



**CAMERON PARK
COMMUNITY SERVICES DISTRICT
COMPARATIVE ANALYSIS FOR ONGOING FIRE
PROTECTION SERVICES**



Prepared by:
Don Ashton, MPA, Consultant
Municipal Resource Group, LLC
May 24, 2024

TABLE OF CONTENTS

I. Executive Summary 1

II. Purpose/Scope..... 2

III. Overview 2

IV. History of Fire Services 3

V. Governance..... 5

VI. Mission/Vision/Values 6

VII. Critical Issues 7

VIII. Hiring and Retention 8

IX. Safety Practices..... 9

X. Staffed Fire Stations 9

XI. Fleet* 14

XII. Engine Staffing 15

XIII. Financial Overview 16

XIV. Educational Realignment Augmentation Fund (ERAF) 20

XV. Summary of Findings 21

XVI. Conclusion/Recommendations..... 23

I. EXECUTIVE SUMMARY

Due to increasing costs and lack of revenue growth, the Cameron Park Community Services District requested a review of options for sustainable fire protection services. This comparative analysis focuses on the services and costs of continuing fire protection services through a contract with Cal Fire, as well as the services and costs of receiving ongoing fire protection services through an annexation with the El Dorado County Fire Protection District or the El Dorado Hills Fire Department. Specific areas of focus include governance, hiring practices, safety, staffing levels and costs.

It needs to be emphasized that Cal Fire, the El Dorado County Fire Protection District and the El Dorado Hills Fire Department all provide a very high level of service to the communities they serve. As a result, the most significant factors in determining how to move forward will likely focus on the one-time transfer of property tax revenue to either annexing partner versus the long-term sustainability of fire protection services to the Cameron Park community.

One element that is not discussed in this report relates to unfunded pension liabilities due to the amount of time it would take to complete an accurate analysis that is meaningful to the Board of Directors. That being said, El Dorado Hills and County Fire continue to take proactive efforts to ensure revenues are being set aside to cover future costs associated with unfunded pension liabilities, and this will continue to be a challenge for most public sector agencies.

Since 1996, the Cameron Park Community Services District has contracted with Cal Fire to provide the full scope of fire protection services to the Cameron Park Community. The current contract with Cal Fire expires on June 30, 2025. Considering Cal Fire continues to provide a high level of service to the community, the amount of time it will likely take to complete the annexation process and estimated costs provided by Cal Fire, it is recommended that the Cameron Park Community Services Board of Directors direct staff to negotiate a contract extension with Cal Fire through June 30, 2028.

In addition, it is recommended that the Board of Directors direct staff to continue the annexation process with the El Dorado Hills Fire Department. As mentioned above, this will be a difficult decision by the Board of Directors since the El Dorado Hills Fire Department and El Dorado County Fire Protection District provide high levels of service to the communities they serve; either would likely be successful in providing the same level of service if annexed into Cameron Park.

While the El Dorado County Fire Protection District is a more affordable option, when considering long-term sustainability, location of existing fire stations and the ability to recruit and retain staff primarily due to higher compensation, El Dorado Hills appears to be the best long-term solution. Additional details, findings and recommendations are included in the report; these will hopefully assist the Board of Directors in making the most informed decision, and the one they determine to be in the best interest of their constituents.

II. PURPOSE/SCOPE

On May 1, 2024, the General Manager requested the assistance of Municipal Resource Group, LLC (MRG) in preparing a comparative analysis for the Board of Directors, specifically providing options for annexation of fire services. Based on this request, the primary purpose of this report is to determine the following:

- Whether the El Dorado County Fire Protection District and the El Dorado Hills Fire Department are viable as potential annexation partners.
- If possible, determine which agency would be the preferred option for annexation, taking into consideration costs; governance, consistency with the Cameron Park Community Services District mission and vision for protection services; response capabilities; and long-term sustainability of fire protection services to Cameron Park residents.
- Identify the next steps to move forward with annexation if it is determined that either agency (e.g., El Dorado County Fire Protection District or El Dorado Hills Fire Department) are viable annexation partners.

III. OVERVIEW

This review focuses specifically on the Cameron Park Community Services District (Cameron Park CSD), which serves approximately 19,500 residents, El Dorado County Fire Protection District (County Fire), which serves approximately 49,400 residents, and the El Dorado Hills Fire Department (El Dorado Hills), which serves approximately 49,000 residents.

