



February 5, 2025

Maurice Johnson, Interim General Manager
Cameron Park Community Services District
2502 Country Club Drive
Cameron Park, CA 95682

Dear Mr. Johnson:

As you are aware, over the past seven months representatives from the Cameron Park Community Services District and the El Dorado Hills Fire District have been discussing potentially annexing fire services from Cameron Park into El Dorado Hills. The purpose of this letter is to provide you with a summary of those discussions and recommended next steps for consideration by you and the Board of Directors.

Background

On July 17, 2024, the Cameron Park Board of Directors authorized staff to engage in discussions with the El Dorado Hills Fire District regarding annexation of fire protection services.

In addition, on November 20, 2024, the Board of Directors received a presentation regarding future year revenue and expense projections. This presentation identified two main points for consideration:

- 1) The financial position of the Cameron Park Community Services District is stronger if the District is not responsible for providing fire protection services.
- 2) Regardless of the outcome relative to fire protection services, the District is facing financial challenges and will either need to make service level reductions or increase revenue to be financially viable.

Annexation Discussions

Since July 2024, staff and elected representatives from the Cameron Park Community Services District and the El Dorado Hills Fire District had approximately nine ad hoc committee meetings plus multiple other internal meetings and staff level discussions with representatives from Cameron Park and El Dorado Hills.

On January 22, 2025, El Dorado Hills had a Regionalization Committee meeting where the annexation discussions were covered in detail. Following this meeting, Cameron Park was updated on preferences from El Dorado Hills.

The discussions covered a variety of topics related to annexation, including the following:

1) Board Representation

During initial discussions among the ad hoc committees, there was consensus that upon completion of the annexation efforts, the governing board would expand to seven members and then transition to a five-member governing board where each member represents a specific district within the boundaries of the expanded district.

Cameron Park was recently informed that El Dorado Hills prefers to maintain 'at-large' representation on the governing board.

2) First Responder Fees

On August 17, 2022, Cameron Park approved a First Responder Fee totaling approximately \$214 per fire engine response which is estimated to generate between \$200,000 - \$250,000 in Fiscal Year 2024/25. During the ad hoc committee discussions, it was determined that upon annexation into a single district, the district would need to discontinue the existing Cameron Park First Responder Fee and re-establish a district wide First Responder Fee which would cover both El Dorado Hills and Cameron Park Fire jurisdiction boundaries. If this was done, conservative estimates are that it would generate approximately \$500,000 in ongoing revenue for the larger combined district.

Currently, El Dorado Hills is not interested in implementing a first responder fee on their residents. If annexation were to occur, this would result in a reduction in the current First Responder Fee collected in Cameron Park for fire protection services.

3) Education Realignment Augmentation Fund (ERAF) exemptions

El Dorado Hills received confirmation from the State Controller's Office that they would not consider a request for an exemption to ERAF until after the annexation was completed.

As a reminder, in the June 2024 comparison analysis completed by Municipal Management Solutions, without a guarantee of an ERAF exemption, Cameron Park likely would not be able to afford to annex into El Dorado Hills.

4) Costs/Levels of Service

At the time annexation discussions began, it was estimated that a 3-0 staff engine would cost approximately \$2,950,000/year. During the annexation discussions, representatives from Cameron Park and El Dorado Hills explored a variety of service level models with varying costs.

On January 7, 2025, El Dorado Hills provided a memo, a copy of which is attached, to Cameron Park identifying the costs to staff Station 88 and Station 89 with 3-0 staffed engines would be approximately \$6,393,000/year, plus an additional one-time cost of approximately \$1.5 million related to the following:

- New Self-Contained Breathing Apparatus (SCBA)
- Apparatus capital replacement catch-up.
- Alerting System 88
- Alerting System 89
- Early hire of personnel

Costs to staff a single station (e.g., Station 89) would total approximately \$3,618,000/year plus the additional one-time costs of \$1.5 million as described above.

Based on this information, representatives from Cameron Park and El Dorado Hills feel annexation between the two agencies is not feasible at this time.

Recommendations

- 1) Authorize staff to discontinue annexation discussions with the El Dorado Hills Fire District.
- 2) Terminate the existing Fire Annexation Ad-Hoc Committee.
- 3) Direct staff to return to the Board as soon as possible, pending receipt of cost information from CalFire, with a recommendation relative to a multi-year contract extension with CalFire.
- 4) Consider directing staff to contact El Dorado County Fire to determine if they are interested in engaging in annexation discussions with the Cameron Park Fire Protection District at this time.
- 5) Consider directing staff to explore a ballot initiative requesting voter approval of a property tax assessment to generate new revenue to fund fire services or parks and recreation services, and report back to the Board no later than August 2025.

Please let me know if you have any questions or require additional information.

Sincerely,



Don Ashton, MPA
Municipal Management Solutions

Attachment

