

Penryn Fire Protection District

State of the District, 1/20/2016

The Penryn Fire Protection District (PFPD) has been forced to dip into reserves to continue operating. Without additional funding the district cannot continue to operate much longer. Penryn Fire is not alone. Five other Placer County fire districts have similar problems – Newcastle, Loomis, South Placer, Foresthill and Placer Hills.

Because of the national recession, the property tax revenue that funds the district decreased. Penryn voters currently pay a \$75 per parcel special tax that supplements district revenue. The recently imposed \$117 state fire fee, none of which goes to this district, has displeased most voters.

Expenses have outpaced revenues. The district must increase firefighter wages to keep them from leaving the district for better paying jobs. At wages barely above the minimum wage it is hard to keep experienced firefighters and even harder to attract new employees.

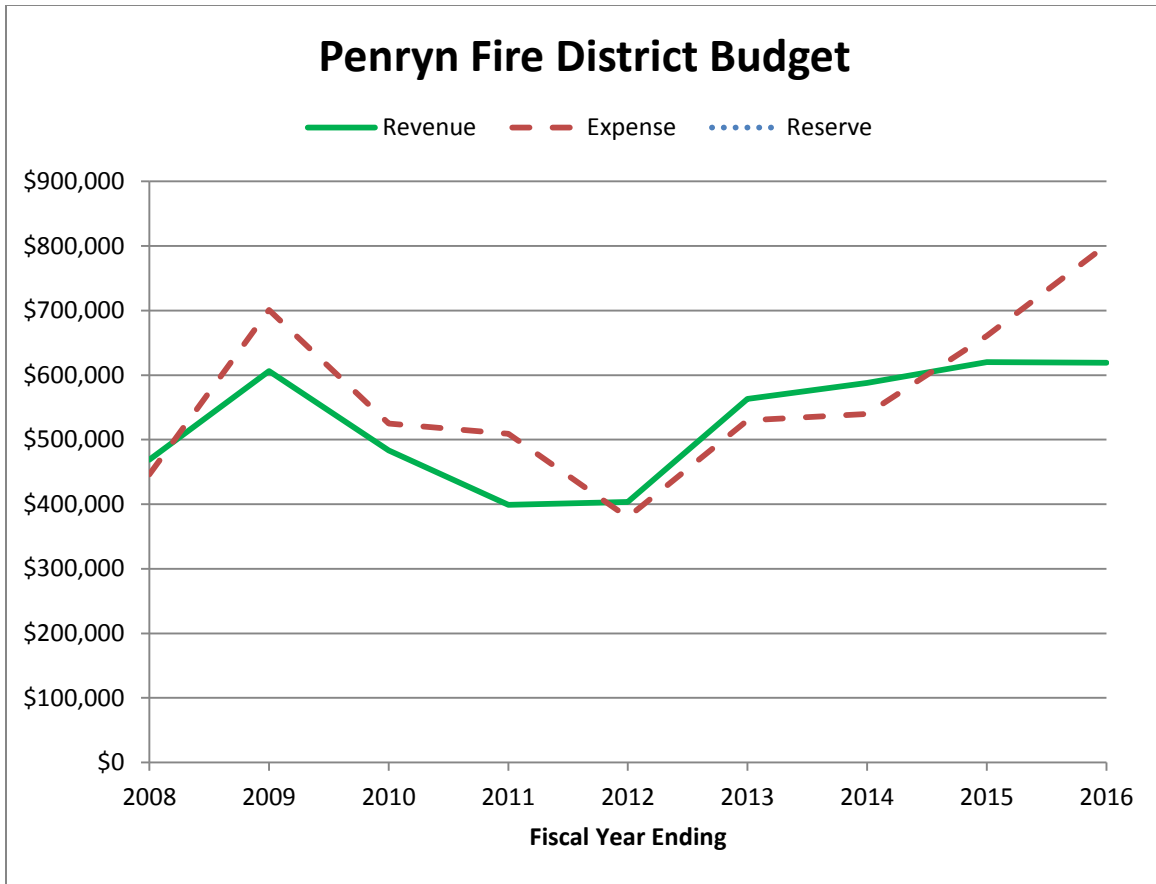
We have reduced expenses to the absolute minimum. We have contracted with Newcastle to share administrative and training expenses. We have explored other options with neighboring districts, but there are no feasible ways to reduce costs further without drastically reducing service or closing the Penryn station.

