



**Contra Costa County FPD
East Contra Costa FPD
Rodeo-Hercules FPD**

FIRE DISTRICT ANNEXATION STUDY



AP TRITON

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Introduction

AP Triton, LLC (Triton) was retained to conduct a two-phase study. Phase One, which was completed in November of 2020, included Triton's review and comparison of the conceptual annexation of East Contra Costa Fire Protection District (ECCFPD) by Contra Costa County Fire Protection District (CCCFPD), utilizing projected operational costs provided by CCCFPD and historical and projected revenue data from ECCFPD to include:

- Sources of recurring and non-recurring revenue, including property taxes
- Existing revenue and projections for the next 3–6 years
- Costs of existing levels of service and projections for the next 3–6 years
- Contractual services provided to the district by CAL FIRE
- Indirect costs, cost allocations, and contractual obligations

Introduction *continued...*

The analysis conducted during Phase One concluded with a preliminary determination that the annexation of East Contra Costa Fire Protection District into Contra Costa County Fire Protection District was feasible and viable.

Introduction *continued...*

In December of 2020 and based on the positive results from the Phase One study, Triton was engaged to move forward with Phase Two of the study. Phase Two added the Rodeo Hercules Fire Protection District (RHFPD) and includes a comprehensive analysis of each district's financial, staffing, support programs, and operational capabilities related to the feasibility of annexation of ECCFPD & RHFPD into CCCFPD.

The study also includes Contra Costa County's Local Agency Formation Commission (LAFCO) Service and Sphere Review Requirements found in CGC sections 56430 and 56425.

Overview of All Agency Findings

- All three districts currently participate in a Regional Communications center. An opportunity exists to reduce operating and administrative costs through the proposed annexation while increasing service levels significantly.
- There are no deployment-related impediments to annexation.
- Combined projected recurring revenues are sufficient to provide for combined currently projected recurring expenses and anticipated expansion of services in CCCFPD and ECCFPD through the fiscal projection period identified in the project scope of work.
- Funding exists through existing reserves and future development fees, and other non-recurring receipts to provide for fire station construction, apparatus acquisition, and debt service on existing obligations on a combined basis through the fiscal projection period identified in the project scope of work.

Overview of All Agency Findings

- Annexation will enhance and standardize training throughout the area.
- Annexation is projected to result in cost savings due to combining technology infrastructure, fleet maintenance, and other administrative functions.
- Command and control of multi-company incidents will be improved as a result of annexation.
- Annexation will enhance and standardize public education outreach.

Overview of Findings *continued...*

- Each fire district has a comprehensive and extensive training program; however, training emphasis was inconsistent between organizations.
- There appears to be minimal differences between the three organizations relating to specific code enforcement.
- Through existing reserves and future development fees, funding and other non-recurring receipts exists to provide for fire station construction, apparatus acquisition, and debt service on existing obligations on a combined basis through the fiscal projection period identified in the project scope of work.
- Combined projected reserve balances never fall below 35% (\$76,000,000) through the fiscal projection period identified in the project scope of work.

Financial Analysis

History of East Contra Costa & Rodeo-Hercules

East Contra Costa Fire Protection District

Summary of Page 20, Figure 11

| | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 |
|------------------------|------------|------------|------------|------------|------------|
| Recurring Revenues | 12,482,422 | 14,190,374 | 14,962,781 | 16,590,390 | 16,288,788 |
| Non-Recurring Revenues | - | - | 703,186 | 408,349 | 4,408 |
| Special Restricted | 168,524 | 169,161 | 172,916 | 175,881 | 392,587 |
| Total Revenues | 12,650,946 | 14,359,535 | 15,838,883 | 17,174,620 | 16,685,773 |

Financial Analysis

History of East Contra Costa & Rodeo-Hercules

East Contra Costa Fire Protection District

Summary of Page 23, Figure 14

| | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Recurring Revenues | 5,794,164 | 5,937,178 | 5,408,365 | 6,324,504 | 6,373,816 |
| Non-Recurring Revenues | 1,093,555 | 555,204 | 23,917 | - | - |
| Special Restricted | 65,000 | 65,000 | 2,429,756 | 2,608,977 | 2,581,957 |
| Total Revenues | 6,952,719 | 6,557,382 | 7,862,038 | 8,933,481 | 9,055,773 |

Fiscal Sustainability of the Proposed Annexations

Combined Operations

Summary of Page 158/159, Figure 140/141, Recurring Revenues and Recurring Expenses

| | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Recurring Revenues | 189,012,142 | 195,340,123 | 202,503,042 | 210,255,420 | 218,346,910 |
| Recurring Expenses | 167,916,948 | 180,189,434 | 190,433,310 | 201,294,915 | 212,777,124 |
| Increase (Decrease) | 21,095,194 | 15,150,689 | 12,069,732 | 8,960,506 | 5,569,785 |
| Beginning Operating Reserve | - | 21,095,014 | 36,245,883 | 48,315,615 | 57,276,121 |
| Ending Operating Reserve | 21,095,194 | 36,245,883 | 48,315,615 | 57,276,121 | 62,845,906 |

