

From: [Becky Steinbruner](#)
To: [Joe Serrano](#)
Cc: [Debra Means](#); [Becky Steinbruner](#)
Subject: Comment for LAFCO Agenda Item 5a (Consolidation of Fire Districts) on November 4, 2020 Meeting
Date: Wednesday, October 28, 2020 10:56:07 PM
Attachments: [Copy of 2020-21 Tax Apportionment Worksheet with PASSTHROUGH \(2\).xlsx](#)
[#400804 FY20-21 Value Report.pdf](#)
[#400865 20-21 Value Report.pdf](#)
[Snapshot-39288.pdf](#)

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Dear Joe,
I would request that my comment below be included in the agenda packet for all Commissioners for the November 4, 2020 LAFCO meeting.

Thank you.
Sincerely,
Becky Steinbruner
3441 Redwood Drive
Aptos, CA 95003
831-685-2915

Dear Commissioners,
I respectfully request that you consider the following issues regarding Item 5a, Consolidation of the Aptos/La Selva Fire and Central Fire Districts, during your November 4, 2020 meeting and public hearing for the matter.

I have lived and owned property within the rural Sphere of Influence of the proposed Consolidated District for 35 years. I am an active community member with broad and sincere interests in the public health and safety for all Santa Cruz County residents and the environment. I served as a volunteer firefighter with County Fire in the early 1990's, and have since actively supported public education and awareness of fire defensible space, emergency evacuations, and emergency communications throughout the area.

I support the consolidation of Aptos/La Selva Fire and Central Fire Districts because it reduces administrative costs and seemingly will maintain or improve the level of service while greatly enhancing fire prevention outreach efforts. However, I have concerns regarding the following issues that I ask your Commission to address:

1) Governance

Although the Consolidation Ad Hoc Committee made recommendations regarding the number and composition of the Consolidated Board that was adopted in November, 2019 by the two existing Boards of Directors, it was predicated on the assumption that the consolidation effort would be completed by July, 2020. That did not happen.

Because of this, both Boards had a combined total of five seats for governance open for election on November 3, 2020. No incumbents filed for re-election, but five members of the public who are interested in serving their communities did file for the seats, and were appointed in-lieu of election. No where in the election materials provided by either District did it divulge that the new seats would disappear effective upon the completion of the Consolidation action. That should have been made very apparent, but was not. If the incumbents felt offering the seats was "a formality" as was described by Aptos/ La Selva Aaron Lowe in the July, 2020 Board meeting, they could have filed for re-election, would likely have run unopposed, and would have known they would step aside upon completion of Consolidation District formation.

However, now there are five new Board members, two serving Aptos/La Selva District and three serving Central District, that will serve only a few weeks before being erased from office, if the current schedule of Consolidation moves forward and no changes to the governance plan is adopted. Neither Board is willing to acknowledge this problem. This could result in a legal challenge by any or all of the five new Board members for lack of disclosure in election materials.

The proposed current Consolidated Board, as approved by the existing Boards in November, 2019, would be a five-member Board. It would be disproportionately unbalanced regarding population numbers of the two existing Districts. The proposed Consolidated Board would include three members representing Aptos/La Selva Fire District, whose Census permanent population is over 30,000, and only two members representing Central Fire District, whose Census permanent population is much higher, over 63,000.

This is not equitable representation. This does not present an image the public served can trust as fair and transparent.

I propose the problem and potential legal liability be remedied by selecting a random Interim Consolidated Board of seven members, chosen randomly, to serve until the 2022 election cycle, at which time the Consolidated District would hold district-based elections to adequately serve the areas served. I propose that seven is a reasonable Board number, reflecting the number of geographical areas the Plan for Services lists on page 4 (see Attachment 8):

"The consolidation of the two districts will form the new Central Fire Protection District of Santa Cruz County, an independent fire protection District that will provide service to the areas of Live Oak, Capitola, Soquel, Aptos, Day Valley, Rio del Mar and La Selva Beach."

