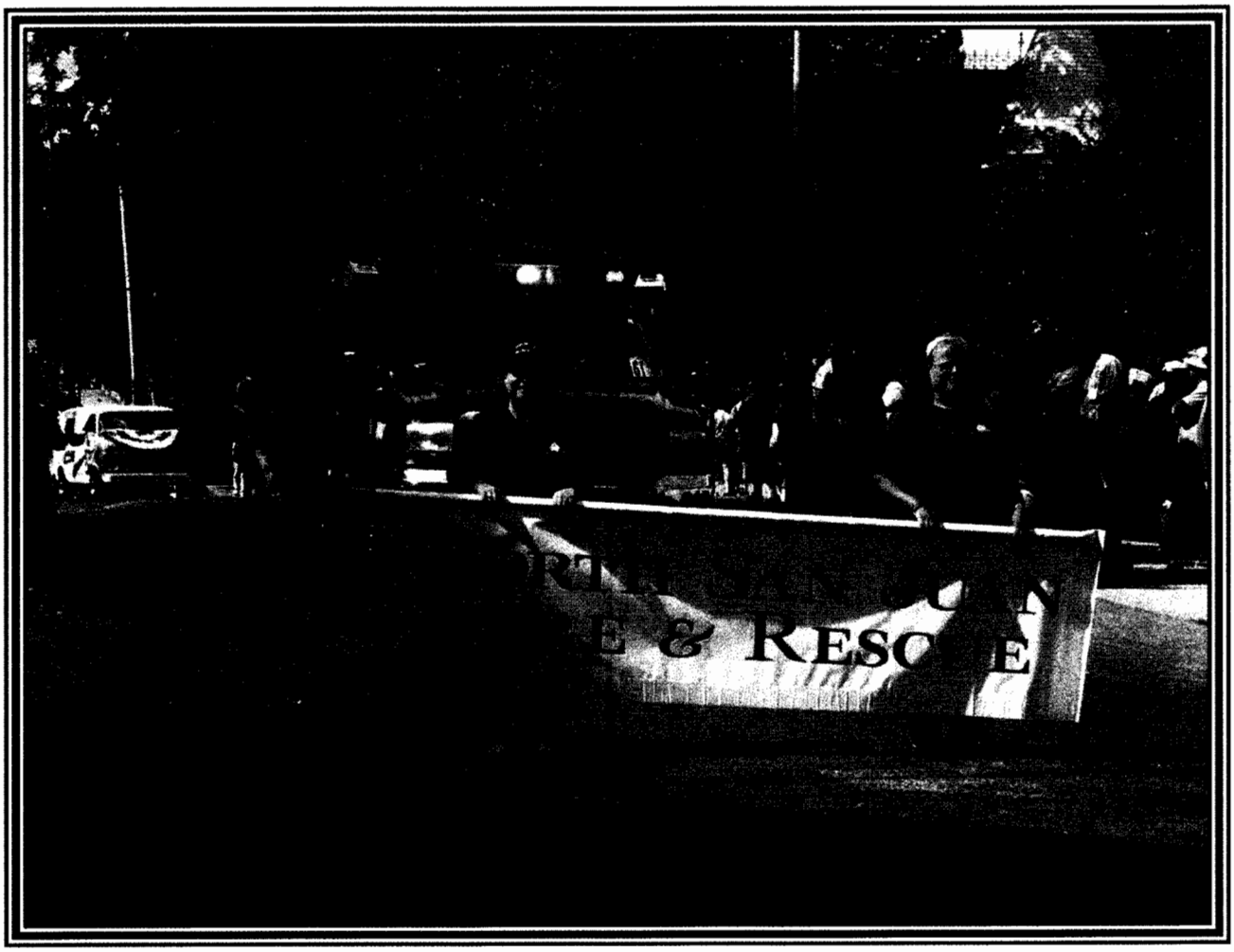
NORTH SAN JUAN FIRE PROTECTION DISTRICT

FAC REPORT

JUNE 20, 2006



EXECUTIVE SUMMARY -

In September 2005, the Financial Analysis Committee (FAC) began meeting at the request of the Fire District Board to explore likely scenarios for the District's future. What follows is a report of our findings.

FAC recognized that the District's future is directly linked to its ability to deliver services within its fiscal means. Therefore, the Committee's foremost goal was to project District finances. FAC determined it could reasonably look five years into the future with the understanding that all financial data must be considered within the context of the area and residents served by the District's policy, procedures, and efficiency of its operations, and in comparison to other districts.

FAC established that there are three likely scenarios the District could follow within the next five years:

- Steady State A - with no significant change from current all-volunteer operations, or; Steady State B - with the addition of two paid firefighters;
- Consolidation with one or more districts;
- Contracting District operations to CDF for staffing, administration and/or management.

FAC concluded that neither consolidation nor contracting with CDF were options at this time. Therefore, FAC based all seven of its financial projections on a Steady State. However, within these seven projections, the Board can extrapolate financial implications of both consolidation and contracting with CDF.

To create the context for this report, FAC studied District response statistics, population, historical funding, and potential new funding sources. Like most other fire departments, the preponderance of NSJVFD's responses is to medical emergencies of a non-fire nature. We project that this trend will continue because our District's population is aging and somewhat static in size due to the rural nature of the community. Although we are the most sparsely populated district in the county, we have the highest response rate yet the lowest cost per response of all the county districts. FAC concluded that if funding keeps pace with the cost of delivering service, our current system of delivery is effective and viable.

Next, FAC inventoried the District's current sources of income and identified potential new sources. We determined that the District must take steps to implement revenue-generating ideas in order to ensure solvency for the near future.

FAC then analyzed the District's finances for the past five years and established methods of projecting them through 2010. Within this framework, Steady State scenario A (no change from present operations), FAC noted that the District's current revenue will not keep pace with future expenses. Thus, FAC projected seven possible revenue versions that are detailed in Section V.

- The first two versions project no new revenue.
- Version 3 projects a ten percent increase in new revenue of a non-political nature.
- Version 4 projects an increase in parcel assessments (which would require approval by the electorate).

- Version 5 projects both parcel assessment increases and a ten percent new revenue growth.
- Version 6 projects the loss of Prop 172 funding.
- Version 7 projects Steady State scenario B - the addition of two paid firefighters to our current operations.

To gather information on consolidation, FAC interviewed Chief Boyd Johnson, other district chiefs, former chiefs, and LAFCO members and staff. One fact stood out repeatedly in our research and discussions: our District operates efficiently with volunteer firefighters. Changing that paradigm to paid fire personnel increases the cost of operations exponentially. FAC determined that consolidation is a remote possibility at the present time. Larger districts with whom we might incorporate are hesitant to do so because our district does not generate sufficient revenue to support their paid operations. Furthermore, Nevada County LAFCO only supports consolidations that provide more and better service to county residents. Consolidation of a small district with a larger one would probably create a drain of resources on the larger district in an attempt to bring an acceptable level of service to the smaller district's residents. If in the future a model can be created that provides undiminished services in a cost-effective manner, consolidation warrants further consideration. No financial projections were developed for consolidation. Details of FAC's deliberations regarding consolidation can be found in Section VI.

For the CDF scenario, FAC interviewed a CDF Battalion Chief to gather information on contracting out services to that organization. We learned that CDF contracts are negotiable and can be written to meet the specific needs of a district in terms of firefighters, administrative, training, and management personnel. In one proposal FAC studied, bringing two paid firefighters into our District through a CDF contract was less expensive than hiring the same positions in-house. However, a report published this spring by the Legislative Analyst's Office offered other perspectives of the efficiency and cost-effectiveness of CDF operations. FAC determined that the CDF contract framework merits more study, discussion, and analysis depending upon our District's level of comfort with and confidence in CDF to deliver consistent service at a stable cost. The CDF Amador Plan *(See Appendix)* demonstrates the cost of hiring two firefighters during fire season through CDF. See Section VII for details regarding the CDF scenario.

Based upon its work over the past nine months, FAC has come to the following conclusions:

- Due to the outstanding efforts and contributions of our volunteer firefighters, department officers, administrative personnel, paid staff, auxiliary members, and all others who pitch in to help when needed, the District is in sound financial condition at the present time.
- However, expenses continue to escalate, and without taking steps to increase income, this condition of solvency will not last beyond 2010.
- Based on this report, we believe that input from the board and from the public is vital to insure the success of increasing income.
- To that end, we recommend that a follow-on fundraising committee be established to expand on this report and make specific recommendations to ensure the continuing financial health of NSJFPD.

NORTH SAN JUAN FIRE PROTECTION DISTRICT
FAC REPORT

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PRELUDE

Following is an extract from "North San Juan, A Brief History of Our Community", published by the North San Juan Fire Auxiliary.

"..... 1985 found the Department operating with fewer fire fighters, but with 400 community members. Those members provided the lifeblood of the department with dues and voluntary contributions. But during the 1980's, the cost of operating a small town fire department rose and the population on the Ridge increased. A sudden jump in insurance costs brought financial crisis to the department. The community immediately responded and donations kept the doors open while the Board of Directors struggled for a solution. The fire department officially became the North San Juan Fire Protection District on January 1, 1986. At that time the Department was still being supported by fundraisers and annual membership dues of $16. The 400 Fire Department members were funding fire protection for a population of nearly 2,500. Later that same year, the voters of the community overwhelmingly approved the establishment of a uniform parcel charge (special assessment) to benefit the Fire Department, the first reliable source of funding for fire and rescue service on the Ridge.

In 1993, following a year of complex research and negotiations, Board Director Ralph Hogan achieved one of the most significant funding successes ever for North San Juan: he was instrumental in getting a state law enacted solely for North San Juan, enabling the return of already collected property taxes to the Fire District. At the end of 1993, the North San Juan Fire Protection District provided fire protection and emergency medical services for an area of 69.5 square miles. There were twenty-six highly skilled, active firefighters, six of whom were women, and twelve of whom were Emergency Medical Technicians (EMT's)....."

As of this report's date, the North San Juan Fire Protection District has twenty-two active firefighters (2 of whom are women plus 1 on family leave), thirteen EMT's, five Engineers and two Mechanics.

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The Financial Analysis Committee is grateful to all the individuals who gave freely of their time and expertise during interviews that was so vital to this report. We would like to thank: Kristy Dewey, Director of Development/Outreach Coordinator for Sierra Family Medical Clinic; Chief Tim Fike, Consolidated Fire District; Fire Chief Boyd Johnson, NSJFPD; S.R. Jones, Executive Director of LAFCO; Battalion Chief Rob Paulus, CDF; Gary Wallace, Accountant Auditor of the Nevada County Auditor Controller's Office; Hank Weston, Board Member LAFCO.

I. A. INTRODUCTION

The Financial Analysis Committee (FAC) was impaneled by the District Board in April 2005. FAC was charged to develop "best estimates" of future financial scenarios for the District.

FAC developed these scenarios by examining:

- Trends in revenue, expenses, population, and types of response incidents;
- The budget process, financial forecasting, debt management of capital equipment leases, charges and fees, equipment mortality and replacement needs;
- District documents such as the Master Plan, Draft Strategic Plan, Community Fire Plan, Policy and Procedures, and Resolutions;
- Situations in other volunteer districts locally and nationally.

It was suggested that FAC develop a comprehensive and realistic vision of a ten- and twenty-year outlook for the District's financial needs. However, the committee determined it would serve the District best by providing a Five-Year Outlook with a recommendation that the Outlook be regularly reviewed and updated, using the model provided.

The committee was to consist of two board members, local business owner(s), those familiar with fire and emergency service, and tax and funding sources. It was anticipated each member would spend approximately 10 hours a month to develop a thorough report. A District-wide call was made to the public for those interested in serving on this committee. Ultimately, the Committee consisted of former district business manager Liz Walsh, local business owner Stefanie Freydont and Board members Ed Beckenbach and Pat Leach. Attempts to enlist additional community members proved unsuccessful. FAC meetings were held at the District office; meeting notices were posted according to the Brown Act, and all meetings were open to the public. Additionally, invited guests came and spoke on topics pertaining to their expertise.

I. B. REPORT OBJECTIVES AND GOALS

FAC will develop best estimates of future fiscal scenarios for the District. FAC will then present the board options on how the board might deal with those scenarios. The three scenarios are:

1st Scenario - Local Control:

A) Steady State: Assumes the District is generally content with its current operating and organizational system, and needs to find a way to sustain its current structure.

B) Steady State with some paid Firefighters: Calculates the cost of two paid firefighters.

2nd Scenario - Consolidation:

Identifies likely partners as possibly being: Penn Valley; Camptonville; Nevada County Consolidated Fire Department; and/or Sierra County Departments.

3rd Scenario - CDF:

a) "Schedule A" (Dissolution of District) or,
b) "Amador Plan" (Contract of Services).

I. C. METHODOLOGY

In order to accomplish its task, the committee studied:

1. **District Response Statistics:** *See Section II.*

- Response Distribution (Fire vs. Medical vs. Other)
- Response as Related to Cost.

2. District Population Statistics and Trends: *This information has been compiled from various sources.*

- Population is steady, though aging, and retirement is drawing some newcomers. This aging will most likely increase medical responses.
- Population in 2000 estimated at 2300. Even doubling in 20 years, population numbers continue to be comparatively small.
- Number of privately owned parcels estimated at 1679.
- Current zoning limits potential growth.
- Assumes District will continue with relatively constant tax basis.

3. District Finances: *See Sections III & IV.*

- Revenue Basis;
- Operating and Capital Expenses, including fixed vs. variable costs, and government driven costs;
- Mitigation Fund expenditures;
- Revenues and the County's procedures for division of taxes;
- Discretionary expenses and expenses likely to increase;
- Potential new income sources and funding changes;
- Tax questions;
- Parcel charge increases to keep up with inflation for operational basics;
- Benefits to retain personnel;
- Past five years Revenue/Expenses calculated via the rate of change (ROC);
- Five year Budget Forecasts for seven versions of a Steady State.

Further, this report suggests effective use of resources as well as strategies to augment or increase resources through:

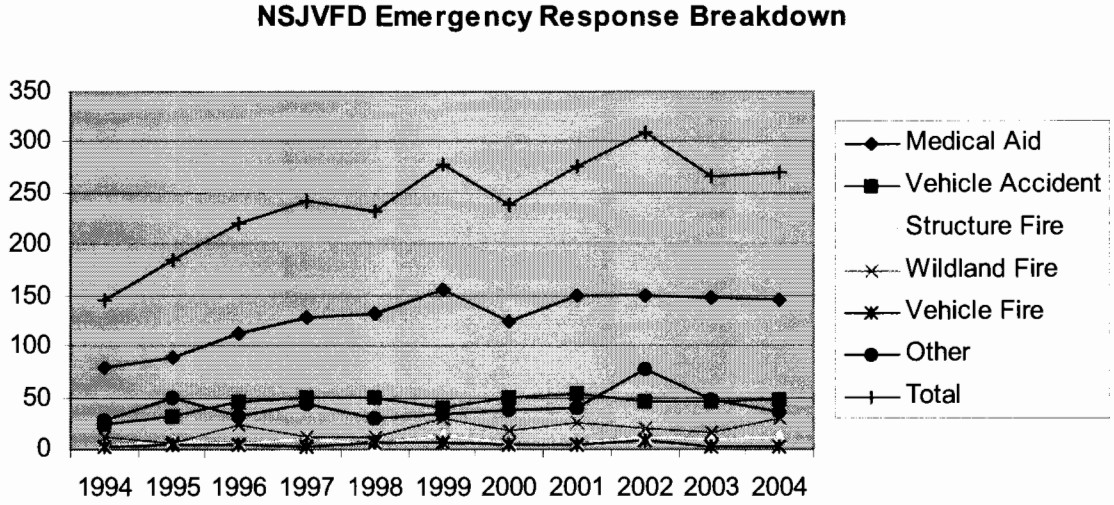
4. **Potential New Funding Sources, such as:**

- Earned Income Projects and Fee For Service;
- Direct Appeals and Donations;
- Endowments.

