



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

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

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

August 16, 2016

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

Dear Supervisors:

**REQUEST APPROVAL OF TAX RATE LEVY FOR THE FISCAL YEAR 2016-17
VOTER-APPROVED FIRE PROTECTION DISTRICT SPECIAL TAX
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Approval of the attached resolution will authorize a 1.976 percent increase for the Fiscal Year (FY) 2016-17 levy of the voter-approved Consolidated Fire Protection District of Los Angeles County's (Fire District's) special tax for fire protection and emergency medical services throughout the Fire District, adjusting the rate of a single-family residence from \$64.78 to \$66.06. In addition, the resolution authorizes a one-time credit to all properties of approximately 1.5 percent (\$1.2 million) from the 2014-15 rates to adjust for an inadvertent over-assessment in FY 2014-15, applying a \$0.98 credit for single-family residential, for a net assessment of \$65.08 in FY 2016-17, with proportional credits and increases in all other rates. The special tax levy will generate an additional \$369,000 in net revenue in FY 2016-17 (a gross increase of \$1.6 million, offset by \$1.2 million for 2014-15 credits), resulting in the projected special tax revenue to generate a total of \$78.7 million.

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 (Attachment A) setting the FY 2016-17 tax rate for the Fire District voter-approved special tax at the maximum rates allowable and providing an adjustment for an over-assessment in FY 2014-15.
2. Instruct the Fire Chief and the Auditor-Controller to take all actions necessary to implement the special tax levy and FY 2014-15 credits at the rates specified in the attached resolution for FY 2016-17.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

35 August 16, 2016

LORI GLASGOW
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Under the 1997 Measure Proposition E, the Fire District's special tax can increase by two percent or the percentage increase in the California Consumer Price Index (CCPI), whichever is less. In FY 2014-15, the CCPI factor was 0.454 percent. However, a two percent adjustment rate was inadvertently applied instead of the lower CCPI rate of 0.454 percent. This caused an over-assessment in FY 2014-15 of approximately 1.5 percent.

This error impacted taxpayers in FY 2014-15 only, and resulted in an estimated over-assessment of approximately \$1.2 million on 890,000± parcels (an average of \$1.35 per parcel). The majority of parcels assessed (76 percent) are single-family residential, which were over assessed by \$0.98. However, because there are varying rates for various types of properties, the over-assessment could have been as low as \$0.25 for vacant land or as high as \$120 for high risk parcels. Exhibit 2 of the attached resolution indicates the range of the over-assessments based upon land use codes and improvements.

To correct this issue, we are recommending applying a credit against the FY 2016-17 special tax rates that is equivalent to the over assessed amounts in FY 2014-15. While we realize this may result in new property owners receiving a credit for property they did not own in FY 2014 15, it would be the most cost-effective and efficient method to correct this issue. Those property owners who sold their properties since FY 2014-15 would be able to file an appeal for a refund of the over-assessment through the Fire District's existing appeal process. The Auditor-Controller and County Counsel staff concurs with this recommendation.

For FY 2015-16, CCPI increased by 1.998 percent, yet there was no increase in the actual rates levied. Rates for FY 2015-16 remained the same as the FY 2014-15 rates. Because of the 1.998 percent increase in CCPI, the 2015-16 rates were levied below the CCPI maximum authorized rates despite the over-assessment that had occurred in FY 2014-15 (Attachment B). Therefore, no adjustment is due for the FY 2015-16.

Each year, the Fire District requests the Board to acknowledge the adjustment in maximum rates allowable and to set the actual rates for the upcoming tax year. The chart in Attachment B reflects the maximum authorized rates for a single-family residence from FY 2013-14 to date, the actual rates imposed, any over/under-assessments, and the recommended levy for FY 2016-17.

Levying the special tax at \$66.06 per single-family residence with proportional increases for other land use types as specified in the attached resolution, and applying credits to correct the over-assessment that occurred in FY 2014-15, will generate a net \$78.7 million in FY 2016-17, an increase of \$369,000 from FY 2015-16.

To ensure no over-assessments occur in the future, the Fire District will request the Auditor-Controller's office to verify the recommended rates prior to requesting Board action on the special tax levy. This will ensure that future over-assessments are avoided.

Independent Citizens' Oversight Committee

The Independent Citizens' Oversight Committee (ICOC) met on June 16, 2016, and made the required annual finding that the Fire District is using the special tax funds only for providing fire protection and emergency medical services. Their report (Attachment C) is attached.

