



CITY COUNCIL AGENDA REPORT

MEETING DATE: October 19, 2020

TO: City Council Members

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

SUBJECT: Draft Tuolumne County Fire Joint Powers Authority Agreement

RECOMMENDATION

Provide staff any further direction or input on the draft Tuolumne County Fire Joint Powers Authority Agreement.

DISCUSSION

Background

Since July, City of Sonora ("City") staff have been working with the special districts throughout the County of Tuolumne ("Districts") and the County of Tuolumne ("County") to develop a joint powers agreement ("Agreement") to hold a special election in June 2021 ("Special Election") in order to levy a special parcel tax for fire services ("Special Tax"). The County Counsel, City Attorney and Counsel from Groveland Community Services District worked to develop the draft Agreement. The fire chiefs and administrative staff from all the entities then met to discuss the draft and provide additional input and edits.

The draft Agreement is attached for your consideration and input. The Agreement will create the Tuolumne County Fire Authority ("Authority"), which the City will join, to levy the Special Tax. Once all of the Districts' Boards, the County Board of Supervisors, and the City Council have reviewed this draft document, staff will then come back to the City Council with a final Agreement for your approval in December. At that meeting, if the City Council approves the Agreement, staff will also request the City Council appoint a representative and alternate representative to the Authority's Board of Directors ("Board").

Tax Rate Details

The details of the Special Tax, including tax rates per parcel, are not contained in this draft Agreement. Once the Agreement is approved and the Authority is formed, the Authority will consider and approve the Special Tax ordinance and call for the Special Election.

There is general consensus that each Authority member will receive the amount proportionate to the number of parcels within its boundary, although under the Agreement, each member will receive an amount in proportion to revenue raised within its boundary. Staff will come back to the City Council at a separate meeting to further discuss the details of the Special Tax.

Details of the Draft Joint Powers Agreement

This draft Agreement contains standard language found in most other joint powers agreements. Below are specific sections from the Agreement for the City Council's consideration and input:

Purpose and Membership

The purpose of the Authority would be to jointly levy the Special Tax. If the voters do not approve the Special Tax at the Special Election, the Agreement would be terminated.

At this time, the Authority would be comprised of the following members:

- City of Sonora
- County of Tuolumne
- Columbia Fire Protection District
- Groveland Community Services District
- Jamestown Fire Protection District
- Tuolumne Fire Protection District

Twain Harte Community Services District and Mi-Wuk Sugar Pine Fire Protection District have not yet committed but are participating in the staff discussions. Each entity has until December 31st to opt in or out of the Authority.

Board of Directors

The draft Agreement states the Authority would be governed by a Board of Directors comprised of either one (1) elected official or the Chief Executive Officer appointed by each member, whichever is preferred by each member. Each member will also appoint an alternate member to act in the absence of the appointed representative.

The Agreement would require the Authority to hold two (2) regular meetings per month in February and March 2021 to approve bylaws and a conflict of interest code, and approve the ordinance and resolution for the Special Tax. After that, the Board would be required to meet at least twice a year. The main purpose of a Board meeting would be to approve an annual budget to administer the Authority.

Powers of the Authority

The purpose of the Authority is to exercise the common power to levy, collect, and distribute the Special Tax, if approved at the June 2021 Special Election. As a legal entity with its own administrative needs, the Authority would also have the power to enter into contracts, retain consultants or legal counsel, invest money in the treasury, and lease property, among other authorities. However, because its functions are limited to administering a Special Tax, use of these additional authorities are not expected to be frequent or common. These authorities are standard among joint powers agreements and give the joint powers flexibility in making fiscally sound decisions as necessary and subject to majority vote of the Board.

Duties of Treasurer and Auditor

The County Treasurer will serve as the Treasurer for the Authority and will have custody of all Authority funds. The County Auditor will serve as the Authority's Auditor. The Authority's Auditor is required to give a complete written report of all financial activities of the Authority to each member one hundred twenty (120) days after the close of each fiscal year.

OPTIONS:

1. Provide staff future direction or input on the Agreement.
2. Reject providing staff future direction or input on the Agreement.
3. The City Council may continue the item and request additional information and analysis from staff. This option is not recommended since other entities have requested direction and input from the City Council by November 3, 2020.

FISCAL IMPACT:

Each member of the JPA would be required to contribute a small portion of the Tax Measure proceeds toward administrative costs. Since the authority of the JPA is extremely limited, it is expected the administrative costs would be limited as well. This is something the JPA Board would determine once it holds its first in January 2021.

Each member of the JPA would have the authority to spend its Tax Measure proceeds as it sees fit. However, each member will also be required to certify that the Tax Measure proceeds are used for the specific purpose fire emergency response, prevention and suppression services.

ATTACHMENTS:

- Draft JPA Agreement