commercial General Liability Insurance policy and Business Auto Insurance policy must provide that the ECCFPD, its officials, officers, agents employees and volunteers are "additional insureds" under the terms of the policy, and must provide that an act or omission of one the insureds will not reduce or avoid coverage to the other insureds.

vi. Deductibles and Self-Insured Retention.

Any deductibles or self-insured retentions applicable to the insurance policies required under this Agreement must be declared to and approved by ECCFPD. In no event may any required insurance policy have a deductible, self-insured retention or other similar policy provision in excess of \$50,000 without prior written approval by ECCFPD in its sole discretion. At the option of ECCFPD, either the insurer will reduce or eliminate such deductibles or self-insured retentions with respect to the ECCFPD's additional insureds or Consultant will procure a bond guaranteeing payment of any losses, damages, expenses, costs or settlements up to the amount of such deductibles or self-insured retentions.

vii. Primary Insurance.

Each of the insurance policies maintained by Consultant under this Agreement must state that such insurance will be deemed "primary" so that any insurance that may be carried by ECCFPD will be deemed excess to that of Consultant. This endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent form as determined by ECCFPD.

viii. Certificates of Insurance and Endorsements.

Prior to commencing any services under this Agreement, Consultant must file with the ECCFPD certificates of insurance and endorsements evidencing the existence of all insurance required by this Agreement, along with such other evidence of insurance or copies of policies as may reasonably be required by ECCFPD. These certificates of insurance and endorsements must be in a form reasonably approved by the ECCFPD Counsel. Consultant must maintain current certificates and endorsements on file with ECCFPD during the term of this Agreement reflecting the existence of all required insurance. Each of the certificates must expressly provide that no material change in the policy, or termination thereof, will be effective except upon 30 days prior written notice to ECCFPD by certified mail, return receipt requested. The delivery to ECCFPD of any certificates of insurance or endorsements that do not comply with the requirements of this Agreement will not waive the ECCFPD's right to require compliance. The ECCFPD reserves the right to require complete, certified copies of all required insurance policies, at any time.

ix. Insurance Rating.

All insurance required to be maintained by Consultant under this Agreement must be issued by companies licensed by or admitted to conduct insurance business in the State of California by the California Department of Insurance and must have a rating of A or better and Class VII or better by the latest edition of A.M. Best's Key Rating Guide.

x. Aggregate Limits.

The aggregate limits for each insurance policy required under this Agreement must apply separately and solely to the services performed under this Agreement. If the required policies do not have an endorsement providing that the aggregate limit applies separately to the services being performed, or if defense costs are included in the aggregate limit, then the required aggregate limits must be increased to an amount satisfactory to ECCFPD.

xi. Waiver of Subrogation Rights.

Consultant and each insurer providing any insurance required by this Agreement must waive all rights of subrogation against ECCFPD, its officials, officers, employees, agents and volunteers, and each insurer must issue a certificate to the ECCFPD evidencing this waiver of subrogation rights.

xii. Failure to Maintain Required Insurance.

If Consultant or any sub-consultant, for any reason, fails to obtain and maintain the insurance required by this Agreement, following written notice to Consultant and Consultant's or sub-consultants failure to remedy, ECCFPD may obtain such coverage at Consultant's expense and deduct the cost of such insurance from payments due to Consultant under this Agreement or may terminate the Agreement.

xiii. Effect of Coverage.

The existence of the required insurance coverage under this Agreement shall not be deemed to satisfy or limit Consultant's indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limits required. Any insurance proceeds available to ECCFPD in excess of the limits and coverage required by this Agreement, and which is applicable to a given loss, must be made available to ECCFPD to compensate it for such losses

xiv. Additional Insured in Trade Contracts.

ECCFPD will require that all trade contracts issued to the multi-prime contractors for work on the project will include language that names Consultant as an additional insured of the contractor.

xv. Sub-consultant Insurance.

Consultant shall require each sub-consultant to obtain the same types and levels of insurance and comply with all other requirements in Exhibit C. In addition, the Consultant shall require each sub-consultant providing design or similar professional services to obtain Professional Liability Insurance with a minimum limit of \$1,000,000. The Professional Liability Insurance must be endorsed to be applicable to claims based upon, arising out of or related to services performed under the agreement between the Consultant and the sub-consultant.

BOARD OF DIRECTORS AGENDA ITEM NO. D-3

Meeting Date: May 2, 2011

Subject/Title: Provide direction for Fiscal Year 2011-2012 Operating Budget preparation

Submitted by: Chief Henderson

RECOMMENDATION FOR ACTION

Provide direction for Fiscal Year 2011-2012 Operating Budget preparation.

PREVIOUS ACTION

None

SUBJECT BACKGROUND

Based on actions taken tonight with the Assessment Engineer's Report and the call for the election for a Fire Suppression and Protection Assessment, staff seeks direction in building the Fiscal Year 2011-2012 Operating Budget that will be brought to the Board at its June meeting.

Within existing revenue sources, estimated revenue projection for the 2011-2012 fiscal year is \$8,491,380. The District projects to start the next fiscal year with a fund balance of \$3,341,380.

With the revenue projection and fund balance there are three budget scenarios which may be presented:

Current Staffing Scenario:

The 2010-2011 staffing model is 6 stations; 4 stations staffed with 3 Firefighters and 2 stations staffed with 2 Firefighters, with a total of 48 Suppression Personnel, Administrative Staff of 5 and the Cal-Fire contract. To maintain the current service model for the next fiscal year, expenditures are estimated at \$11,208,199. To provide this service model, the District would need to use \$2,716,635 of its Fund Balance, leaving approximately \$600,000 going into the 2012-2013 fiscal year.

Balanced Budget Staffing Scenario:

If the Board wants a balanced budget, significant cuts would have to be taken. Existing revenue would only support a service model of 3 stations staffed with 3 Firefighters, for a total of 29 Suppression Personnel and an Administrative Staff of 5. This staffing model would match the projected revenue of \$8,491,564. This service level would cancel the Cal-Fire contract, increase response times and rely on Auto/Mutual aide to provide day-to-day emergency responses.

Interim Staffing Scenario:

An interim staffing model could be developed while the Board considers a long term scenario. This scenario would use existing revenue in addition to some of the District's reserve fund balance. In building this scenario the main factor would be the length of time that the Board would want to implement an interim scenario while a more long-term plan is developed, in addition to the willingness to tap into the reserve funds. Staffing scenarios with the reserve fund

balance being used over 18, 24, or 36 months could be developed based on direction. This scenario would reduce service levels and would end up somewhere between current and balanced budget staffing. Options for this interim staffing scenario could be reducing staffing levels at some of the stations staffed with 3 Firefighters, revisiting the Cal-Fire contract and further cuts within the operating budget. If the Board chooses an interim model, direction must be provided for duration, as length of time will determine scenario model options within available revenue.