Implementation of Strategic Plan Goals

This action is consistent with the Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1), as the special tax provides revenue essential for maintaining fire protection and emergency medical services. It also satisfies the Strategic Plan Goal of Community Support and Responsiveness (Goal 2), as approving this action will provide funding for continuous, quality fire protection and emergency medical services throughout the Fire District.

FISCAL IMPACT/FINANCING

Approving the Fire District's special tax levy at the maximum rates allowed as defined on the attached resolution, and authorizing credits for the FY 2014-15 over-assessment, would provide estimated special tax revenue of \$78.7 million in FY 2016-17. This is an increase in funding of \$369,000 from the FY 2015-16 levy.

The special tax is an integral source of funding, providing 6.9 percent of the Fire District's total funding for FY 2016-17. 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. Your Board may levy the rate at any amount up to the maximum rates as indicated on Exhibit 1 of Attachment A. The corrected maximum rates for FYs 2014 15 and 2015-16 are included in Exhibit 1 of Attachment A.

Approval of the resolution will levy the special tax at the maximum rate of \$66.06 and authorize a credit of \$0.98 per single-family residence, with proportional credits and rate increases for other land use types as specified in the resolution (as indicated on Exhibit 3 of Attachment A), generating a net \$78.7 million for FY 2016-17.

The Auditor-Controller has reviewed and concurs with the maximum authorized rates. County Counsel has approved the resolution as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Levying the special tax rates for FY 2016-17 as specified in the resolution will generate essential funding to continue providing fire protection and emergency medical services to the residents of Los Angeles County protected by the Fire District and will correct an inadvertent over-assessment collected in FY 2014-15.

CONCLUSION

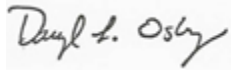
Upon adoption by your Honorable Board, please instruct the Executive Officer, Clerk of the Board, to return two copies of the Minute Order and/or this approved letter and resolution, as applicable, to this office.

The Honorable Board of Supervisors

8/16/2016

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Respectfully submitted,

A handwritten signature in cursive script, reading "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
Executive Officer, Board of Supervisors
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 2016-2017

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 3 attached to this Resolution; and

WHEREAS, an error in rates in Fiscal Year 2014-15 resulted in overpayments by taxpayers by approximately 1.5 percent as described in Exhibit 2, and the Board of Supervisors desires to provide a one-time credit to properties equivalent to the amounts over assessed in Fiscal Year 2014-15 as specified and fixed in Exhibit 3, which will partially offset the Fiscal Year 2016-17 levy.

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, and does hereby authorize credits for the Fiscal Year 2014-15 over assessment, as specified and fixed in Exhibit 3 attached to this Resolution.

The foregoing resolution was on the 16th day of August, 2016, 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 Lachelle Smitheman
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*			
	2013-14	2014-15 (0.454% Increase)	2015-16 (1.998% Increase)	2016-17 (1.525% Increase)
Single Family Residential	\$63.51	\$63.80	\$65.07	\$66.06
Mobile Home in Park	31.75	31.89	32.53	33.03
Multiple Family Residential	80.22	80.58	82.19	83.44
+ Square Footage Rate (over 1,555 sq. ft.)	0.0082	0.0082	0.0084	0.0085
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)	0.0077	0.0077	0.0079	0.0080
Non-Residential	76.86	77.21	78.75	79.95
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0518	0.0520	0.0530	0.0538
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0498	0.0500	0.0510	0.0518
High Rise	93.56	93.98	95.86	97.32
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0632	0.0635	0.0648	0.0658
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0604	0.0607	0.0619	0.0628
Special Use	116.96	117.49	119.84	121.67
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0789	0.0793	0.0809	0.0821
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0754	0.0757	0.0772	0.0784
Vacant-2 acres or less	15.88	15.95	16.27	16.52
Vacant-2+ acres to 10 acres	20.95	21.05	21.47	21.80
Vacant-10+ acres to 50 acres	41.93	42.12	42.96	43.62
Vacant-50+ acres	63.51	63.80	65.07	66.06

* Reflects adjusted maximum rates for 2014-15 and 2015-16 based upon the actual California Consumer Price Index (CCPI) issued by the California State Board of Equalization. Maximum rates are not necessarily 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.

**VOTER-APPROVED SPECIAL TAX FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
FISCAL YEAR 2014-15 OVERASSESSMENT FOR EACH LAND USE CATEGORY**

For land uses where the rate is based upon square footage, a range is provided, indicating the minimum (smaller parcels under 1,555 square feet) and maximum (larger parcels 100,000 square feet and over) amounts within each land use category. The overassessment for all land use categories totaled an estimated \$1.2 million over 890,000± parcels, of which approximately 76% are categorized under the land use of Single Family Residential.