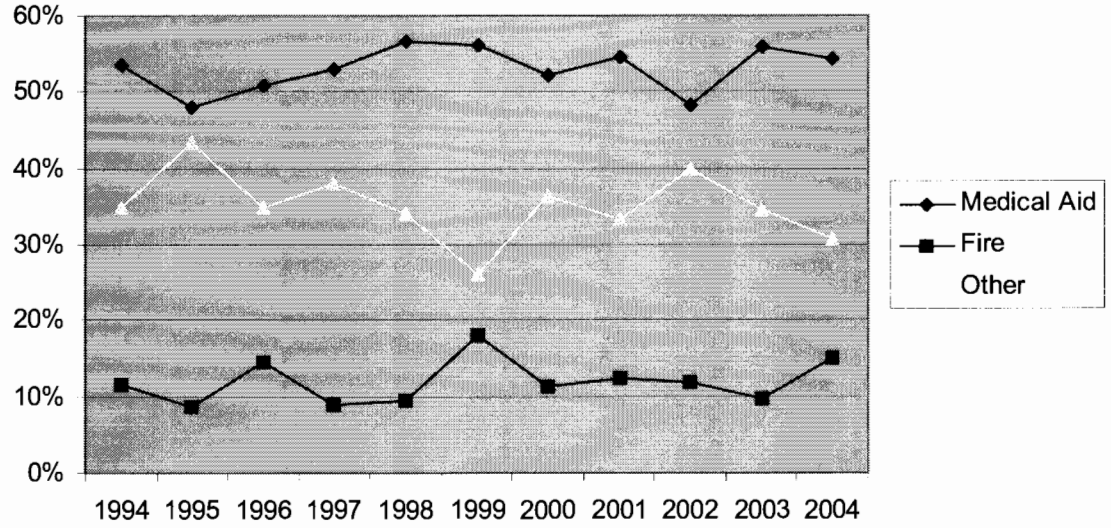
This report is informed by interviews and discussions with local professionals, other fire department heads, and national publications for trends in the evolution of the fire service as a whole.

II. DISTRICT RESPONSE STATISTICS

Response Distribution
Like all fire departments, most of the activities of the NSJVFD are related to health and safety emergencies of a non-fire nature. The chart below shows all responses for the last ten years.



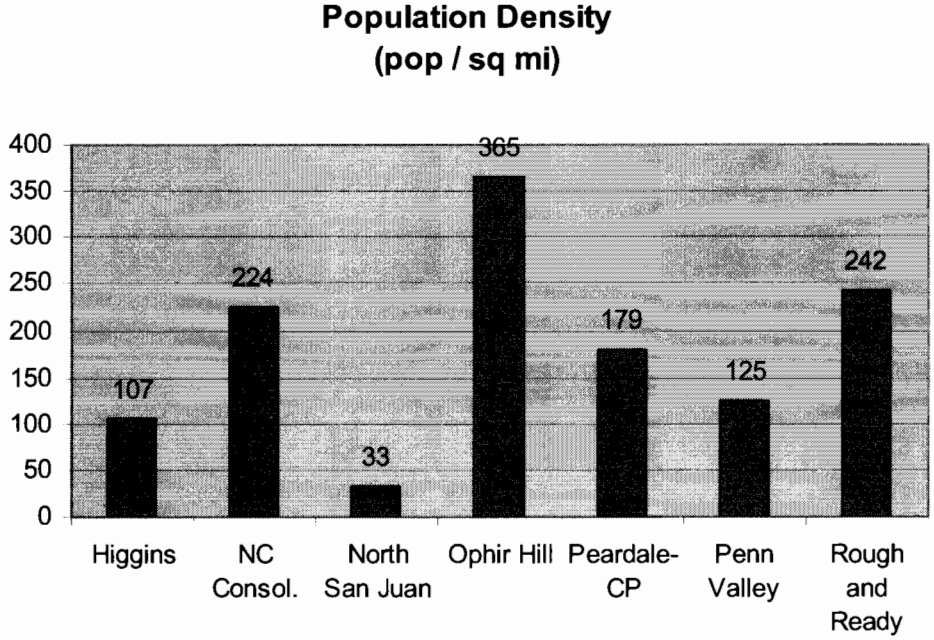
On the other hand, the distribution of the various types of calls has remained remarkably stable, as shown in the following chart.



Over this decade, medical aid calls, all types of fire calls, and all other calls have averaged, respectively, 53%, 12%, and 35% of total calls.

Response Efficiency

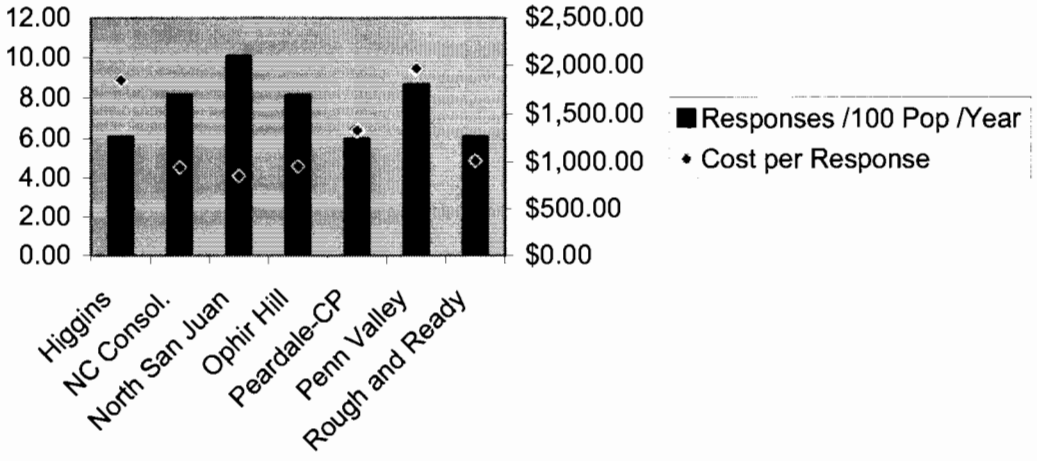
The NSJFPD is by far the most sparsely populated fire district in Nevada County, as the following graph illustrates.



Nonetheless, our residents call on us, and we respond to their needs at a rate greater than any other fire district. Apparently we do so more efficiently than any other district. The numbers in this section are taken from the 2005 LAFCO Municipal Service Review and represent only a snapshot of expenditures by individual districts. Data over a period of time greater than one year would give better and less dramatic results, but the data shown in the next chart demonstrates a fair example of NSJVFD activities.

The figures of interest are that we respond to more calls for help from our constituents (10.08 responses/100 individuals/year) than any other fire district, and we do it at a lower cost ($849.07 per response) than any other district.

Western Nevada County Rural Fire Depts
Responses Relative to Population and Cost Per Response



III. DISTRICT REVENUE SOURCES

According to one source, there are 3,361 special districts in California, of which 386 are Fire Districts. The North San Juan Volunteer Fire Department (NSJVFD) had its origins in 1862, relying on hand carts and local residents to put out fires for almost 100 years. The first fire truck was bought in 1954, and marked the beginning of any real training of local resident volunteer firefighters. The Ladies Auxiliary, formed in the early 1960s and still active today, organized fund-raising events that were a major source of funding for the NSJVFD until it became the North San Juan Fire Protection District (NSJFPD) in 1986.

Today the NSJFPD receives its income from five primary sources: property taxes, parcel fees, Prop 172 allocation, mitigation fees, grants, donations and fundraising events.

Following is a review of the types of taxes and other revenue sources available to the District. Much of the information was obtained by Liz Walsh during an interview with Gary Wallace of the Nevada County Auditor Controller's Office.

Property Taxes

In 1993 the State Legislature passed AB 944 which directed our County Auditor to reallocate county property taxes in such a way as to provide the District with its first revenue from property tax in the amount of approximately $56,700 to which an additional $10,000 was added from an equalization fund for fire districts. AB 944 stipulated that in the following year, a COLA of 2.56% was to be applied to our initial tax base. Income from property taxes is currently about $115,000 and can be counted on to increase by at least 2% per year. *In the Appendix, see Table C of the LAFCO Report for further information.*

Since then we have received at least a 2% increase in our property tax revenue as allowed by Prop 13. The only way that amount changes significantly is if parcels are subdivided and developed, or if a number of large homes are built in our district. In addition, over the next few decades, we expect to see an increase of property tax income due to the huge increase in real estate appreciation as the older housing stock turns over. Properties which have been on the assessor's role for decades are now being sold and re-assessed with a 300-400% increase in value.

The current County General Plan limits subdivisions in our District. That could change if, for example, North San Juan incorporated with a wide margin of land around it and allowed subdivision to occur. The creation of all those new parcels together with development on them could create significant revenue for the District. However, as the District is now, there is little chance for such growth. Most of the growth we experience is the allowed 2% increase in valuation of tax revenue, additions to existing structures resulting in supplemental taxes, development of a previously non-developed parcel, and the occasional sale and increased valuation of a parcel. The fact is property owners in our District tend to keep their property for a long time.

According to the information we were given, there are 62,000 parcels in the County. About 12,000 annually are offered for resale. Of those less than 1% are in our District. By contrast, Truckee is now the fastest growing part of the County due to rapid land development and construction of million-dollar houses. The fire districts in Truckee are experiencing a spike in their tax revenue.

There are five tax jurisdictions in our District, each with a different tax rate. The County uses actual numbers for all calculations, including the parcels sold/developed in our District and which jurisdiction they are in. This means that a boom in any other part of the County will not benefit our District, and likewise, any tax revenue generated in our District is ours alone. *See Appendix for Nevada County Tax Fund Allocations table.*

We were advised that it is safe and conservative to add 2% to the prior year's current secured tax amount. Our actual receipts will be greater because calculations vary and there are other

portions of property taxes that cannot be known ahead of time. We are told the 2% should be the only increase we count on as long as things remain status quo.

Parcel Fees

In 1986 voters approved a special assessment commonly known as a parcel fee. In 1987, our District began collecting assessments for fire protection. The amount we receive annually is stable, changing only slightly to reflect new development. An increase in this income must come by voter approval and would likely have associated costs to encourage its passage. Good practice is probably to budget the amount actually received in the prior year. Our recent receipts have been less than $40,000 per year.

The parcel fees were set at $19.50 for an unimproved parcel and $27.50 for an improved parcel. This fee has remained unchanged to this day, in spite of the effect of inflation on these numbers, as shown in the table below.

Adjustment for CPI	1988	2005
Unimproved Parcel	$19.50	$32.77
Improved Parcel	$27.50	$46.21

In other words, if parcel fees were increased only by as much as would be necessary to keep up with the rise in expenses due to inflation, we would realize 168% of actual income in 2005, or $66,779 rather than $39,737. Prop 218 allows for "special taxes" for adjustment in fees, which must be passed by a 2/3 vote of all registered voters in the district, or a 'special benefit assessment,' which need only be approved by a simple majority of the land owners within the district, weighted by the amount of land owned. The latter is usually the easier route.

It is worth noting that as parcels are improved and/or sold at today's values income from this source will increase proportionately, giving added weight to arguments for increasing fees. The most recent county figures show that there are 1,953 total parcels in the NSJFPD, with 1,679 privately owned. Of these, 1,036 are improved and 27 exempt from taxes.

Note: As a comparison, Penn Valley FPD by vote in 2005 increased their Unimproved Parcel charge to $28.60 and their Improved Parcel charge to $67.00.

Prop 172 Allotments for Public Safety

The Local Public Safety Protection and Improvement Act of 1993, known as Prop 172, sets aside revenue from a 0.5% sales tax for cities and counties to use for public safety, including police and fire protection. Nevada County allocates 7.75% of these monies to fire protection, which in FY2005-2006 will amount to an estimated $472,430 county-wide. It should be noted that Nevada County is one of only seven counties in California to allocate Prop 172 money to fire districts while the remaining counties in the State give all their Prop 172 money to law enforcement.

As a result of extensive and complicated negotiations between Nevada County fire districts and the Board of Supervisors, NSJFPD receives 4.95% of that portion of Nevada County's Prop 172 revenue allocated to fire prevention. For FY2004-2005 this amounted to $22,507. This portion of NSJFPD income should remain stable with moderate growth, although the Nevada County BOS

has recently evidenced a willingness to consider raising the allotment for fire prevention from 7.75% to 10%. However, should the county's political environment change, funding from Prop 172 could be used as an inducement to consolidate fire agencies county-wide. *See Appendix for Table C of the LAFCO Report for a list of Prop. 172 allocations to all Fire Districts.*

Grants

In recent years the District has been successful in the grant arena. Of particular note have been grants to purchase sixteen new respiratory protection safety compliance breathing apparatus with associated refilling station equipment, a new water tender, and communication gear. Typically, grant money is restricted in that it is given to fund a prescribed project and may not be used for other purposes. Occasionally, a grant may contain administrative and operations overhead, but this is windfall money because it is not on-going. Although grant money significantly increases our equipment, apparatus, and even training assets, it cannot be counted on to finance the District's on-going operational needs.

Currently, discussions are under way with Sierra Family Medical Clinic (SFMC) to collaborate on grants aimed at improving both organizations' responses to medical emergencies. This collaboration holds promise.

Other Revenue

The District also receives interest on its funds deposited in the County Treasury. However, because rates have been low for the past few years, this is generally a few hundred dollars annually. Also, we are reimbursed for Homeowner Exemptions at the 1970's rate of less than $2000 per year.

To date, outreach efforts to generate income from community and individual donations or through fund-raising events have been almost entirely carried out by the Fire Auxiliary. Discussion is needed as to whether any more proactive role in such efforts should be taken by either the NSJFPD or the NSJVFD. Another important topic of discussion is establishment of a Non-profit 501 c(3) organization, either through the Auxiliary (if legal) or as an independent entity, to deal with community outreach and fund raising.

In any given year, we may receive donations, strike team revenue (which is not included in these calculations), and other miscellaneous money. Generally, we can budget about $5000 in other revenue.

Mitigation Fund

Although Mitigation Fees are legally restricted funds and do not impact Operational Revenues and Expenditures, they are presented here for your information.

