



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER *(DC)*

DATE: NOVEMBER 19, 2015

SUBJECT: STATUS REPORT-CAYUCOS FIRE DISTRICT POSSIBLE DISSOLUTION

RECOMMENDATION: It is respectfully recommended that your Commission receive and file this status report.

DISCUSSION: The Cayucos Fire Protection District is considering dissolution due to a lack of available volunteer staff and limited revenues to pay for services. LAFCO Staff has been working with the Fire Protection District staff and the Community regarding the possible dissolution. Attached to this status report is an outline and flow chart that summarizes the dissolution process and options for fire services. If dissolved, the County would be the successor agency and CAL FIRE would be the service provider.

The District currently receives approximately \$550,000 in annual revenue through property taxes and a special tax for funding an Amador agreement with CAL FIRE. Costs for providing services continue to increase and the funding has not kept pace. The changing demographics of the town has played a role as well with fewer people being available for volunteer service. It should be noted that this is a problem around the State and for other jurisdictions in the County who depend on Volunteer Fire Departments. Options other than dissolution include the District providing full response services directly or the District contracting with CAL FIRE for full response services. Either of these options would require additional funding that is approved by the Community through a proposition 218 measure.

Staff has attended several meetings to coordinate with the District and help inform the Community of Cayucos with regard to the process and other options. A community meeting will be planned by the District in the near future to discuss the options and issues involved.

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San Luis Obispo LAFCO

Local Agency Formation Commission

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Contact: David Church, Executive Officer

1. Introduction and LAFCO

- a. What is LAFCO? 7 member Commission of locally elected officials
- b. Members: 2 City Council, 2 County Supervisors, 2 Special Districts, 1 Public
- c. Responsible for State Law that changes jurisdictions-CKH Act GC 56000;
- d. LAFCO considers annexations, formation/dissolution of districts, incorporation

2. Cayucos Fire District

- a. District is exploring dissolution
- b. Training and retaining volunteers is increasingly difficult
- c. Volunteer Fire Districts around the State are fading
- d. Cayucos Fire cannot guarantee coverage on all shifts
- e. County/CAL FIRE are currently helping with coverage on temporary basis

3. Can we keep the fire district? YES-but..

- a. Community must decide to fund the cost of fire services
- b. Funding would require either a benefit assessment or parcel tax
- c. Fire District would then contract with CAL FIRE for services, or hire and provide services directly to the community.

4. Dissolving a district

- a. LAFCO considers the application from the Fire District
- b. Under State law, District assets/revenues would be transferred to the County
- c. County would be the successor agency; would receive District revenue
- d. Transfer of revenue may involve activation of County Service Area (CSA) 10
- e. Level of service would be at discretion of Board of Supervisors
- f. All County Fire services are provided under contract through CAL FIRE
- g. County could choose to pursue either a benefit assessment or parcel tax: landowners or registered voters must approve

5. Process involves:

- a. Cortese-Knox-Hertzberg Act-LAFCO Law governing LAFCO actions (GC 56000)
- b. Resolution of Application from a local agency (CFD or County)
- c. Application submitted to LAFCO for Review and Evaluation
- d. Includes a Plan for Services, Budget, Funding Analysis, Boundaries
- e. LAFCO Hearings for Consideration: Approves, Modifies or Denies
- f. Protest process:
 - o Less than 25% Registered Voter protest the action is approved;
 - o 25% to less than 50% registered voter protest action goes to a vote.
 - o Over 50% protest of the registered voters the action is terminated
 - o At least 25% of landowners who own 25% of the land value-it goes to a vote of the register voters

Dissolution/Consolidation Process

Cayucos Fire District

Resolution of Application

- Resolution of Application submitted by Cayucos Fire District or County;
- Application includes a Plan for Services, fiscal studies, budget, and other information relevant to dissolving the District



Application Review Period

- Initial review period for the application is 30 days. LAFCO staff reviews the application and requests additional information, as needed.
- Plan for Services must address services to be provided, the initial budget for the services, and the revenue sources;
- Staff Reports, CEQA, and other information and studies submitted to LAFCO



LAFCO Public Hearing(s)

- Staff report analyzes various issues and factors per the CKH Act.
- Noticed public hearings are conducted; 21-day notice is required
- Public noticing measures required: interested party email list, newspaper notices;
- LAFCO decision to approve, modify or deny. LAFCO may add conditions of approval. LAFCO may continue the item to another hearing date.



Protest Process

- If dissolution or consolidation is approved by LAFCO, protest process is completed;
- Notices are sent out setting a deadline for submitting a written protest;
- Protests are submitted to and validated by the County Clerk (Registered Voters) or the Assessor (Landowners)
- LAFCO action is either: approved, subject to an election, or terminated.