

**AGENDA ITEM TYPE**

- Consent
- Public Hearing
- Regular Action

**CITY OF ELK GROVE**

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**ELK GROVE CITY COUNCIL AGENDA ITEM  
September 13, 2006**

**TO: MAYOR AND COUNCIL**

**FROM: JOHN H. DANIELSON, CITY MANAGER**

**SUBJECT: DIRECT THE CITY MANAGER TO SUBMIT COMMENTS  
TO LAFCO ABOUT PROPOSED ELK GROVE CSD –  
GALT FIRE PROTECTION DISTRICT REORGANIZATION**

**RECOMMENDATION:**

Direct the city manager to submit comments to LAFCo about the proposed Elk Grove CSD – Galt Fire Protection District reorganization that are consistent with the research report prepared by Dr. Robert Waste & Associates.

**BACKGROUND:**

The city of Elk Grove received requests from the Sacramento Local Agency Formation Commission (LAFCo) dated July 13, 2006 (Attachment 1) and August 18, 2006 (Attachment 2) for a statement from the city about the proposed Elk Grove Community Services District – Galt Fire Protection District Reorganization. The city's planning department also received a questionnaire from LAFCo dated July 13, 2006 (Attachment 3) about the same subject.

In order to comply with all of these requests from LAFCo for comments on the proposed reorganization, the independent public policy research firm Robert Waste, Ph.D. & Associates has prepared an "Analysis of the Elk Grove CSD/Galt FPD Merger" (Attachment 4) at the request of the city manager's office.

A summary of Dr. Waste's research is below.

***[It is recommended that] The City of Elk Grove:***

- ***Supports*** the consolidation of fire suppression services by the Elk Grove Community Services District Fire Department and the Galt Fire Protection District;
- ***Recognizes*** that consolidation of service delivery between these two fire agencies promises to provide superior fire suppression capacity to the South County area;
- ***Supports*** the concept of the consolidation as proposed by the Elk Grove Community Services District and the Galt Fire Protection District; and respectfully
- ***Recommends*** that LAFCo change the format of the proposed reorganization.

*The reorganization as proposed by the Applicant poses **significant challenges** to the administration, financing, delivery and governance of fire suppression services in the South County area. The past track record of the Elk Grove CSD and Galt FPD fire units merits our confidence that these challenges will be successfully addressed by the two fire agencies in question if LAFCo addresses the administrative/governance weaknesses in the current reorganization proposal. The City of Elk Grove is cognizant of the direction provided to LAFCo in the **Cortese-Knox-Hertzberg Local Government Reform Act of 2000** as recently amended which directs LAFCo to insure that **“responsibility should be given to the agency or agencies that can best provide the service.”** Consistent with this mandate, this analysis recommends that **LAFCo modify and then approve** the proposed Elk Grove Community Services District/Galt Fire Protection District reorganization.*

*This analysis finds that the agency which can best provide fire suppression services to residents of the South County area would be a newly-created, single-purpose fire protection district serving the South County area. For reasons of administrative, service delivery and governance efficiency, this analysis*

***respectfully and strongly recommends that Sacramento LAFCo modify the reorganization/merger format submitted by the Applicant to include a new single-purpose fire protection district in conformance with the Cortese-Knox-Hertzberg Local Government Reform Act of 2000 requirement that “responsibility should be given to the agency or agencies that can best provide the service.”***

***The Report which follows presents an analysis of key aspects of the proposed reorganization, and argues in favor of governance partnership efforts such as the proposed reorganization which promise to improve service delivery and the Quality of Life for South County residents.***

It is recommended that the city council direct the city manager to submit the completed planning department questionnaire and the Waste Report to LAFCo as the city’s comments about the proposed Elk Grove CSD – Galt Fire Protection District reorganization. Dr. Waste and his team will also present their research findings at the appropriate LAFCo meetings at which the reorganization may be considered.

In addition to LAFCo board members and staff, copies of Dr. Waste’s report, the completed questionnaire, and any other relevant correspondence will also be sent to:

- Elk Grove CSD Board Members
- Elk Grove CSD General Manager
- Elk Grove CSD Fire Chief
- Galt City Council Members
- Galt City Manager
- Galt Fire Protection District Board Members
- Galt Fire Chief
- Supervisor Don Nottoli
- Sacramento Area Firefighters, Local #522

**FINANCIAL IMPLICATIONS TO CITY:**

None.

## ATTACHMENTS:

1. Correspondence from Sacramento LAFCo dated July 13, 2006 about the Elk Grove CSD – Galt Fire Protection District Reorganization pg. 5
2. Correspondence from Sacramento LAFCo dated August 18, 2006 about the Elk Grove CSD – Galt Fire Protection District Reorganization pg. 53
3. LAFCo questionnaire dated July 13, 2006 subsequently completed by the city of Elk Grove planning department pg. 56
4. "Analysis of Elk Grove CSD/Galt FPD Merger" by Dr. Robert Waste & Associates pg. 59
5. Biography of Robert J. Waste, Ph.D. pg. 78

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street, Suite 100**  
**Sacramento, California 95814**  
**(916) 874-6458**

July 13, 2006

TO: Affected Agency

FROM: Peter Brundage, Executive Officer  
Sacramento Local Agency Formation Commission

RE: **ELK GROVE COMMUNITY SERVICES DISTRICT - GALT FIRE PROTECTION  
DISTRICT REORGANIZATION (04-06)**

The subject project (change of organization or reorganization) has been received by the Sacramento Local Agency Formation Commission for processing. Attached herewith for your information is a copy of the application, including legal description and maps. The proposed change of organization could affect your agency. If you provide service to the project site, please estimate the cost of providing that service. Please estimate the amount of revenue loss which would occur if the change of organization would detach the subject property from your agency.

Under the applicable statutes and rules and regulations adopted by the Sacramento Local Agency Formation Commission, this office is required to secure a statement from your agency indicating the following information (where applicable) concerning the effect of the proposal upon your agency.

1. What official position, if any, has your agency taken on this proposal?
2. If the proposal includes the detachment of territory from your agency:
  - How will the proposal affect the ability of your agency to continue to provide services in the territory not included in the proposed change of organization?
  - How will the proposal affect the financing and operation of your agency?

For your guidance and information, a copy of the standards for the evaluation of proposals for changes of organization and reorganization is enclosed. This material is taken from Policies, Standards and Procedures for the Sacramento Local Agency Formation Commission.

If the proposal will not affect your organization, Commission staff would appreciate a written statement to that effect. Comments, for inclusion in the staff analysis, should be provided to us as soon as possible. Your agency will be notified when the matter is set for hearing before the Commission. You are invited to give oral testimony at that time if you wish.

Please do not hesitate to call Marilyn Ann Flemmer, Commission Clerk, at 874-6458 if you have any questions. Thank you for your early response to this request.

Maf

Attachments: Standards for Evaluation of Proposals  
Proposal Filed for Change of Organization/ Reorganization/ Formation

(Affected Agency)

## V. SPECIFIC STANDARDS BY TYPE OF ACTION

The Sacramento Local Agency Formation Commission has adopted specific standards for its actions to ensure that it renders fair and consistent decisions in accordance with State law. The LAFCo will use these specific standards, as well as the applicable policies and general standards, during its decision-making process. The LAFCo may make exceptions to these specific standards if it determines that such exceptions: are necessary due to unique circumstances; are necessary due to conflicts between general and specific standards; result in improved quality or lower cost of service available; or there exists no feasible or logical alternative.

### A. ANNEXATIONS TO CITIES

1. LAFCo will utilize Spheres of Influence through application of the following standards:
  - a. The LAFCo will approve an application for annexation only if the proposal conforms to and lies wholly within the approved Spheres of Influence boundary for the affected agency;
  - b. The LAFCo generally will not allow Spheres of Influence to be amended concurrently with annexation proposals;
  - c. The LAFCo will favorably consider proposals that are a part of an orderly, phased annexation program by an agency for territory within its Sphere of Influence;
  - d. An annexation must be consistent with a city's Master Service Element of its Sphere of Influence Plan; and
  - e. The LAFCo encourages the annexation to each city of all islands of unincorporated territory and all substantially surrounded unincorporated areas located within the city's Sphere of Influence.
2. The LAFCo will not approve proposals in which boundaries are not contiguous with the existing boundaries of the city to which the territory will be annexed, unless the area meets all of the following requirements:
  - a. Does not exceed 300 acres;
  - b. Is owned by a city;
  - c. Is used for municipal purposes; and
  - d. Is located within the same county as the city.

3. The LAFCo will favorably consider proposals to annex streets where adjacent municipal lands will generate additional traffic and where there are isolated sections of county road that will result from an annexation proposal. Cities shall annex a roadway portion when 50 percent of the property on either or both sides of the street is within the city.
4. The LAFCo will favorably consider annexations with boundary lines located so that all streets and right-of-way will be placed within the same city as the properties which either abut thereon or for the benefit of which such streets and right-of-way are intended.
5. An annexation may not result in islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries unless findings are made that annexation as proposed is necessary for orderly growth, and cannot be annexed to another city or incorporated as a new city. Annexations of territory must be contiguous to the annexing city or district. Territory is not contiguous if its only connection is a strip of land more than 300 feet long and less than 200 feet wide.
6. The LAFCo opposes extension of services by a city without annexation, unless such extension is by contract with another governmental entity or a private utility.

#### **B. ANNEXATIONS TO DISTRICTS**

1. The LAFCo will favorably consider proposals for districts to annex all developed urban land inside their Sphere of Influence and will ordinarily approve such proposals unless the residents and owners of the property being annexed demonstrate that such areas should not be annexed.
2. Updated service plans, as defined in the Master Service Element section of these policies, standards and procedures must be available before LAFCo will approve a proposal initiated by the district.
3. The LAFCo opposes extension of services by a district without annexation, unless such extension is by contract with another governmental entity or a private utility.

#### **C. DETACHMENTS FROM CITIES AND DISTRICTS**

1. The LAFCo shall not approve the detachment of territory from a high-quality service provider unless the following can be demonstrated:

- a. The detachment is necessary to ensure delivery of services essential to the public health and safety;
  - b. The successor provider supplies services of equal or higher quality; and
  - c. The detachment does not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider's territory from which the detachment will occur.
2. The service plans of special districts which lie within a city's Sphere of Influence should provide for orderly detachment of territory from the district or merger of the district as district territory is annexed to the city.
  3. The LAFCo will consider detachments in areas which require organized public service if another service provider is capable and willing to provide the service(s).
  4. The LAFCo will not approve a detachment from a city or special district which conflicts with the adopted Master Service Element of the Sphere of Influence Plan of the agency from which detachment is sought.
  5. Detachment from a city or special district shall not relieve the landowners within the detaching territory from existing obligations for bonded indebtedness or other indebtedness under similar security instrument incurred previously by the city or district to provide service to the detaching applicant unless the following apply:
    - a. The relief from indebtedness is part of a revenue exchange agreement applying to the detachment; or
    - b. The service benefits previously received by the applicant can be readily assumed by another landowner within the district who is willing to assume the financial responsibility in exchange for the added services.

**D. INCORPORATIONS AND DISINCORPORATIONS**

1. LAFCo will approve an incorporation or disincorporation only if it finds that the proposal complies with the general policies and standards applicable to all changes of organization or reorganization.



2. LAFCo will approve a proposal for incorporation only if the Commission finds that the applicant has demonstrated a significant unmet need for services or need for improved services within the territory for which incorporation is proposed. In determining whether an unmet need for services or improved services exists, the Commission will base its determination on:
  - a. Current levels of service in the area to be incorporated;
  - b. Existing and projected growth rate and density patterns in the area to be annexed; and
  - c. The Sphere of Influence Plans for the jurisdictions currently providing services to the area.
3. The LAFCo Commission shall approve a proposal for incorporation only if it finds that incorporation will result in an entity with the capability to provide the most efficient forms of urban services to the affected population.
4. The LAFCo will not approve a proposal for an incorporation unless the incorporation proponents can demonstrate that the proposed city will be able to fund municipal services and remain financially solvent.
5. The LAFCo requires that an applicant for incorporation prepare a financial feasibility study as specified in Appendix E and Appendix I. The applicant shall provide the required information and evaluation that will be reviewed by the LAFCo staff for accuracy and content.
6. An applicant for an incorporation may request a review of the financial feasibility studies pursuant to the provision of state law.
  - a. Time and Form of Request. A request for review of the Comprehensive Fiscal Analysis, pursuant to Government Code Section 56833.3, must be made, in writing, no later than thirty (30) calendar days from the notice of release of the Comprehensive Fiscal Analysis by the Executive Officer by publication pursuant to Section 56153 of the Government Code. The request must specify in writing the element or elements of the Comprehensive Fiscal Analysis which the State Controller is requested to review and the reasons the Controller is requested to review them.

- b. Deposit Required. The person requesting such review shall be responsible for any and all costs incurred in such review. They shall deposit with the Executive Officer, at the time the request is filed, in the form of a cashier's check, the amount estimated, by the Executive Officer, to be necessary to cover the cost of the State Controller's review. This estimate of costs shall include, but not be limited to, the estimated charge by the State Controller, LAFCo staff costs, and costs for any LAFCo consultants required to assist the Controller in his review. No request shall be valid unless accompanied by the deposit specified in this rule. ~~Should the Controller's review support the reason(s) for the challenge, LAFCo shall be liable for all costs incurred by the Commission in connection with the incorporation other than the Controller's charge.~~

The deposit shall be deposited in the County Treasury and all costs shall be paid from it. Within thirty (30) days of issuance of the State Controller's report, the Executive Officer shall refund any amount remaining after all costs have been paid. In the event that the amount is in excess of the deposit, the interested filing party shall be liable for the balance.

7. The proposed incorporation must not have significant adverse social and economic impacts upon any particular communities or groups in the incorporating area or affected unincorporated area.
8. Incorporation proposals which split special districts will not be approved unless the resulting service providers can be shown to be the most logical, efficient and cost-effective organizational structure for service delivery, without severe financial impacts on the special district.
9. The LAFCo will require, as part of the incorporation application, a draft Sphere of Influence Plan for a proposed city.
10. The LAFCo will require a Master Services Element of the Sphere of Influence Plan as part of the application requirement for an incorporation proposal.
11. The LAFCo will not approve an incorporation unless
  - a. applicable general plans, specific plans or area plans based on realistic population and growth

projections demonstrate the need for urbanization of the affected area, and

- b. the areas proposed for incorporation should be urbanized or should be planned for urbanization within the next five years.

Subparagraphs (a) and (b) do not apply if LAFCo determines the proposal is structured to ensure the long-term preservation of open space or agricultural lands.

12. Current law requires the transfer to a newly incorporating city of all situs sales tax revenue from the city's territory, as well as property tax revenue based upon statutory formula. Consequently, in most incorporations, the net revenue effect will substantially favor the new city at the County's expense. LAFCo will deny a proposal which does not contain agreement(s) that compensates for this lack of revenue neutrality.
13. Prime agricultural land which is not designated for urbanization within the next five years of the date of the receipt of the application shall not be included in any incorporation approval unless the LAFCo determines that the proposal is structured to ensure the long-term preservation of open space or agricultural lands.
14. LAFCo will approve a proposal for disincorporation of a city only if it determines that the applicant for disincorporation has demonstrated that the services offered are unnecessary or that the services can be provided more efficiently by another agency or provider. A plan for alternative service provision must be provided. If alternative service providers exist, they must agree to provide the services.
15. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider the approval of an application for disincorporation. If services are required, the LAFCo will consider the provision of services by another provider.
16. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider consolidation with a solvent and capable service provider.