Land Use	(A) Actual Assessment	(B) Correct Assessment	(A-B) Range of Credits Owed
Single Family Residential	\$64.78	\$63.80	\$0.98
Mobile Home in Park	\$32.39	\$31.89	\$0.50
Multiple Family Residential *	\$81.82 to 104.26	\$80.58 to \$102.49	\$1.24 to \$1.77
Non-Residential **	\$78.40 to \$5,276.30	\$77.21 to \$5,196.35	\$1.19 to \$79.95
High Rise **	\$95.43 to \$6,445.13	\$93.98 to \$6,345.24	\$1.45 to \$99.89
Special Use **	\$119.30 to \$8,044.12	\$117.49 to \$7,924.18	\$1.81 to \$119.94
Vacant Land - 2 acres or less	\$16.20	\$15.95	\$0.25
Vacant Land - more than 2 acres and less than or equal to 10 acres	\$21.37	\$21.05	\$0.32
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$42.77	\$42.12	\$0.65
Vacant Land - more than 50 acres	\$64.78	\$63.80	\$0.98

*Max range is based on average square footage of improvements for a multi-family residence since the assessable square footage is not capped.

**Capped at 100,000 square feet per parcel.

Note: This chart does not reflect rates with sprinkler credits; refer to Exhibit 3 for Fiscal Year 2014-15 overassessment credits for parcels that receive a sprinkler credit.

Special Tax Rates for Fiscal Year 2016-2017

	2016-17 Approved Levy	One-time Credit for 2014-15	Net Billable Amounts for 2016-17			
Land Use	Special Tax Rate	Special Tax Rate w/Sprinkler Credit	Special Tax Rate	Special Tax Rate w/Sprinkler Credit	Special Tax Rate	Special Tax Rate w/Sprinkler Credit
Single Family Residential	\$66.06	NOT APPLICABLE	\$0.98	NOT APPLICABLE	\$65.08	NOT APPLICABLE
Mobile Home in Park	\$33.03	NOT APPLICABLE	\$0.50	NOT APPLICABLE	\$32.53	NOT APPLICABLE
Multiple Family Residential	\$83.44 + \$.0085 per sq. ft. over 1,555 sq. ft.	\$83.44 + \$.0080 per sq. ft. over 1,555 sq. ft.	\$1.24 + \$.0002 per sq. ft. over 1,555 sq. ft.	\$1.24 + \$.0002 per sq. ft. over 1,555 sq. ft.	\$82.20 + \$.0083 per sq. ft. over 1,555 sq. ft.	\$82.20 + \$.0078 per sq. ft. over 1,555 sq. ft.
Non-Residential	\$79.95 + \$.0538 per sq. ft. over 1,555 sq. ft.*	\$79.95 + \$.0518 per sq. ft. over 1,555 sq. ft.*	\$1.19 + \$.0008 per sq. ft. over 1,555 sq. ft.*	\$1.19 + \$.0008 per sq. ft. over 1,555 sq. ft.*	\$78.76 + \$.0530 per sq. ft. over 1,555 sq. ft.*	\$78.76 + \$.0510 per sq. ft. over 1,555 sq. ft.*
High Rise	\$97.32 + \$.0658 per sq. ft. over 1,555 sq. ft.*	\$97.32 + \$.0628 per sq. ft. over 1,555 sq. ft.*	\$1.45 + \$.0010 per sq. ft. over 1,555 sq. ft.*	\$1.45 + \$.0009 per sq. ft. over 1,555 sq. ft.*	\$95.87 + \$.0648 per sq. ft. over 1,555 sq. ft.*	\$95.87 + \$.0619 per sq. ft. over 1,555 sq. ft.*
Special Use	\$121.67 + \$.0821 per sq. ft. over 1,555 sq. ft.*	\$121.67 + \$.0784 per sq. ft. over 1,555 sq. ft.*	\$1.81 + \$.0012 per sq. ft. over 1,555 sq. ft.*	\$1.81 + \$.0012 per sq. ft. over 1,555 sq. ft.*	\$119.86 + \$.0809 per sq. ft. over 1,555 sq. ft.*	\$119.86 + \$.0772 per sq. ft. over 1,555 sq. ft.*
Vacant Land - 2 acres or less	\$16.52	NOT APPLICABLE	\$0.25	NOT APPLICABLE	\$16.27	NOT APPLICABLE
Vacant Land - more than 2 acres and less than or equal to 10 acres	\$21.80	NOT APPLICABLE	\$0.32	NOT APPLICABLE	\$21.48	NOT APPLICABLE
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$43.62	NOT APPLICABLE	\$0.65	NOT APPLICABLE	\$42.97	NOT APPLICABLE
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$66.06	NOT APPLICABLE	\$0.98	NOT APPLICABLE	\$65.08	NOT APPLICABLE

*Capped at 100,000 square feet per parcel.

