



## 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 12, 2014

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 2014-15 VOTER-APPROVED FIRE PROTECTION DISTRICT SPECIAL TAX (ALL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Approval of the attached resolution will authorize the Fiscal Year 2014-15 levy of the voter-approved Consolidated Fire Protection District's (Fire District's) special tax generating an estimated \$78.3 million for fire protection and emergency medical services throughout the Fire District, an increase of \$3 million from 2013-14. The rate of a single family home would increase from \$62.26 to \$64.78, with proportional increases in all other rates of 4.05 percent, generating a total estimate of \$78.3 million in 2014-15.

#### **IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

1. Adopt the attached resolution setting the Fiscal Year 2014-15 tax rate for the Consolidated Fire Protection District of Los Angeles County voter-approved special tax at the maximum rates allowable.
2. Instruct the Fire Chief and the Auditor-Controller to take all actions necessary to implement the special tax levy at the rates specified in the attached resolution for Fiscal Year 2014 15.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Fire District is requesting a 4.05 percent increase in the Fire District's special tax to the

maximum rates as allowed under the 1997 Measure Proposition E. The increase will generate an additional \$3 million to help offset increasing costs in salaries and employee benefits (S&EB), which is 82 percent of the Fire District's expenditure budget. The Fire District's 2014-15 S&EB budget is 6.2 percent increase from the 2013-14 Budget. This increase is primarily due to Board-approved salary increases and increases in employee benefits (Retirement, Retiree Health, Workers' Compensation and health benefits). These increases are ongoing expenditures for which the Fire District needs an ongoing revenue stream to support.

While property tax revenues are projected to increase by an estimated 5.05 percent for 2014 15, property tax revenues are only 58 percent of the Fire District's total revenues. A proportionate increase in other ongoing revenues is essential for the long-term health of the Fire Department's budget.

The current rates have remained unchanged at \$62.26 for a single family home since 2012-13. The recommended increase would result in the special tax levy for a single family home rising from \$62.26 to \$64.78, with proportional increases for other property use types as specified in the attached resolution.

#### Independent Citizens' Oversight Committee

The Independent Citizens' Oversight Committee (ICOC) met on June 17, 2014, 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 is attached.

#### **Implementation of Strategic Plan Goals**

This action is consistent with the Strategic Plan Goal of Fiscal Responsibility, as the special tax provides revenue essential for maintaining fire protection and emergency medical services. It also satisfies the Strategic Plan Goal of Service Excellence, as approving this action will provide funding for continuous, quality fire protection and emergency medical services throughout the Fire District.

#### **FISCAL IMPACT/FINANCING**

The Fire District's adopted Fiscal Year 2014-15 Adopted Budget reflects \$78.8 million in special tax revenue (\$78.3 million for the 2014-15 levy and \$0.5 million in prior year revenue). The Budget includes an overall 4.05 percent increase in special tax rates. In addition to the special tax increase, the Fire District is utilizing \$43.2 million in reserve funds to balance its budget. If the Board does not authorize the recommended rate adjustment, the Fire District will need to transfer additional one-time funds are out its reserves to fund ongoing expenditures. Projections indicate that the use of reserve funds will no longer be necessary by 2017-18 should property tax and special tax revenues continue to increase modestly.

Approving an increase in the Fire District's special tax to the maximum rates allowed as defined on the attached resolution would provide an estimated special tax revenue of \$78.3 million. This is an increase in funding of \$3 million from the 2013-14 levy.

#### **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 I. Approval of the resolution will levy the special tax at the maximum rate of \$64.78 per single family home, an increase of \$2.52 from 2013-14, with proportional 4.05 percent rate increases for other property use types as specified in the resolution.

County Counsel has approved the resolution as to form.

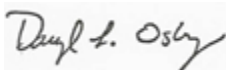
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Levying the special tax rate at the maximum rate of \$64.78 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 Los Angeles County protected by the Fire District.