#### E. DISTRICT FORMATIONS AND DISSOLUTIONS

1. The LAFCo will encourage special district formations in areas that demonstrate a need for unmet or improved

level of services due to the inadequate level or quality of services currently being provided.

2. The LAFCo will require that all applicants for the formation of a special district prepare a Master Services Element of the Sphere of Influence Plan.
3. The LAFCo will require that all applicants for the formation of a special district develop a definite Sphere of Influence map, plan and boundaries.
4. The LAFCo will not approve any district formation application that is not consistent with the General and Specific Plans of all affected land use authorities.
5. The LAFCo will not approve district formations when the Master Services Element developed by applicants for district formations conflict with the Master Services Element of other agencies unless high quality, more efficient service provision will occur.
6. When considering applicants for district formation, the LAFCo will ensure that no special interest group is given the status of being a governmental agency.
7. The LAFCo will not approve an application for district formation unless the applicant can demonstrate it can fund the services it intends to provide.
8. If a district becomes insolvent or is unable to provide services, then the LAFCo may approve consolidation with a solvent and capable district.

**F. CITY CONSOLIDATION, DISTRICT CONSOLIDATIONS, AND MERGER OF A DISTRICT INTO A CITY**

1. For the purposes of the LAFCo's policies and standards, a consolidation of cities or districts will be treated as an incorporation or a district formation. Generally, the merger of a district into a city will be treated as if it were the formation of a dependent district. Standards for incorporation and district formation are, therefore, applicable to consolidations, mergers, and reorganizations that include consolidations and mergers.
2. Based upon submitted Master Services Elements and any other data provided, the LAFCo will determine whether the cities' or districts' organizations and operations can feasibly be combined. The LAFCo will give particular attention to the following:

- a. Employment contracts, policies and human resource issues;
- b. Specified plans for combination of top managers' roles and responsibilities and for staffing key positions; and
- c. Plans and safeguards to ensure uniform and consistent service quality throughout the newly consolidated or merged jurisdiction.

**G. REORGANIZATION**

The LAFCo will evaluate each component organizational change which makes up a reorganization proposal independently. In so doing, the LAFCo will follow the standards presented below.

- 1. LAFCo will strive to ensure that each separate territory included in the proposal, as well as affected neighboring residents, tenants, and landowners, receive services of an acceptable quality from the most efficient and effective service provider after the reorganization is complete.
- 2. The service quality, efficiency, and effectiveness available prior to reorganization shall constitute a benchmark for determining significant adverse effects upon an interested party. The LAFCo will approve a proposal for reorganization which results in significant adverse effects only if effective mitigating measures are included in the proposal.

**H. SPHERE OF INFLUENCE PLANS**

A Sphere of Influence Plan is a plan for the probable, ultimate physical boundaries and service area of a local agency. This section of the LAFCo Policies and Standards sets forth the required contents of a Sphere of Influence Plan, the procedures for submittal and approval of Sphere of Influence Plans and amendments thereto, and the use of Sphere of Influence Plans in LAFCo determinations.

- 1. The Sphere of Influence Plan for all governmental agencies within the LAFCo jurisdiction shall contain the following:
  - a. A map defining the probable ultimate boundary of its service area;
  - b. A statement of the present and planned land uses in the area, including agricultural and open space lands;

- c. The present and probable need for public facilities and services in the area;
  - d. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide;
  - e. The existence of any relevant social or economic communities of interest in the area; and
  - f. With respect to all cities, sewer districts, water districts, community service districts, drainage districts, and multi-purpose districts within the jurisdiction of Sacramento LAFCo, a Master Services Element as defined in paragraph H.2. below. Other agencies may prepare a Master Services Element.
2. A Master Services Element shall contain the following:
- a. A projection of the geographic extent of service capabilities during the next 20 years denominated in 5-year increments. In the case of cities, a shorter time frame may be appropriate if the applicable general plan has a shorter planning period.
  - b. Projected level of service capabilities in the same time frames and geographical areas.
  - c. Actual and projected costs of services to consumers. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.
  - d. The services element shall contain sufficient information concerning current and projected capital programs, revenues, costs, rate structures and financing, and other information necessary to support the projected service capabilities and areas set forth in the Element.
3. LAFCo may, at its discretion, designate a geographic area beyond the Sphere of Influence as an Area of Concern to the local agency. An Area of Concern is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of the County impact directly or indirectly upon the local agency. For example, a development project outside the limits or Sphere of Influence of a local agency may result in that local agency providing services or adjusting its planning assumptions.

4. LAFCo will adopt, amend, or revise Sphere of Influence Plans after a public hearing and pursuant to the procedures set forth in section 56427 and 56428 of the Cortese-Knox Act. Sphere of Influence Plans shall be revised as necessary, but in all cases at least every five years.
5. On or before January 1, 1992, all cities, sewer districts, water districts, community service districts and multi-purpose districts shall have a Master Services Element approved by LAFCo. Copies of the proposed Element shall be submitted to the County, to adjacent jurisdictions, and adjacent service providers.
6. LAFCo shall accept and adopt a Master Services Element or other Sphere of Influence Plan revisions if the Sphere of Influence Plan as amended contains all of the components required by these standards; that the projections of areas and levels of service contained therein are accurate, adequate and complete; and the Sphere of Influence Plan complies with CEQA. If LAFCo rejects a proposed Sphere of Influence amendment or proposed Master Services Element, the Commission shall state the reasons therefor, direct staff to provide assistance on requests to correct deficiencies, and upon re-submittal promptly reconsider the amendment or element.
7. LAFCo shall approve a proposal for a change of organization or reorganization only if the proposal is consistent with the Sphere of Influence Plan.
8. LAFCo shall specifically utilize the Master Services Element in evaluating:
  - a. Proposals to annex territories to cities where urban services are or may be provided by urban services special districts;
  - b. Applications to annex or detach territories to or from a special services district;
  - c. Applications for boundary changes between or among special districts, or the formation of new special districts to service areas in territory currently served by another service provider;
  - d. Applications for consolidation of districts; and
  - e. Other changes or organization or reorganization where appropriate.

9. Sphere of Influence Plans shall be internally consistent.
10. In the case of a Sphere of Influence Plan which contains a Master Services Element, if the evidence demonstrates that an agency is unable to provide an adequate level of service within a portion of its ultimate service area boundaries, the Sphere of Influence Plan shall be amended pursuant to the procedures for periodic review such that the ultimate service boundaries are consistent with the Master Services Element. If the Master Services Element projections demonstrate an adequate level of service beyond the ultimate service boundary, the Sphere of Influence Plan may be amended accordingly.

#### I. AMENDMENTS TO SPHERES OF INFLUENCE

1. The LAFCo will generally treat a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. The LAFCo's policies will be applied to applications for amendment to a Sphere of Influence as if it were an annexation planned for the mid- to long-range future. For that reason, each of the following sets of policies will apply to applications for amendments to Spheres of Influence:
  - a. General policies;
  - b. Specific policies and standards for annexations to cities and special districts; and
  - c. Specific policies and standards or amendments to Spheres of Influence.
2. The Sphere of Influence Master Services Element must be current before additions to a Sphere of Influence will be approved by LAFCo.
3. The Sphere of Influence amendments shall precede applications for annexations.
4. Amendment proposals must be consistent with an updated Sphere of Influence Master Services Element.
5. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or lack of need for service.
6. Amendment proposals involving Sphere expansion which contain prime agricultural land will not be approved by



the LAFCo if there is sufficient alternative land available for annexation within the existing Sphere of Influence.

7. A phased plan for annexation of Sphere of Influence territory should be included in the Sphere of Influence proposal.
8. No amendments to a Sphere of Influence Plan will be approved unless a Master Services Element of the Sphere of Influence Plan exists that has been prepared by a local agency and adopted by LAFCo if required.
9. The LAFCo will deny proposals that would result in significant unmitigable adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to avoid such impacts.
10. The LAFCo will approve a proposed amendment to a Sphere of Influence only if the subject agency will be the most logical and prospectively most efficient provider of services to the subject territory.

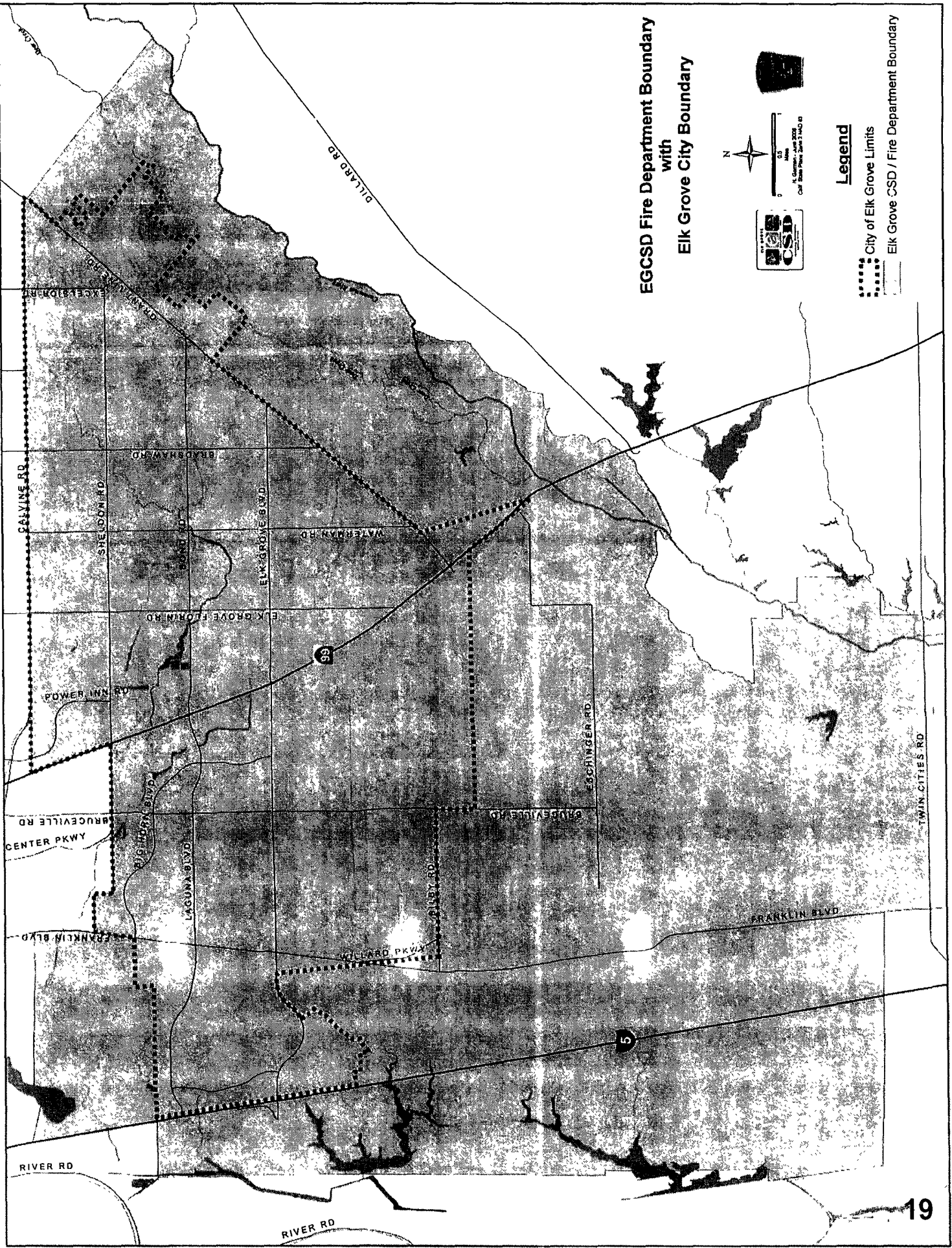
#### J. RECONSIDERATION OF LAFCo DECISIONS

1. The LAFCo will accept written requests for reconsideration of a Commission resolution from any person or affected agency within 30 days of the LAFCo's adoption of a resolution making determination and prior to the completion of the Conducting Authority's proceedings, so long as such person or agency exhausts its administrative remedies by fully participating in LAFCo's proceedings, including, but not limited to, commenting in writing on the application during public hearing.
2. The written request for reconsideration should precisely and specifically describe the basis for the request. The only requests for reconsideration that the LAFCo will approve are as follows:
  - a. Compelling new evidence exists, including significant and previously unavailable evidence that might alter the LAFCo's decision;
  - b. There are elements which were previously overlooked, or have changed, such as the repeal of an applicable federal, state or local law that might alter LAFCo's decision; and
  - c. Item(s) of procedure are challenged.

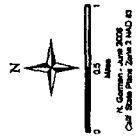
3. If the written request is timely, the Executive Officer will schedule the matter for the next regularly scheduled Commission meeting for which notice can be given, at which time staff will present the request.
4. The Commission will consider the request and approve or deny the request for reconsideration without further notice or hearing, or continue the matter.
5. The Commission's determination upon these matters is final.