This would provide a fair opportunity for the seven-member Transition Consolidated Board to better represent the areas served, allowing some of the newly-appointed in-lieu Board members interested in serving their community to have the opportunity to do so and thereby become educated about the issues of the area such that they could then run for office in 2022.

Except in the case where a county board of supervisors or a city council has appointed itself as the district board, a district board may have three, five, seven, nine, or eleven members.

Ca. Health and Saf. Code § 13842

f) The number of members of a district board may be changed by the local agency formation commission as a term and condition of approval by the commission of any change of organization or reorganization. Unless the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code, otherwise requires voter approval, the change ordered by the commission does not require approval by the voters of the district.
Section 13845

I ask that your Commission add the Condition on the Resolution that upon completion of consolidation, there be an Interim Transitional Consolidated Board of seven members, chosen randomly by the Santa Cruz County Elections Manager Ms. Gail Pellerin, and that these seven members would serve until the 2022 district-based elections would occur.

I further ask that LAFCO make the recommendation that the Interim Transitional Consolidated Board embark immediately to seek an RFQ for proposals to hire a consultant that will professionally draw boundaries that will serve to equitably represent the people throughout the Consolidated District service area.

2) Tax Apportionment

Attachment #7 in the LAFCO agenda packet does not include "Attachment A" in the Santa Cruz County Board of Supervisor Resolution 44-2020, adopted by consent vote on March 24, 2020 as Item #23.

file:///home/phttp/Downloads/Snapshot-39289.pdf

Revenue to Aptos/La Selva FPD = \$ 12,459,701

Revenue to Central FPD = \$ 17,738,569.00

That information is important to review, and to compare with the financial information presented in both the Plan for Services (Attachment 8) and the ESCI Consolidation Feasibility Study whose link is provided below:

file:///home/phttp/Downloads/Mid-County%2520Final%2520Report_13%2520Aug%25202018%2520w%2520Bickmore%2520Attached%2520(1).pdf

I respectfully request that the document attached as (c) in Item #23 of the Board of Supervisor adoption of Resolution 44-2020 be included in the Consolidation materials for the record.

"Attached is a schedule showing estimated property tax revenues and distribution factors in the affected area in accordance with Revenue & Taxation §99 (b) & (c). This estimate is based on the current distribution of incremental tax revenue for 2019-2020 generated by the valuation provided by the Assessor."

I also request that LAFCO staff include all other documents that were attached to the Board of Supervisor adoption of Resolution 44-2020 but that were not included with the Resolution in Attachment 7 of your agenda packet for this item.

3) CEQA review

Item #23 of the County Board of Supervisors March 24, 2020 agenda wherein the Board approved the required Property Tax Assessment Consolidation also included a December 30, 2019 Notification of Consolidation by LAFCO Director Joe Serrano REFERRAL LETTER TO AFFECTED/INTERESTED AGENCIES:
file:///home/phttp/Downloads/Snapshot-39288.pdf

In this document, it stated on page 2:

"Environmental Review:

*The project site is subject to an environmental review. Santa Cruz LAFCO will serve as the lead agency for assessing impacts under CEQA. Staff believes the underlying action – i.e., consolidation and sphere amendment of the project site – **qualifies as a project under CEQA. Therefore, an environmental review is underway.**"*

However, I do not see a discussion of the CEQA review findings made by Director Serrano in the Staff Report, only that it is CEQA Exempt as reported in the Draft LAFCO Resolution on page 2 (Attachment 15).

"Section 2. The proposed consolidation of the Central Fire Protection District and Aptos/La Selva Fire Protection District is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15320, Class 20(b) because the two fire protection districts have identical powers and the change in the organization or reorganization of the fire districts do not change the geographical area in which previously existing powers are exercised."

and

"d) Environmental Review: Compliance with CEQA has been met by a categorical exemption pursuant to CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers."

These findings made under CEQA would potentially be of great benefit in terms of impacts the improved Fire Reduction and Prevention efforts of the Consolidated District could lend in wildland urban interface areas. These formal findings associated with consolidation could be used to improve the ISO ratings for properties in the service area, and hence benefit the property owners.