The long term solution to this problem will require consolidation of districts and reallocation of property tax to adequately fund fire service. Consolidation will require action by LAFCO and cooperation of Placer County and may take years to implement. It may require increasing the special tax by as much as \$250 per parcel.

The short term solution is for Placer County to provide the needed funds to our district starting in 2016. Each year Placer County collects over \$39 million dollars in Proposition 172 money from a ½ cent sales tax for “police and fire”. Currently the county contributes a negligible amount to fire districts. If they contributed a portion of next year’s increase in this tax money to our district, the district will continue to provide emergency services and your safety will be assured.

1 - Budget

After the national recession began in 2008 the Penryn Fire Protection District (PFPD) saw its revenue decrease as property tax revenue declined. District revenue recovered to a pre-recession in 2014 but it has not significantly increased since then. For the last two years expenses have exceeded revenue forcing the district to dip into reserves to cover the shortfall.



Next year, FY 2015/2016, will be even worse because expenses have dramatically increased. The board projects revenue of \$619,000 and expenditures of \$801,000 leaving a deficit of some \$182,000, again causing money from reserves to be used to make ends meet. The current reserve fund of approximately \$250,000 won't last long if these deficits continue.

2 - Revenue

District revenue comes from five primary sources: property tax, special tax, fees, a Newcastle Fire contract for administrative services and strike team reimbursements.

Revenue Source	FY 2015 Total	
Property tax	\$341,000	7.41% share of property tax
Special tax	105,000	\$75 per parcel
Fees	8,000	New const. and inspections (varies)
Newcastle Contract	75,000	Administrative services
Strike team reimbursement	91,000	State money for sending an engine to

		wildland fires, varies year to year, some years it is \$0
Prop 172 ½% sales tax	0	Tax for public safety
SRA Fire Prevention Fee	0	\$117 per parcel for Cal Fire

2.1 Property Tax

All fire districts property tax shares were fixed in 1978 when Proposition 13 was passed by California voters. Each special district's share was based on their budgets at that time. In 1978 Penryn was a volunteer fire district with very low expenses resulting in a 7.41% property tax share. In contrast South Placer happened to be building a new station that year resulting in a 13% share. Studies have shown that a minimum share of 13% is needed to adequately fund a fire district.

Fire District	Property Tax Share	Special Tax
Penryn	7.41%	\$75
Newcastle	4.02%	\$214
Loomis	2.06%	\$240
South Placer	13.02%	\$70
Foresthill	6.63%	\$121
Placer Hills	6.69%	\$120

2.2 Special Tax

Penryn residents passed "Measure C" in 1997 establishing the \$75/parcel special tax which enabled the district to employ a second firefighter part-time. In 2011 the State Assembly imposed an additional "Fire Prevention Fee" on rural parcels. Penryn residents pay \$117 for that fee, but none of that money comes to our district or is spent in any way that benefits our district.

2.3 Fees

The two fee sources are new construction fire service fees and commercial fire safety inspections. These fees are directed towards capital equipment rather than operating expenses.

2.4 Newcastle Contract

To reduce expenses, Penryn and Newcastle have an administrative services contract whereby they share the cost of one fire chief for the two districts. Penryn also provides training services to Newcastle.

Both districts continue to look for ways to cooperate to further reduce expenses and improve efficiency.