**K. CITY PROTESTS OF LAND CONSERVATION CONTRACTS (Gov't Code Section 51243.5)**

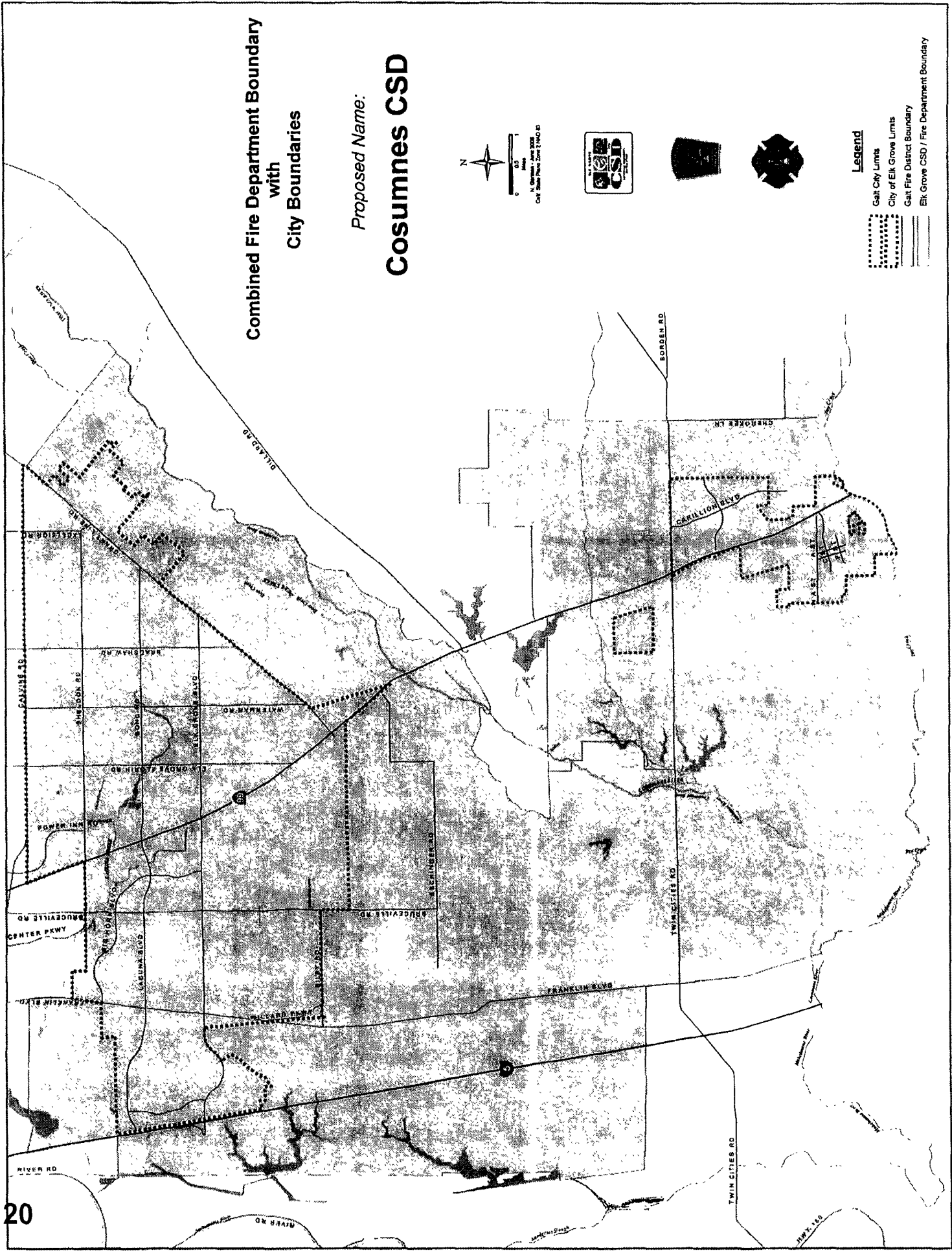
1. The LAFCo may sustain a protest by a city of the county entering into a Williamson Act contract if both the following are true:
  - a. The city's general plan designates the territory proposal to be under contract for urbanization within a reasonable period of time;
  - b. A reasonable quantity of the city's total territory of sufficient quality has been set aside as open space/agricultural land, and is designated as such in the city's general plan and relevant specific plans or community plans.
2. The LAFCo may sustain the protest if one or more of the following is true:
  - a. No active agricultural use of the land is feasible within six or more calendar years of the 10-year term of the contract;
  - b. The territory which is under contract has boundaries which would force imminent urban development to be illogical or make it difficult to serve.
  - c. The land does not meet the definition of prime agricultural land per the Cortese-Knox Act.



**EGCSD Fire Department Boundary  
with  
Elk Grove City Boundary**



- Legend**
- City of Elk Grove Limits
  - Elk Grove CSD / Fire Department Boundary

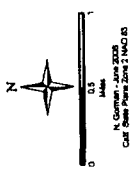
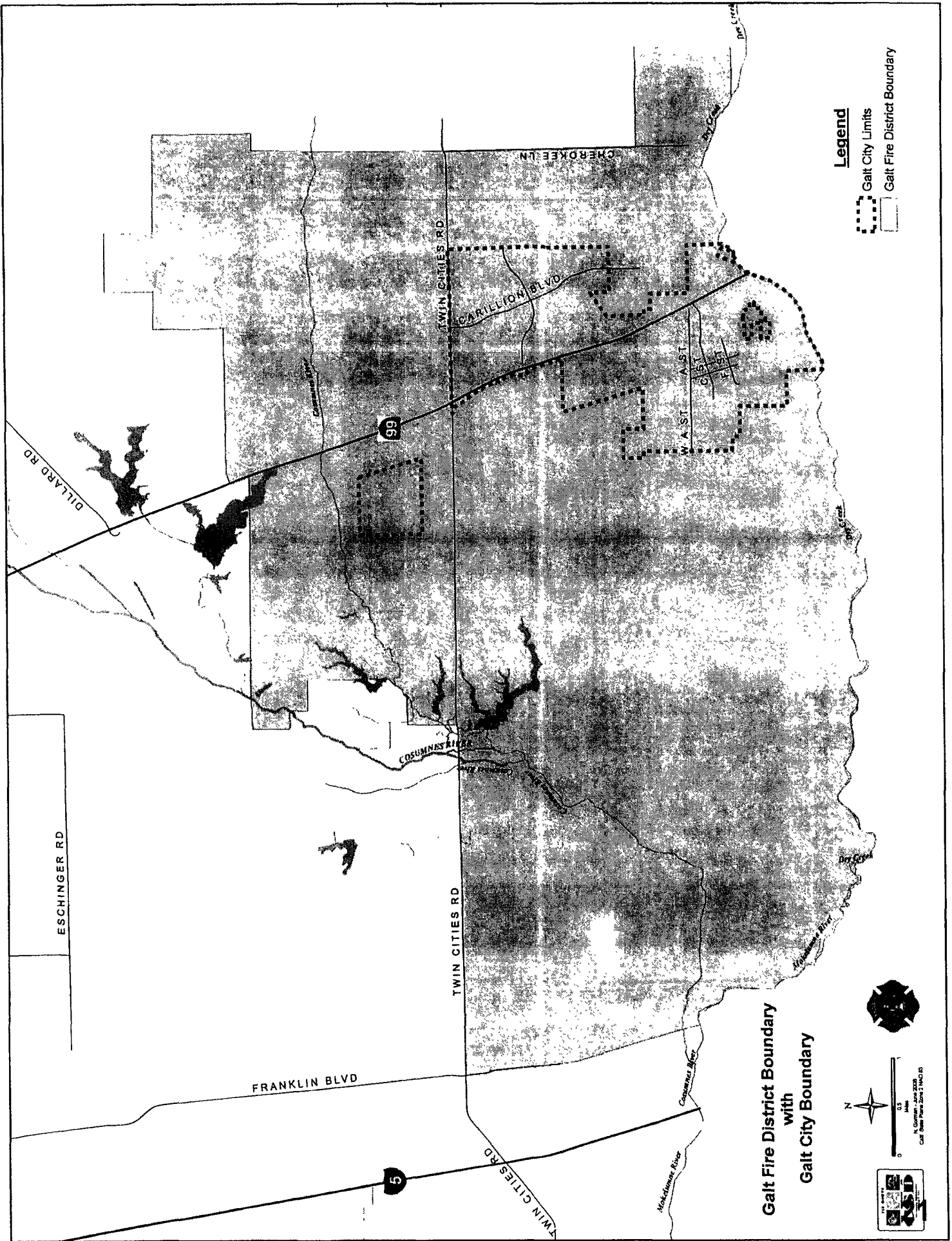


**Combined Fire Department Boundary  
with  
City Boundaries**

*Proposed Name:*  
**Cosumnes CSD**



- Legend**
- Salt City Limits
  - City of Elk Grove Limits
  - Salt Fire District Boundary
  - Elk Grove CSD / Fire Department Boundary



N. Datum: July 2005  
 Cal. State Plane Zone 14NAD83

**RESOLUTION NO. 2006-33**

**Adopted by the Board of Directors of the  
ELK GROVE COMMUNITY SERVICES DISTRICT  
On Date June 20, 2006**

**A RESOLUTION MAKING APPLICATION FOR REORGANIZATION  
WITH THE  
GALT FIRE PROTECTION DISTRICT**

**WHEREAS**, the Board of Directors of the Elk Grove Community Services District, an existing community services district organized under the Community Services District Law (Government Code Sections 61000, *et seq.*), desires to initiate a proceeding for reorganization with the Galt Fire Protection District, as hereinafter set forth, pursuant to the provisions of Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, *et seq.*); and

**WHEREAS**, the Board of Directors of the Elk Grove Community Services District desires to initiate the reorganization proceedings pursuant to Government Code Section 56653 ("Section 56653"); and

**WHEREAS**, the territory proposed to be annexed is inhabited and encompasses the area described in the map attached hereto as Exhibit "A" and by reference incorporated herein; and

**WHEREAS**, this proposal is consistent with the spheres of influence of the Elk Grove Community Services District and Galt Fire Protection District; and

**WHEREAS**, Elk Grove Community Services District may, consistent with Government Code Section 61140, annex the Galt Fire Protection District and provide, as a zone of the Community Services District, fire protection service within the affected territory; and

**WHEREAS**, the Galt Fire Protection District, currently faces substantial financing constraints, which may, in the absence of the proposed reorganization, restrain Galt Fire Protection District from providing an optimum level and quality of fire protection services to residents within its sphere of influence; and

**WHEREAS**, as more fully set forth in the Municipal Services review attached hereto as Exhibit "B," the interests of the residents of the areas serviced by both the Galt Fire Protection District and Elk Grove Community Services District are best served by the creation of one entity through reorganization, due to multiple factors, including by way of inclusion and not by limitation: economy of scale, shared training capacity and opportunities, shared facilities and resources, exchange of operational expertise in the form of increased collaboration and



**RESOLUTION NO. 2006-33**

cooperation, management efficiencies, flexibility in allocation of human resources and equipment, and increased opportunity for operational and facility related financing; and

**WHEREAS**, the efficiency, effectiveness, and economy of fire protection and fire prevention services can be improved by the creation of one entity through reorganization; and

**WHEREAS**, as set forth in the Municipal Services Review, this Resolution is intended to apply for extension of only fire protection, fire prevention and related safety services to the current geographical sphere of influence of the Galt Fire Protection District and, if approved, will not result in the extension of park services into such area.

**NOW THEREFORE**, the Elk Grove Community Services District Board of Directors does hereby resolve and order as follows:

1. Application and a proposal is hereby made to the Sacramento Local Agency Formation Commission (“LAFCo”) for the reorganization of the Galt Fire Protection District and the Elk Grove Community Services District.
  - A. Said reorganization shall consist of the annexation of the Galt Fire Protection District to the Elk Grove Community Services District and simultaneous dissolution of the Galt Fire Protection District.
  - B. The reorganization shall result in the Elk Grove Community Services District being the successor District.
  - C. The reorganized district shall include all territory presently included within each of the District’s subject to the reorganization.
  - D. The EGCS D successor District shall establish the Galt Fire Protection Zone within the combined Districts territory.
  - E. The Galt Fire Protection Zone shall be all that territory within the Galt Fire Protection District annexed to EGCS D.
  - F. The EGCS D shall only provide fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law Part 2.7 commencing with Section 13800 of Division 12 of the Health and Safety Code within said zone.
  - G. The EGCS D shall not provide any other services or exercise its latent powers unless so authorized by the Sacramento Local Agency Formation Commission.

**RESOLUTION NO. 2006-33**

2. The effective date of the reorganization on the certificate of completion filed by the Executive Officer of LAFCo in accordance with Government Code Section 57200 will be the date of execution of the certificate of completion or as otherwise established pursuant to Government Code Sections 57202-57203.
3. The President and the Secretary of the Elk Grove Community District Board of Directors are hereby authorized to perform any and all acts and functions necessary to carry out the intent of the Elk Grove Community Services District Board of Directors in enacting this Resolution.
4. The reorganization is subject to the following terms and conditions:
  - A. Name

The name of the reorganized district shall be the Cosumnes Community Services District.
  - B. Governing Board

The Governing Board for the reorganized Cosumnes Community Services District shall initially consist of the current sitting Governing Board for the Elk Grove Community Services District.
  - C. Galt Advisory Committee

Effective the date of reorganization, the Governing Board of the Galt Fire Protection District shall be designated as the Galt Advisory Committee.

    - 1) Following the reorganization, the Galt Advisory Committee shall provide input to the Cosumnes Community Services District Governing Board regarding matters of special concern related to the residents within the boundaries of the previous Galt Fire Protection District.
    - 2) Any vacancies that occur on the Galt Advisory Committee after the date of reorganization shall be filled by action of the Governing Board of the Cosumnes Community Services District.
    - 3) The Galt Advisory Committee shall exist at least until future potential local governance options (see 4. D. Below) have been considered by the Cosumnes Community Services District Governing Board.



**RESOLUTION NO. 2006-33**

D. Future Potential Local Governance Options

Future potential local governance options shall be explored within twenty-four (24) months of the reorganization. Such options may include, but are not limited to:

- 1) the continued election of five (5) board members within the reorganized district on an "at large" basis (next election to occur in November 2008) ;
- 2) the creation of electoral divisions of equal population ; and/or
- 3) an increase of board seats from five (5) to either seven (7) or nine (9) (which requires California State Legislative action).

E. Assets and Liabilities

All assets and all liabilities of both Districts shall accrue to the Cosumnes Community Services District. By way of illustration and not limitation, this includes: liabilities for payment of principal and interest on contractual obligations for real property, furnishings and equipment, fire fighting apparatus and equipment, operating expenses, supplies, licenses and permits and any contingent liabilities for existing civil litigation of both Districts.

F. Employees

- 1) Generally
  - a) On the effective date of the reorganization, except as provided in Paragraph 4. H, all existing Galt Fire Protection District employees shall become employees of the Cosumnes Community Services District.
  - b) In situations where positions are similar in nature, but carry a different job title, Galt Fire Protection District employees shall be placed in the corresponding classification under the reorganized Cosumnes Community Services District.
  - c) These provisions shall not limit the authority of the General Manager or the Board of Directors of the Cosumnes Community Services District to exercise all retained management rights of assignment, reassignment and/or transfer.

**RESOLUTION NO. 2006-33**

2) General Manager

The General Manager of the Cosumnes Community Services District shall be the current General Manager of the Elk Grove Community Services District, who shall serve pursuant to the terms and conditions of the existing General Manager's contract of employment.

3) Apprentice Firefighters

- a) Between the date of adoption of the Resolution Making Application, and the effective date of the reorganization, the General Manager for the Elk Grove Community Services District (or her designee) will conduct an interview/selection process for each interested person employed in the apprentice classification.
- b) In the sole discretion of the Cosumnes Community Services District, an apprentice may be offered employment in the Cosumnes Community Services District. Employment will be in such positions, and under such terms, as may be deemed appropriate by Board of Directors in its sole discretion. Those apprentices not selected for full-time employment will either be offered the ability to remain as apprentices (see program evaluation item "c" below) or will be terminated from employment at the sole discretion of the District.
- c) The apprentice program will be evaluated by the District to determine its effectiveness in recruiting and developing future full-time employees. The apprentice program may be retained by the District until such time that the District deems the program ineffective. Apprentices shall not be represented employees under any collective bargaining unit and shall not occupy full-time, minimum staff positions as defined in the collective bargaining agreement with Local 522 of the International Association of Fire Fighters AFL/CIO (Local 522).

**RESOLUTION NO. 2006-33**

4) Firefighters, Engineers and Captains

- a) The Elk Grove Community Services District is party to a collective bargaining agreement with Local 522 of the International Association of Fire Fighters AFL/CIO (“Local 522”). This agreement was negotiated pursuant to the terms of the Meyers-Milias Brown Act (Government Code Section 3500 *et seq.*).
- b) Galt Fire Protection District employees in the classifications of Firefighter, Engineer and Captain shall be merged into, and covered by the agreement referenced in the preceding paragraph.
- c) The Elk Grove Community Services District will meet and confer, as appropriate, with Local 522 regarding the impact and effects of adding Galt fire Protection District employees to the existing agreement.

