



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-4
2 Pages

FIRE DEPARTMENT LONG-TERM MODELING

DATE: June 25, 2024

TO: District Board Members

FROM: Brad Chisholm, Fire Chief

SUBJECT: Fire Department Long-Term Analysis

BACKGROUND: Staff have been analyzing the Fire Department financials to identify viable revenue streams and minimize expenses, aiming to fund current and future demands and opportunities. Key focus areas within the fiscal analysis include appropriate staffing for the Fire Department (including recruitment and retention and the addition of a shared or dedicated Fire Prevention Officer) and ensuring we can sustain our fuels management program. Staff are considering a range of funding sources to achieve these objectives, including but not limited to traditional fundraising, cost recovery, cost sharing, in-kind donations, fee for service, expanding services, tax assessment, and consolidation/annexation. This comprehensive approach ensures a thorough exploration of various funding possibilities, and we remain open to considering other innovative solutions that may arise during our analysis.

DISCUSSION: On June 18, Charley Miller and Chief Chisholm met with stakeholders from the eastern Placer County fire agencies to discuss the scope of a 2024-2025 Placer County LAFCO Municipal Service Review (MSR). Stakeholders included Northstar Fire Chief Gibeaut, North Tahoe Fire Chief Leighton, and General Managers Mike Staudenmayer and Assistant General Manager Mike Geary from Northstar CSD, along with Joe Mueller from Alpine Springs CWD. Also in attendance were Truckee Fire Chief McKechnie and Placer County LAFCO Executive Officer, Michelle McIntyre.

Mrs. McIntyre provided a general overview of the MSR process and what each District/Department should expect. She explained that the process would focus on the fire departments and the special districts that oversee them, specifically NCSO and OVPSD. Mrs. McIntyre also noted that MSRs are to be completed every five years; however, the last one was completed in 2016. She thanked the

JPA chiefs for their supportive letter and expressed appreciation that the LAFCO Board agreed to move our MSR from FY '26 to FY '25.

A typical MSR to meet our needs would include financials of each District/Department, staffing levels, service levels, challenges faced by local government fire agencies, sustainability, and Tax Revenue Area (TRA) utilization. Mrs. McIntyre will provide an example of a Request for Proposal (RFP) to the team to solicit comments on what to include in a typical MSR. She hopes to present a proposal for the July LAFCO Board meeting and announce an RFP by mid-August. The typical timeframe for such a report varies but can range from one year to over two years. While an MSR is not a legal requirement to proceed with a LAFCO annexation of districts, it will be an important and necessary document to share with the public and governing boards.

The process for LAFCO annexation was discussed in detail. Mrs. McIntyre explained that it is a lengthy process and typically involves significant cooperation between districts. Community involvement will be critical throughout the process to highlight the opportunities, as the process ultimately would need to proceed through a protest hearing.

Some of the benefits of annexation were discussed, including opportunities for economies of scale. These opportunities include addressing redundancies in fleet, facilities, and administration, establishing common SOP/SOG standards, and enhancing drill and training opportunities and standards. Additional regional advantages include common operations (dispatch center, training, prevention), 201 ambulance designation, and potential Educational Revenue Augmentation Fund (ERAF) designation applicable to annexation, consolidation, or reorganization. Other opportunities to address the funding gap between operating expenses and TRA revenue were discussed, such as Community Facilities District (CFD), Development Impact Fees (DIF, only for CIPs), Parcel Tax, and Fee for Service.

Staff continue to consider the option of a fee-for-service model. Chief Chisholm is working with Wittman Enterprises, which provides billing and collection services, to better understand what a likely return would be in our service area.

ALTERNATIVES: This report is for information only; no action is requested from the Board.

FISCAL/RESOURCE IMPACTS: Staff continues to spend considerable time understanding options and processes. The impact of this work will have a fiscal impact however, it cannot be easily quantified at this time.

RECOMMENDATION: This report is for information only; no action is requested from the Board.

ATTACHMENTS: None

DATE PREPARED: June 20, 2024