In 1993 the District also began collecting money as allowed by AB1600. This legislation permits the levying of fees for development so as to ensure the Fire District's ability to serve the residents of its district. The fee schedule adopted in 1993 has not changed. A new justification study would be required as well as voter approval to increase the fee schedule. The legislation also prescribes how the money may be used and how and when fund activity should be reported. The rule of thumb is that receipts may be used only for capital outlay to augment (not replace,

maintain, or repair) equipment, apparatus, and facilities. The District adopted a Master Plan in 2002 and must annually pass a resolution listing the specific expenditures it plans to make.

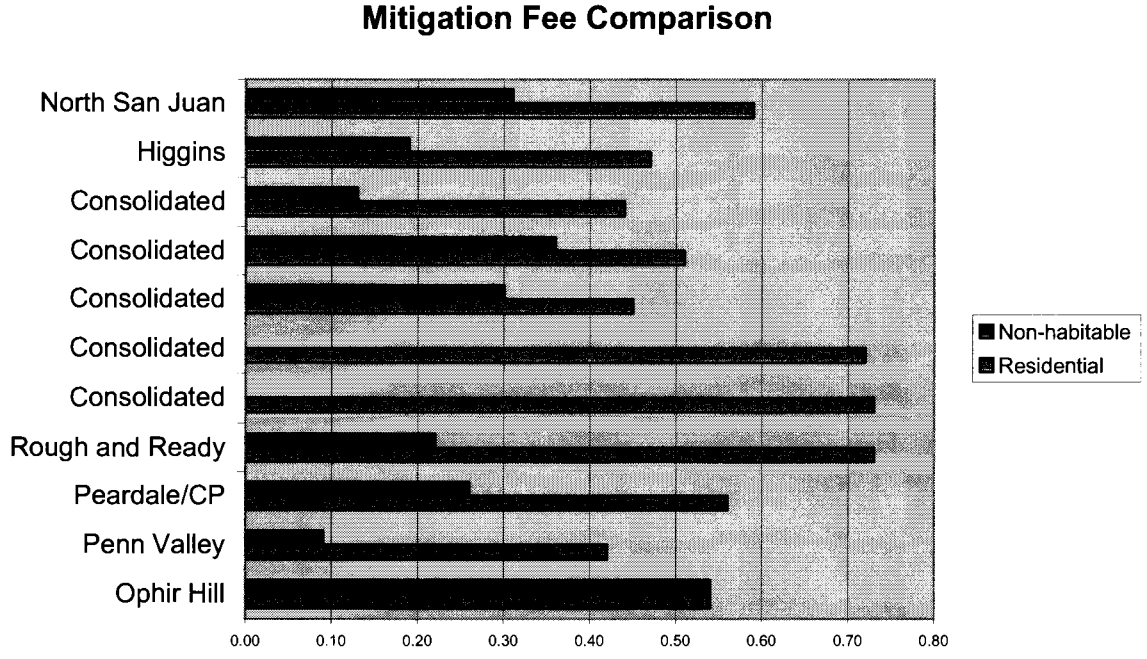
These fees, authorized by AB1600, were put in place in 1992, and are intended to offset increases in expenses due to growth. Existing fees are listed in the table below.

NSJFPD Mitigation Fees ($/sq. ft.)		Residential/light comm. NFPAOH 6,7	Moderate comm. NFPAOH 5	Heavy comm. NFPAOH 4,3	Non-habitable outbuildings
Without sprinklers	No hydrant	0.59	1.17	1.76	0.31
	Hydrant	0.44	0.89	1.33	0.17
With sprinklers	No hydrant	0.29	0.59	0.88	0.16
	Hydrant	0.23	0.44	0.67	0.08

NFPAOH = National Fire Protection Association Occupancy Hazard Class

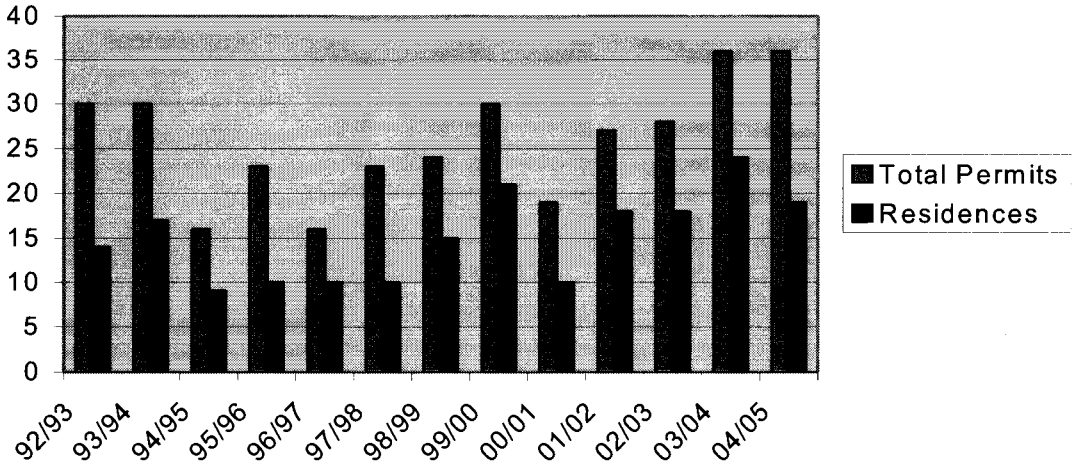
These rates are lower than the justification study the Abbey Group recommended and doubtless lower than the rates a new study would set. To change these rates a new study would be required at a substantial cost to the stakeholders. It may be possible to also charge a fee when a parcel is subdivided and this prospect is worth further study.

The following chart shows our rates compared to other local districts. The Nevada County Consolidated Fire District was formed from five smaller districts post 1992. The rates from these districts have been retained, explaining the multiple rates on this chart.



Although our income from mitigation fees has increased recently, some of this revenue is from residential expansion rather than new building. The estimates are an average of 15 residential permits per year over the past thirteen years.

Permits Subject To Mitigation Fees
1992 - 2005



According to S.R. Jones, LAFCO Executive Director, other ways to raise money for the District include:

1. Special tax – takes a 2/3 majority of voters to pass and continues in perpetuity;
2. Special assessment – requires a simple majority (or absence of protest) of the property owners who respond by ballot. This often has sunset clauses or can only be increased by another vote. *See Appendix for voting requirements.*

Conclusion

The District's current revenue stream is mostly prescribed by law and does not seem likely to keep pace with the increasing cost of maintaining the District's assets and providing its current level of service beyond 2010.

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On the following page is the District's past five years financial data with rate of change (ROC) calculations. From this historical data, Steady State financial projections were developed and that information follows the spreadsheet.

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IV. DISTRICT 5 YEAR FINANCIAL HISTORY WITH RATE OF CHANGE (ROC)

Historical Data	Jul 2000	Jul 2001	ROC	Jul 2002	ROC	Jul 2003	ROC	Jul 2004	ROC	5 yr Avg
Ordinary Income and Expense	Jun 2001	Jun 2002	01 - 02	Jun 2003	02 - 03	Jun 2004	03 - 04	Jun 2005	04 - 05	ROC
Income										
PROPERTY TAX *subtotal*	**92,273**	**93,634**	**1%**	**102,235**	**9%**	**98,256**	**-4%**	**117,757**	**20%**	**7%**
INTEREST	3,565	1,201	-66%	1,185	-1.36%	474	-60%	932	97%	-8%
INTERGOVERNMENTAL *subtotal*	**20,885**	**20,310**	**-3%**	**20,668**	**2%**	**21,939**	**6%**	**23,887**	**9%**	**4%**
PARCEL Assessments	39,283	39,387	0%	39,553	0%	39,633	0%	39,737	0%	0%
46200 · Other Revenue										
46200DO · Donations Revenue				3,287		2,495	-24%	3,447	38%	7%
46200R · Station #1 Rental						420		400	-5%	-2%
46200RS · Road Sign Revenue				685		800	17%	430	-46%	-10%
46200 · Other Revenue - MISC	4,882	5,262	8%	465	-91%	131	-72%	88	-33%	-47%
43010MI · Interest Income Mitigation Fund	1,120	302	-73%	387	27.97%	298	-23%	309	4%	-16%
TOTAL INCOME	**162,007**	**160,097**	**-1%**	**168,465**	**5%**	**164,446**	**-2%**	**186,988**	**14%**	**4%**
Expense										
61100 · Permanent Salaries	20,504	26,891	31%	21,974	-18.29%	39,583	80%	41,530	5%	24%
61300 · Volunteer Reimbursement	7,402	10,885	47%	7,952	-26.95%	6,696	-16%	7,000	5%	2%
61410 · Worker's Comp Insurance	5,068							9,732		
61420 · Life & Accident Insurance								6,177		
Insurance Personnel *subtotal*	5,068	10,911	115%	12,262	12%	13,015	6%	15,909	22%	39%
PERSONNEL *subtotal*	**32,974**	**48,688**	**48%**	**42,188**	**-13%**	**59,294**	**41%**	**64,439**	**9%**	**21%**
62500 · Fire Prevention-PR	1,853	388	-79%	1,434	269.23%	3,514	145%	1,558	-56%	70%
62750 · Insurance (Bldg, Veh & Liab)	6,373	6,373	0%	7,138	12.00%	8,166	14%	9,146	12%	10%
62800 · Memberships/Subscriptions	1,073	1,463	36%	654	-55.27%	649	-1%	1,124	73%	13%
62950 · Fees				20		178	792%	1,062	495%	322%
63000 · Nevada County Charges	2,188	2,721	24%	5,139	88.86%	3,135	-39%	5,720	82%	39%
63050 · Professional Services										
63051 · Bookkeeping Contract				3,712		673	-82%		-100%	-45%
63052 · Audit Bookkeeping				1,658		930	-44%		-100%	-36%
63053 · Other bookkeeping services				1,393		671	-52%		-100%	-38%
63054 · Audit Services				2,400		6,024	151%	3,500	-42%	27%
63055 · Legal Services				2,018		10,084	400%	4,216	-58%	85%
63057 · Other professional services				351		504	43%	2,132	323%	92%
63250 · Street Signs Manufacturing	873	490	-44%	1,090	122.50%	515	-53%	403	-22%	1%
63400 · Transportation/Travel	498	1,069	115%	277	-74.11%	857	210%	13	-98%	38%
64300 · Interest Exp (Leases)-Gener		16,498		15,048	-8.79%	2,590	-83%	9,956	284%	48%
ADMINISTRATION *subtotal*	**12,858**	**29,002**	**126%**	**42,331**	**46%**	**38,490**	**-9%**	**38,828**	**1%**	**41%**
62200 · Clothing & Personal	6,181	3,850	-38%	7,930	105.99%	4,136	-48%	3,193	-23%	-1%
62300 · Dispatch Fees (Nevada County)	6,416	4,373	-32%	5,985	36.88%	5,917	-1%	7,505	27%	8%
62350 · Engine & Fire Fighting Supplies	2,405	2,056	-14%	4,798	133.38%	3,947	-18%	9,639	144%	61%
62400 · Communications								2,768		
62550 · Food Supplies	684	295	-57%	268	-9.19%	212	-21%	202	-4%	-23%
62600 · Fuel--Engines & Vehicles	2,851	4,943	73%	3,426	-30.69%	5,122	50%	8,055	57%	37%
62850 · Medical Supplies	3,164	1,990	-37%	3,520	76.83%	4,024	14%	2,521	-37%	4%
63300 · Firefighter Physicals	156	1,853	1088%	1,873	1.06%	219	-88%	2,053	837%	459%
63700EQ · Maintainenance of Equipment	14,626	9,835	-33%	7,979	-18.87%	13,852	74%	12,403	-10%	3%
63800 · Training & Materials	4,336	4,296	-1%	6,836	59.11%	5,767	-16%	2,631	-54%	-3%
65400 · FF Equip Purchases	34,123	1,240	-96%	2,139	72.56%		-100%			-31%
FIREFIGHTING/ER RELATED *subtotal*	**74,943**	**34,729**	**-54%**	**44,753**	**29%**	**43,195**	**-3%**	**50,969**	**18%**	**-3%**
62700 · Facility Cleaning & Supplies	923	434	-53%	975	124.46%	1,722	77%	2,083	21%	42%
63700LA · Landscaping Expense	1,738	132	-92%		-100.00%	176		100	-43%	-59%
63700ST · Maintainence of Structures	3,474	1,413	-59%	4,973	251.91%	3,121	-37%	2,395	-23%	33%
65250 · Structures & Improvements	5,123		-100%	0		14		100	591%	123%
FACILITY MAINT/IMPROVE *subtotal*	**11,258**	**1,979**	**-82%**	**5,949**	**201%**	**5,034**	**-15%**	**4,678**	**-7%**	**24%**
62900 · Office Supplies	2,813	3,893	38%	5,507	41.45%	5,442	-1%	5,031	-8%	18%
65200 · Office Equip. Purchases	1,476	3,060	107%	0	-100.00%	1,211		2,467	104%	28%
OFFICE SUPPLIES/EQUIP. *subtotal*	**4,289**	**6,953**	**62%**	**5,507**	**-21%**	**6,653**	**21%**	**7,498**	**13%**	**19%**
63500 · Utilities										
63510 · Telephone						273		2,338	757%	189%
63520 · Propane								1,715		
63530 · Electric Service								2,978		
63540 · Cell Phone Service								762		
63550 · Internet & Satellite Service								1,142		
63500 · Utilities - Other						7,790		0	-100%	-25%
UTILITIES *subtotal*	**9,379**	**10,717**	**14%**	**9,848**	**-8%**	**8,063**	**-18%**	**8,936**	**11%**	**0%**
TOTAL EXPENSE	**145,701**	**132,068**	**-9%**	**150,575**	**14%**	**160,728**	**7%**	**175,347**	**9%**	**5%**

V. STEADY STATE "A", LOCAL CONTROL, NO CHANGE

METHODS OF PROJECTIONS FOR STEADY STATE FINANCIAL VERSIONS

Our goal was to discover the fundamentals of operating income and expense and to calculate historical change in order to project the future. These scenarios look at income and expense line items over the past five years as measured by the average, year over year Rate of Change (ROC) (year B - year A/year A) for each line item. Another way of looking at the dynamics of the fiscal picture is by using simpler mathematical averages (over the same five years) for income and expenses. However, due to a variety of factors, most importantly differing methods of bookkeeping practices over the study period, we eventually came to use a blend of the two methods, ROC averages and mathematical averages, to project how finances most likely will change over the next five years.

Where a clear pattern could be detected and as often as possible, the ROC was used as the most accurate measurement over time. Where there are radical changes in line items from year to year, an average of 5 years or in some cases, 3 years data was used to project. Collectively the FAC identified a few categories to set as fixed costs over time. The spreadsheet examples *(See Appendix for Spreadsheet Versions 1 through 7)* include notations of which formula was used for each line item calculation. Where there is no notation the average ROC from the past five years was used.

Although it could be reasoned that inflation costs are built into the last 5 years averages, they have nevertheless been included in the '06-'10 projections if an average cost was used. No added inflation costs were included where the average ROC's were used.