5) Battalion Chiefs

- a) The Elk Grove Community Services District is party to a collective bargaining agreement with the Management Employees Organization (“MEO”). This agreement was negotiated pursuant to the terms of the Meyers-Milias Brown Act (Government Code Section 3500 *et seq.*).
- b) Galt Fire Protection District employees in the classification of Battalion Chief shall be merged into, and covered by the agreement referenced in the preceding paragraph.
- c) The Elk Grove Community Services District will meet and confer, as appropriate, with the MEO regarding the impact and effects of adding Galt Fire Protection District employees to the existing agreement.

6) Non-Represented Employees

- a) Compensation, benefits, and other terms and conditions of employment for incumbent non-represented employees (excluding Senior Management Staff) shall be governed by the terms of existing Resolutions of the Elk Grove Community Services District until replaced by a new Resolution covering all employees of the Cosumnes Community Services District in these categories.

**RESOLUTION NO. 2006-33**

- b) Notwithstanding the preceding paragraph, no non-represented employee of the Galt Fire Protection District on the date of the reorganization shall have his/her salary reduced except in accordance with the terms of any applicable resolution or contract that existed prior to the date of reorganization.

7) Senior Management Staff

- a) Compensation, benefits, and other terms and conditions of employment for incumbent Senior Management Staff shall be governed by the terms of their existing contracts of employment.

G. Volunteers

Upon reorganization, the Governing Board of the Cosumnes Community Services District will have sole discretion regarding whether to continue to utilize the services of individuals currently acting as volunteers for the Galt Fire Protection District.

H. Leave Balances

The following leave balances of employees of the Galt Fire Protection District shall be forwarded to the Cosumnes Community Services District:

- 1) Accrued but unused sick leave; and
- 2) Accrued but unused Vacation, PTO, Holiday, Administrative and Compensatory Time Off (CTO).

I. Staffing Plan

Upon the effective date of the reorganization, the staffing plan for fire stations will transition to "minimum staffing" as depicted in the collective bargaining agreement between Local 522 and the Elk Grove CSD, and will exceed the "minimum staffing" where deemed necessary and practicable by the District. The staffing plan for stations currently existing in the Galt Fire Protection District will transition in conformity with the existing Elk Grove Community Services District minimum staffing plan. This will result in an increase in staffing at the current Galt Fire Protection District stations (as more fully described in the Municipal Services Review, Exhibit "B").

**RESOLUTION NO. 2006-33**

J. Retirement

- 1) Both the Elk Grove Community Services District and Galt Fire Protection District are members of CalPERS for retirement.
- 2) Upon the date of reorganization, each Galt Fire Protection District employee will be covered by the Elk Grove Community Services District contract for benefits with CalPERS.
- 3) No Galt Fire Protection District employee shall have his/her CalPERS retirement benefits reduced as a result of this reorganization.

K. Equal Employment Opportunity

The reorganized Cosumnes Community Services District shall continue the practice of equal employment opportunity.

L. Sphere of Influence

- 1) The Sphere of Influence for the reorganized Cosumnes Community Services District shall be coterminous with the combined current boundaries of the Elk Grove Community Services District and the Galt Fire District, which are contiguous. (See map attached as Exhibit "A.")
- 2) The new district shall encompass approximately one hundred fifty-eight (158) square miles and shall be bounded as generally described as follows:
  - a) northerly, by Calvine Road,
  - b) westerly, by Stonelakes Wildlife Refuge and Franklin Boulevard,
  - c) easterly, by the Cosumnes River and its overflow, the Northern California traction line to Simmerhorn thence westerly to Cherokee North to east of Arno Road to just east of Kerry Lane, and
  - d) southerly, by the San Joaquin County Line.

5. Between the date of adoption of the Resolution Making Application and the effective date of the Reorganization:

- A. The operations of the Galt Fire Protection District shall be subject to the terms of a Management Services Agreement between the Elk Grove Community Services

**RESOLUTION NO. 2006-33**

District and the Galt Fire Protection District (to be negotiated and executed separately).

1) The terms of this Management Services Agreement shall provide that during the period in which the Application for Reorganization is pending, Elk Grove Community Services District will assume, on behalf of the Galt Fire Protection District, with the direction of the Elk Grove Community Services District and Galt Fire Protection District Governing Boards, full management responsibility, including, by way of illustration and not limitation, the oversight of personnel, budget, purchase or sale of fixed assets, day-to-day operations, and procurement of supplies and services.

B. The Galt Fire Protection District will not do any of the following without majority approval of the Board of Directors of both entities unless the action has been previously specifically provided for in the Galt Fire Protection District 2006-2007 budget:

1) Approve any discretionary changes in any employee's compensation, promotion, or permanent assignment. Vacancies may be filled for positions budgeted in the 2006-2007 budget.

a) Vacancies above the level of Captain shall be filled on a temporary basis.

b) This provision shall not apply to any automatic changes in compensation, such as step increases.

c) Nothing in this sub-paragraph (5. B.) shall be interpreted as reducing or interfering with good faith labor practices in the event of labor contract negotiations for either Galt Fire Protection District or Elk Grove Community Services District prior to the effective date of the reorganized Cosumnes Community Services District.

2) Purchase or dispose of fixed assets or execute contracts for services and/or supplies.

6. In accordance with Government Code Section 56853, the Elk Grove Community Services District Board of Directors requests that LAFCo take proceedings for the proposal set forth herein pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 upon the adoption of a substantially similar resolution by the Galt Fire Protection District.

**RESOLUTION NO. 2006-33**

- 7. The Secretary of the Elk Grove Community Services District Board of Directors is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Sacramento Local Agency Formation Commission.
- 8. Copies of any notices, reports or any other documents shall be mailed to:

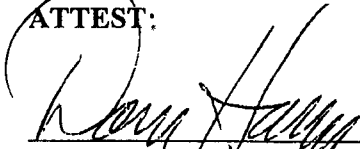
Donna Hansen  
General Manager  
Elk Grove Community Services District  
8820 Elk Grove Boulevard, Suite 1  
Elk Grove, CA 95624

- 9. The Elk Grove Community Services District Board of Directors hereby adopts and incorporates by reference the matters set forth as recitals on the first page of this Resolution.

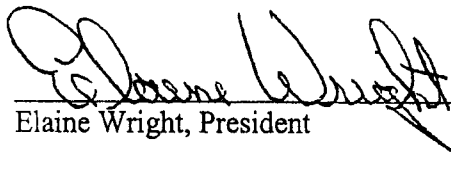
On a motion by Director Albani, seconded by Director Derr, this Resolution was passed and adopted this **20th day of June, 2006**, by the following vote:

**AYES:** Albani, Derr, McElroy, Mulberg, Wright  
**NAYS:** None  
**ABSTAIN:** None  
**ABSENT:** None

**ATTEST:**

  
\_\_\_\_\_  
Donna Hansen, Secretary to the Board

**BY:**

  
\_\_\_\_\_  
Elaine Wright, President

**RESOLUTION NO. 2006-33**

**EXHIBIT "A"**

**MAP OF TERRITORY PROPOSED TO BE REORGANIZED**



**RESOLUTION NO. 2006-33**

**EXHIBIT "B"**

**MUNICIPAL SERVICES REVIEW**

# ***Galt Fire Protection District***

## ***Resolution 06 - 11***

***Before the Governing Board of Galt Fire Protection District, County of  
Sacramento, State of California***

***A Resolution Making Application for Reorganization  
with the  
Elk Grove Community Services District***

**WHEREAS**, the Board of Directors of the Galt Fire Protection District, an existing fire protection district organized pursuant to Fire Protection District Law Part 2.7 commencing with Section 13800 of Division 12 of the Health and Safety Code within said zone, desires to initiate a proceeding for reorganization with the Elk Grove Community Services District, as hereinafter set forth, pursuant to the provisions of Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, *et seq.*); and

**WHEREAS**, the Board of Directors of the Galt Fire Protection District desires to initiate the reorganization proceedings pursuant to Government Code Section 56653 ("Section 56653"); and

**WHEREAS**, the territory proposed to be annexed is inhabited and encompasses the area described in the map attached hereto as Exhibit "A" and by reference incorporated herein; and

**WHEREAS**, this proposal is consistent with the spheres of influence of the Galt Fire Protection District and Elk Grove Community Services District; and

**WHEREAS**, Elk Grove Community Services District may, consistent with Government Code Section 61140, annex the Galt Fire Protection District and provide, as a zone of the Community Services District, fire protection service within the affected territory; and

**WHEREAS**, the Galt Fire Protection District, currently faces substantial financing constraints, which may, in the absence of the proposed reorganization, restrain Galt Fire Protection District from providing an optimum level and quality of fire protection services to residents within its sphere of influence; and

**WHEREAS**, as more fully set forth in the Municipal Services review commissioned by the Elk Grove Community Services District, attached hereto as Exhibit "B," the interests of the residents of the areas serviced by both the Galt Fire Protection District and Elk Grove Community Services District are best served by the creation of one entity through reorganization,

due to multiple factors, including by way of inclusion and not by limitation: economy of scale, shared training capacity and opportunities, shared facilities and resources, exchange of operational expertise in the form of increased collaboration and cooperation, management efficiencies, flexibility in allocation of human resources and equipment, and increased opportunity for operational and facility related financing; and

**WHEREAS**, the efficiency, effectiveness, and economy of fire protection and fire prevention services can be improved by the creation of one entity through reorganization; and

**WHEREAS**, as set forth in the Municipal Services Review, this Resolution is intended to apply for extension of only fire protection, fire prevention and related safety services to the current geographical sphere of influence of the Galt Fire Protection District and, if approved, will not result in the extension of park services into such area.

**NOW THEREFORE**, the Galt Fire Protection District Board of Directors does hereby resolve and order as follows:

1. Application and a proposal is hereby made to the Sacramento Local Agency Formation Commission (“LAFCo”) for the reorganization of the Galt Fire Protection District and the Elk Grove Community Services District.
  - A. Said reorganization shall consist of the annexation of the Galt Fire Protection District to the Elk Grove Community Services District and simultaneous dissolution of the Galt Fire Protection District.
  - B. The reorganization shall result in the Elk Grove Community Services District being the successor District.
  - C. The reorganized district shall include all territory presently included within each of the District’s subject to the reorganization.
  - D. The EGCSO successor District shall establish the Galt Fire Protection Zone within the combined Districts territory.
  - E. The Galt Fire Protection Zone shall be all that territory within the Galt Fire Protection District annexed to EGCSO.
  - F. The EGCSO shall only provide fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law Part 2.7 commencing with Section 13800 of Division 12 of the Health and Safety Code within said zone.
  - G. The EGCSO shall not provide any other services or exercise its latent powers unless so authorized by the Sacramento Local Agency Formation Commission.

2. The effective date of the reorganization on the certificate of completion filed by the Executive Officer of LAFCo in accordance with Government Code Section 57200 will be the date of execution of the certificate of completion or as otherwise established pursuant to Government Code sections 57202 and 57203 \_\_\_\_\_.

3. The President and the Secretary of the Galt Fire Protection District Board of Directors are hereby authorized to perform any and all acts and functions necessary to carry out the intent of the Galt Fire Protection District Board of Directors in enacting this Resolution.

4. The reorganization is subject to the following terms and conditions:

A. Name

The name of the reorganized district shall be the Cosumnes Community Services District.

B. Governing Board

The Governing Board for the reorganized Cosumnes Community Services District shall initially consist of the current sitting Governing Board for the Elk Grove Community Services District.

C. Galt Advisory Committee

Effective the date of reorganization, the Governing Board of the Galt Fire Protection District shall be designated as the Galt Advisory Committee.

- 1) Following the reorganization, the Galt Advisory Committee shall provide input to the Cosumnes Community Services District Governing Board regarding matters of special concern related to the residents within the boundaries of the previous Galt Fire Protection District.
- 2) Any vacancies that occur on the Galt Advisory Committee after the date of reorganization shall be filled by action of the Governing Board of the Cosumnes Community Services District.
- 3) The Galt Advisory Committee shall exist at least until future potential local governance options (see 4. D. Below) have been considered by the Cosumnes Community Services District Governing Board.

D. Future Potential Local Governance Options

Future potential local governance options shall be explored within twenty-four (24) months of the reorganization. Such options may include, but are not limited to:

- 1) the continued election of five (5) board members within the reorganized district on an “at large” basis (next election to occur in November 2008) ;
- 2) the creation of electoral divisions of equal population ; and/or
- 3) an increase of board seats from five (5) to either seven (7) or nine (9) (which requires California State Legislative action).

E. Assets and Liabilities

All assets and all liabilities of both Districts shall accrue to the Cosumnes Community Services District. By way of illustration and not limitation, this includes: liabilities for payment of principal and interest on contractual obligations for real property, furnishings and equipment, fire fighting apparatus and equipment, operating expenses, supplies, licenses and permits and any contingent liabilities for existing civil litigation of both Districts.

F. Employees

1) Generally

- a) On the effective date of the reorganization, except as provided in Paragraph 4. H, all existing Galt Fire Protection District employees shall become employees of the Cosumnes Community Services District.
- b) In situations where positions are similar in nature, but carry a different job title, Galt Fire Protection District employees shall be placed in the corresponding classification under the reorganized Cosumnes Community Services District.
- c) These provisions shall not limit the authority of the General Manager or the Board of Directors of the Cosumnes Community Services District to exercise all retained management rights of assignment, reassignment and/or transfer.

2) General Manager

The General Manager of the Cosumnes Community Services District shall be the current General Manager of the Elk Grove Community Services District, who shall serve pursuant to the terms and conditions of the existing General Manager’s contract of employment.

3) Apprentice Firefighters

- a) Between the date of adoption of the Resolution Making Application, and the effective date of the reorganization, the General Manager for the Elk Grove Community Services District (or her designee) will conduct an interview/selection process for each interested person employed in the apprentice classification.
- b) In the sole discretion of the Cosumnes Community Services District, an apprentice may be offered employment in the Cosumnes Community Services District. Employment will be in such positions, and under such terms, as may be deemed appropriate by Board of Directors in its sole discretion. Those apprentices not selected for full-time employment will either be offered the ability to remain as apprentices (see program evaluation item "c" below) or will be terminated from employment at the sole discretion of the District.
- c) The apprentice program will be evaluated by the District to determine its effectiveness in recruiting and developing future full-time employees. The apprentice program may be retained by the District until such time that the District deems the program ineffective. Apprentices shall not be represented employees under any collective bargaining unit and shall not occupy full-time minimum staff positions as defined in the collective bargaining agreement with Local 522 of the International Association of Fire Fighters AFL/CIO (Local 522).

4) Firefighters, Engineers and Captains

- a) The Elk Grove Community Services District is party to a collective bargaining agreement with Local 522 of the International Association of Fire Fighters AFL/CIO ("Local 522"). This agreement was negotiated pursuant to the terms of the Meyers-Milias Brown Act (Government Code Section 3500 *et seq.*).
- b) Galt Fire Protection District employees in the classifications of Firefighter, Engineer and Captain shall be merged into, and covered by the agreement referenced in the preceding paragraph.
- c) The Elk Grove Community Services District will meet and confer, as appropriate, with Local 522 regarding the impact and effects of adding Galt fire Protection District employees to the existing agreement.

