



CITY COUNCIL AGENDA REPORT

MEETING DATE: September 8, 2020

TO: City Council Members

FROM: Mary Rose Rutikanga, City Administrator
Nubia Goldstein, Deputy City Attorney

SUBJECT: Joint Fire Tax Parcel Tax Measure with the County of Tuolumne and local fire districts

RECOMMENDATION

Consideration to approve a Letter of Intent to collaborate with the County of Tuolumne ("County") and local fire districts within the County to prepare a fire parcel tax measure for a special election in 2021.

DISCUSSION

The City of Sonora ("City"), the County, and several local fire districts are exploring ways to address budget shortfalls for fire services, increase services and response times, ensure adequate levels of fire protection and capabilities among the independent local agencies, and expand the types of emergency services based on call type and location. Key staff members from several fire districts, the City Fire Chief, and County staff have discussed the collective need to address Countywide threats through the coordination of administrative, planning, mitigation, and response activities for fire suppression and disaster preparedness. While each participating agency has unique fire service needs and operate largely independently of each other, the various entities have expressed interest in a joint response to this Countywide matter.

The interested agencies have participated in early discussions through their respective attorneys to determine the best option to submit a single ballot measure to County voters for a special parcel tax to fund fire services (the "Tax Measure") in 2021. The primary goal of a joint Tax Measure is to assist each entity in funding fire services through a joint tax and to reduce voter confusion and duplication of effort. Without a joint effort, each agency seeking a voter-approved tax would submit separate ballot measures and all county residents, including City and fire district residents would vote on the County's proposed tax even if it's only applied in unincorporated areas.

In order for separate agencies to participate in one ballot measure, those interested agencies need to form a new and separate legal entity to adopt a single special parcel tax applicable to all areas governed by all the participating agencies. Consequently, only residents of the member jurisdictions who are impacted by the tax would vote on the proposed tax.

After considering several options, the participating agencies have initially determined the formation of a Joint Powers Authority ("JPA") is the most viable option to reach the shared goals and submit a Tax Measure to voters in early 2021.

A JPA is an entity permitted under California Government Code §§6500 et seq., whereby two or more public authorities (e.g. local governments, or utility or transport districts) may jointly exercise any power

common to all of them. A separate agency may or may not be created, meaning the entity can have a separate governing board of directors with separate powers and responsibilities or the entity can choose to not have such a board. At present, the interested parties have not finalized the framework for a JPA. The City, County, and special districts will need to determine the scope of the following items before a final JPA agreement can be presented to each governing body for approval and calling for a special election:

1. Determining Participants Purpose & Powers – Before drafting an agreement to establish a JPA, all participating agency governing boards will need to commit to pursue this option and join a consensus as to the scope of the new agency's purpose and powers. This may range from an agency that merely levies and distributes tax revenue, to an agency that not just taxes but also provides fire suppression and prevention services. The simpler the agency activity, the less complex and time consuming the formation process will make a Spring 2021 election timeline possible. Each agency should also designate representatives or staff to join a formation team responsible for carrying out the following actions.

Due to the short time frame, a Tax Measure proposal must be prepared simultaneously to a JPA formation so the new agency may immediately consider adoption of an ordinance proposing a special parcel tax and call an election.

2. Draft JPA Agreement – Based on the consensus above, the parties can develop a joint powers agreement covering the following topics: purpose of the agency, authority and powers, board of directors, quorum and voting, officers, selection of auditor and legal advisor, liability, and termination.
3. Prepare Tax Ordinance & Resolution – Based on the initial consensus, draft an ordinance proposing a special parcel tax for purposes of fire prevention and suppression, and a resolution calling a special election to be adopted by the new JPA governing board.
4. Adoption of a JPA Agreement – Each participating agency governing body must adopt the JPA agreement by resolution and appoint members of their governing body to the new JPA board of directors. Each participating agency may also further review the draft tax ordinance and resolution to be presented to the JPA governing board.
5. Draft Bylaws and Prepare Conflict of Interest Documents – Bylaws carry out the terms of the JPA agreement and establish more specific rules, policies and procedures for matters such as the board of directors, officers, meetings, committees, finance issues, conflicts and withdrawal. All JPA directors must complete and file forms required by the Fair Political Practices Commission and other state required documents.
6. First Meeting of JPA Directors – The new JPA board of directors must adopt bylaws, a Conflict of Interest Code, and this may be the earliest time to hold a first reading of the Tax Measure ordinance adoption of a resolution calling a special election.

The parties are working towards completing the necessary steps to place the Tax Measure on the ballot at a special election before the 2021/22 Fiscal Year. City, County, and fire district staff are developing a proposed JPA agreement for board and council consideration. However, staff cautions that the tentative deadline may need adjustment considering the amount of work, time, and resources needed to complete the necessary tasks.

The County has requested the City and fire districts wishing to collaborate with the County on the Tax Measure and JPA submit a Letter of Intent confirming the participating agency's intent to work with the County in developing a unified ballot measure for 2021. Representatives from each participating

agency have expressed concerns associated with the creation of a JPA including the time and resources required of participating agencies to administer the JPA as an ongoing separate government agency. Another concern is managing a large group of participants through a complicated agency formation process and accommodating varying interests and expectations. These concerns will be the focus of ongoing discussions among the parties. However, limiting its powers and activities to the levy and distribution of a tax and not including broader fire services may lessen the burden on participants.

Ultimately, the Letter of Intent doesn't commit the City to any particular course of action at this point on the Tax Measure and simply expresses the City's desire to explore options for a fire parcel tax in conjunction with surrounding agencies.

Below is a table that represents the amount of calls City Fire responds to in the unincorporated areas of the County of Tuolumne:

Year	2018	2019	2020 (thru August 31, 2020)
Total Calls	1819	1811	769
Number of calls to unincorporated/county	654	671	280
Percentage of calls to unincorporated/county	36%	37%	36%

FISCAL IMPACT

In order to proceed with a joint Tax Measure, the participating agencies will need to share in the cost of a special election and a coordinated public education campaign. The associated costs are not known at this time as the discussions among the interested agencies are in the early stages. However, by approving the Letter of Intent, the Council is committing City staff time and resources to collaborate with the County in developing a plan to carry out the Tax Measure for the Council's consideration.

OPTIONS:

The City Council may:

1. Approve the Letter of Intent and authorize the Mayor to execute the letter;
2. Continue consideration of the Letter of Intent to a future meeting and direct City staff to obtain additional information from the participating agencies regarding the alternatives for a joint fire parcel tax measure;
3. Reject the Letter of Intent.

ATTACHMENTS:

- Letter of Intent