The FAC is of the belief that the rate of inflation is greater than Federal statistics indicate and will increase above 3.7% with the continued increase in the cost of oil. It has been suggested that for each additional $10/barrel, we will see a 1% increase in inflation. Therefore, it is safer and fiscally prudent to include an inflation factor when forecasting rather then simply projecting forward historical averages.

The Steady State financial projections assume no change in staffing and that all staff is at the top of their pay scale. Since funding of Capital Expenses is the purpose of the Mitigation Fund, they too are not included.

Steady State Graphs

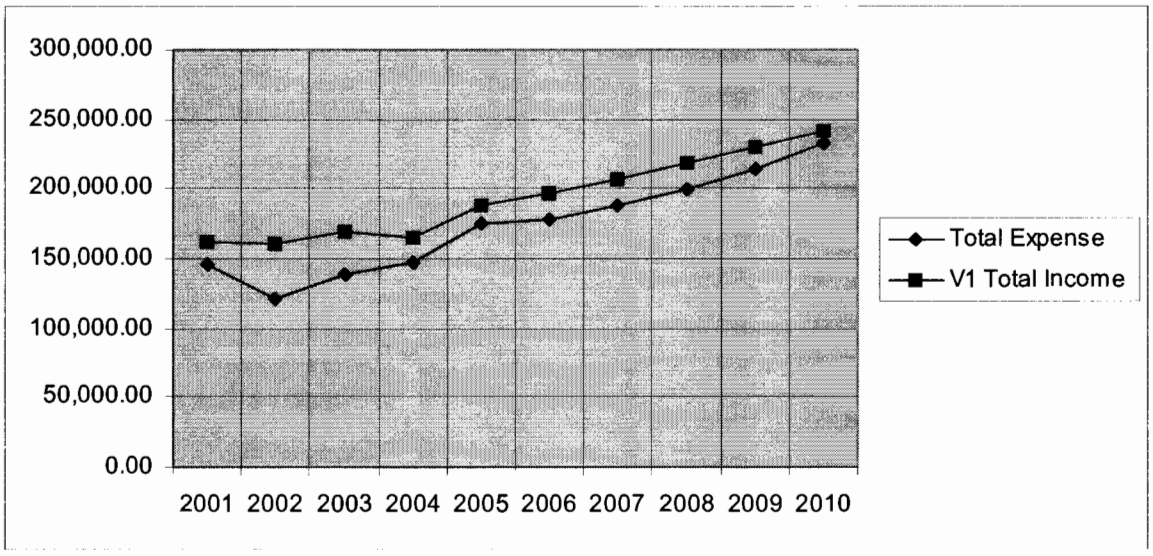
It was the committee's desire to look at firm, mostly fixed costs or "what does it cost to keep the doors open and respond" and therefore we eliminated a number of line items such as strike team, grants and other non-recurring incomes and related expenses. Once we obtained consistent year over year numbers we were able to create a baseline database and analyze historical trends. This should prove very useful for any future financial planning and we suggest this data be updated annually.

Finally, as our committee's term of study came to a close we obtained budget information for '05-'06. To further corroborate the accuracy of our historical trends we added into our one baseline chart the additional year. Our ROC's for the most part, remained unchanged with this new data, and we feel confident in the analysis based on the original 5-year data. Thus we used the original work and show '05-'06 as a "future projection", rather than historical.

Following are seven versions of the Steady State scenario. The information for each version is presented in graph form. The corresponding spreadsheets are in the Appendix and display the details.

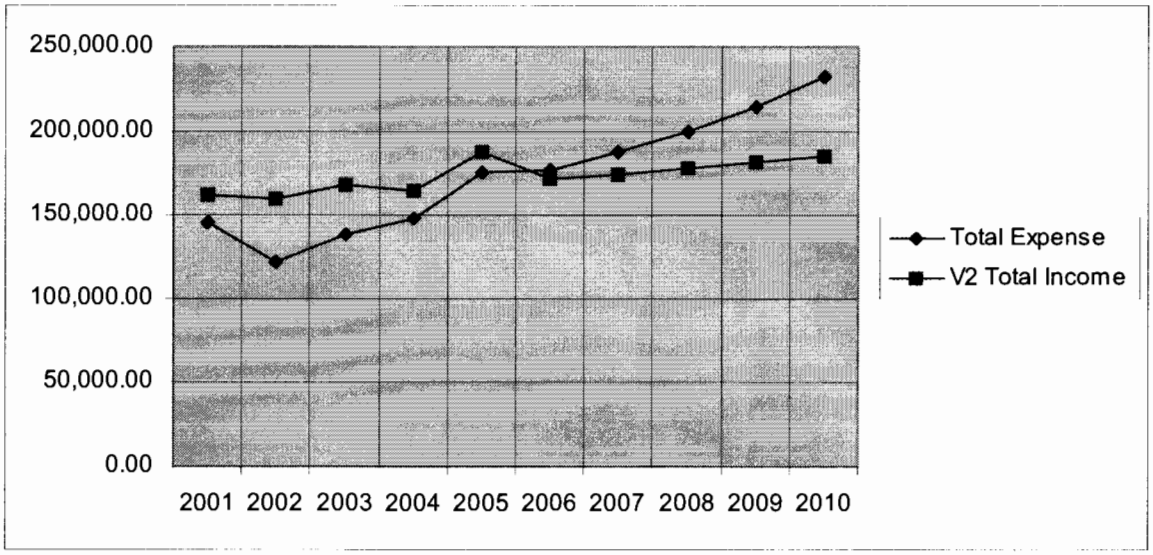
Note: The property tax categories have been collapsed in all versions. Expenses remain the same in all versions. Inflation is assumed to be 3.7% per year (National Board of Labor Statistics). These scenario versions demonstrate alternate ways of reading and projecting forward. Some versions include new streams of potential income or expenses.

V.1 Assumes property tax at 5 year average ROC of 7%. No other changes.

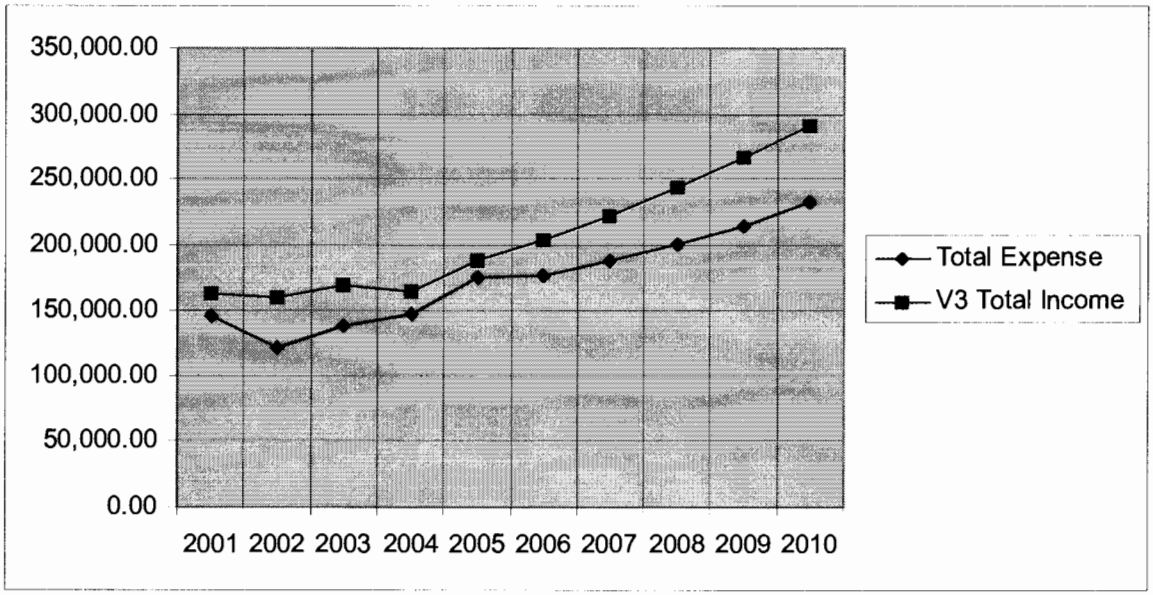


Note for V.1: There was an inordinately large jump in Secured Tax income in fiscal '04-'05 of 20%. Other years saw much smaller increases of between 1%-8%. Thus the single year increase of revenue in '04-'05 effected the average 5 year ROC dramatically. We have only used the 7% ROC average (for this line item) in V.1 to demonstrate the impact if sustained it could have on Total Income in the future. Believing it is unlikely to see continued 20% increases from this source, we choose to use the more modest 5 year mathematical average plus the normal 2% (county estimated increase) in Secured Taxes in all other versions.

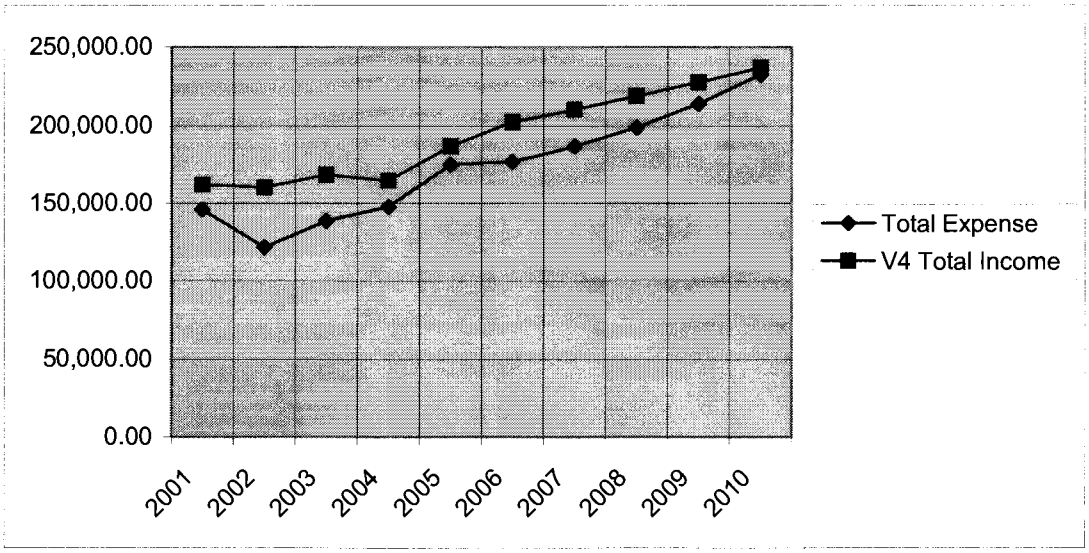
V.2. Assumes total income average (4% ROC) plus 2% property tax increase. No other changes



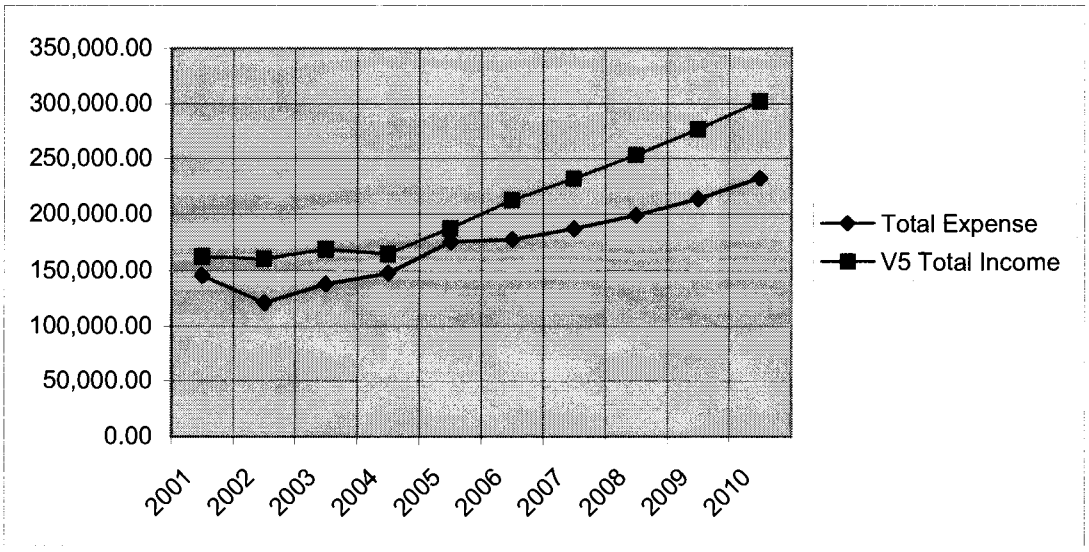
V.3 Assumes income average (4% ROC) and *new fundraising efforts increasing 10%/yr*, (i.e.: direct mail, earned income and person-to-person solicitation).



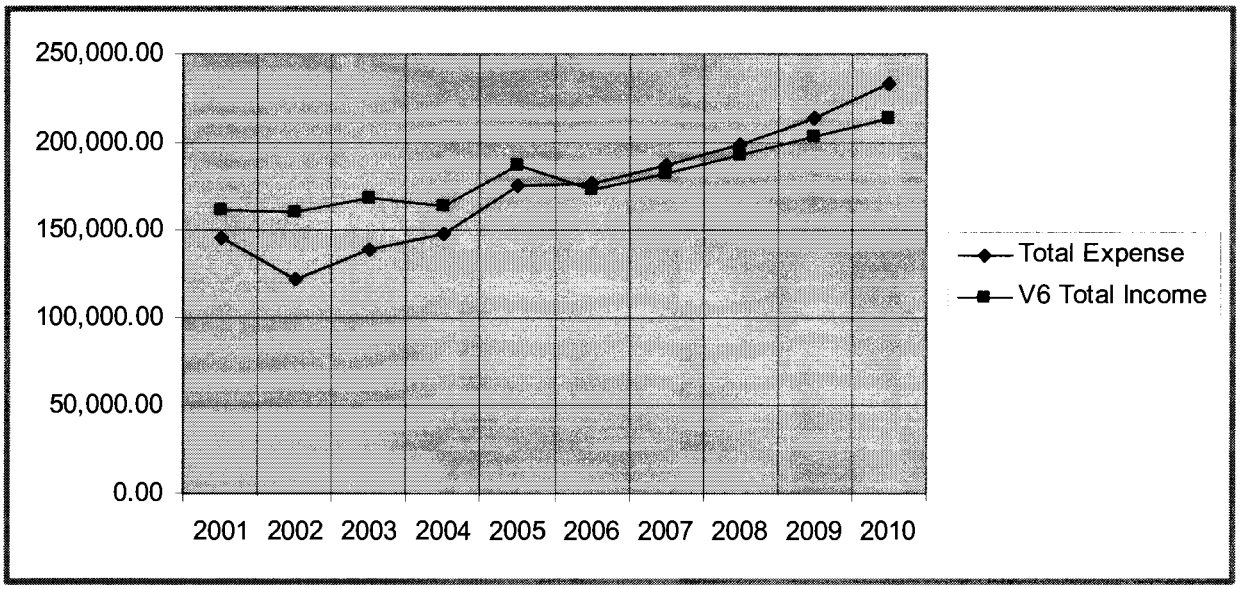
V.4 Assumes income average (4% ROC) & increase in parcel assessment to cover the cost of inflation (since 1988) to $46.21 and $27.50 (improved and unimproved) for an addition of $66,779/yr.