5) Battalion Chiefs

- a) The Elk Grove Community Services District is party to a collective bargaining agreement with the Management Employees Organization (“MEO”). This agreement was negotiated pursuant to the terms of the Meyers-Milias Brown Act (Government Code Section 3500 *et seq.*).
- b) Galt Fire Protection District employees in the classification of Battalion Chief shall be merged into, and covered by the agreement referenced in the preceding paragraph.
- c) The Elk Grove Community Services District will meet and confer, as appropriate, with the MEO regarding the impact and effects of adding Galt Fire Protection District employees to the existing agreement.

6) Non-Represented Employees

- a) Compensation, benefits, and other terms and conditions of employment for incumbent non-represented employees (excluding Senior Management Staff) shall be governed by the terms of existing Resolutions of the Elk Grove Community Services District until replaced by a new Resolution covering all employees of the Cosumnes Community Services District in these categories.
- b) Notwithstanding the preceding paragraph, no non-represented employee of the Galt Fire Protection District on the date of the reorganization shall have his/her salary reduced except in accordance with the terms of any applicable resolution or contract that existed prior to the date of reorganization.

7) Senior Management Staff

- a) Compensation, benefits, and other terms and conditions of employment for incumbent Senior Management Staff shall be governed by the terms of their existing contracts of employment.

G. Volunteers

Upon reorganization, the Governing Board of the Cosumnes Community Services District will have sole discretion regarding whether to continue to utilize the services of individuals currently acting as volunteers for the Galt Fire Protection District.

H. Leave Balances

The following leave balances of employees of the Galt Fire Protection District shall be forwarded to the Cosumnes Community Services District:

- 1) Accrued but unused sick leave; and
- 2) Accrued but unused Vacation, PTO, Holiday, Administrative and Compensatory Time Off (CTO).

I. Staffing Plan

Upon the effective date of the reorganization, the staffing plan for fire stations transition to “minimum staffing” as depicted in the collective bargaining agreement between Local 522 and the Elk Grove CSD, and will exceed the “minimum staffing” where deemed necessary and practicable by the District. The staffing plan for stations currently existing in the Galt Fire Protection District will transition in conformity with the existing Elk Grove Community Services District minimum staffing plan. This will result in an increase in staffing at the current Galt Fire Protection District stations (as more fully described in the Municipal Services Review, Exhibit “B”).

J. Retirement

- 1) Both the Elk Grove Community Services District and Galt Fire Protection District are members of CalPERS for retirement.
- 2) Upon the date of reorganization, each Galt Fire Protection District employee will be covered by the Elk Grove Community Services District contract for benefits with CalPERS.
- 3) No Galt Fire Protection District employee shall have his/her CalPERS retirement benefits reduced as a result of this reorganization.

K. Equal Employment Opportunity

The reorganized Cosumnes Community Services District shall continue the practice of equal employment opportunity.

L. Sphere of Influence

- 1) The Sphere of Influence for the reorganized Cosumnes Community Services District shall be coterminous with the combined current boundaries of the Elk Grove Community Services District and the Galt Fire District, which are contiguous. (See map attached as Exhibit “A.”)



- 2) The new district shall encompass approximately one hundred fifty-eight (158) square miles and shall be bounded as generally described as follows:
  - a) Nórtherly, by Calvine Road,
  - b) Westerly, by Stonelakes Wildlife Refuge and Franklin Boulevard,
  - c) Easterly, by the Cosumnes River and its overflow, the Northern California traction line to Simmerhorn thence westerly to Cherokee North to east of Arno Road to just east of Kerry Lane, and
  - d) Southerly, by the San Joaquin County Line.
5. Between the date of adoption of the Resolution Making Application and the effective date of the Reorganization:
  - A. The operations of the Galt Fire Protection District shall be subject to the terms of a Management Services Agreement between the Elk Grove Community Services District and the Galt Fire Protection District (to be negotiated and executed separately).
    - 1) The terms of this Management Services Agreement shall provide that during the period in which the Application for Reorganization is pending, Elk Grove Community Services District will assume, on behalf of the Galt Fire Protection District, with the direction of the Elk Grove Community Services District and Galt Fire Protection District Governing Boards, full management responsibility, including, by way of illustration and not limitation, the oversight of personnel, budget, purchase or sale of fixed assets, day-to-day operations, and procurement of supplies and services.
  - B. The Galt Fire Protection District will not do any of the following without majority approval of the Board of Directors of both entities unless the action has been previously specifically provided for in the Galt Fire Protection District 2006-2007 budget:
    - 1) Approve any discretionary changes in any employee's compensation, promotion, or permanent assignment. Vacancies may be filled for positions budgeted in the 2006/2007 budget.
      - a) Vacancies above the level of Captain shall be filled on a temporary basis.
      - b) This provision shall not apply to any automatic changes in compensation, such as step increases.

c) Nothing in this sub-paragraph (5. B.) shall be interpreted as reducing or interfering with good faith labor practices in the event of labor contract negotiations for either Galt Fire Protection District or Elk Grove Community Services District prior to the effective date of the reorganized Cosumnes Community Services District.

2) Purchase or dispose of fixed assets or execute contracts for services and/or supplies.

6. In accordance with Government Code Section 56853, the Galt Fire Protection District Board of Directors requests that LAFCo take proceedings for the proposal set forth herein pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 upon the adoption of a substantially similar resolution by the Galt Fire Protection District.

7. The Secretary of the Galt Fire Protection District Board of Directors is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Sacramento Local Agency Formation Commission.

8. Copies of any notices, reports or any other documents shall be mailed to:

9. The Galt Fire Protection District Board of Directors hereby adopts and incorporates by reference the matters set forth as recitals on the first page of this Resolution.

On a motion by Director FLORES, seconded by Director RIGGS, this Resolution was passed and adopted this 28<sup>th</sup> day of June, 2006, by the following vote:

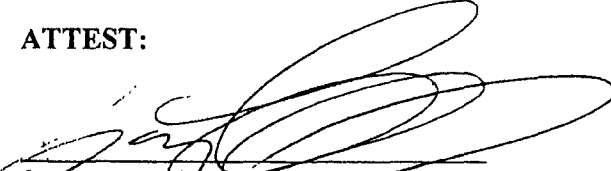
AYES: 4 (Director Flores, Haas, Riggs, and Rutter)

NAYS: \_\_\_\_\_

ABSTAIN: 1 (Director Templeton)

ABSENT: \_\_\_\_\_

ATTEST:

  
Secretary to the Board

BY:

  
President



**AVAILABLE  
UPON  
REQUEST**

**FAST FACTS FOR THE  
ELK GROVE COMMUNITY SERVICES DISTRICT  
AND  
GALT FIRE PROTECTION DISTRICT  
PROPOSED REORGANIZATION**

<b>General Facts</b>	<b>Community Services District Fire Department</b>	<b>Galt Fire Protection District</b>
Mission Statement	To protect lives, property, and the environment from fire or other natural and man-made disasters and emergencies in a courteous, timely and effective manner.	To provide a highly motivated and superior fire, rescue, and emergency medical service delivery system to the citizens and visitors of our community.
Current Population	136,000	33,100
2025 Projected Population	207,000	44,150
District Area	106 square miles	56 square miles
Creation/Formation Date	July 1, 1985	July 1921
Governing Body	5 members elected at large	5 members elected at large
City Served and City Area	Elk Grove (43 square miles)	Galt (5 square miles)
City Area as a Percentage of Total Service Area	41%	9%

<b>Financial Facts</b>	<b>Community Services District Fire Department</b>	<b>Galt Fire Protection District</b>
2005/06 Assessed Valuation	\$12,781,065,161	\$1,653,475,021
2005/06 Total Budget	\$33.5 million	\$4.9 million
2005/06 Property Tax Revenues	\$17.9 million	\$3.0 million
Property Tax Increase from FY 2004/05 to FY 2005/06	15%	14.8%
2005/06 Property Tax as a Percentage Share of Total Revenues	53%	62%
2005/06 District Reserves	\$12 million	\$138,000
2005/06 Gann Limit	\$86.2 million	\$3.3 million
2005/06 Per Capita Expenditure	\$246.67	\$148.25

**2005/06 Fiscal Year Budgets**

<b>Category</b>	<b>CSD Fire</b>	<b>Percent Share of Total Budget</b>	<b>Galt Fire</b>	<b>Percent Share of Total Budget</b>
Salaries and Benefits	\$18,541,907	55%	\$3,673,544	74%
Services and Supplies	\$ 2,856,737	9%	\$723,602	15%
Leases and Loans	\$ 1,671,447	5%	-0-	7%
Fixed Assets	\$ 1,040,873	3%	\$340,000	1%
Land Acquisition	\$ 2,800,000	8%	\$120,000	2%
Capital Improvements	\$ 6,635,639	20%	0	
Reserve Contribution			\$50,000	1%
<b>Total Expenditures</b>	<b>\$33,546,603</b>	<b>100%</b>	<b>\$4,907,146</b>	<b>100%</b>
Property Taxes	\$17,899,255	53%	\$3,051,489	62%
Ambulance/Plan Check Fees	\$ 3,905,700	12%	\$450,000	9%
In-Lieu State/Federal Aid	\$ 2,918,068	9%		0
Interest Income			\$12,500	1%
Long Term Loan Proceeds				0
Encumbered Funds	\$ 3,600,000	11%		
Unexpended Rollover	\$ 1,547,900	5%		0
Other Revenues	\$ 88,087	0	\$1,298,157	26%
Homeowners Property Tax Relief	\$ 3,587,593	10%	\$50,000	1%
<b>Total Revenues</b>	<b>\$33,546,603</b>	<b>100%</b>	<b>\$4,907,146</b>	<b>100%</b>

<b>Staffing Facts</b>	<b>Community Services District Fire Department</b>	<b>Galt Fire Protection District</b>
Total Number of Staff (FTE*)	141 FTE Authorized 141 FTE Filled	34 FTE Authorized 31 FTE Filled
Number of Staff per Station	7.0 FTE per shift	Station 45 = 5.0 FTE per shift Station 46 = 4.0 FTE per shift
2005/06 Salary and Benefits	\$18.5 million	\$3.6 million
Salary and Benefits as a Percentage of 2005 Total Budget	55.27%	75%
Number of Fire Support Staff	25.0 FTE	2.0 FTE
Average Annual Training Hours	185.5 hours	127 hours

\*FTE=Full Time Equivalent



<b>Service Facts</b>	<b>Community Services District Fire Department</b>	<b>Galt Fire Protection District</b>
Services Provided	Fire Protection Fire Suppression Fire Prevention Fire Inspection Public Education Plan Checking Emergency Medical Fleet Maintenance Vehicle Rescue Swift Water Rescue Confined Space Rescue Technical Rescue Decontamination Services Response Services to Office of Emergency Services Fire Investigation Emergency Ambulance Service to Wilton and Courtland	Fire Protection Fire Suppression Fire Prevention Fire Inspection Public Education Plan Checking Emergency Medical Fleet Maintenance Vehicle Rescue  Response upon Request of Office of Emergency Services Fire Investigation Emergency Ambulance Service To Herald and Walnut Grove
ISO Rating	Class 3 in areas with water distribution/Class 8 in areas without water distribution	Class 5 in areas with water distribution/Class 8 in areas without water distribution

Response Goals	Respond to calls within 5 minutes or less, 80% of the time within the classified Urban Area	First in Unit dispatch to on-scene under 6 minutes or less, 90% of the time
Total Number	2005 9,238 incidents	2005 2,563 incidents
All Types Incidents	2004 8,226 incidents	2004 2,528 incidents
	2003 8,039 incidents	2003 2,826 incidents*
Total Number Incidents Within the District's own Boundaries	2005 7,711 incidents	2005 1,922 incidents
	2004 6,840 incidents	2004 2,010 incidents
	2003 6,291 incidents	2003 2,068 incidents*

\*2003 Galt Incident counts are consistent with Communication Dispatch Center Reports, however, Galt Fire believes this is likely a Data anomaly but did not have better information available when the report was prepared.

<b>Facility Facts</b>	<b>Community Services District Fire Department</b>	<b>Galt Fire Protection District</b>
Current Number of Fire Stations	6	2
2005 Population	136,067	33,100
Current Number of People Served Per Station	22,677	16,055
2025 Projected Number of Fire Stations	10	3
2025 Projected Population	207,377	44,150
2025 Projected Number of People Served Per Station	20,377	14,716
<b>Equipment Facts</b>		
Number and Average Age of Equipment	59 Pieces of Equipment-various types 51 front line units 8 reserve units Average Age = 5.9 years	16 Pieces of Equipment-various types 13 front line units 3 reserve units Average Age=11.3 years
Number and Average Age of Medic Units	4 medic units Average age 3.375	4 Medic Units Average Age=8.25 years
Number and Average Age of Engines	6 Engines Average Age = 7 years	3 Engines Average Age=11 years
Number and Average Age of Tender Units	4 Tenders Average Age = 8 years	1 Tenders Average Age=19 years

<b>Financial and Population Data of a Newly Reorganized District</b>		
Estimated Assessed Valuation		\$14,434,540,182
Estimated Gann Appropriation Limit	Approximately	\$90 million
Estimated Number of Staff		175 FTE
Estimated Budget Total		\$74 million
Estimated District Area	162 square miles	
2006 Estimated Service Population		169,167
2025 Estimated Service Population		251,150

<b>Estimated Financial Impact of a Newly Reorganized District</b>		
Salary and Benefit Increases		\$ 1,064,941
Salary and Benefit Offsets due to the elimination of vacant positions		(\$ 316,632)
Anticipated Service and Supply Savings due to reductions in duplication		(\$ 90,000)
Estimated Revenue Offsets		(\$ 364,000)
Net Increased Cost		\$ 384,309



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION  
1112 I Street, Suite 100 • Sacramento, CA 95814-2836 • Tel (916) 874-6458 • Fax (916) 874-2939

August 18, 2006

John Danielson, City Manager  
City of Elk Grove  
8380 Laguna Palms Way  
Elk Grove, CA 95758

Dear John:

The Sacramento Local Agency Formation Commission has received application for the reorganization of the Elk Grove Community Services District and the Galt Fire Protection District pursuant to Government Code Section 56653 into one entity, the Cosumnes Community Service District. The territory proposed for reorganization is presented in Exhibit "A".

The Galt Fire Protection District currently faces substantial financing constraints, which limits them from providing an optimal level and quality of fire protection services to residents within its Sphere of Influence. The residents of the areas served by both the Galt Fire Protection District and Elk Grove Community Services District are best served by the creation of one entity through reorganization. The benefits include but are not limited to improved efficiency and effectiveness of fire protection and prevention services through: economy of scale; shared training capacity and opportunities; shared facilities and resources; exchange of operational expertise in the form of increased collaboration and cooperation, management efficiencies; flexibility in allocation of human resources and equipment; and increased opportunity for operational facility related financing.