2.5 Strike Team Reimbursement

During wild fire season the district may send a strike team, consisting one engine staffed by two employees and one intern, to help protect life and property. It is our duty to help in these emergencies. It also provides extra income and valuable experience for our firefighters.

The State of California reimburses the district for its employee wages and equipment costs. Although this produces an increase in revenue, it varies from year to year and it is offset by overtime costs to replace the crew at our station and increased maintenance costs of the engine.

Because the strike team revenue is highly variable each year it can't be depended on. With our shortage of personnel the district is unable to send a strike team to some wild fire emergencies.

2.6 Sales Tax - \$0

Placer County receives tax revenue from the State of California under the Public Safety and Fire Tax (Prop. 172) passed by voters in 1992. This ½ cent sales tax generated \$39,638,906 for Placer County for fiscal year 2014/15. Despite the fact that this ½ cent sales tax was designed to assist law enforcement and fire districts, Placer County does not share that money among the fire districts in Placer County. Virtually all of the money goes to the Sheriff's Department, Probation, the District Attorney, and the County Executive's office.

At the time of the Prop 172 vote wildfires were raging in Southern California. A pro 172 TV commercial showed firefighters busy fighting these fires (watch the TV add here <http://tinyurl.com/pj7l4eb>). Yet none of this tax money comes to this fire district.

We have joined with Newcastle, Loomis, South Placer, Foresthill and Placer Hills Fire Districts and asked Placer County to direct some Prop 172 money to our districts. The county originally claimed they legally couldn't do that, but the State Attorney General has ruled that it is legal to direct Prop 172 funds to fire districts. The county does contribute a small amount to fund fire dispatch services, but other counties in the state contribute far more to their fire districts.

2.7 Cal Fire \$117 SRA Fire Prevention Fee

The State Responsibility Area (SRA) Fire Prevention Fee was enacted following the signing of Assembly Bill X1 29 in July 2011. The law approved the new annual Fire Prevention Fee to pay for fire prevention services within the SRA. The fee is applied to all habitable structures within the SRA.

Effective July 1, 2014, the fee is levied at the rate of \$152.33 per habitable structure, which is defined as a building that can be occupied for residential use. Owners of habitable structures who are also within the boundaries of a local fire protection agency will receive a reduction of \$35 per habitable structure.

In actuality, much of the \$300 million raised by the state fire tax is instead spent on administration, inspections and other activities that do not help local communities who pay the tax.

Penryn residents pay \$117 for this fee, but none of that money comes to our district or is spent in any way that benefits our district.

3 - Expenses

As with most organizations the district's largest expense category is personnel. In 2015 our employees formed the Penryn Firefighters Professional Association and negotiated a new contract with the district. Although their wages still remain low compared to firefighters in the area, the additional expenses have dramatically affected our budget.

Expense Category	FY 2014/2015	FY 2015/2016 Budget
Salary and wages	\$469,000	\$579,000
Operations	192,000	222,000

Current salary and wages:

Chief: \$80,000 / year (Penryn and Newcastle)

Captain: 3 full time employees at \$12.25/hour

Engineer: 2 full time employees at \$10.25/ hour

3 part-time employees at \$10.00/ hour

Intern/Trainee: 8 volunteers are not compensated

Board Members: \$75/meeting, one meeting per month

Future wages must increase for us to keep our experienced personnel and, at the very least, to match projected increases in the mandated minimum wage.

The district's captains have an average of 12 years of experience and the engineers have an average of 6 years of experience. It's very important to have experienced first responders who know the area and are part of the community. When a first responder appears at your door, you want to meet someone who is well trained and has years of experience.

Full time employees earn six shifts vacation per year and six days sick leave per year. Although the district pays 100% of the Kaiser health insurance for full time employees, it makes no contribution to employee retirement.

Because of these low wages in recent years the district has lost employees to better financed districts in the area and around the state. As the state economy continues to improve the district expects to lose more. Likewise, after achieving professional status many interns leave to jobs at other departments rather than staying on as full time PFPF employees.