V.5 Assumes income average (4% ROC) & inflation adjusted parcel assessments and new fundraising activities.



V.6 Assumes income average (4% ROC) minus Prop 172 funds.



See Appendix for details of other assumptions that are noted on the spreadsheets.

V. STEADY STATE "B", LOCAL CONTROL, 2 FIREFIGHTERS

Information from Chief Bierwagen, Peardale-Chicago Park Fire District:

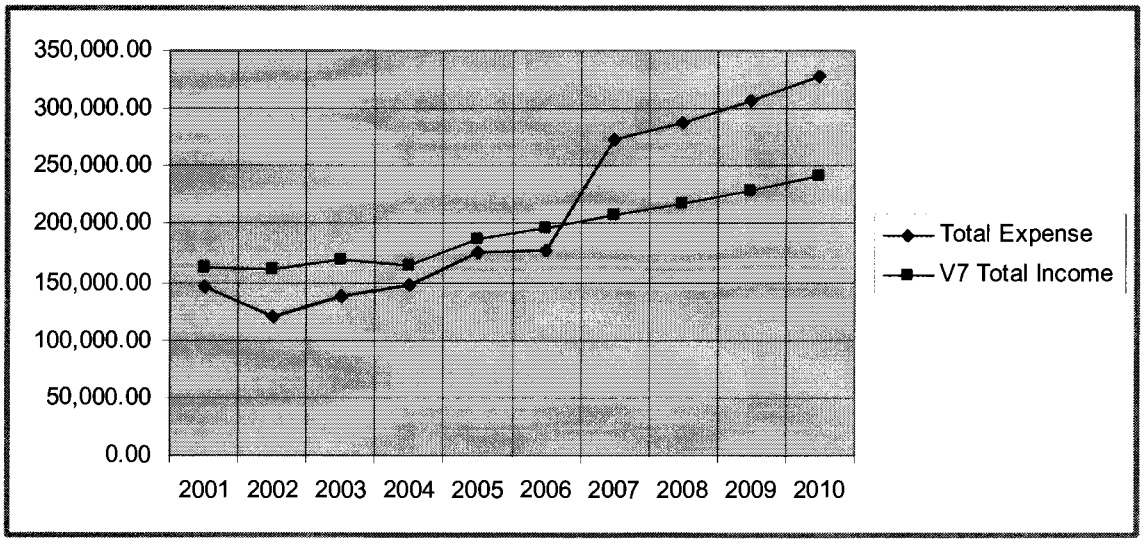
Salary:	$30,000/yr	$30,000
Retirement	6.5% if use Social Security	
Employer portion:	10% if use PERS (they opt for PERS)	$ 3,000
Retirement	7% for PERS (their board opts to pay	
Employee portion:	(this portion also)	$ 2,100
Health:	Health can be purchased through PERS	
	(450/mo)	$ 5,400
Dental & Vision:	Board authorized $100/mo	$ 1,200
Uniform allowance:	$400/yr	$ 400
COST PER YEAR		**$42,100**

Additional Full-time Employee expenses:

- Two weeks vacation and 13 holidays and sick leave each year.
- Two weeks time-off for training, plus paid tuition for classes.
- Also, they pay $10/hr without benefits to the person who covers during these absences in addition to the cost of a full-time person.
- This District carries a $50,000 life insurance policy for all firefighters, including volunteers.

Another option that some departments use is to consider hiring 6 month seasonals (summer and winter). This does not trigger full-time benefits and PERS is not required. The summer and winter person can be one in the same.

V.7 Assumes income average (4% ROC) plus expense of 2 paid firefighters



VI. CONSOLIDATION

All interviews conducted by Liz Walsh, with synopsis by Pat Leach.

Interviewees include: Boyd Johnson, NSJFPD Fire Chief since 1995 (volunteer firefighter since 1988, California Certified Fire officer since 1995, Hazardous Materials Instructor for CSTI/OES and UC Davis Extension); S.R. Jones, Executive Director of the Nevada County Local Agency Formation Commission (LAFCO); Hank Weston, LAFCO Board Member and Grass Valley's former Fire Chief (with 45 years of firefighting experience); Tim Fike, Chief of Consolidated Fire District (who began as a volunteer fire fighter in a volunteer district, and has been involved from the beginning with the evolution to the current district he administers).

FAC, in looking at the future of our District, early on recognized one of the options would be consolidation. In fact, our District has responded favorably to inquiries to consolidate since the early 1990's. The interviewees were asked their opinion on consolidation in general, and for NSJFPD specifically. Chief Johnson & Mr. Weston responded that it is wise to be prepared for whatever comes down the pike because that way we can have the control that forethought affords instead of just reacting hastily.

Chief Johnson was emphatic that our District not overlook consolidation as a viable and possibly even a best scenario option, even though at the present time we do not seem to be a desirable partner district for consolidation. (Apparently our resources are not sufficient to run a NSJ station as a paid engine station and the umbrella district would have to fill in the gap). In spite of our current "undesirable" status, it would be prudent to remain open to the notion of consolidation in any form (e.g., functional, administrative, operational, etc.). While our District is presently independent and relatively healthy fiscally and operationally, it would be reasonable to consider shaping ourselves as appealing to other districts in the event of a future need for consolidation.

In support of consolidation, Chief Fike noted there presumably would be: 1) quicker and more efficient response to all calls; 2) no district barriers to interrupt the delivery of service to residents; 3) monetary savings from having one chief and administrative staff; 4) potential savings in equipment and vehicle maintenance by employing a staff mechanic; 5) savings in insurance premiums; 6) ability to deal with capital asset issues such as replacement and upgrade of equipment; 7) integrated training program; 8) reliable and professional delivery of emergency and protection services.

He also noted that negative results of consolidation would include: 1) the erosion of volunteerism and loss of volunteer firefighters; 2) the loss of identity of constituent districts and the need to treat all areas of the consolidated district the same; 3) increasing exposure to political troubles.

We discussed the apparent spreading phenomenon of California districts converting from volunteer to paid. However, Chief Fike, Ms. Jones and Mr. Weston mentioned that consolidation usually becomes attractive during a "window of opportunity" such as the resignation of a chief, a change of board members and policy, an important regional event (e.g., major wild land fire), etc. It is that concept that becomes the impetus for changing the way a district does business.

Additionally, Mr. Weston recognized at some point (i.e. calls vs. personnel ratio) we probably won't be able to answer our calls because the volunteers will be at work and can't respond.

Mr. Weston commented, consolidation can work only if it provides better or at least the same level of service for the same or less money. It depends upon who you consolidate with and if the spreading out of resources is worth the effort. Also, LAFCO will not approve a consolidation unless it's fiscally viable, thoroughly planned for, and offers a good level of service. He continues, the biggest issue is always personnel. In his experience, there is always an evolution toward paid personnel which is proportionate to the number of calls received and the corresponding pressure for timely response. He said you can follow the evolution from the valley up into the foothills. For years, Auburn and Grass Valley had the biggest volunteer departments in the region. But when you reach a certain number of calls and you don't have enough volunteer power to respond, the change to paid staff becomes necessary. Chief Johnson agreed that operational change is more likely to be crisis driven and so it is important for our District to be proactive in fashioning what we want before we enter into the reality of consolidation. We need to be forward-looking so as to be participants and creators in the process rather than victims.

Regarding the process of consolidation, S.R. Jones offered this information: Typically, consolidation requires about a year of planning and around $10,000 in fees.

There are two ways to consolidate:

1. The LAFCO can initiate it (in Nevada County, LAFCO is very aware of the political climate and so does not initiate any consolidations).
2. The involved districts apply to LAFCO:
    a. The boards and staff of the involved districts create a plan for how the new district will function without a decrease in the level of service by addressing the areas of: financing; employees and compensation; recognition and use of capital assets; policy on reserves; use of existing equipment; location and staffing of stations; and other such considerations.
    b. Once a coherent plan is developed to the satisfaction of the involved districts, the individual boards adopt resolutions of application, submit their service plan, and pay a $5000 deposit to LAFCO to handle the resolution of consolidation. LAFCO researches the issues and makes sure that all issues are addressed; they work at their hourly rate against the deposit (more may be billed, or there could be a refund). Typically, LAFCO takes three to four months to do its part. The intended consolidation is posted for public input. If there is no public protest, LAFCO simply files consolidation documents with the State.
    c. If there is protest by the residents of the involved districts and it meets certain criteria (see Note following), the matter must be decided by mail-ballot election, the cost of which is borne by the involved districts. If the voters approve consolidation, LAFCO requires a display map that costs around $500. The Board of Equalization levies a $300 fee per district to issue its documentation.

Note: Residents of the involved districts may protest consolidation by petition. In order to stop consolidation, 25% of landowners (owning 25% of the assessed value of property within the district) can stop the action. Ms. Jones noted that if there is this type of protest and political trouble in either district, the idea should probably be abandoned as unworkable.

The following is from a Union article "Consolidation for Fire Districts?" by Becky Trout on November 25, 2004: "In 2004, a consultant for Dudek and Associates, Joyce Crosthwaite was hired by LAFCO as it worked to complete a series of state-mandated reviews of local government agencies. Overall, her review gives the fire districts compliments for responding to emergencies quickly and efficiently and for cooperating with neighbor agencies. But it also warns of their overall poor financial situation, due largely to rising labor costs, climbing training and safety requirements and limited sources of income, with "no broad-based corrective measures on the horizon." Until 1978, fire districts received most of their money from property taxes. Prop 13 froze property taxes at low levels, saving property owners from escalating costs but forcing local governments to hunt for money elsewhere."

Mrs. Walsh notes: "My opinion, after talking with S.R. Jones and Tim Fike, is that consolidation for NSJFPD is not being considered by them at the current time as an efficient alternative to our volunteer fire department. Chief Fike also believes consolidation with us would not be cost effective for his district at this time, in light of NSJFPD's ability to operate with strictly volunteer firefighters."

In summary, at some point in the future because of fiscal and operational needs, our District may need to change the way it does business and should view consolidation as a good option as long as we can assure that local control and input are recognized as much as possible. Therefore, although consolidation may not become a reality for NSJFPD, the board should continue to keep it in mind as an alternative to our current operations. Proactively discussing and planning for future consolidation may result in our ability to retain policies and methods that our stakeholders value in the delivery of local service. Toward that end, we must be aware of the politics of County government, other districts, CDF, and our community. We must also aim for the highest quality department we can achieve in the short term, both for providing services and for being attractive for future consolidation. As noted by Mr. Weston, as long as we (NSJVFD) are able to respond appropriately, there is nothing more cost effective than volunteer firefighters - especially since we keep on top of training and OSHA requirements. Chief Johnson believes that volunteerism should be maintained as long as possible because of its inherent benefits: 1) it gives community residents the opportunity for non-alienating work; 2) it gives local youths an opportunity for job training; 3) it compliments FEMA's understanding (since the early 1990's) of the shortcomings of emergency services ability to deal with disasters effectively and the benefits of the Homeland Security's Fire Corps (HSFC) concept; 4) HSFC offers volunteerism as cost effective in a time of ever increasing labor costs. Therefore volunteerism should be considered and handled as sustainable, even though the local political and operational reality makes our volunteer effort difficult.

Points to consider:

1. Although NSJFPD is currently out of step with conversion to consolidation, it remains in-step with the national model of rural departments for populations under 25,000 to remain volunteer.

2. Which districts would make compatible partners for consolidation?

3. Could we consolidate with a district that has paid firefighters while maintaining our volunteer model as a more cost effective model that fits our community at the present?

4. Are there intermediate steps before consolidation that we could test prior to committing to this scenario, such as: a) First, automatic aid agreement; then functional merger (e.g. Watt Park and Consolidated) which allows us to practice some different models without sealing the deal; b) Alternate variations of working with another district, among them a merger of administrative functions while keeping operations as is.

5. Creation of a matrix for study containing call volume; response details (e.g. time of day, day of week etc.); number of responses; financial sufficiency; perhaps other factors. Then we could set different levels at which to analyze the data. For example, if we are at 350 calls now, let's have an analysis when we get to 400. Were we able to respond adequately? Did we have enough resources to respond? Are there enough sufficiently trained staff to respond? If everything is still working as we want, set the next mark to 450, etc. This might be a good tool to determine if/when we should change paradigms.

6. Looking at the four county districts that have consolidated: a) what savings and/or shifting of revenues has occurred. (i.e. Dollars saved used to pay firefighters vs. volunteers); b) What cost increases have occurred for the stakeholders? (i.e. parcel charge increase) and ultimately, has there been an overall savings. c) When the county cannot fund a district for the first six months of a fiscal year, what interest cost is incurred by Consolidated Districts? d) Management concerns go to a central office but runs less efficiently (in the red), whereas citizen method of operation is cost effective.

VII. CDF

If local control becomes too expensive or impossible to maintain for other reasons, and consolidation does not occur because of the cost to other county districts of running NSJFPD, the only other logical alternative would be to contract with CDF. CDF could 1) take over our District; 2) keep the CDF station in our District open and bill us; 3) or some variation of CDF involvement. It was pointed out that in a few districts which have a contract with CDF, the cost has risen while services reportedly have declined.

In an effort to gather more information on this option Liz Walsh and Chief Johnson interviewed Rob Paulus, CDF Battalion Chief. They discussed with him the three options proposed for Smartsville and how they might apply to us.

CDF has two programs for districts interested in their services. "Schedule A" generally involves the dissolution of a district so that CDF assumes control and responsibility to provide fire protection and emergency services. Chief Paulus gave Placer Consolidated as an example of CDF taking over a dissolved district. The three conversing agreed that "Schedule A" is not of interest to NSJFPD at this time. *See Appendix for Schedule A and its associated costs.*

The "Amador Plan" offers firefighting and/or administrative services based on a district's needs, requirements, and budget. Of the three options detailed, the first one provides two 24/7 firefighters and bills a district for payroll and associated costs. Such an arrangement is possible for districts with high revenues. For poorer districts, CDF in Sacramento will entertain an application for a waiver of fees. If granted, a district would then be eligible to pay a small percentage of the cost for two or three full-time (24/7) firefighters. *See Appendix for Amador Plan and details of services offered and the associated costs.*

Chief Paulus emphasized that CDF is willing to consider our district's specific needs and requirements and to cost out a program to provide such services. For example, since we have a residence/dormitory at Station 3, we could house CDF personnel in order to save the cost of paying overhead at the CDF station for housing. Other considerations might be the use of our vehicles and equipment, CDF assistance with training, station and equipment maintenance, and/or administrative duties.

In the Smartsville Option 3 proposal, the cost for 15% of two 24/7 firefighters for seven months is about $22,000. That is obviously far less expensive than the district's hiring its own firefighters. However, this assumes that cost is the only consideration. In reality, since internal politics, professional relationships, and district character are as important as budget in a volunteer organization such as ours, a great deal of research and polling would probably be required before the Board and our volunteer firefighters could agree to contract services with CDF.

Chief Paulus also mentioned that CDF is willing to keep one more station in our region open during the winter months. If Smartsville accepts one of the CDF proposals, then CDF will keep their Smartsville station operational and NSJFPD may not have a chance to contract with CDF at this time. A lead-time of several months would likely be needed to negotiate with CDF.

