



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

August 01, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

54 August 1, 2017

LORI GLASGOW
EXECUTIVE OFFICER

Dear Supervisors:

REQUEST APPROVAL OF TAX RATE LEVY FOR THE FISCAL YEAR 2017-18 VOTER-APPROVED FIRE PROTECTION DISTRICT SPECIAL TAX AND TO DELEGATE AUTHORITY TO THE FIRE CHIEF TO LEVY THE SPECIAL TAX IN SUBSEQUENT FISCAL YEARS BY NO MORE THAN THE MAXIMUM ALLOWABLE AMOUNT (ALL DISTRICTS) (3 VOTES)

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting approval of the attached resolution (Attachment A) authorizing the Fiscal Year (FY) 2017-18 levy of the District's voter-approved special tax which will generate an estimated \$80.4 million for fire protection and emergency medical services throughout the District, an increase of \$1.6 million from the FY 2016-17 levy. The rate of a single-family home would increase from \$66.06 to \$67.38 with proportional increases in all other rates of two percent.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Adopt the attached resolution setting the FY 2017-18 tax rate for the District's voter-approved special tax at the maximum rates allowable, a two percent increase from FY 2016-17.
2. Instruct the Fire Chief or his designee, and the Auditor-Controller to take all actions necessary to implement the special tax levy at the rates specified in the attached resolution for FY 2017-18.

3. Authorize the Fire Chief to levy the District's special tax rate by up to the maximum allowable amount of two percent or the increase in the consumer price index (CPI), whichever is less, subject to review and notification to your Board and the Chief Executive Office (CEO) prior to execution of the special tax increase and instruct the Fire Chief or his designee, and the Auditor-Controller to take all actions necessary to implement the annual special tax levy.

4. Find that this resolution is exempt from the provision of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The District is requesting a two percent increase in the District's special tax as allowed under the 1997 Measure Proposition E. The increase will generate an additional \$1.6 million to help offset increasing costs in salaries and employee benefits (S&EB), which is 84.8 percent of the District's expenditure budget. Overall, the District's FY 2017-18 S&EB budget increased by five percent from the FY 2016-17 budget. This increase is primarily due to Board-approved cost of living adjustments and increases in employee benefits (Retirement, Retiree Health, Retiree Health Other Post-Employment Benefit Contribution and Cafeteria Plans). These increases are ongoing expenditures for which the District needs an ongoing revenue stream to support.

While property tax revenues are projected to increase by an estimated 6.02 percent for FY 2017-18, property tax revenues are only 67.7 percent of the District's total revenues. A proportionate increase in other ongoing revenues is essential for the long-term health of the District's budget.

The recommended increase would result in the special tax levy for a single-family home rising from \$66.06 to \$67.38, with proportional increases for other property use types as specified in the attached resolution.

Authorizing the Fire Chief to levy the District's special tax rate by up to the maximum allowed two percent or CPI, whichever is less, will allow the District to process the new special tax increase efficiently. For each fiscal year, the District will notify your Board and the CEO prior to execution of any special tax increase. The special tax rate will be ultimately be approved by your Board as part of the budget approval for each fiscal year.

Independent Citizens' Oversight Committee

The Independent Citizens' Oversight Committee (ICOC) met on June 15, 2017, and made the required annual finding that the District is using the special tax funds only for providing fire protection and emergency medical services. Their report is attached.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the County's Strategic Plan Goal No. III, Strategy III.3: Pursue Operational Effectiveness, Fiscal Responsibility and Accountability, by continually assessing our efficiency and effectiveness, maximizing and leveraging resources, and holding ourselves accountable.

FISCAL IMPACT/FINANCING

Approving the District’s special tax levy as defined on the attached resolution would provide an estimated special tax revenue of \$80.4 million in FY 2017-18. This is an increase in funding of \$1.6 million (two percent) from the FY 2016-17 levy.

The special tax is an integral source of funding, providing 7.1 percent of the District’s total funding for FY 2017-18. There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Health and Safety Code Section 13911 and California Government Code Section 50075 et seq., authorize the levying of the special tax. The special tax was approved by voters in 1997. Your Board may levy the rate at any amount up to the maximum rates as indicated on Exhibit I of the resolution.

Approval of the resolution will levy the special tax at the maximum rate of \$67.38 per single-family home, an increase of \$1.32 from FY 2016-17, with proportional two percent rate increases for other property use types as specified in the resolution. Furthermore, the District is requesting delegated authority to the Fire Chief to set the special tax rate for each subsequent fiscal year in accordance with the March 1997 Board resolution criteria, and subject to review and notification to your Board and the CEO prior to execution of the special tax increase.

The Auditor-Controller has reviewed the proposed rates and provided their concurrence on April 24, 2017. County Counsel has approved the resolution as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Levying the special tax rate at \$67.38 per single-family home, with rates for other property use types as specified in the resolution, will generate essential funding to continue providing fire protection and emergency medical services to the residents of the Los Angeles County.