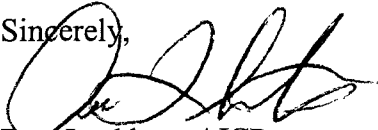
The reorganization shall consist of annexation of the Galt Fire Protection District to the Elk Grove Community Services District. The Elk Grove Community Services District shall become the successor District and be renamed to Cosumnes Community Services District.

The reorganized district shall include all territory presently included within the Galt Fire Protection District and the Elk Grove Community Services District (Exhibit "A"). The new district shall encompass approximately 158 square miles and shall be bounded as generally described: northerly by Calvine Road; westerly by Stonelakes Wildlife Refuge and Franklin Boulevard; easterly by the Cosumnes River and its overflow, the Northern California Traction Line to Simmerhorn thence westerly to Cherokee North to east of Arno Road to just east of Kerry Lanes; and southerly by the San Joaquin County Line.

This proposal is being forwarded to the responsible and interested agencies and individuals for early consultation pursuant to the California Environmental Quality Act Guidelines. LAFCo is in the process of completing its environmental evaluation for this action and any assistance you could provide would be appreciated.

Kindly forward your comments to me no later than September 8, 2006. Please feel free to contact me if any further information is needed: 916.874.2937 (Phone), 916.874.2939 (FAX), [Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org) (email).

Sincerely,



Don Lockhart, AICP  
Assistant Executive Officer  
Sacramento LAFCo

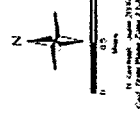
Enclosure

LGI





**Combined Fire Department Boundary  
with  
City Boundaries**

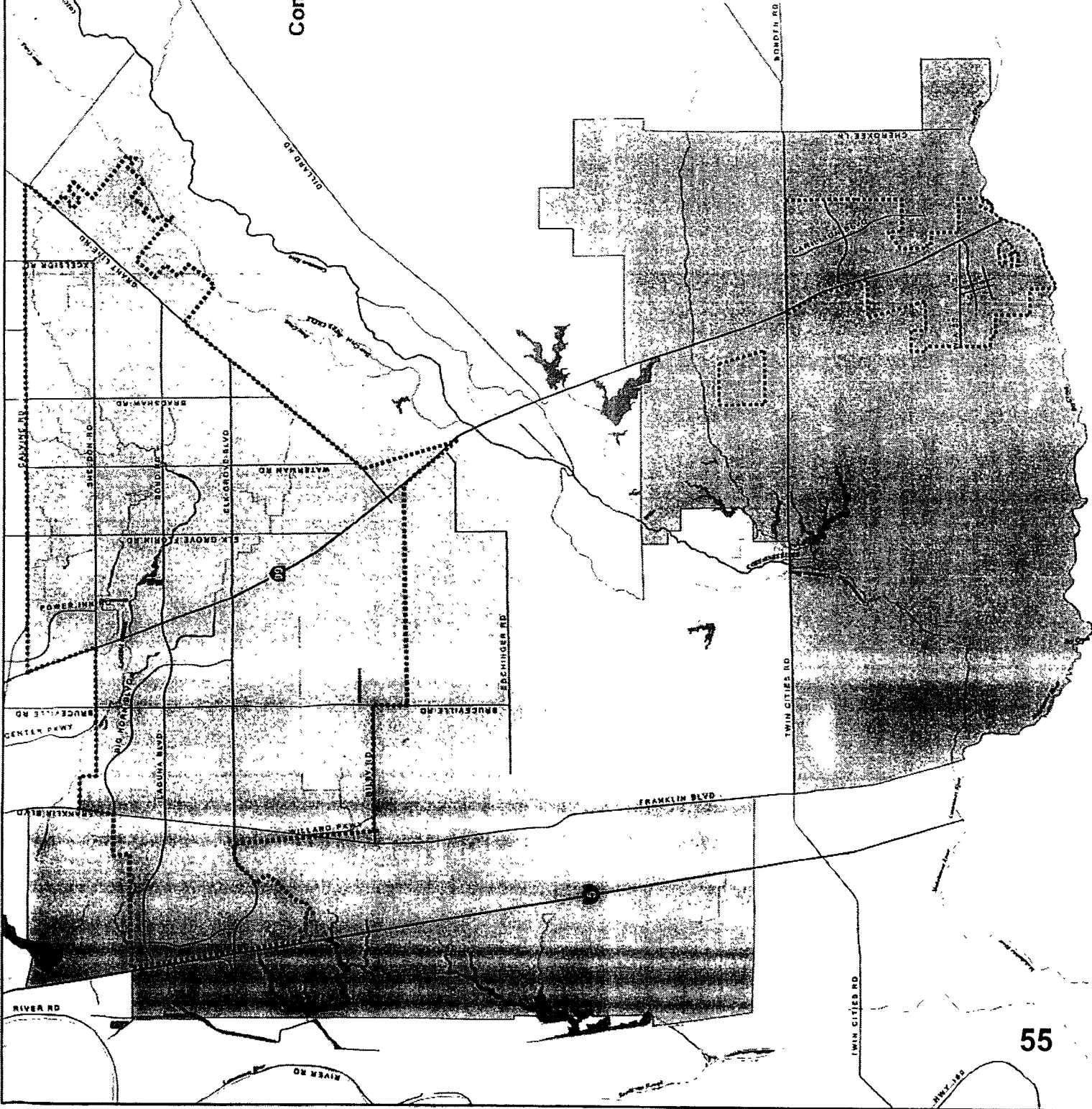
*Proposed Name:*

**Cosumnes CSD**



**Legend**

-  Galt City Limits
-  City of Elk Grove Limits
-  Galt Fire District Boundary
-  Elk Grove CSD / Fire Department Boundary



**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street, Suite 100**  
**Sacramento, California 95814**  
**(916) 874-6458**

July 13, 2006

RECEIVED  
 JUL 19 2006  
 CITY OF ELK GROVE  
 PLANNING

TO: Affected City/ County Planning Department

FROM: Peter Brundage, Executive Officer  
 Sacramento Local Agency Formation Commission

RE: **ELK GROVE COMMUNITY SERVICES DISTRICT - GALT FIRE PROTECTION DISTRICT REORGANIZATION (04-06)**

Comments and responses from your Planning Department are particularly valuable to us because you have developed short and long-term development plans for the project area. Your comments, related to the subject proposal, will decrease the likelihood that LAFCo actions may be inconsistent with the plans, policies and standards of the affected communities. In addition, your guidance will enable LAFCo staff to guide development in an orderly fashion and in the process protect and preserve agricultural and open space lands to the maximum extent feasible.

The following questions cover the types of issues which we address during the evaluation of our projects. All of the questions may not apply to every project. Please feel free to provide additional information that you believe is valuable. If you have questions, or need additional information, please contact Commission Clerk, Marilyn Flemmer, at 874-6458.

Please provide the following information related to the subject proposal. Additional comment should be provided on a separate sheet of paper.

I. General Data

- |  |   |
|--|---|
| A. Current population  | <u>130,874</u>  |
| B. Projected 5-year population   | <u>136,413 (SACOG's 2010 projection approved in 2004)</u> |
| C. General Plan Land Use Category  | <u>varies</u>   |
| D. Community/Specific Plan Land Use Designation  | <u>varies</u>   |
| E. Land Use Zone   | <u>varies</u>   |
| F. Community location  | <u>City of Elk Grove, CA.</u>                             |
| G. Potentially affected, or adjacent communities, which should be notified of this action. | <u>City of Galt, CA.</u>                                  |
| H. Pending Applications:   |   |
| 1. On-site   | <u>many</u>   |
| 2. Project vicinity  | <u>many</u>   |
| I. Recent or significant approved projects:  |   |
| 1. On-site   | <u>many</u>   |
| 2. Project vicinity  | <u>many</u>   |
| J. Other significant projects, studies or project denials:                                 |   |
| 1. On-site   | <u>many</u>   |



2. Project vicinity

many

K. Significant site characteristics/ problems, i.e., special planning area, proximity to airport, prime cropland, insufficient infrastructure, important habitat.

many

II. PROJECT CHARACTERISTICS AND IMPACT

Please answer yes or no to the following questions. Please explain yes answers on a separate sheet.

1. Is approval and implementation of the LAFCo proposal inconsistent with the General and Community/Specific Plans for the project site and project vicinity?

No

To your knowledge, is the proposal inconsistent with the plans or policies of any other public agency?

SEE WASTE REPORT

2. Have previous or current development proposals for the project site or immediate vicinity been controversial i.e., neighborhood opposition, recommendation of denial by Planning Department, or Planning Commissions.

yes

3. Will the subject LAFCo proposal alter the location, distribution, density or growth rate of human population in the project area?

no

4. Is vacant non-prime agricultural land (located between the project site and existing or developing urban areas) available for urbanization?

yes

5. Will the proposal encourage non-contiguous urban development?

no

6. Is vacant land available for infill development which should be utilized before the project area is urbanized? If so, where?

n/a

7. Does the site contain prime agricultural land per Cortese/Knox (see Attachment A)?

yes

8. Does the project site contain areas which qualify as "open space land" per Section 56059 and 56060 of the Cortese/Knox Act and Section 65660 of State Planning Law (see Attachment B)?

yes

Has the project site been identified in any General or Specific Plans, or planning project approvals, as containing important open space or recreational values?

yes

9. LAFCo may modify (enlarge or reduce) project site boundaries. Do you believe that approval of only a portion of the project, or expansion of the project site, would be beneficial or appropriate?  
If so, why? No.
10. Have previous approvals (for the project site) included conditions which should be followed by the applicant when implementing the LAFCo request?  
(If so, please provide copies. A copy of the staff report would also be helpful.) Yes (too numerous to list)
11. Have previous projects been approved with Findings of Fact and/or Statements of Overriding Considerations?  
(If so, please provide a copy of the appropriate documents.) yes but they're not really relevant.

Maf  
Attachments

(Planning Department)

## **ANALYSIS OF THE ELK GROVE CSD/GALT FPD MERGER**

**SEPTEMBER 13, 2006**

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### **1. EXECUTIVE SUMMARY**

On July 28, 2006 and again on August 18, 2006, the Sacramento Local Agency Formation Commission (LAFCo) requested that the City of Elk Grove provide a response to the proposed Elk Grove Community Services District (EGCSD)/Galt Fire Protection District (GFPD) Reorganization. The Report which follows was prepared for the City of Elk Grove, to provide analysis and recommendations to LAFCo relative to the proposed consolidation of fire suppression services by the two agencies in question.

#### **The City of Elk Grove:**

- **Supports** the consolidation of fire suppression services by the Elk Grove Community Services District Fire Department and the Galt Fire Protection District;
- **Recognizes** that consolidation of service delivery between these two fire agencies promises to provide superior fire suppression capacity to the South County area;
- **Supports** the concept of the consolidation as proposed by the Elk Grove Community Services District and the Galt Fire Protection District; and respectfully
- **Recommends** that LAFCo change the format of the proposed reorganization.

The reorganization as proposed by the Applicant poses **significant challenges** to the administration, financing, delivery and governance of fire suppression services in the South County area. The past track record of the Elk Grove CSD and Galt FPD fire units merits our confidence that these challenges will be successfully addressed by the two fire agencies in question if LAFCo addresses the administrative/governance weaknesses in the current reorganization proposal. The City of Elk Grove is cognizant of the direction provided to LAFCo in the **Cortese-Knox-Hertzberg Local Government Reform Act of 2000** as recently amended which directs LAFCo to insure that **"responsibility should be given to the agency or agencies that can best provide the service."** Consistent with this mandate, this analysis **recommends** that LAFCo **modify and then approve** the proposed Elk Grove Community Services District/Galt Fire Protection District reorganization.

This analysis finds that the agency which can best provide fire suppression services to residents of the South County area would be a newly-created, single-purpose fire protection district serving the South County area. For reasons of administrative, service delivery and governance efficiency, this analysis **respectfully and strongly recommends** that Sacramento LAFCo modify the reorganization/merger format submitted by the Applicant to include a new single-purpose fire protection district in conformance with the Cortese-Knox-Hertzberg Local Government Reform Act of 2000 requirement that "responsibility should be given to the agency or agencies that can best provide the service."

The Report which follows presents an analysis of key aspects of the proposed reorganization, and argues in favor of **governance partnership efforts** such as the proposed reorganization which promise to improve service delivery and the Quality of Life for South County residents.

## **2. BACKGROUND LEADING UP TO THE CURRENT REORGANIZATION/MERGER REQUEST**

In 1985, the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District consolidated into one newly formed District, the Elk Grove Community Services District (EGCSD). Currently, the Elk Grove CSD has applied to the Sacramento County LAFCo for permission to consolidate with the existing Galt Fire Protection District to form a single independent District. As proposed, the newly-created district would be called the Cosumnes Community Services District.

On June 20, 2006 the Elk Grove CSD Board of Directors unanimously approved Resolution 2006-33 "Making Application for Reorganization with Galt Fire Protection District". The Galt Fire Protection District Board of Directors adopted a similar resolution at their June 28, 2006 Board Meeting. The application for reorganization has been submitted to LAFCo and is expected to be heard sometime in October.

On July 18, 2006 at the regular Elk Grove CSD Board meeting the Board agreed to proceed with the Agreement for Management Services between Galt Fire Protection District and Elk Grove Community Services District in anticipation of Sacramento County LAFCo approval. The Elk Grove CSD Fire Department has conducted meetings with Sacramento Area Firefighters Local #522 and has begun "Team Building Workshops" with Galt employees to facilitate the transition of the two departments.

## **3. FINANCIAL STATUS OF ELK GROVE CSD & GALT FIRE PROTECTION DISTRICT**

The preliminary budget for the Elk Grove Community Services District for fiscal year 2006-2007 (resolution 2006-31) was presented to the EGCSD Board of Directors June 20, 2006 and was approved as written. The overall budget for the EGCSD is \$66,567,454.

The EGCSD receives about 19.5 percent of the 1 percent tax assessed on properties within the EGCSD. (MSR-2006)

The EGCSD Fire Department's budget for 2006-2007 is \$33,108,899.

Revenues collected by the EGCSD Fire Department derive from Ambulance and Plan check fee collections, In-Lieu/State/Fed Aid Funds, Long term Loan Proceeds, Encumbered Funds, Use of Reserves and Other Revenue totaling \$12,380,440. The remaining balance of the fire budget comes from an overall property tax revenue account of \$29,100,990 held by the EGCSD. Of that amount the EGCSD's Fire Department receives \$20,728,459.

In contrast, the Galt Fire Protection District's budget for 2005-2006 was \$4,907,176. The GFPD receives about 28.75 percent of the 1 percent property tax assessed properties within the Galt FPD.

Revenues collected by the Galt Fire Protection District derive from Property Tax, Development Impact Fees, Ambulance and Plan Check Fees, Grant Opportunities, Mello-Roos (for new growth areas within the City), and interest from cash and investments. Tables 1-3, below further illustrate the expenditures and fiscal health of the Elk Grove CSD's Fire Department and the Galt Fire Protection District by detailing the expenditures, revenues and revenue sources for each of the fire suppression units.