With regard to annual increases in the costs billed to our district, Chief Paulus opined that as long as insurance and payroll costs remain stable, there would be a very small increase annually. It is also possible to negotiate for a multi-year contract with CDF.

Note: A Legislative Analyst's Office report, dated April 12, 2006, titled "A Primer: California's Wildland Fire Protection System" by Elizabeth G. Hill gives another perspective on CDF's fire protection delivery system. This 30 page report can be obtained on the LAO's Internet site at www.lao.ca.gov.

Undoubtedly, a contract with CDF would change the character of our district and create a new operational paradigm. Although it is a viable way to provide services, we encourage a thorough and well-documented study of the matter.

End of Report

Submitted 20 June 2006

VIII. PARTIAL LIST OF RESOURCE DOCUMENTS

- NSJFPD MASTER PLAN 2001 to 2011 – 28 January 2002
- NSJFPD COMMUNITY FIRE PLAN – 19 July 2005
- NSJFPD STRATEGIC PLAN – Draft
- NSJFPD ACTIVITIES STATISTICS – 2004 and 2005
  - Emergency Responses, Trainings, Work Sessions, Public Education – '04 & YTD
  - Responses to Camptonville – 03/04 & 04/05
- NSJFPD AUDITED FINANCIAL SUMMARY – FY04/05
- NSJFPD PROPOSED BUDGET – 05/06
- NSJFPD AUDITED ACTUALS COMP – 92 to 04
- NSJFPD BUDGET vs. ACTUAL – 01/02, 02/03, 03/04, 04/05
- MITIGATION FEES:
  - Explanation & payment form
  - County Fire District's comparison of Mitigation Fees
  - NSJFPD Mitigation Reports – 03/04 & 04/05
- NSJFPD ORGANIZATIONAL MANUAL – POLICY & PROCEDURES
- NSJFPD RESOLUTIONS & ORDINANCES
- NSJFPD IIPP POLICES
- RECOMMENDED BUDGET PRACTICES from NAC and GFOA
- SPECIAL DISTRICTS RESERVE GUIDELINES from CSDA
- NC GRAND JURY REPORT – 14 June 2005
  "For Emergency Only – A Review of Nevada County's Fire Protection Districts".
- NEVADA COUNTY FIRE PLAN
- LAFCO MUNICIPAL SERVICE REVIEW – 13 January 2005
  - Of fire protection and emergency services
- REPORTS & MEMOS REGARDING CONSOLIDATION OF FIRE DISTRICTS (1992)
- UNDERSTANDING PROP 218
- 1996 OPINION REGARDING PROP 218
- ASSESSMENT CRITERIA – Gov Code Section 50078 – 50078.20
- CA WILDLAND FIRE PROTECTION SYSTEM – Who's responsible (LAO)
- FDAC HANDBOOK (on CD)
- GFOA ARTICLES
  - Recommended Budget Practices
  - Measuring the Cost of Government Services (2002)
  - Appropriate Level of Unreserved Fund Balance in the General Fund (2002)
  - Performance Management
  - Adoption of Financial Policies
- NATIONAL VOLUNTEER FIRE COUNCIL FOUNDATION – Economic Impact of the Volunteer Fire Service
- WEBSITE – The National Volunteer Fire Council Foundation (www.nvfc.org)
- SAUER COMPLAINT – of mitigation fee structure & district responses (as a recent example of landowner concerns)
- ARTICLES OF INTEREST
  - Fact Sheet on Volunteer Firefighters & EMT's
  - Matching Infrastructure & Growth – Excerpt from LAFCO Municipal Service Review
  - Black, White & Shades of Gray
  - NC Consolidated Fire District Funding Strategy Report
  - Out Where the Rubber Meets the Rural Road – *Fire Chief* 1/06

IX. APPENDIX

- Steady State Financial Projection – Versions 1 through 7 Spreadsheets
- Grand Jury Report (LAFCO) Table C
- Nevada County tax fund allocations
- Voting Requirements
- CDF Schedule A
- CDF Amador Plan

POSSIBLE SCENARIO - Version 1

STEADY STATE SCENARIO - VERSION 1 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10	Increase Over 2005
Income				ALL INCOME						
PROPERTY TAX *subtotal*	117,757	20%	**7%**	**CHANGES**	126,000	134,821	144,258	154,356	165,161	
INTEREST	932	97%	**-8%**		858	789	726	668	615	
INTERGOVERNMENTAL *subtotal*	23,887	9%	**4%**		24,843	25,837	26,870	27,945	29,063	
PARCEL Assessments	39,737	0%	**0%**		39,737	39,737	39,737	39,737	39,737	
46200DO · Donations Revenue	3,447	38%	**7%**		3,688	3,946	4,222	4,518	4,834	
46200R · Station #1 Rental	400	-5%	**-2%**		392	384	376	369	362	
46200RS · Road Sign Revenue	430	-46%	**-10%**	3yr avg.	638	638	638	638	638	
46200 · Other Revenue - Misc	88	-33%	**-47%**		47	25	13	7	4	
43010MI · Interest Income Mitigation Fund	309	4%	**-16%**	$400/yr. Fixed	400	400	400	400	400	
TOTAL INCOME	**186,988**	**14%**	**4%**		**196,603**	**206,576**	**217,241**	**228,638**	**240,813**	**29%**
Expense										
PERSONNEL *subtotal*	64,439	39%	**22%**		66,267	66,871	67,491	68,127	68,780	**7%**
62500 · Fire Prevention-PR	1,558	-56%	**70%**	$700/yr. fixed	700	700	700	700	700	
62750 · Insurance (Bldg, Veh & Liab)	9,146	12%	**10%**		10,061	11,067	12,173	13,391	14,730	
62800 · Memberships/Subscriptions	1,124	73%	**13%**		1,180	1,239	1,301	1,366	1,435	
62950 · Fees	1,062	495%	**322%**	10%/yr. Increase	1,168	1,285	1,413	1,555	1,710	
63000 · Nevada County Charges	5,720	82%	**39%**	5yr Avg. +3.7%/yr	4,044	4,194	4,349	4,510	4,677	
63050 · Professional Services										
63054 · Audit Services	3,500	-42%	**27%**	3yr avg. & 3.7%/yr.	4,122	4,274	4,432	4,596	4,767	
63055 · Legal Services	4,216	-58%	**85%**	$3K/yr & 3.7%/yr.	3,111	3,226	3,345	3,469	3,598	
63057 · Other professional services	2,132	323%	**92%**	3yr avg. & 3.7%/yr	1,033	1,071	1,110	1,152	1,194	
63250 · Street Signs Manufacturing	403	-22%	**1%**		407	411	415	419	423	
63400 · Transportation/Travel	13	-98%	**38%**	5 yr avg. +3.7%/yr	563	583	605	627	651	
64300 · Interest Exp (Leases)-Gener	9,956	284%	**48%**	5 yr avg. +3.7%/yr	9,145	9,483	9,834	10,198	10,575	
ADMINISTRATION *subtotal*	38,828	1%	**41%**		35,533	37,533	39,679	41,983	44,458	**14%**
62200 · Clothing & Personal	3,193	-23%	**-1%**		3,161	3,129	3,098	3,067	3,036	
62300 · Dispatch Fees (Nevada County)	7,505	27%	**8%**		8,105	8,754	9,454	10,210	11,027	
62350 · Engine & Fire Fighting Supplies	9,639	144%	**61%**	5 yr. avg +3.7%/yr	4,738	4,913	5,095	5,284	5,479	
62400 · Communications	2,768			2005 + 3.7%/yr	2,851	2,936	3,024	3,115	3,208	
62550 · Food Supplies	202	-4%	**-23%**	5 yr avg. +3.7%/yr	344	357	370	384	398	
62600 · Fuel--Engines & Vehicles	8,055	57%	**37%**		11,035	15,118	20,711	28,374	38,873	
62850 · Medical Supplies	2,521	-37%	**4%**		2,622	2,726	2,836	2,949	3,067	
63300 · Firefighter Physicals	2,053	837%	**459%**	5 yr. Avg. +3.7%/yr	1,276	1,323	1,372	1,422	1,475	
63700EQ · Maintainenance of Equipment	12,403	-10%	**3%**		12,775	13,159	13,553	13,960	14,379	
63800 · Training & Materials	2,631	-54%	**-3%**		2,552	2,476	2,401	2,329	2,259	
65400 · FF Equip Purchases			**-31%**	$3.5K + 3.7%/yr	3,630	3,764	3,903	4,047	4,197	
FIREFIGHTING/ER RELATED *subtotal*	50,969	18%	**-3%**		53,088	58,654	65,818	75,142	87,399	**71%**
62700 · Facility Cleaning & Supplies	2,083	21%	**42%**	Avg.'04+'05x3.7%	2,134	2,213	2,295	2,380	2,468	
63700LA · Landscaping Expense	0	-100%	**-73%**	$500/yr. Fixed	500	500	500	500	500	
63700ST · Maintainence of Structures	2,395	-23%	**33%**	5yr. Avg & 3.7%	3,189	4,242	5,641	7,503	9,979	
65250 · Structures & Improvements	0	-100%	**-50%**	$700/yr. Fixed	700	700	700	700	700	
FACILITY MAINT/IMPROVE *subtotal*	4,478	-11%	**23%**	5yr. Avg & 3.7%	6,523	7,655	9,136	11,083	13,647	**205%**
62900 · Office Supplies	5,031	-8%	**18%**	3yr. Avg & 3.7%	4,222	4,378	4,540	4,708	4,882	
65200 · Office Equip. Purchases	2,467	104%	**28%**	5yr. Avg & 3.7%	1,704	1,767	1,832	1,900	1,970	
OFFICE SUPPLIES/EQUIP. *subtotal*	7,498	13%	**19%**		5,925	6,145	6,372	6,608	6,852	**-9%**
UTILITIES *subtotal*	8,936	11%	**0%**	5 yr. Avg. & 3.7%	9,736	10,096	10,470	10,857	11,259	**26%**
TOTAL EXPENSE	**175,147**	**19%**	**6%**	**TOTAL EXPENSE**	**177,072**	**186,954**	**198,965**	**213,800**	**232,396**	**33%**
				NET INCOME	**19,531**	**19,623**	**18,276**	**14,838**	**8,417**	

POSSIBLE SCENARIO - Version 2

STEADY STATE SCENARIO - VERSION 2 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10	Increase Over 2005
Income										
PROPERTY TAX *subtotal*	117,757	20%	**7%**	**5yr avg. & 2%/YR**	100,831	102,848	104,904	107,003	109,143	
INTEREST	932	97%	**-8%**		858	789	726	668	615	
INTERGOVERNMENTAL *subtotal*	23,887	9%	**4%**		24,843	25,837	26,870	27,945	29,063	
PARCEL Assessments	39,737	0%	**0%**		39,737	39,737	39,737	39,737	39,737	
46200DO · Donations Revenue	3,447	38%	**7%**		3,688	3,946	4,222	4,518	4,834	
46200R · Station #1 Rental	400	-5%	**-2%**		392	384	376	369	362	
46200RS · Road Sign Revenue	430	-46%	**-10%**	**3yr avg.**	638	638	638	638	638	
46200 · Other Revenue - Misc	88	-33%	**-47%**		47	25	13	7	4	
43010MI · Interest Income Mitigation Fund	309	4%	**-16%**	**$400/yr. Fixed**	400	400	400	400	400	
TOTAL INCOME	**186,988**	**14%**	**4%**		**171,434**	**174,603**	**177,888**	**181,284**	**184,794**	**-1%**
Expense										
61100 · Permanent Salaries	41,530	5%	**24%**	**No change**	41,530	41,530	41,530	41,530	41,530	
61300 · Volunteer Reimbursement	7,000	5%	**2%**		7,140	7,283	7,428	7,577	7,729	
61410 · Worker's Comp Insurance	9,732			**15% increase/yr.**	11,192	11,416	11,644	11,877	12,114	
61420 · Life & Accident Insurance	6,177			**3.7%/yr.**	6,406	6,643	6,888	7,143	7,408	
PERSONNEL *Subtotal*	64,439	39%	**22%**		66,267	66,871	67,491	68,127	68,780	**7%**
62500 · Fire Prevention-PR	1,558	-56%	**70%**	**$700/yr. fixed**	700	700	700	700	700	
62750 · Insurance (Bldg, Veh & Liab)	9,146	12%	**10%**		10,061	11,067	12,173	13,391	14,730	
62800 · Memberships/Subscriptions	1,124	73%	**13%**		1,180	1,239	1,301	1,366	1,435	
62950 · Fees	1,062	495%	**322%**	**10%/yr. Increase**	1,168	1,285	1,413	1,555	1,710	
63000 · Nevada County Charges	5,720	82%	**39%**	**5yr Avg. +3.7%/yr**	4,044	4,194	4,349	4,510	4,677	
63054 · Audit Services	3,500	-42%	**27%**	**3yr avg. & 3.7%/yr.**	4,122	4,274	4,432	4,596	4,767	
63055 · Legal Services	4,216	-58%	**85%**	**$3K/yr & 3.7%/yr.**	3,111	3,226	3,345	3,469	3,598	
63057 · Other professional services	2,132	323%	**92%**	**3yr avg. & 3.7%/yr**	1,033	1,071	1,110	1,152	1,194	
63250 · Street Signs Manufacturing	403	-22%	**1%**		407	411	415	419	423	
63400 · Transportation/Travel	13	-98%	**38%**	**5 yr avg. +3.7%/yr**	563	583	605	627	651	
64300 · Interest Exp (Leases)-Gener	9,956	284%	**48%**	**5 yr avg. +3.7%/yr**	9,145	9,483	9,834	10,198	10,575	
ADMINISTRATION	38,828	1%	**41%**		35,533	37,533	39,679	41,983	44,458	**14%**
62200 · Clothing & Personal	3,193	-23%	**-1%**		3,161	3,129	3,098	3,067	3,036	
62300 · Dispatch Fees (Nevada County)	7,505	27%	**8%**		8,105	8,754	9,454	10,210	11,027	
62350 · Engine & Fire Fighting Supplies	9,639	144%	**61%**	**5 yr. avg +3.7%/yr**	4,738	4,913	5,095	5,284	5,479	
62400 · Communications	2,768			**2005 + 3.7%/yr**	2,851	2,936	3,024	3,115	3,208	
62550 · Food Supplies	202	-4%	**-23%**	**5 yr avg. +3.7%/yr**	344	357	370	384	398	
62600 · Fuel--Engines & Vehicles	8,055	57%	**37%**		11,035	15,118	20,711	28,374	38,873	
62850 · Medical Supplies	2,521	-37%	**4%**		2,622	2,726	2,836	2,949	3,067	
63300 · Firefighter Physicals	2,053	837%	**459%**	**5 yr. Avg. +3.7%/yr**	1,276	1,323	1,372	1,422	1,475	
63700EQ · Maintainenance of Equipment	12,403	-10%	**3%**		12,775	13,159	13,553	13,960	14,379	
63800 · Training & Materials	2,631	-54%	**-3%**		2,552	2,476	2,401	2,329	2,259	
65400 · FF Equip Purchases			**-31%**	**$3.5K + 3.7%/yr**	3,630	3,764	3,903	4,047	4,197	
FIREFIGHTING/ER RELATED	50,969	18%	**-3%**		53,088	58,654	65,818	75,142	87,399	**71%**
62700 · Facility Cleaning & Supplies	2,083	21%	**42%**	**Avg.'04+'05x3.7%**	2,134	2,213	2,295	2,380	2,468	
63700LA · Landscaping Expense	0	-100%	**-73%**	**$500/yr. Fixed**	500	500	500	500	500	
63700ST · Maintainence of Structures	2,395	-23%	**33%**	**5yr. Avg & 3.7%**	3,189	4,242	5,641	7,503	9,979	
65250 · Structures & Improvements	0	-100%	**-50%**	**$700/yr. Fixed**	700	700	700	700	700	
FACILITY MAINT/IMPROVE	4,478	-11%	**23%**	**5yr. Avg & 3.7%**	6,523	7,655	9,136	11,083	13,647	**205%**
62900 · Office Supplies	5,031	-8%	**18%**	**3yr. Avg & 3.7%**	4,222	4,378	4,540	4,708	4,882	
65200 · Office Equip. Purchases	2,467	104%	**28%**	**5yr. Avg & 3.7%**	1,704	1,767	1,832	1,900	1,970	
OFFICE SUPPLIES/EQUIP.	7,498	13%	**19%**		5,925	6,145	6,372	6,608	6,852	**-9%**
UTILITIES	8,936	11%	**0%**	**5 yr. Avg. & 3.7%**	9,736	10,096	10,470	10,857	11,259	**26%**
TOTAL EXPENSE	**175,147**	**19%**	**6%**		**177,072**	**186,954**	**198,965**	**213,800**	**232,396**	**33%**
				NET INCOME	**-5,639**	**-12,350**	**-21,078**	**-32,515**	**-47,601**	