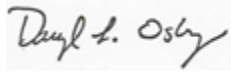
CONCLUSION

Upon approval by your Honorable Board, please instruct the Executive Officer to return two copies of the Minute Order and the adopted letter and resolution to the following:

Consolidated Fire Protection District of Los Angeles County
Executive Office-Business Operations
Attention: Zuleyda Reyes-Santana, Administrative Services Manager
1320 North Eastern Avenue
Los Angeles, CA 90063
Zuleyda.Reyes@fire.lacounty.gov

The District’s contact may be reached at (323) 881-6173.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daryl L. Osby". The signature is written in black ink on a light-colored background.

DARYL L. OSBY
FIRE CHIEF, FORESTER & FIRE WARDEN

DLO:kc

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES ACTING AS THE GOVERNING BODY OF THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
FIXING THE SPECIAL TAX RATE FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT
AND LEVYING THE SPECIAL TAX UPON THE
TAXABLE PROPERTY OF THE COUNTY OF LOS ANGELES FOR THE
FISCAL YEAR 2017-2018 AND DELEGATING AUTHORITY TO THE FIRE CHIEF TO
LEVY THE SPECIAL TAX RATE IN SUBSEQUENT FISCAL YEARS.

WHEREAS, on June 3, 1997, the voters within the cities of Agoura Hills, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Bradbury, Calabasas, Carson, Cerritos, Claremont, Cudahy, Diamond Bar, Duarte, Glendora, Hawaiian Gardens, Hidden Hills, Huntington Park, Industry, Irwindale, La Canada Flintridge, Lakewood, La Mirada, Lancaster, La Puente, Lawndale, Lomita, Malibu, Maywood, Norwalk, Palmdale, Paramount, Pico Rivera, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, Santa Clarita, Signal Hill, South El Monte, South Gate, Temple City, Walnut, West Hollywood, Westlake Village and Whittier, and within the unincorporated area of the County of Los Angeles (the "County"), approved a special tax for fire protection and paramedic services (the "special tax"); and

WHEREAS, certain special tax rates were approved, based upon property use type and size of improvements, to be annually adjusted by a maximum of the lesser of (i) 2 percent or (ii) the California Consumer Price Index, which maximum special tax

rates are herein specified in Exhibit 1 attached to this Resolution, hereinafter referred to as "maximum rates"; and

WHEREAS, the Board of Supervisors may annually levy an amount up to the maximum rates for the special tax as approved by the voters; and

WHEREAS, the Board of Supervisors desires to levy the special tax at the maximum rates approved by voters, as specified and fixed in Exhibit 2 attached to this Resolution for FY2017-18; and

WHEREAS, the Board of Supervisors authorizes the Fire Chief of the Consolidated Fire Protection District of Los Angeles County, to levy the special tax in an amount up to the maximum rates allowed for each fiscal year hereafter.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 13911 of the Health and Safety Code of the State of California and Section 50075 *et seq.* of the Government Code of the State of California, the Board of Supervisors of the County of Los Angeles, acting as the governing body of the Consolidated Fire Protection District of Los Angeles County, does hereby levy the special tax upon the taxable property of the County within the cities of Agoura Hills, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Bradbury, Calabasas, Carson, Cerritos, Claremont, Cudahy, Diamond Bar, Duarte, Glendora, Hawaiian Gardens, Hidden Hills, Huntington Park, Industry, Irwindale, La Canada Flintridge, Lakewood, La Mirada, Lancaster, La Puente, Lawndale, Lomita, Malibu, Maywood, Norwalk, Palmdale, Paramount, Pico Rivera, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, Santa Clarita, Signal Hill, South El Monte, South Gate, Temple City, Walnut, West Hollywood,

Westlake Village and Whittier, and within the unincorporated area of the County, at the maximum rates allowed, as specified and fixed in Exhibit 2 attached to this Resolution.

The Board of Supervisors hereby delegates authority to the Fire Chief of the Consolidated Fire Protection District of Los Angeles County, to levy the special tax in an amount up to the maximum rates allowed in accordance with the March 1997 Board resolution criteria, and subject to prior review and notification to the Board for each fiscal year hereafter.

The foregoing resolution was on the 1st day of August, 2017, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of the County
of Los Angeles

By Rachelle Smithema
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By Scott Kuhn
Scott Kuhn, Principal Deputy

SUMMARY OF MAXIMUM RATES FOR PROPOSITION E
VOTER-APPROVED SPECIAL TAX FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

LAND USE	MAXIMUM RATES*	
	<i>(2% Increase)</i>	
	2016-17	2017-18
Single Family Residential	\$66.06	\$67.38
Mobile Home in Park	33.03	33.69
Multiple Family Residential	83.44	85.11
+ Square Footage Rate (over 1,555 sq. ft.)	0.0085	0.0087
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)	0.0080	0.0082
Non-Residential	79.95	81.55
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0538	0.0549
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0518	0.0528
High Rise	97.32	99.27
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0658	0.0671
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0628	0.0641
Special Use	121.67	124.10
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0821	0.0837
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0784	0.0800
Vacant-2 acres or less	16.52	16.85
Vacant-2+ acres to 10 acres	21.80	22.24
Vacant-10+ acres to 50 acres	43.62	44.49
Vacant-50+ acres	66.06	67.38

* Maximum rates may not necessarily be the actual rates imposed by the Los Angeles County Board of Supervisors.