**CONCLUSION**

Upon adoption by your Honorable Board, please instruct the Executive Officer, Clerk of the Board to return two (2) copies of the Minute Order and/or this approved letter and resolution, as applicable, to this office.

Respectfully submitted,



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 2014-2015**

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.

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 foregoing resolution was on the \_\_\_\_\_ day of \_\_\_\_\_, 2014,  
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.

SACHI A. HAMAI, Executive Officer-  
Clerk of the Board of Supervisors of the County  
of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RICHARD D. WEISS  
Acting County Counsel

By   
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>	
	2013-14	2014-15
Single Family Residential	\$63.51	\$64.78
Mobile Home in Park	31.75	32.39
Multiple Family Residential	80.22	81.82
+ Square Footage Rate (over 1,555 sq. ft.)	0.0082	0.0084
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)	0.0077	0.0079
Non-Residential	76.86	78.40
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0518	0.0528
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0498	0.0508
High Rise	93.56	95.43
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0632	0.0645
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0604	0.0616
Special Use	116.96	119.30
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0789	0.0805
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0754	0.0769
Vacant-2 acres or less	15.88	16.20
Vacant-2+ acres to 10 acres	20.95	21.37
Vacant-10+ acres to 50 acres	41.93	42.77
Vacant-50+ acres	63.51	64.78

\* 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 2014-2015**

<b>Land Use</b>	<b>Special Tax Rate</b>	<b>Special Tax Rate w/Sprinkler Credit</b>
Single Family Residential	\$64.78	NOT APPLICABLE
Mobile Home in Park	\$32.39	NOT APPLICABLE
Multiple Family Residential	\$81.82 + \$.0084 per sq. ft. over 1,555 sq. ft.	\$81.82 + \$.0079 per sq. ft. over 1,555 sq. ft.
Non-Residential	\$78.40 + \$.0528 per sq. ft. over 1,555 sq. ft.*	\$78.40 + \$.0508 per sq. ft. over 1,555 sq. ft.*
High Rise	\$95.43 + \$.0645 per sq. ft. over 1,555 sq. ft.*	\$95.43 + \$.0616 per sq. ft. over 1,555 sq. ft.*
Special Use	\$119.30 + \$.0805 per sq. ft. over 1,555 sq. ft.*	\$119.30 + \$.0769 per sq. ft. over 1,555 sq. ft.*
Vacant Land - 2 acres or less	\$16.20	NOT APPLICABLE
Vacant Land - more than 2 acres and less than or equal to 10 acres	\$21.37	NOT APPLICABLE
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$42.77	NOT APPLICABLE
Vacant Land - more than 50 acres	\$64.78	NOT APPLICABLE

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



# INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

## Los Angeles County Fire Department Special Tax

June 17, 2014

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

Committee Members  
Bryce Anderson  
James Dear  
Jim Goldsworthy  
Jose A. Gomez  
Pilar M. Hoyos

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 2013-14 Staffing Costs dated June 6, 2014, the Funding Sources for Fire Protection and Emergency Medical Services for Fire Station Personnel chart for Fiscal Year 2013-14, and the History of Special Tax Levy through 2013-14 to determine that the special tax revenue for Fiscal Year 2013-14 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 17, 2014, at which time Committee members were briefed on the Fiscal Year 2014-15 funding and expenditure projections.

Findings

With regard to the expenditure of special tax revenues in 2013-14, the Committee finds that the 2013-14 special tax revenues of \$75.8 million were expended for fire protection and paramedic services of \$486.2 million in accordance with provisions of Proposition E.

Respectfully submitted,

  
\_\_\_\_\_  
Bryce Anderson

  
\_\_\_\_\_  
James Dear

  
\_\_\_\_\_  
Jim Goldsworthy

  
\_\_\_\_\_  
Jose A. Gomez

  
\_\_\_\_\_  
Pilar M. Hoyos

  
\_\_\_\_\_  
Isaac D. Barcelona

da

c: Executive Officer, Board of Supervisors