POSSIBLE SCENARIO - Versions 3 and 4

STEADY STATE SCENARIO - VERSION 3 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10	Increase Over 2005
Income	***			**FUNDRAISING**						
PROPERTY TAX *subtotal*	117,757	20%	**7%**							
INTEREST	932	97%	**-8%**							
INTERGOV. *subtotal*	23,887	9%	**4%**							
PARCEL Assessments	39,737	0%	**0%**							
46200DO · Donations Revenue	3,447	38%	**7%**	**Direct Mail**	5,000	5,500	6,050	6,655	7,321	
New Category				**Earned Income**	2,500	2,750	3,025	3,328	3,660	
New Category				**Personal Solicitation**	2,500	2,750	3,025	3,328	3,660	
46200R · Station #1 Rental	400	-5%	**-2%**	**10%/yr increase**						
46200RS · Road Sign Revenue	430	-46%	**-10%**							
46200 · Other Revenue - MISC	88	-33%	**-47%**	**INCOME**						
43010MI · Interest Income Mitigation Fund	309	4%	**-16%**	**INCREASES**						
TOTAL INCOME	186,988	14%	**4%**	**AVG 4%/YR.**	**204,467**	**223,646**	**244,692**	**267,790**	**293,142**	**57%**
Expense										
PERSONNEL	64,439	39%	**22%**		66,267	66,871	67,491	68,127	68,780	**7%**
ADMINISTRATION	38,828	1%	**41%**		35,533	37,533	39,679	41,983	44,458	**14%**
FIREFIGHTING/ER RELATED	50,969	18%	**-3%**		53,088	58,654	65,818	75,142	87,399	**71%**
FACILITY MAINT/IMPROVE	4,478	-11%	**23%**	**5yr. Avg & 3.7%**	6,523	7,655	9,136	11,083	13,647	**205%**
OFFICE SUPPLIES/EQUIP.	7,498	13%	**19%**		5,925	6,145	6,372	6,608	6,852	**-9%**
UTILITIES	8,936	11%	**0%**	**5 yr. Avg. & 3.7%**	9,736	10,096	10,470	10,857	11,259	**26%**
TOTAL EXPENSE	**175,147**	19%	**6%**		**177,072**	**186,954**	**198,965**	**213,800**	**232,396**	**33%**
				NET INCOME	**27,395**	**36,692**	**45,727**	**53,990**	**60,746**	

STEADY STATE SCENARIO - VERSION 4 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10
Income	***								
PROPERTY TAX	117,757	20%	7%	inflation adjusted					
INTEREST	932	97%	-8%	assessments					
INTERGOV.	23,887	9%	4%	$27.5 & $46.21					
PARCEL Assessments	39,737	0%	0%	(66779-39736)=	27,043	27,043	27,043	27,043	27,043
46200DO · Donations Revenue	3,447	38%	7%						
46200R · Station #1 Rental	400	-5%	-2%						
46200RS · Road Sign Revenue	430	-46%	-10%						
46200 · Other Revenue - Misc	88	-33%	-47%	INCOME					
43010MI · Interest Income Mitigation Fund	309	4%	-16%	INCREASES					
TOTAL INCOME	**186,988**	**14%**	4%	**5 yr avg.& 4%/yr**	**202,179**	**210,267**	**218,677**	**227,424**	**236,521**
Expense				168400.41					
PERSONNEL	64,439	39%	22%		66,267	66,871	67,491	68,127	68,780
ADMINISTRATION	38,828	1%	41%		35,533	37,533	39,679	41,983	44,458
FIREFIGHTING/ER RELATED	50,969	18%	-3%		53,088	58,654	65,818	75,142	87,399
FACILITY MAINT/IMPROVE	4,478	-11%	23%	5yr. Avg & 3.7%	6,523	7,655	9,136	11,083	13,647
OFFICE SUPPLIES/EQUIP.	7,498	13%	19%		5,925	6,145	6,372	6,608	6,852
UTILITIES	8,936	11%	0%	5 yr. Avg. &3.7%	9,736	10,096	10,470	10,857	11,259
TOTAL EXPENSE	**175,147**	**19%**	**6%**		**177,072**	**186,954**	**198,965**	**213,800**	**232,396**
				NET INCOME	**25,107**	**23,313**	**19,712**	**13,625**	**4,126**

POSSIBLE SCENARIO - Version 5 and 6

STEADY STATE SCENARIO - VERSION 5 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10
Income				FUNDRAISING AND					
PROPERTY TAX	117,757	20%	7%	Parcel adjusted		**$27.5 & $46.21**			
INTEREST	932	97%	-8%	for inflation					
INTERGOV.	23,887	9%	4%	(66779-39736)=					
PARCEL Assessments	39,737	0%	0%		27,043	27,043	27,043	27,043	27,043
46200 · Other Revenue				FUNDRAISING					
46200DO · Donations Revenue	3,447	38%	7%	Direct Mail	5,000	5,500	6,050	6,655	7,321
46200R · Station #1 Rental	400	-5%	-2%	Earned Income	2,500	2,750	3,025	3,328	3,660
46200RS · Road Sign Revenue	430	-46%	-10%	Personal Solications	2,500	2,750	3,025	3,328	3,660
46200 · Other Revenue - Misc	88	-33%	-47%	10%/yr increase					
43010MI · Interest Income Mitigation Fund	309	4%	-16%						
TOTAL INCOME	**186,988**	**14%**	**4%**	**5 yr avg.& 4%/yr**	**212,179**	**231,666**	**253,033**	**276,464**	**302,164**
Expense				168400.41					
61100 · Permanent Salaries	41,530	5%	24%	No change	41,530	41,530	41,530	41,530	41,530
61410 · Worker's Comp Insurance	9,732			15% increase/yr.	11,192	11,416	11,644	11,877	12,114
61420 · Life & Accident Insurance	6,177			3.7%/yr.	6,406	6,643	6,888	7,143	7,408
PERSONNEL	64,439	39%	22%		66,267	66,871	67,491	68,127	68,780
	1,558	-56%	70%	$700/yr. fixed	700	700	700	700	700
	1,062	495%	322%	10%/yr. Increase	1,168	1,285	1,413	1,555	1,710
	5,720	82%	39%	5yr Avg. +3.7%/yr	4,044	4,194	4,349	4,510	4,677
63054 · Audit Services	3,500	-42%	27%	3yr avg. & 3.7%/yr.	4,122	4,274	4,432	4,596	4,767
63055 · Legal Services	4,216	-58%	85%	$3K/yr & 3.7%/yr.	3,111	3,226	3,345	3,469	3,598
63057 · Other professional services	2,132	323%	92%	3yr avg. & 3.7%/yr	1,033	1,071	1,110	1,152	1,194
	13	-98%	38%	5 yr avg. +3.7%/yr	563	583	605	627	651
	9,956	284%	48%	5 yr avg. +3.7%/yr	9,145	9,483	9,834	10,198	10,575
ADMINISTRATION	38,828	1%	41%		35,533	37,533	39,679	41,983	44,458
	9,639	144%	61%	5 yr. avg +3.7%/yr	4,738	4,913	5,095	5,284	5,479
	2,768			2005 + 3.7%/yr	2,851	2,936	3,024	3,115	3,208
	202	-4%	-23%	5 yr avg. +3.7%/yr	344	357	370	384	398
	2,053	837%	459%	5 yr. Avg. +3.7%/yr	1,276	1,323	1,372	1,422	1,475
			-31%	$3.5K + 3.7%/yr	3,630	3,764	3,903	4,047	4,197
FIREFIGHTING/ER RELATED	50,969	18%	-3%		53,088	58,654	65,818	75,142	87,399
	2,083	21%	42%	Avg.'04+'05x3.7%	2,134	2,213	2,295	2,380	2,468
	0	-100%	-73%	$500/yr. Fixed	500	500	500	500	500
	2,395	-23%	33%	5yr. Avg & 3.7%	3,189	4,242	5,641	7,503	9,979
	0	-100%	-50%	$700/yr. Fixed	700	700	700	700	700
FACILITY MAINT/IMPROVE	4,478	-11%	23%	5yr. Avg & 3.7%	6,523	7,655	9,136	11,083	13,647
	5,031	-8%	18%	3yr. Avg & 3.7%	4,222	4,378	4,540	4,708	4,882
	2,467	104%	28%	5yr. Avg & 3.7%	1,704	1,767	1,832	1,900	1,970
OFFICE SUPPLIES/EQUIP.	7,498	13%	19%		5,925	6,145	6,372	6,608	6,852
UTILITIES	8,936	11%	0%	5 yr. Avg. &3.7%	9,736	10,096	10,470	10,857	11,259
TOTAL EXPENSE	**175,147**	**19%**	**6%**		**177,072**	**186,954**	**198,965**	**213,800**	**232,396**
				NET INCOME	**35,107**	**44,713**	**54,068**	**62,665**	**69,768**

STEADY STATE SCENARIO - VERSION 6 Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10	
Income				Prop 172 Public						
PROPERTY TAX	117,757	20%	7%	Safety funds	126,000	134,821	144,258	154,356	165,161	
INTEREST	932	97%	-8%	no longer available	858	789	726	668	615	
44190 · State Homeowner's Exemption	1,701	8%	-2%							
44960 · Proposition 172 Public Safety	22,186	9%	4%							
INTERGOV.	23,887	9%	4%		1,769	1,840	1,914	1,990	2,070	
PARCEL Assessments	39,737	0%	0%		39,737	39,737	39,737	39,737	39,737	
46200DO · Donations Revenue	3,447	38%	7%		3,688	3,946	4,222	4,518	4,834	
46200R · Station #1 Rental	400	-5%	-2%		392	384	376	369	362	
46200RS · Road Sign Revenue	430	-46%	-10%	**3yr avg.**	638	638	638	638	638	
46200 · Other Revenue - MISC	88	-33%	-47%		47	25	13	7	4	
43010MI · Interest Income Mitigation Fund	309	4%	-16%	**$400/yr. Fixed**	400	400	400	400	400	
TOTAL INCOME	**186,988**	**14%**	**4%**		**173,529**	**182,580**	**192,284**	**202,683**	**213,820**	**14%**
Expense										
PERSONNEL	64,439	39%	22%		66,267	66,871	67,491	68,127	68,780	**7%**
ADMINISTRATION	38,828	1%	41%		35,533	37,533	39,679	41,983	44,458	**14%**
FIREFIGHTING/ER RELATED	50,969	18%	-3%		53,088	58,654	65,818	75,142	87,399	**71%**
FACILITY MAINT/IMPROVE	4,478	-11%	23%	**5yr. Avg & 3.7%**	6,523	7,655	9,136	11,083	13,647	**205%**
OFFICE SUPPLIES/EQUIP.	7,498	13%	19%		5,925	6,145	6,372	6,608	6,852	**-9%**
UTILITIES	8,936	11%	0%	**5 yr. Avg. & 3.7%**	9,736	10,096	10,470	10,857	11,259	**26%**
TOTAL EXPENSE	**175,147**	**19%**	**6%**	**TOTAL EXPENSE**	**177,072**	**186,954**	**198,965**	**213,800**	**232,396**	**33%**
				NET INCOME	**-3,543**	**-4,374**	**-6,681**	**-11,117**	**-18,576**	

POSSIBLE SCENARIO - Version 7

STEADY STATE SCENARIO - VERSION 7 PAID FIREFIGHTERS Ordinary Income/Expense	Jul 2004 Jun 2005	ROC 04 - 05	5 yr Avg. ROC	ASSUMPTION	2005-'06	2006-'07	2007-'08	2009-'10	2010-'11	Increase Over 2005
Income				ALL INCOME						
PROPERTY TAX *subtotal*	117,757	20%	**7%**	CHANGES	126,000	134,821	144,258	154,356	165,161	
INTEREST	932	97%	**-8%**		858	789	726	668	615	
INTERGOVERNMENTAL *subtotal*	23,887	9%	**4%**		24,843	25,837	26,870	27,945	29,063	
PARCEL Assessments	39,737	0%	**0%**		39,737	39,737	39,737	39,737	39,737	
46200DO · Donations Revenue	3,447	38%	**7%**		3,688	3,946	4,222	4,518	4,834	
46200R · Station #1 Rental	400	-5%	**-2%**		392	384	376	369	362	
46200RS · Road Sign Revenue	430	-46%	**-10%**	3yr avg.	638	638	638	638	638	
46200 · Other Revenue - Misc	88	-33%	**-47%**		47	25	13	7	4	
43010MI · Interest Income Mitigation Fund	309	4%	**-16%**	$400/yr. Fixed	400	400	400	400	400	
TOTAL INCOME	**186,988**	**14%**	**4%**		**196,603**	**206,576**	**217,241**	**228,638**	**240,813**	**29%**
Expense										
PERSONNEL *subtotal*	64,439	39%	**22%**		66,267	66,871	67,491	68,127	68,780	**7%**
Paid Firefighters + PR burden				05-'06 plus 3.7%	0	86,000	89,182	92,482	95,904	**12%**
ADMINISTRATION *subtotal*	38,828	1%	**41%**		35,533	37,533	39,679	41,983	44,458	**14%**
FIREFIGHTING/ER RELATED *subtotal*	50,969	18%	**-3%**		53,088	58,654	65,818	75,142	87,399	**71%**
FACILITY MAINT/IMPROVE *subtotal*	4,478	-11%	**23%**	5 yr. Avg plus 3.7%	6,523	7,655	9,136	11,083	13,647	**205%**
OFFICE SUPPLIES/EQUIP. *subtotal*	7,498	13%	**19%**		5,925	6,145	6,372	6,608	6,852	**-9%**
UTILITIES *subtotal*	8,936	11%	**0%**	5 yr. Avg. plus 3.7%	9,736	10,096	10,470	10,857	11,259	**26%**
TOTAL EXPENSE	**175,147**	**19%**	**6%**	TOTAL EXPENSE	**177,072**	**272,954**	**288,147**	**306,281**	**328,299**	**87%**
				NET INCOME	**19,531**	**-66,377**	**-70,906**	**-77,644**	**-87,487**	