**TABLE 1 EGCSO Fire Budgeted Expenditures & Revenues**

<b>Fiscal Year</b> <b>2005/06</b>	<b>EGCSO Fire Budgeted Expenditures</b>	<b>Percentage Share of Budget</b>
Salaries and Benefits	\$18,541,907	55%
Services and Supplies	\$2,856,737	9%
Leases and Loans	\$1,671,447	5%
Fixed Assets	\$1,040,873	3%
Land Acquisition	\$2,800,000	8%
Capital Improvements	\$6,635,639	20%
<b>Total Expenditures</b>	<b>\$33,546,603</b>	<b>100%</b>

**EGCSO Fire Budget Revenues**

<b>Fiscal Year</b> <b>2005/06</b>	<b>EGCSO Fire Budgeted Revenues</b>	<b>Percentage of Budget</b>
Property Taxes	\$17,899,255	53%
Ambulance/Plan Check Fees	\$3,905,700	12%
In-Lieu State/Federal Aid	\$2,918,068	9%
Long Term Loan Proceeds	\$3,600,000	11%
Encumbered Funds	\$1,547,900	5%
Other Revenues	\$3,587,593	10%
<b>Total Revenues</b>	<b>\$33,546,603</b>	<b>100%</b>

**Source:** *Municipal Services Review for Elk Grove CSD and Galt Fire Protection District*, Zamarripa Consulting May 5, 2006, p. 23.

**TABLE 2 Galt FPD Expenditures & Revenues**

<b>Fiscal Year 2005/06</b>	<b>Galt FPD Budgeted Expenditures</b>	<b>Percentage Share of Budget</b>
Salaries and Benefits	\$3,673,544	74%
Services and Supplies	\$723,602	15%
Fixed Assets	\$340,000	7%
Equipment	\$50,000	1%
Land Acquisition	\$120,000	2%
Reserve Contribution	\$50,000	1%
<b>Total Expenditures</b>	<b>\$4,907,146</b>	<b>100%</b>

**Galt FPD Budget Revenues**

<b>Fiscal Year 2005/06</b>	<b>Galt FPD Budgeted Revenues</b>	<b>Percentage of Budget</b>
Property Taxes	\$3,051,489	62%
Interest Income	\$12,500	0%
Ambulance Fees	\$450,000	9%
Plan Check Fees	\$50,000	2%
Homeowner Property Tax Relief	\$45,000	2%
Rollover Funds	\$1,298,157	26%
<b>Total Revenues</b>	<b>\$4,907,146</b>	<b>100%</b>

**Source:** *Municipal Services Review for Elk Grove CSD and Galt Fire Protection District*, Zamarripa Consulting May 5, 2006, pp. 24-25.

**RWA Research Report Analysis of Elk Grove CSD/Galt FPD Merger**  
**ROBERT WASTE & ASSOCIATES 1717 I St. Sacramento, CA 95814 (916) 551-2539**

Revenue Source	District Use	Method of Revenue Assessment or Collection	Operations	Facilities	Limitations
Interest Income	Both	Interest earned on unexpended funds.	X	X	Dependent upon the amount
Ambulance/Plan Check/Other Fee	Both	Charges for service rendered not to exceed the cost of providing the service.	X		Fees charged for ambulance transport services Fees charged for plan check and other services rendered.
In Lieu/State Aid or Other Revenue	CSD Fire	Grants and other special funds from State or Federal sources.	X		Dependant upon an agency's ability to apply for and receive special funds. Availability of funds is also dependent upon the granting agency-State or Federal agencies' budgets Can only be used for
Long Term Loan Proceeds	CSD Fire	Bond proceeds for facility construction.		X	Construction of facilities for which the bonds were sold
Property Tax	Both	Assessed on properties within the district equivalent to 1% of the property's value.	X	X	Property taxes can only be levied up to 1% of a property's value. Increases in this funding source result from assessed value increases and/or additional development
Encumbered Funds	CSD Fire	Anticipated expenditures for contracted purchases not yet spent.	X	X	Funds should be used to satisfy the original commitment
Mello-Roos Services Special Tax	Galt Fire	A per parcel special tax assessed on properties located within the special District. The special tax funds police and fire.	X		Special District formed by the City of Galt. Funds can only be spent on fire services related to that special district
Development Impact Fees	Both	Fees imposed on development/building projects and collected at building permit issuance.		X	A nexus must exist between the impact of the development, the fee amount charged and the facility which will ultimately be constructed with fee money
Reserves	Both	Money set aside for future needs	X	X	Usually requires special board action to release reserves to spend
Rollover Funds	Both	Year-end fund balance resulting from savings or higher than anticipated revenue collections	X	X	Available when savings occur from unexpected funds. Not a reliable funding source. <b>SOURCE:</b> Zamarripa Report, p. 28.

### **Fiscal Issues Raised by the Proposed Reorganization/Merger**

Two issues were discussed in the MSR having significant fiscal impacts. The first issue involves planned compensation increases for Galt FPD employees to bring them to parity with Elk Grove CSD. The second issue concerns staffing levels on engines to bring Galt FPD to the same engine staffing compliments as Elk Grove CSD. The MSR fully explains how much of the cost will be deferred through the elimination of administrative positions in Galt FPD and anticipated revenue offsets. The MSR concludes that the net additional cost to merge Galt FPD with the EGCSO fire unit will be approximately \$384,309. This cost would be borne by the EGCSO. Although this does represent an up-front cost to the EGCSO, there are both direct and indirect benefits to the EGCSO over a long period of time following the merger because the EGCSO will benefit from the additional depth of resources in both personnel and apparatus provided in this reorganization.

One of the revenue offsets that are discussed in the MSR suggests that there will be increased **Ambulance Fee collections**. Caution should be taken in this assumption, as there is a current trend affecting the transport providers that shows a substantial reduction in revenues because of the decrease in Medicare reimbursements.

According to the MSR: "Galt computed the 2005-2006 **Gann Appropriations Limit** at \$3,393,662 and the 2005/2006 Galt FPD appropriations subject to the limit were computed by Galt Fire to be \$3,658,989. Galt FPD's fiscal year 2005/06 budget exceeded the appropriations limit by \$265,327." Based on the *California Constitution* Article 13b, Government Spending Limitation, Section 2b, the only remedy to fix this over expenditure will be to reduce the tax rates over a two-year period to conform to the Gann Limit.

(b) All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

This would force a reduction in expenditures and in turn reduce service delivery. Another option, based on California Constitution Article 13b, Government Spending Limitation, Section 3.1a, is the transfer of service to another entity of government and combining the limits of the two entities.



SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

According to the MSR, the Gann limit for the combined Elk Grove CSD and Galt FPD would be approximately \$90 Million, an amount which would “easily accommodate the combined annual budget of \$74 million.”

#### **4. STRENGTHS – IMPROVED SERVICE DELIVERY**

The analysis which follows will review the **Strengths and Challenges** associated with the proposed consolidation and reorganization of the Elk Grove Community Services District and the Galt Fire Protection District across three main areas of focus:

- Fire Department Service Delivery
- Funding
- Administration and Governance

##### **Delivery of Service**

If approved by LAFCo, the successful consolidation of the Elk Grove CSD and Galt Fire Protection District could result in providing an important public benefit to residents of the region. The single most important benefit of consolidation is the resulting standardization of policy, procedure and delivery of service. Each of the departments has strengths that could carry forward into the new organization. These strengths will enhance the delivery of service through improving personnel management, emergency training, fire prevention and education, apparatus maintenance, depth of personnel, as well as the deployment and assignment of personnel on the fire ground or emergency.

The Municipal Services Review (MSR) for the Elk Grove Community Services District and the Galt Fire Protection District, prepared by Zamarripa Consulting, compares and contrasts the two fire agencies, and concludes that: “The organizational and financial impacts of reorganizing the Galt Fire Protection District and the Elk Grove Community Services District are manageable.”<sup>1</sup>

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<sup>1</sup> *Municipal Services Review for the Elk Grove Community Services District and the Galt Fire Protection District*, Sacramento, CA: Zamarripa Consulting (May 5, 2006), p. 72. **Data Collection**

The report discusses the existing system of mutual aid and auto aid agreements that are currently being used between the two fire agencies in order to provide the delivery of services to each community. While the fire services in Sacramento County have agreed to a “**boundary drop**” (dropping of jurisdictional boundaries) for emergency response, there is no guarantee that the “next closest engine” will actually be “In-quarters and available for dispatch”. The Sacramento Regional Fire/EMS Communications Center, through the use of a sophisticated **Computer Aided Dispatch (CAD)** system, monitors all of the emergency response resources through a rigorous countywide system status management program.

This program evaluates the closest resource to any particular emergency. Usually, this system works well. However when there are multiple incidents that cause a “drawdown” of available resources the availability of mutual aid resources can become exhausted. The purpose of Mutual Aid is to help your neighbor when requested, if you have the resource available and when it is asked for. If the resource is not available it will not respond and (utilizing the automatic aid agreements) the CAD will substitute another resource from the next closest available, possibly increasing the response time. This is not an uncommon occurrence, especially during the summer months.

The CAD system also provides for prioritizing fire stations that must be covered in order to maintain a minimum delivery of service countywide. The consolidation of the Elk Grove CSD’s Fire Department and Galt FPD will allow a newly created department to evaluate the resources available and redirect control of all emergency resources for the best agency-wide coverage. The increased pool of apparatus and personnel will provide greater flexibility in resource deployment and provide an increase in service delivery. Once emergency resources are dispatched the priority is directed to emergency scene management. The advantage of additional personnel will also bring a depth to the available command officers to take charge of an incident and firefighters to carry out the tactical evaluations necessary to abate the incident.

The staffing levels established by the Elk Grove CSD’s Fire Department and recommended in the MSR will continue to provide a high quality of fire ground effectiveness and also comply with staffing recommendations set forth by the **National Fire Protection Association (NFPA)**.

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**Note:** In the current **RWA Research Report**, we have drawn upon the Zamarripa-prepared MSR, and supplemented that report with a meta-analysis which draws on the earlier Zamarripa report, Municipal Service Reviews (MSRs) from comparable fire agencies, and interviews with fire suppression personnel working in comparable jurisdictions. The interviews and subsequent analysis was supervised by Richard K. Green, former Assistant Deputy Director for Fire Protection of the California Department of Forestry and Fire Protection.

The mission of NFPA is to “reduce the worldwide burden of fire and other hazards on the quality of life by developing and advocating consensus codes and standards, research, training, and education”. **NFPA 1710** is an accepted national standard that sets minimum criteria for the effectiveness and efficiency of emergency operations to protect the safety of the Public and Fire Department employees. The standard also recommends staffing levels for optimum service delivery. This benchmark has been referred to as an insurance policy for both residents and businesses within the jurisdiction by guaranteeing the community and its businesses that Fire and Emergency Medical Services will respond promptly and appropriately in an emergency.

NFPA 1710 recommends the following standards:

- Fire Fighters will respond with a minimum of 4 personnel on each apparatus.
- Fire Fighters will arrive at the emergency scene within 4 minutes of the dispatch center receiving the call.
- The correct number of fully staffed and strategically located fire stations must exist to accomplish the standard.

According to the MSR, the Elk Grove CSD’s Fire Department has a performance criterion for response time for urban service delivery at five minutes or less 80 percent of the time. The department has achieved its time goal of five minutes or less an average of 65.6% for the past three years. The Galt FPD has maintained their service goal at six minutes or less with 78% of their response times fewer than five minutes. The proposed Cosumnes agency may utilize combined resources to maintain rapid incident response. As the community further develops, new fire stations can be built and strategically placed to maintain continued rapid response.

## **5. CHALLENGES FOR A NEWLY CREATED COSUMNES FIRE PROTECTION AGENCY**

### **5a. Fiscal Challenges**

There are several fiscal challenges that the proposed merger of the Elk Grove CSD and Galt FPD presents. These include:

- The EGCSO has recently embarked on an ambitious program to acquire land for future parks. The recent draw down of the EGCSO’s reserves threatens the EGCSO’s ability to adequately protect against a catastrophic fire and/or emergency services event within its current boundaries. Additionally, this has drawn down the EGCSO’s reserves at a time when those reserves will be necessary to bring the Galt Fire Protection District agency to a higher level of service.

- Increased costs associated with the proposed merger include:
  1. Training Galt FPD personnel
  2. Equalizing Galt FPD salaries with EGCSO fire salaries
  3. Equalizing Galt FPD benefits with EGCSO fire benefits
  4. Increasing Galt FPD staffing levels to match EGCSO fire staff levels<sup>2</sup>
  5. Adding Galt FPD fire stations & facilities to reach EGCSO levels

While it is possible that the proposed new agency may simultaneously - and successfully - conduct an expensive and aggressive parkland acquisition program, and an ambitious and expensive staffing, equipment and facility-building program, it is possible that these two very different and expensive programs will compete for resources and attention within the framework of a newly formed multi-purpose agency.

Finally, the EGCSO has recently drawn down its reserve of \$12 million to fund major parkland acquisition, and is simultaneously committed to a 20 year - \$56 million capital improvement plan – not including anticipated construction, staffing, apparatus and salary/benefit costs associated with the proposed Galt expansion and merger. These serious fiscal challenges will confront the newly formed Cosumnes agency personnel, staff and elected board.

### **5b. Additional Fiscal Challenges – Galt Fire Budgetary Issues**

Galt Fire Protection District, it should be noted, has an FY 2005/06 reserve of \$138,000. In FY 2005/06, Galt Fire Protection District exceeded the **Gann Spending Limit** established by Article XIII (b) of the California Constitution by \$265,000.<sup>3</sup> As the Zamarripa report noted, this may require that, "...Galt Fire [Protection District] may have to rebate to taxpayers the funding increment that exceeds the Gann Limit within a specified time period thereby reducing the revenue for the Agency."<sup>4</sup>

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<sup>2</sup> For example, the level of staffing at the Galt FPD's Station 46 in Galt will be increased. Each shift will be strengthened to include 5 firefighters, one medic ambulance, and one engine. All current part-time positions at that station will be converted to full-time equivalent (FTE) positions. The Galt FPD currently has two operational fire stations and a non-operational station, used primarily for administration and fleet maintenance.

<sup>3</sup> Note, in comparison, that a nearby comparable fire agency, the Herald Fire Protection District, ended FY 2003 with expenditures that were \$288,784 under the Gann Spending Limit. *Herald Fire Protection District Municipal Service Review and Sphere of Influence Update*, (February 2, 2005), Prepared by the Sacramento Local Agency Formation Commission, Exhibit F, p. 7.

<sup>4</sup> *Municipal Services Review for the Elk Grove Community Services District and the Galt Fire Protection District*, Sacramento, CA: Zamarripa Consulting (May 5, 2006), p. 26.

In addition, "Galt's fire vehicles have an average age of 11 years.<sup>5</sup> Finally, Galt Fire residents currently pay 57 percent of the cost for ambulance transport. Elk Grove CSD residents currently pay 75 percent of the cost of ambulance transport." Clearly, while fire suppression services in the Elk Grove area will be aided by the proposed Elk Grove CSD/Galt FPD merger, the acquisition of Galt FPD will pose the probability of a modest fiscal increase for Galt FPD residents needing ambulance transport, and will – in all probability – involve a modest fiscal exposure to the Elk Grove CSD, which is, itself – as noted above – already currently engaged in a substantial draw down of District resources to fund a major parkland acquisition program.