** Capped at 100,000 square feet.

See Appendix A to the Amended and Restated Resolution of the Board of Supervisors March 4, 1997 for a full explanation of land use categories and the application of the special tax rates.

**PROPOSITION E — VOTER-APPROVED SPECIAL TAX FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**

Special Tax Rates for Fiscal Year 2017-2018

Land Use	Special Tax Rate	Special Tax Rate w/Sprinkler Credit
Single Family Residential	\$67.38	NOT APPLICABLE
Mobile Home in Park	\$33.69	NOT APPLICABLE
Multiple Family Residential	\$85.11 + \$.0087 per sq. ft. over 1,555 sq. ft.	\$85.11 + \$.0082 per sq. ft. over 1,555 sq. ft.
Non-Residential	\$81.55 + \$.0549 per sq. ft. over 1,555 sq. ft.*	\$81.55 + \$.0528 per sq. ft. over 1,555 sq. ft.*
High Rise	\$99.27 + \$.0671 per sq. ft. over 1,555 sq. ft.*	\$99.27 + \$.0641 per sq. ft. over 1,555 sq. ft.*
Special Use	\$124.10 + \$.0837 per sq. ft. over 1,555 sq. ft.*	\$124.10 + \$.0800 per sq. ft. over 1,555 sq. ft.*
Vacant Land - 2 acres or less	\$16.85	NOT APPLICABLE
Vacant Land - more than 2 acres and less than or equal to 10 acres	\$22.24	NOT APPLICABLE
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$44.49	NOT APPLICABLE
Vacant Land - more than 50 acres	\$67.38	NOT APPLICABLE

*Capped at 100,000 square feet per parcel.

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

Los Angeles County Fire Department Special Tax

June 15, 2017

Committee Members

Adam L. Acosta

Bryce Anderson

Jim Goldsworthy

Jose A. Gomez

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Ex Officio Member

Isaac D. Barcelona

Dear Supervisors:

REPORT OF COMMITTEE FINDINGS

The purpose of this letter is to report the findings of the Independent Citizens' Oversight Committee's (ICOC) review of the expenditure of the Fire Department's special tax revenue. As required by the provisions of the Proposition E special tax measure of 1997, the ICOC was provided and reviewed the Fire Station Staffing Costs Final 2015-16 dated May 5, 2017, the Funding Sources for Fire Protection and Emergency Medical Services for Fire Station Personnel chart for Fiscal Year 2016-17, and the History of Special Tax Levy through 2017-18 to determine that the special tax revenue for Fiscal Year 2016-17 was expended for fire protection or paramedic rescue services.

Background

In accordance with Proposition E, the Board established the ICOC. The ICOC consists of a representative from each Board office, a city council representative appointed by the Los Angeles County City Selection Committee and the Chair of the Los Angeles County Economy and Efficiency Commission as an *ex officio* member. The duties prescribed for the ICOC are as follows:

- Meet at least once in each fiscal year.
- Review expenditures paid from the special tax to ensure that such expenditures are for "Fire Protection or Paramedic Rescue Services," which specifically include emergency paramedic rescue, firefighting, search and rescue, and hazardous materials and disaster response.
- Report the Committee's findings to the Board of Supervisors, which satisfies the public reporting requirement.

The ICOC met on June 15, 2017, at which time Committee members were briefed on the Fiscal Year 2017-18 funding and expenditure projections.

Findings

With regard to the expenditure of special tax revenues in 2016-17, the Committee finds that the 2016-17 special tax revenues of \$79.2 million were expended for fire protection and paramedic services of \$535.5 million in accordance with provisions of Proposition E.

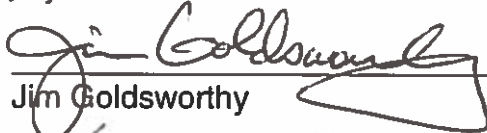
Respectfully submitted,



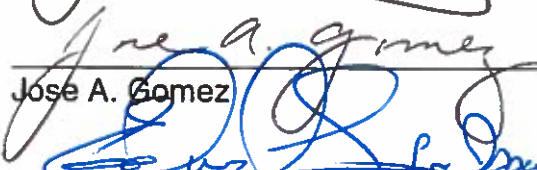
Adam L. Acosta



Bryce Anderson



Jim Goldsworthy



Jose A. Gomez



Isaac D. Barcelona

da

c: Executive Officer, Board of Supervisors