ATTACHMENT B

Tax Year	Authorized Rates		Actual Rates Levied		Over/(Under) Assessment*	Credit for 2014-15	Comments
	Authorized CCPI	Maximum Authorized Rate	Increase Factor Used	Actual Rate Levied			
2013-14		\$63.51		\$62.26	(\$1.25)		Board approved the levy for 2013-14 at the 2012-13 rate, \$1.25 below the maximum authorized rates.
2014-15	.454%	63.80	2.000%	64.78	0.98		A CCPI of 2% was applied instead of the lesser 0.454% actual CCPI, resulting in an over-assessment of \$0.98 per single-family residence.
2015-16	1.998%	65.07	No increase	64.78	(0.29)		The Board approved the actual levy for 2015-16 at 2014-15 rates. Since CCPI had increased by 1.998% yet no increase in the actual levy was taken, rates were levied below the CCPI maximum authorized rates by 29 cents.
2016-17**	1.525%	66.06	1.976%	66.06	0.00	\$0.98	Reflects recommended levy and credit for the 2014-15 over-assessment. Net amount on property tax bills would be \$65.08, an overall net 30 cent increase from 2015-16.
CCPI Allowable	3.977%		3.976%				CCPI authority from 2014-15 through 2016-17.

*Compares Maximum Authorized Rate to the Actual Rate Levied. Based upon the financial needs of the Fire District, the Board of Supervisors does not always levy the special tax at the maximum authorized rates.

**2016-17 reflects the recommended levy as provided in the attached resolution. The levy would increase from an estimated \$78.3M in 2015-16 to an estimated \$79.9M (\$1.6M increase), credits of \$1.2M± would partially offset the increase, for a net increase in revenue of \$369k.

This table utilizes the single-family residence rate as an example of rates assessed from 2013-14. The attached resolution and its exhibits provide detail on the Fire District's various rates based upon land use and improvements.

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

Los Angeles County Fire Department Special Tax

June 16, 2016

Committee Members

Adam L. Acosta

Bryce Anderson

Jim Goldsworthy

Jose A. Gomez

Pilar M. Hoyos

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 Final 2015-16 Staffing Costs dated May 5, 2016, the Funding Sources for Fire Protection and Emergency Medical Services for Fire Station Personnel chart for Fiscal Year 2015-16, and the History of Special Tax Levy through 2015-16 to determine that the special tax revenue for Fiscal Year 2015-16 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 16, 2016, at which time Committee members were briefed on the Fiscal Year 2016-17 funding and expenditure projections.


Findings

With regard to the expenditure of special tax revenues in 2015-16, the Committee finds that the 2015-16 special tax revenues of \$78.8 million were expended for fire protection and paramedic services of \$511.6 million in accordance with provisions of Proposition E.

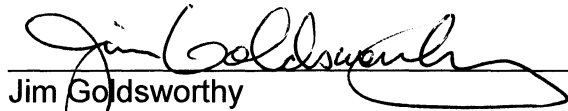
Respectfully submitted,

Excused Absence

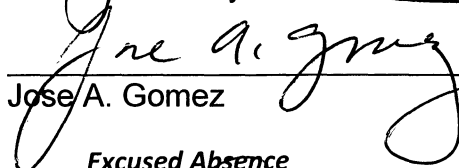
Adam L. Acosta



Bryce Anderson



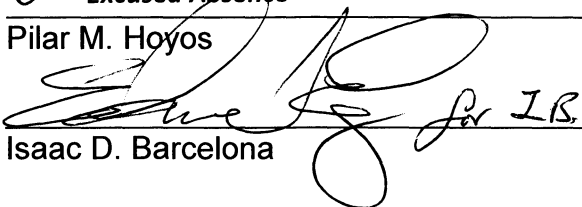
Jim Goldsworthy



Jose A. Gomez

Excused Absence

Pilar M. Hoyos



Isaac D. Barcelona

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c: Executive Officer, Board of Supervisors