### **5c. Additional Significant Challenges – Governance**

The Applicant's own consulting report - "*Municipal Services Review for the Elk Grove Community Services District and the Galt Fire Protection District*," (Sacramento, CA: Zamarripa Consulting, May 5, 2006. p. 59) – highlights the complex and confusing governance difficulties that would accompany the creation of the proposed multi-purpose Cosumnes agency, including:

- a. **Galt Fire Protection District residents will not "...have the ability to elect representation** to the Elk Grove Services District Board and participate in any electoral process."
- b. Because there are currently five Elk Grove CSD Board Members, an additional Board member cannot be added through the proposed reorganization process. Government Code 61040 states a community services district can only have a five member Board of Directors. **Thus, the Galt "representative" will be advisory only**, as long as the community services district structure is employed.
- c. Later, if current law will allow the Board Membership to be reapportioned to include Galt Fire, Galt residents will continue to be electorally disadvantaged since "Galt Fire residents will vote within the same electoral pool as all residents of a reorganized district. Galt's electoral pool, at least initially, will account for only about 25% of the total votes possible from that pool."<sup>6</sup> **Conceivably, with at-large Board seats, Galt – with 25% of the voter pool – might have no elected representative on the newly formed board.**

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<sup>5</sup> *Municipal Services Review for the Elk Grove Community Services District and the Galt Fire Protection District*, p. 68.

<sup>6</sup> *Municipal Services Review for the Elk Grove Community Services District and the Galt Fire Protection District*. Quotes used in Sections a-c, above, are drawn from p. 59.

- d. Another factor to consider is who will – should – sit on the newly formed agency’s Board of Directors since the newly formed Fire District and the newly formed Park & Recreation District will not have the same boundaries.

Potentially, this may cause some **confusion in governance and representation on the new Cosumnes Board** since the reorganization envisions expanding Board membership from 5 to as many as 9 Board Members, with one or more elected Board Members from outside the current CSD’s zone of influence for Parks and Recreation, but within the zone of influence of the newly created Fire District. Such members would presumably be able to vote not only on matters having to do with fire services, but also vote on parks and recreation issues outside of the areas for which voters could have voted, thereby creating a representation without election issue.

One solution for this dilemma would be for such Board Member(s) to recuse themselves for all non-Fire issues. While this “solution” might resolve the recusal question, it will still lead to confusion or issues of acceptability because – at least by implication – it would appear to countenance denying one elected Board member – but not others – the right to vote on matters that concern the Board.

Figure 1, below illustrates strengths and challenges that the newly-formed Cosumnes Community Services District may face.

<b>Figure 1 Strengths and Challenges of Merger as Proposed</b>
<b>Strengths</b> <ul style="list-style-type: none"><li>• <i>Improved Fire Protection, Pay Levels, Staffing Levels, Training &amp; Equipment Levels for Galt FPD Service Area</i></li><li>• <i>Beneficial Example of Successful South County Governance Partnership</i></li></ul>
<b>Challenges</b> <ul style="list-style-type: none"><li>• <i>Fire, Recreation &amp; Parks Compete for Resources</i></li><li>• <i>Galt FPD Gann Limit &amp; Ambulance Fee Disparity Are Concerns</i></li><li>• <i>Galt FPD Residents Initially Lack Voting Board Representative</i></li><li>• <i>Galt FPD Residents May Lack Voting Board Representative Indefinitely</i></li><li>• <i>Elected Galt FPD Rep(s) on Board May Need Clear Recusal Guidelines</i></li><li>• <i>Elected Galt FPD Rep(s) on Board May Not Be “Full” Voting Members of the new agency Board - a fatal-flaw in CSD Board Governance.</i></li></ul>

## **6. CONCLUSION & REPORT RECOMMENDATIONS**

As Figure 1, above, illustrates, **the promising potential service gains** in fire suppression and overall safety which the proposed reorganization/merger between the Elk Grove Community Service District (EGCSD) and the Galt Fire Protection District (GFPD) **are accompanied by significant administrative, service, and governance challenges** inherent in the structure of the proposed new multi-service Cosumnes Community Services District.

### **OPTIONS:**

**What options exist to resolve these issues?** There appear to be five viable alternatives to address the challenges inherent in the current reorganization/merger proposal. These options are as follows:

For reasons outlined earlier in this Report including a potentially fatal flaw in governance for the Board of the newly reorganized agency, Sacramento LAFCO might decline to approve the current reorganization/merger. This might take place in one of two scenarios:

**OPTION # 1 - Do nothing** - or in the more elegant phrasing of Professor Eugene Bardach of the Goldman School of Public Policy at the University of California, Berkeley, “leave current conditions undisturbed.”<sup>7</sup> Presumably, under this scenario LAFCO would reject the proposed merger due to the fatally-flawed governance problem involving the lack of elected representation for the Galt Board member(s), and, beyond the early Advisory Board period, the lack of “full” Board voting membership even if one or more Galt representative(s) were subsequently elected to Board membership.

**OPTION # 2 - Continue on in “quasi-reorg” mode**. This is a variation on deferring to the status quo. At present, both districts have merged operationally via a MOU. An advisory body will be formed to advise the EGCSD Board on Galt’s preferences and attitudes. This is in keeping with the current reorganization proposal since that proposal envisions just such an advisory board for approximately two years (of course the EGCSD Board is free to act regardless of the recommendations of the advisory body). Again, presumably, under this scenario, LAFCO would decline to approve the proposed merger but the two agencies could proceed almost indefinitely under an extension of the current MOU operating basis.

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<sup>7</sup>

Eugene Bardach, *A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving* (Washington DC: Congressional Quarterly Press, 2004).

EGCSD's own consultant's report, the Zamarripa Report - a combined assessment of the proposed reorganization and a Municipal Service Review (MSR) for the fire side of the EGCSD - finds that the proposed reorganization is preferable to the status quo or to other options such as a county-wide fire district. The analysis presented herein concurs with that assessment of the Zamarripa Report. The status quo drains, or at least has the potential to drain, Galt, and other smaller lower salary jurisdictions of fire personnel, as the result of better pay in Metro Fire, more promotional opportunities, etc.

The analysis herein concurs with the Zamarripa Report's assessment that the political climate for a county-wide Metro Fire District only structure has no political legs at this time. The continuation of the status quo via a MOU also presents the distinct and real possibility that residents of the area within the boundaries of the City of Elk Grove will increasingly, over time, wind up subsidizing fire protection in the areas outside of the City of Elk Grove boundaries, to the detriment of fire protection within the boundaries of the City of Elk Grove.

Alternately, LAFCo might approve the proposed reorganization/merger but require conditions which might produce one of the following scenarios:

**OPTION # 3 - EGCSD absorbs the Galt Fire Protection District as proposed and further is required to detach/absorb the Sacramento County parks responsibilities in the affected unincorporated area, and to detach/absorb the City of Galt Parks & Recreation responsibilities within the Galt city limits.**

This option would provide for service delivery uniformity and consistency as the new Cosumnes CSD would have a single uniform territory throughout which it would be responsible as the primary deliverer of parks, recreation and fire suppression services throughout the designated sphere.

This does not, however, appear to be a politically viable option, because it is not a viable option from the viewpoint of Galt City Council. It is not reasonable or warranted to ask the Galt City Council to give up willingly their authority over parks and recreation to another newly created body, especially since the City Council has land use, zoning, and police powers over parks and recreation within its city boundaries and conforms to the traditional exercise of such authority by city government.



**OPTION # 4 - Create two new districts: Cosumnes Parks and Recreation District 1 (parks) with the same Board as the current EGCS D & Cosumnes Fire Protection District 2 (fire) with the current EGCS D Board supplemented with 1-3 new members from Galt for fire purposes.**

Since the Galt Board representatives to the newly created FPD 2 would only vote on fire issues, this option seems neither politically or administratively viable, and as such does not pass the Cortese-Knox-Hertzberg mandate directing LAFCO to assign the service to the most capable service provider.

**OPTION # 5 - Merge the EGCS D and Galt Fire units into a single service Fire Protection District, detach EGCS D parks and recreation, and assign those parks and recreation functions to the City of Elk Grove.**

Given the service and governance issues raised earlier in this Report; the long history of acrimony and - even at this writing - the presence of lawsuits and mediation efforts between EGCS D and the City of Elk Grove over parks and fees levels; and the Cortese-Knox-Hertzberg direction that LAFCO assign the service to the highest capacity service provider, the scenario described above as **Option # 5 appears to resolve the service delivery and governance issues not resolved with Options 1-4 discussed above.**<sup>8</sup>

**The fatal governance flaw in the current proposed reorganization could be resolved.** That would require detachment of the parks and recreation component of the EGCS D. Create a single purpose fire-only Cosumnes Fire Protection District with the same Board as that of the current EGCS D. In the long run, additional Board members may need to be added via either new at-large seats or district seats for all board members.

It should be noted that a Fire Protection District Board with several sub-district seats might insure at least one seat to Galt area residents.

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<sup>8</sup> A leading, - arguably *the* leading - California expert on local government reorganization and LAFCo legislation, Peter Detwiler, Chief Consultant for the California State Senate Committee on Local Government, concurs with this assessment. Detwiler, in telephone interviews (August 19 & 21, 2006) and an email communication (August 20, 2006), concurs that Options 5 and 6 as discussed in this Report, assign service to a capable service provider, and address issues not successfully resolved in both the EGCS D/Galt FPD reorganization/merger as originally proposed, and in Options 1-4, outlined above. See also, the discussion of special district governance in *Community Needs, Community Services* (March 2006), by the California Senate Local Government Committee.

Alternately, a new Cosumnes FPD could retain the same number of Board members as presently exist in the EGCSO, but reconfigure these seats from at-large to district seats to conform to the new Galt service area and the representation needs of Galt residents.

This scenario would also necessitate detaching the EGCSO parks and recreation functions and transferring those functions to the most logical entity available to govern and plan for those functions. In the area within the boundaries of the City of Elk Grove, those functions would be transferred to the City of Elk Grove.

In the area outside of the boundaries of the City of Elk Grove, those functions would be transferred to the County of Sacramento (it should be noted there are few if any such functions outside of the boundaries of the City of Elk Grove, with the exception of a newly acquired property in the Wilton area over which the County could easily exercise jurisdiction), thereby assigning both the parks and recreation service and the remaining and expanding fire suppression service, in each case, to the most capable service provider, one of the key statutory mandates of LAFCo.

This could conceivably be accomplished working with existing EGCSO personnel and staff over a period of years to insure a successful transition to the City and County, and to insure against the loss of any EGCSO institutional memory in managing parks.

**OPTION # 6 - Merge the EGCSO and Galt Fire units into a multi-purpose CSD, create separate fire and park zones, expand size of the Board, and change to District/Division Board representation.**

This scenario would involve the following process:

- (1) Eliminate the Galt Fire Protection District; annex/consolidate that former district with EGCSO under Government Code 61030;
- (2) Temporarily expand the EGCSO Board from five to a larger number under existing Cortese-Knox-Hertzberg authority;
- (3) Alter the Board seats from at-large to district/division (Government Code 56886 [k] and [n] which reflects 61025 in CSD Law);
- (4) Create a separate Zone (Zone P) for parks and recreation (under California Code 51140); and
- (5) Create a larger Zone (Zone F) for fire under California Fire Code 56886 [e].

This organizational format has advantages and disadvantages. Chief among the advantages is that it allows the newly-formed and merged unit to offer increased fire service protection to the South County, to provide a continuance of combined parks/recreation services to the existing parks/recreation area, and to establish clear service zones and service spheres for each function.

Chief among the disadvantages is the structural and administrative complexity of this organizational format, and the continued difficulty with governance at the Board level. Note that in this scenario, Galt will be electing either at-large or through a district/division Board seat, a Board member elected for fire service purposes, but presumably capable of voting on both parks and fire issues.

There are two additional political/ governance issues raised by this option. First, Galt Council members would prefer to have a CSD Board representative from Galt that is also a Galt Council member. Were this approved by LAFCo, the City of Elk Grove presumably would also ask for such direct representation on the Board. This might be accomplished by designating the Mayor/Council of the applicable cities to select such Board members and allowing the Sacramento County Board of Supervisors to designate one or more of their own Board members (or designees) as additional CSD Board members to represent the unincorporated area of the South County.

Secondly, while members of the Galt City Council may favor the proposed merger of fire units and the increased fire protection that merging the fire units will produce for the South County area, creation of a multi-purpose CSD with jurisdiction over parks and recreation leaves open the possibility, at least in theory, that the park and recreation function of the City of Galt might one day be folded into the functions of the proposed new CSD – an unlikely scenario but one which this organizational format leaves open as possible, however politically improbable it might seem at the present time.

**CONCLUSION:**

*Having reviewed the Municipal Service Review (Zamarripa Report) submitted by the applicant agency and other applicable appropriate reports and expert opinion, this analysis finds that Options 5 and 6 discussed above would address governance and service delivery issues raised earlier in this Report.*

***This analysis recommends Option 5 as a superior choice because this Option (1) best resolves the very complex and troubling governance issues, (2) best insures citizen input into the service district decision-making process, (3) best insures efficient and economical delivery of important public services in the South County area, and (4) best insures that park, recreation and fire service in the South County area is – in each case – assigned to the strongest and most capable service deliverer.***

### **REPORT RECOMMENDATION # 1**

*Because the Elk Grove CSD Fire Unit has demonstrated a high level of professionalism and fire suppression capability, and because the residents of the Galt Fire Protection District and residents of the South County generally would be well-served by governance partnership efforts –*

1. *It is recommended that LAFCo condition and **approve the proposed merger** and reorganization with modification outlined herein and below; and further that*
2. *The City of Elk Grove goes on record as **supporting** partnership efforts and reorganizations that improve the services available to and the Quality of Life of residents of the South County area.*

### **REPORT RECOMMENDATION # 2**

*It is recommended that Sacramento LAFCo condition the proposed reorganization/merger as follows:*

**OPTION 5 - Merge the Elk Grove Community Service District and Galt Fire Protection units into a newly created Cosumnes Fire Protection District, detach EGCSO parks and recreation functions, and assign those parks and recreation functions within the city limits of Elk Grove to the City of Elk Grove. Park and recreation functions outside the city limits of the City of Elk Grove would be assigned to the County of Sacramento.**

**OR**

**OPTION 6 - Merge the EGCSO and Galt Fire units into a multi-purpose CSD, create separate fire and park zones, expand size of Board, and change to District/Division Board representation.**

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Robert Waste & Associates has conducted more than 20 state-wide and municipal surveys in California since 1986, and provided policy analysis and project development consulting services in California, Texas, Rhode Island and Ohio. Projects have included the following clients:

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California Assembly Rules Committee  
California Senate Office of Research  
City of Chico  
City of Cleveland (Ohio)  
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City of Lincoln  
City of Monrovia  
City of San Diego  
City of Santa Fe Springs  
City of Upland  
The Clark Street Group  
Cuyahoga County (Ohio)  
Fulcrum Capital  
Genstar Corporation  
Gold Rush Park Foundation  
Great Valley Center  
James Irvine Foundation  
New Faze Development  
Roger Williams Zoo  
Sacramento County  
Sacramento Transportation Authority  
Texas Municipal League  
Tower Theatre/Reading International  
Townsend, Raimundo, Besler & Usher