Fiscal Sustainability of the Proposed Annexations

Combined Special Revenues & Capital Expenditures

Summary of Page 161/162, Figure 1442/143, Non-Recurring Revenues and Non-Recurring Expenditures

| | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 |
|---------------------------|--------------|------------|--------------|-------------|-------------|
| Non-Recurring Revenues | 318,087 | 7,318,087 | 318,087 | 318,087 | 318,087 |
| Special Revenues | 392,578 | 7,411,200 | 422,054 | 441,147 | 460,489 |
| Debt Service | 17,794,203 | 3,747,468 | 4,489,468 | 4,532,468 | 4,010,251 |
| Capital Outlay | 1,385,520 | 8,622,744 | 9,231,026 | 1,164,482 | 1,110,616 |
| Increase (Decrease) | (18,479,058) | 2,359,075 | (11,980,354) | (4,937,716) | (4,342,291) |
| Beginning Capital Reserve | 56,000,000 | 37,520,942 | 39,880,017 | 27,899,663 | 22,961,948 |
| Ending Capital Reserve | 37,520,942 | 39,880,017 | 27,899,663 | 22,961,948 | 18,619,656 |

Fiscal Sustainability of the Proposed Annexations

Combined Operating and Capital Reserve Balances
Summary of Page 163, Figure 144

| | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 |
|------------------------|--------------|------------|--------------|-------------|-------------|
| Beginning Reserves | 56,000,000 | 58,616,136 | 76,125,900 | 76,215,278 | 80,238,068 |
| Net Operations | 21,095,194 | 15,150,689 | 12,069,732 | 8,960,506 | 5,569,785 |
| Net Capital (Decrease) | (18,479,058) | 2,369,075 | (11,980,354) | (4,937,716) | (4,342,291) |
| Ending Reserves | 58,616,136 | 76,125,900 | 76,215,278 | 80,238,068 | 78,818,681 |

Recommendations

Recommendation 1: ECCFPD, RHFPD, and CCCFPD should move forward with annexation.

Based on the analysis, annexation will increase both the effectiveness and efficiency of the service delivery system and the efficiency of the administrative functions.

Recommendations

Recommendation 2: Municipal Services Review Update

It is recommended that LAFCO review and adopt the proposed determinations associated with this MSR update at a public hearing.

Recommendations

Recommendation 3: Adopt Resolutions for Reorganization

Should the three districts decide to pursue annexation, the districts should adopt substantially similar resolutions initiating the reorganization, including provision for Sphere of Influence amendments of all three districts as outlined in the Sphere of Influence Update to meet LAFCO requirements that SOIs be consistent for any change of organization.

Recommendations

Recommendation 4: ECCFPD, RHFD & CCCFPD Coordinate with LAFCO

Should the districts choose to move forward with an application for reorganization to LAFCO, it is recommended the agencies coordinate with LAFCO to process the necessary SOI update at a public hearing prior to consideration of the reorganization application, as required by LAFCO policy.

Recommendations

Recommendation 5: LAFCO Update Sphere of Influence

LAFCO consider and adopt the proposed SOI Update and associated determinations at a public hearing, consisting of Zero SOIs for ECCFPD and RHFD and an expansion of CCCFPD's SOI to include the territory of the districts to be annexed.

Recommendations

Recommendation 6: Standardize training programs specific to special team response.

Station and apparatus crews will need to be combined with individuals from separate organizations. It will be the responsibility of the Training Division to ensure that all firefighters meet minimum expectations. Individuals from ECCFPD and RHFD will need focused training and certifications to support existing special assignments.

Recommendations

Recommendation 7: Develop a balanced training program.

A combined organization will need to determine a training philosophy and develop a standardized program that meets the community's needs.

Recommendations

Recommendation 8: Increase multi-company training for the annexed areas.

With the potential addition of two new areas to the CCCFPD system, the combined system should emphasize additional multi-company training.

Recommendations

Recommendation 9: Increase training and response capabilities for hazmat incidents.

Due to the large oil refineries in the response areas, a combined organization will need to continue focused training and response to potentially significant hazmat incidents.

Recommendations

Recommendation 10: Develop a standardized public education program throughout the newly annexed areas.

The development of an outreach program that can be documented and measured for effectiveness is essential to quality public outreach. A combined organization should develop a standardized public education program.

Recommendations

Recommendation 11: Develop a company inspection program for high occupancy/high-risk facilities.

AP Triton recommends on-duty engine companies perform building familiarization and pre-plan familiarization. This function supports firefighter safety as well as improved fire ground operations.

Recommendations

Recommendation 12: Reopen ECCFPD Station 55 to improve service.

Funding is increasing with increased tax values and special assessments and should be sufficient to complete and staff Station 55.

Recommendations

Recommendation 13: Acquire and staff a Ladder Company within ECCFPD's service area.

Recommendation 14: Reopen CCCFPD Station 4.

The deployment modeling has identified a gap in the area that would be served by Fire Station 4.

Enhancements

- Standardization of response protocols and service throughout the areas
- Training will be standardized throughout the area
- Standardization of apparatus and purchasing
- Operational consistency and enhanced firefighter safety
- Elimination of duplicative administrative and operational structures

Enhancements

- Reduced legal and auditing costs
- Reduced technology/software costs
- Reduction in insurance costs
- Possible reduction in Board expenses and election expenses
- Addition of Engine and Ladder Companies



QUESTIONS



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