Likewise, the findings addressing potential cumulative impacts to growth inducement would be important to collaborate with County Planning efforts and fire protection and risk reduction. This could justify the continued Special Assessments currently levied on the rural areas, such as Day Valley and La Selva Beach, that would warrant higher resources allocated to fire prevention and inspection, and possibly free vegetation chipping services for fuel reduction management.

4) Basis for Projected Revenues in Staff Report

The graph on page 13 of the Staff Report shows nearly \$6 million increase in projected revenues in five years. That is not consistent with the forecast of slow growth in the Santa Cruz County unincorporated areas the Consolidated District would serve.

I respectfully request that your Commission publicly discuss this, as it may be correlated with Director Serrano's projected growth rate of 0.96%, a much higher growth rate than the AMBAG studies project, and higher than the 2020 or 2021 Santa Cruz County Growth Goals.

5) Inconsistent Taxation Rates in Consolidation Reports

I have been curious about how the tax rates assessed properties compare between the two Districts. The Consolidation effort would not change any assessments from the current rates, but how do those current levels of assessment compare with the proposed cost of service for fire and medical response in the Consolidated District?

I have found inconsistent taxation levels for the existing Districts in various documents associated with the Consolidation reporting.

I reviewed the 2018 ESCI Consolidation Feasibility Study and looked at pages 73-74 for Aptos/La Selva and pages 81-82 for Central.

file:///home/phtp/Downloads/Mid-County%2520Final%2520Report_13%2520Aug%25202018%2520w%2520Bickmore%2520Attached%2520(1).pdf

The taxation values are much higher than what the information provided by the County Auditor Controller. I have attached the 2020-2021 Property Tax Assessment information below.

Page 73 of the ESCI Report explains Aptos/La Selva assessment levels:

*The tax rate is controlled through the Board of Equalization providing the county tax assessor with Consumer Price Index (CPI) for adjusting the tax base. In Santa Cruz County, the taxes are assessed and collected by the County and then apportioned to the various cities and districts. **The effective tax rate to fund the operations of Aptos/La Selva Fire Protection District has increased from \$.155934 in FY 2013 to its current rate of \$.156880 in 2018.** The following figure reflects the changes in property tax rates, the change in the assessed value of property in the District and the effect on property tax revenue from FY 2013 through the budget projections in FY 2018.*

But the information in the Tax Apportionment for Aptos/ La Selva Fire District is **\$0.0259** per \$100 valuation. Revenue to Aptos/La Selva FPD = \$ 12,459,701

The ESCI Report explains the Central Fire District assessments on page 82:

Revenues

*The tax rate is controlled through the Board of Equalization providing the county tax assessor the with Consumer Price Index (CPI) for adjusting the tax base. In Santa Cruz County, the taxes are assessed and collected by the County and then apportioned to the various cities and districts. The tax rate to fund the operations of **Central Fire Protection District has increased from \$.1625 per hundred-dollar valuation in FY 2013, to its current rate of \$.1652 per hundred-dollar valuation in 2018.** These rates are arrived at by combining multiple rates and values from multiple jurisdictions within the county that are serviced by the CFPD. Revenues from property taxes have steadily increased over the five-year review period beginning in FY 2014 with annual increases of 8%, 7%, 7%, and a projected 4% growth rate in FY 2018.*

The County Tax Apportionment data shows Central Fire District is **\$0.0369** per \$100 valuation. Revenue to Central FPD = \$ 17,738,569.00

I do not understand why the ESCI Consolidation Feasibility Report used such a different tax assessment rate than what the Santa Cruz County Auditor-Controller has provided.

There are discrepancies in the reported consolidated 2020-2021 tax revenues.

Page 12 of the LAFCO Staff report states Total Revenues \$34,900,870

Page 90 of the ESCI Consolidation Feasibility Report projected 2020-20201 revenues of 32,444,069

but on page 87 shows a tax total of \$29,857,557

Page 28 of the District Plan for Services estimates 2020-2021 revenues of \$34,900,870

The Santa Cruz County Auditor Controller information provided to the Board of Supervisors in March, 2019

states \$30,198,270 consolidated revenues

The 2020-2021 Tax Assessment Information provided by the Auditor-Controller totals \$30,198,270 (attached)

I respectfully request that the LAFCO Commissioners examine this apparent discrepancy because it could influence the financial solvency of the Consolidated District moving forward, especially regarding the looming unfunded CalPERS pension debt.