4 - Staffing

The station is always staffed 24x7 with two paid employees and augmented 80% of the time with one unpaid intern/resident trainee. Each employee works a 48 hour shift followed by 96 hours off.

When someone is sick or on vacation another employee fills in at overtime rate. Because of our limited staff, the district may pay up to sixty days at overtime rates each year.

In the past, the district was supported by a group of enthusiastic community-minded volunteer firefighters, but that has changed. As those individuals have aged they have left the service because of the demands of their families and careers.

Today, trainees are required by State and Federal regulations to participate in 240 hours of professional training at our station per year plus attend other required courses at local schools or academies for certification. This burden makes it difficult to recruit volunteers.

5 - Operations

Although the district is only staffed with two paid firefighters plus one intern our mutual aid and auto aid agreements with neighboring districts ensure that we can provide the level of service specified by the National Fire Protection Association. The districts fire service rating for homes near fire hydrants is 3 and is 8 for the remainder of the district.

In 2014, the station responded to 586 calls of which 79 were for fire with others being emergency medical, auto accidents, and public assistance. The Penryn Fire District reaches 80% of its emergency calls within four minutes.

Our staff provides basic life support (BLS) to medical calls. Advanced Life Support (ALS) is the treatment of injured or ill persons by Paramedics outside of the hospital environment.

Although over 60% of the district's calls are for medical aid rather than fire, firefighters are only allowed to provide Basic Life Support services and frequently must wait in excess of ten minutes for a private ambulance and Paramedic to arrive. Ambulances are permitted fifteen minutes to arrive before they are considered to be late, but those extra minutes can be critical to the survival of a seriously ill patient. The private ambulances within Placer County are stationed in the higher-profit densely populated areas; the lower-profit sparsely populated areas, like Penryn, have longer ambulance response times.

6 - Station

Penryn Fire Station 38 was built in the 1950's to house fire equipment, not personnel. It is a back-in station of about 5,500 square feet. The station has undergone additions to accommodate the changing needs of the department over the years. Currently there is a concrete masonry unit (CMU) apparatus bay with two doors that houses three fire rigs and a wood framed lean-to apparatus bay which houses one rig. Off the apparatus bay is a galley kitchen, combined day room and office space, and a space for a washer and dryer that leads to a single unisex restroom. A converted attic space houses the sleeping quarters for the fire personnel and is accessed from the apparatus bay.

The station is considered an "essential facility" within the 2013 California Building Code, the definition of which is "buildings and other structures that are intended to remain operational in the event of extreme environmental loading from flood, wind, snow or earthquakes".

The building is in good condition and has performed well during past wind and/or seismic events. However, there have been numerous significant changes to the Building Code that render this structure to be non-compliant in many areas. Retrofit schemes as a whole would involve removing and replacing interior and/or exterior finishes almost entirely as well as the construction of new steel frames or CMU shear resisting elements and associated foundation work. For these reasons, rehabilitating this building for compliance with the current California Building Code will require significant construction efforts and budget.

A study by Stafford, King & Wise Architects concluded that it would be cost prohibitive to remodel the existing station and that instead it should be either demolished and rebuilt or Penryn should build a new station on a new site.

7 - Equipment

Currently the district has six operational fire fighting vehicles

2013 Ford Expedition - Command Vehicle

2008 International / Pierce - Type 3 Fire Engine (brush & structure)

2008 Dodge Ram - Command Vehicle

1998 International / Master Body - Type 3 Fire Engine (strike team)

1993 International / Pierce - Type 1 Fire Engine (structure fires)

1987 Ford / Westates - 2800 Gallon Water Tender

The 1993 Type 1 Engine is over twenty years old, well beyond its service life. At this age maintenance costs become increasingly significant and reliability decreases. Replacing it will likely cost in excess of \$450,000.

Currently the 1987 water tender is not dispatched because the district can't afford the extra expense of an additional employee.