TABLE C

GRAND JURY REPORT
14 June 2005
"For Emergency Only - A Review of Nevada County's Fire Protection Districts"
and
LAFCo MUNICIPAL SERVICE REVIEW
13 January 2005

Table C
Fire Protection District
Revenue Sources

Fire Protection District	Parcels in District	2002/03 Expense ($K)	Prop. Taxes to FPD ($K)	Prop. Taxes as % of Revenue	Assessment Per Parcel	Prop. 172 Fees ($K)
Western Nevada County						
North San Juan FPD	1679	280	99.8	72%	$27.50	20.5
Penn Valley FPD	5076	1,966	265.3	25%	$11.22	64.1
Higgins Area FPD	3857	1,076	758.9	60%	$25.00	47.5
Rough and Ready FPD	657	141	131.2	66%	$0.00	16.9
Central Nevada County						
Ophir Hill FPD	1598	267	267.3	62%	$0.00	31.2
Peardale/Chicago Park FPD	1952	299	131	35%	$58.00	14.2
Washington Co. Water Dist.	170	3	0	NP*	$0.00	2.8
Nev. Co. Consolidated FPD	16,342	2,480	1,919.00	70%	$89.00	212.5
Eastern Nevada County						
Donner Summit PUD	209	714	0	11%	$100.00	10.0
Truckee FPD	14,005	3,236	2,873.1	73%	$0.00	0

*NP - Not provided

NEVADA COUNTY TAX FUND ALLOCATIONS
as of 11/1/2005

4:24 PM 11/15/2005 EST05TAX.xls Page 1

	A	B	C	D	E	F	G	H	I	J	K	L
1									Updated 11/1/05			
2	**Estimated 2005-06 1% Property Taxes without delinquency**							prepared by:	Linda Sager 10/7/05			
3								approved by:				
4			AB8%	(A)	(C)	(D)	(E)		(B)			Total for
5			After ERAF		Non-		Homeowner	Sub	Unitary			Teeter apport.
6			ref: tax05.xls	Secured	Unitary	Unsec	Sec & Uns	Total	ref: 05unlap.xls	Total		D + E + I
7				123,956,172	139,314	2,916,456	1,718,805	128,730,747	2,217,089	130,947,835		
8	101	General	14.455505%	17,918,491	20,139	421,588	248,462	18,608,680	646,812	19,255,492		18,585,442
9	302	NID	5.344317%	6,624,610	7,445	155,865	91,858	6,879,779	104,674	6,984,453		6,736,730
10	313	City of NC	0.658363%	816,081	917	19,201	11,316	847,515	23,968	871,483		840,966
11	314	City of GV	1.349927%	1,673,318	1,881	39,370	23,203	1,737,771	57,421	1,795,193		1,732,620
12	345	Town of Trk	5.223812%	6,475,237	7,278	152,360	89,787	6,724,652	15,701	6,740,353		6,498,216
13	348	Higgins FD	0.721695%	894,585	1,005	21,048	12,405	929,043	12,486	941,529		908,077
14	800	CP SD	0.220534%	273,366	307	6,432	3,791	283,896	5,042	288,938		278,716
15	810	CC SD	0.279547%	346,516	389	8,153	4,805	359,863	19,848	379,711		366,753
16	820	GV SD	4.738451%	5,873,602	6,601	138,195	81,445	6,099,843	128,885	6,228,728		6,009,089
17	830	NC SD	4.233787%	5,248,040	5,898	123,477	72,771	5,450,185	133,872	5,584,058		5,387,811
18	840	PR SD	3.564912%	4,418,929	4,966	103,969	61,274	4,589,138	64,313	4,653,451		4,488,208
19	850	PV SD	1.074015%	1,331,308	1,496	31,323	18,460	1,382,588	19,732	1,402,320		1,352,537
20	860	RS SD	1.040303%	1,289,520	1,449	30,340	17,881	1,339,190	27,453	1,366,644		1,318,423
21	880	UH SD	0.578223%	716,743	806	16,864	9,939	744,351	12,102	756,453		729,651
22	890	TR SD	0.512631%	635,438	714	14,951	8,811	659,914	24,608	684,523		660,761
23	900	CSSF	0.792204%	981,986	1,104	23,104	13,616	1,019,810	20,242	1,040,053		1,003,332
24	910	NUHS	12.532495%	15,534,801	17,460	365,505	215,409	16,133,174	334,037	16,467,211		15,886,297
25	920	S. College	8.459839%	10,486,493	11,786	246,727	145,408	10,890,414	195,977	11,086,391		10,694,255
	930	TTJU	6.279749%	7,784,137	8,749	183,148	107,937	8,083,968	97,057	8,181,025		7,889,942
	940	Placer Ed	0.836676%	1,037,112	1,166	24,401	14,381	1,077,060	13,748	1,090,807		1,052,025
26	945	ROP	0.588506%	729,492	820	17,164	10,115	757,591	15,464	773,055		745,776
29	705	Truckee FD	2.848322%	3,530,671	3,968	83,070	48,957	3,666,666	34,893	3,701,559		3,569,532
30	707	Truckee Sanitary	2.350095%	2,913,088	3,274	68,539	40,394	3,025,295	30,083	3,055,379		2,948,446
31	708	Nev Cemetery	0.227858%	282,445	317	6,645	3,916	293,324	6,938	300,262		289,700
32	709	Trk Cemetery	0.079545%	98,601	111	2,320	1,367	102,399	1,421	103,820		100,133
33	710	RCD	0.127608%	158,179	178	3,722	2,193	164,271	2,517	166,788		160,873
34	711	SJ Water	0.008517%	10,558	12	248	146	10,964	328	11,292		10,898
35	713	Wash Water	0.017150%	21,259	24	500	295	22,078	776	22,854		22,059
36	714	Tah Forest Hosp	1.123574%	1,392,740	1,565	32,769	19,312	1,446,386	17,506	1,463,892		1,411,811
37	715	Don Summit PUD	0.073917%	91,625	103	2,156	1,270	95,154	5,036	100,190		96,764
38	716	Tahoe Trk Airport	0.878776%	1,089,297	1,224	25,629	15,104	1,131,255	13,624	1,144,879		1,104,145
39	721	Ophir Hill FPD	0.224448%	278,217	313	6,546	3,858	288,933	6,413	295,346		284,942
40	722	Consolidated FD	1.637808%	2,030,164	2,282	47,766	28,151	2,108,362	41,237	2,149,599		2,073,682
41	723	Peardale FD	0.112134%	138,997	156	3,270	1,927	144,351	2,481	146,832		141,634
42	724	R&R FD	0.119777%	148,471	167	3,493	2,059	154,189	3,497	157,686		152,134
43	726	Trk Don Rec&Park	2.259913%	2,801,302	3,148	65,909	38,843	2,909,203	0	2,909,203		2,804,450
44	743	TTSA	0.519812%	644,338	724	15,160	8,935	669,157	40,802	709,959		685,865
45	745	Penn Valley FD	0.231298%	286,709	322	6,746	3,976	297,752	6,657	304,409		293,687
46	215	CSA 1A Z1	0.016481%	20,429	23	481	283	21,216	4,736	25,952		25,188
47	232	CSA 1A Z2	0.002351%	2,914	3	69	40	3,026	322	3,347		3,238
48	237	CSA 1A Z3	0.003162%	3,920	4	92	54	4,071	53	4,124		3,977
49	216	CSA 2	0.002261%	2,803	3	66	39	2,911	51	2,962		2,857
50	781	LOP Ranchos	0.011361%	14,083	16	331	195	14,625	31	14,656		14,130
51	347	Truckee RDA	1.018759%	1,262,815	1,419	29,712	17,510	1,311,456	386	1,311,842		1,264,620
52	514	GV Redevelop	0.929757%	1,152,491	1,295	27,116	15,981	1,196,883	1,399	1,198,282		1,155,186
53	459	Educ Rev Aug	11.588741%	14,364,960	16,145	337,981	199,188	14,918,273	17,098	14,935,371		14,398,203
54	720	North San Juan FD	0.085592%	106,096	119	2,496	1,471	110,183	188	110,371		106,404
55	775	Bear River Rec&Pk	0.015467%	19,198	22	452	266	19,937	24	19,961		19,244
56												
57			100.000000%	123,956,172	139,314	2,916,456	1,718,805	128,730,747	2,211,941	130,942,688		126,307,427
								128,730,747		130,942,688		126,307,427
60												
61												
62	property taxes/taf/0405/est04tax.xls											

VOTING REQUIREMENTS

TYPE	VOTE NEEDED	WHO VOTES	VOTE REQUIREMENT
TAXES			
General	Yes	All voters in affected area	Majority
Special	Yes	All voters in affected area	2/3
ASSESSMENTS			
All	Yes	Property Owners	Majority
FEES			
Property Related	Yes	Either Property Owners or Voters	Majority of Property Owners or 2/3 Voters

SCHEDULE A - 4144 - "Amador"
INDEX 2300 PCA 27342

This is Schedule A - 4144 of the Cooperative Agreement, dated July 1, 2006 Between State of California Department of Forestry and Fire Protection and Smartsville Fire Protection District, a Local Agency

PERSONNEL SERVICES:

	Qty	Classification	Months	Period	Monthly Rate	Total Salary	Benefit Rate	TOTAL
							51.78	
Fire Control & Emergency Services:								
Smartsville - Sta. 40								
	2	FFI	7.0	11/1-5/31	$2,837	$39,718	$20,566	$60,284
							26.89	
	2	FFI	7.0	11/1-5/31	$397	$5,558	$1,495	$7,053

Subtotal Personal Services: $67,337

OPERATING EXPENSE:

Communications

	Type	Period	Units	Mos.	Rate		Total
Engine/Batt. Chief	Mobile	11/1-5/31	2	7	$13.61		$191
Engine/Batt. Chief	Elec. Siren	11/1-5/31	2	7	$8.69		$122
Engine/Batt. Chief	Handi-talkie	11/1-5/31	2	7	$8.01		$112
						Total:	$424
						26.89	
Uniform Allowance (FFI)			2	7	$70.00	$622	$622

	No.	Type	Mos.	Rate		Total
Vehicles	1	Engine/state-owned	7	$350.00		$2,450
	1	Pickup (est. miles 2,000 mile	-	0.24		$480
Utilities	1	CDF Station	7	$350.00		$2,450
					Total:	$5,380

Subtotal Operating Expense - $6,426

Subtotal Personal Services & Operating Expense - $73,763

Administrative Charge @ 9.10% $6,712

GRAND TOTAL AGREEMENT $80,475

SCHEDULE A - 4144 - "Amador"
INDEX 2300 PCA 27342

This is Schedule A - 4144 of the Cooperative Agreement, dated July 1, 2006
Between State of California Department of Forestry and Fire Protection
and Smartsville Fire District, a Local Agency

PERSONNEL SERVICES:

	Qty	Classification	Months	Period	Monthly Rate	Total Salary	Benefit Rate	TOTAL
							51.78	
Fire Control & Emergency Services:								
Smartsville - Sta. 40	3	Captain	7.0	11/1-5/31	$4,022	$84,462	$43,734	$128,196
Educ. Inc.	3	FC	7.0	11/1-5/31	$75	$1,575	$816	$2,391
Longevity	3	FC	7.0	11/1-5/31	$282	$5,922	$3,066	$8,988
							Benefit Rate	
							1.45	
Unplanned OT						$4,000		$4,058
					Subtotal prior to applying 15% Service Delivery Cost Reduction			$143,633
							Subtotal Personal Services:	**$21,545**

OPERATING EXPENSE:

Communications

	Type	Period	Units	Mos.	Rate		Total
Engine/Batt. Chief	Mobile	11/1-5/31	2	7	$13.61		$191
Engine/Batt. Chief	Elec. Siren	11/1-5/31	2	7	$8.69		$122
Engine/Batt. Chief	Handi-talkie	11/1-5/31	2	7	$8.01		$112
						Total:	$424

	No.					
						$0

		Type	Mos.	Rate		Total
Vehicles	1	Engine/state-owned	7	$350.00		$2,450
	1	Pickup (est. miles 2,000 mile	-	0.24		$480
Utilities	1	CDF Station	7	$350.00		$2,450
					Total:	$5,380

Subtotal Operating Expense - $5,804

Subtotal Personal Services & Operating Expense - $27,349
Administrative Charge @ 9.10% $2,489
GRAND TOTAL AGREEMENT $29,838

SCHEDULE A - 4144 - "Amador"
INDEX 2300 PCA 27342

This is Schedule A - 4144 of the Cooperative Agreement, dated July 1, 2006 Between State of California Department of Forestry and Fire Protection and Smartsville Fire District, a Local Agency

PERSONNEL SERVICES:

	Qty	Classification	Months	Period	Monthly Rate	Total Salary	Benefit Rate	TOTAL
							51.78	
Fire Control & Emergency Services:								
Smartsville - Sta. 40	2	Captain	7.0	11/1-5/31	$4,022	$56,308	$29,156	$85,464
Educ. Inc.	2	FC	7.0	11/1-5/31	$75	$1,050	$544	$1,594
Longevity	2	FC	7.0	11/1-5/31	$282	$3,948	$2,044	$5,992
							Benefit Rate	
							1.45	
Unplanned OT						$4,000		$4,058
						Subtotal prior to applying 15% Service Delivery Cost Reduction		$97,108
							Subtotal Personal Services:	**$14,566**

OPERATING EXPENSE:

Communications

	Type	Period	Units	Mos.	Rate		Total
Engine/Batt. Chief	Mobile	11/1-5/31	2	7	$13.61		$191
Engine/Batt. Chief	Elec. Siren	11/1-5/31	2	7	$8.69		$122
Engine/Batt. Chief	Handi-talkie	11/1-5/31	2	7	$8.01		$112
						Total:	$424

	No.						
							$0

		Type	Mos.	Rate		Total
Vehicles	1	Engine/state-owned	7	$350.00		$2,450
	1	Pickup (est. miles 2,000 mile	-	0.24		$480
Utilities	1	CDF Station	7	$350.00		$2,450
					Total:	$5,380

Subtotal Operating Expense -	**$5,804**
Subtotal Personal Services & Operating Expense -	**$20,370**
Administrative Charge @ 9.10%	**$1,854**
GRAND TOTAL AGREEMENT	**$22,224**