6) Special Assessments and Effective Cost of Service

Central Fire District does not levy any special assessments for emergency response protection, however, the Plan for Services reports \$2,480,957 as "other" on page 27. This is explained as the revenue brought in by their Fleet Services charges to third party service of vehicles.

Aptos/La Selva Fire District assesses extra taxes on the La Selva Beach and Day Valley Communities, as well as the Spring Valley and Eastern Boundary Communities more recently annexed to the District. The Santa Cruz County auditor-Controller was kind enough to provide me with the Assessment roles for Day Valley and La Selva Beach (Attached below).

According to these documents, Day Valley Assessments total \$27,395 and La Selva Beach assessment total \$105,090.

However, the ESCI Consolidation Report stated "other" assessments valuing \$495,857 (page 87).

The LAFCO staff report states \$132,475 in Special Assessments (page 16).

The real question that I feel LAFCO and the Fire District leadership need to examine is what is the cost of service now, and with improved efficiency with Consolidated District, will the cost of service change? This relates to the continued special assessments on the rural areas of Day Valley and La Selva Beach and whether their level of service warrants the continued special assessments.

If the number of response calls increases in the more urban areas of the Consolidated District, would the level of response to the rural areas change? Can the Special Assessments levied on properties in those areas continued to be justified if there are no commensurate improvements planned?

I respectfully request that LAFCO commissioners recommend that the Consolidated District review all Special Assessments levied and justify the cost of service.

7) Requirement to change to District Elections Should be a Condition of Consolidation

Because the Draft Resolution does not stipulate that future consolidated District Board elections be conducted on a district-basis after 2022, there will be no incentive for the Consolidated Board to actually do so. Therefore, I respectfully request that the LAFCO include a Condition in the Resolution that the Consolidated District must change to district-based elections in 2022 and that the Interim Transitional Consolidated Board immediately issue a RFQ for a consultant to draw district-based boundaries to prepare for the 2022 election.

Statute is clear that any such future action would have to be upon petition by the voters:
Section 13846

(a) In the case of an elected district board, the directors may be elected by divisions if a majority of the voters voting upon the question are in favor of the question at a general district or special election. Conversely, in the case of a district that has an elected district board which is elected by election division, the directors may be elected at large if a majority of the voters voting upon the question are in favor of the question at a general district or special election.

(b) As used in this section, "election by division" means the election of each member of the district board by voters of only the respective election division. **(c)** The district board may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the district board shall adopt a resolution placing the question on the ballot.

(d) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted

to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(e) If the majority of voters voting upon the question approves the election of directors by divisions, the district board shall promptly adopt a resolution dividing the district into as many divisions as there are directors. The resolution shall assign a number to each division. Using the last decennial census as a basis, the divisions shall be as nearly equal in population as possible. In establishing the boundaries of the divisions the district board may give consideration to the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of territory, and (4) community of interests of the divisions.

(f) If the majority of voters voting upon the question approves the election of directors by division, the board members shall be elected by election divisions and each member elected shall be a resident of the election division from which he or she is elected. At the district general election following the approval by the voters of the election of directors by divisions, the district board shall assign vacancies on the board created by the expiration of terms to the respective election divisions and the vacancies shall be filled from those election divisions.**(g)** If the majority of voters voting upon the question approves the election of directors at large, the district board shall promptly adopt a resolution dissolving the election divisions which had existed.

Ca. Health and Saf. Code § 13846

Thank you for your consideration of my concerns and suggestions. I feel that effectively addressing these points will help create a better Consolidated District that will present a picture of transparent governance and a cooperative spirit that will best address the needs of the public it serves with fairness and integrity.

Thank you very much.

Sincerely,

Becky Steinbruner

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