El Dorado County covers an area of 1,786 square miles, including 1,708 square miles of land and 78 square miles of water. It ranks as the 27th largest county in California in terms of total area. A significant portion of El Dorado County is designated as public land, including the El Dorado National Forest, Bureau of Land Management, and the Tahoe National Forest. El Dorado County consists of two incorporated cities, the City of Placerville, and the City of South Lake Tahoe. However, the largest population center is the unincorporated area of El Dorado Hills. Cameron Park is immediately east of El Dorado Hills and west of Shingle Springs.

According to estimates from the U.S. Census Bureau, the resident population of El Dorado County in 2020 was approximately 193,227 individuals. Most of the population growth occurred in El Dorado Hills; it had increased by about 24,000 residents since 2000, reaching its 2020 population of 42,108 residents.

Fire protection services in El Dorado County are provided by twelve separate fire districts/departments, three of which serve the Lake Tahoe Basin (e.g., City of South Lake Tahoe, Lake Valley, and Meeks Bay). The following fire districts/departments serve the West Slope of El Dorado County:

- Cameron Park Community Services District
- Diamond Springs Fire Protection District
- El Dorado County Fire Protection District
- El Dorado Hills Fire Department
- Garden Valley Fire Protection District
- Georgetown Fire Protection District
- Mosquito Fire Protection District
- Pioneer Fire Protection District
- Rescue Fire Protection District

The Community Services District was formed in 1961, with the full scope of services available to such districts pursuant to California Government Code, Section 61000, et seq. The community is on the western slope of the Sierra Nevada, along Highway 50, encompassing approximately 11.23 square miles; per the 2020 Census, Cameron Park has an estimated resident population of 19,509 individuals. Its sphere of influence currently contains about 1,134 acres.

Cameron Park CSD currently provides services throughout its legally established area, which encompasses 4,667 acres. These services include parks, recreation, covenants, conditions, and restrictions (CC&Rs), lighting and landscaping, solid waste collection, recycling and weed abatement.

IV. HISTORY OF FIRE SERVICES

Cameron Park Fire Department (Cameron Park)

Before 1996, Cameron Park operated its own fire department, and the fire personnel were district employees. In July 1996, Cameron Park contracted with Cal Fire to provide fire protection for the district's limited-service area. Since that time, Cal Fire has staffed two fire stations, providing a full scope of fire protection services to the Cameron Park community, including commercial, residential and wildland fire protection; Emergency Medical Services, providing Advanced Life Support first responders at a paramedic-level emergency medical response; technical rescue and hazardous materials response; emergency vehicle extrication, high and low angle; and hazardous conditions response such as flooding, downed power lines, etc. In addition, Cal Fire provides prevention services such as inspections, plan checks, fire investigations, code enforcement and public safety education. Dispatch is provided through an agreement with Cal Fire Camino Emergency Command Center. In 2021, Cameron Park received a Class 3 Public Protection Classification from the Insurance Services Office.¹

Overall, the Cameron Park Board of Directors and the community have been very satisfied with the level of service provided by Cal Fire.

¹ The Insurance Services Office ranks fire departments on a scale of 1 to 10, with one being the best. A Class 3 ranking means the fire department has a fire station within five road miles of a fire station and within 1,000 feet of fire hydrant.

The current agreement between Cameron Park and Cal Fire which became effective July 1, 2023, maintains staffing at both fire stations and expires on June 30, 2025. The Not-to-Exceed amount of the agreement totals \$10,601,450. Historically, the total costs paid to Cal Fire come in under the Not-to-Exceed amount of the contract; at the time of this report, Cal Fire estimates the total cost for FY 2023/24 will be at least \$550,000 under the Not-to-Exceed amount.

El Dorado Hills Fire Department (El Dorado Hills)

The El Dorado Hills Fire Department is on the western side of El Dorado County, between the City of Folsom and the unincorporated community of Cameron Park. El Dorado Hills serves a small area in west Sacramento County, south of Highway 50, and operates mainly in a sub-urban environment like Cameron Park.

In 1963, the El Dorado Hills County Water District was formed to provide water and sewer services to the community of El Dorado Hills. The Fire Department was established under the El Dorado Hills Water District in the same year. In 1973, the residents of El Dorado Hills voted to have the water and sewer systems operated by the El Dorado Irrigation District, leaving only fire protection under the direction of the El Dorado Hills County Water District Board.

The fire department serves the unincorporated communities of El Dorado Hills and Latrobe from five stations throughout the district. In addition to the five stations, El Dorado Hills has a large, state-of-the-art training center next to Station 87, located at 4680 Golden Foothill Pkwy.

El Dorado Hills is an all-hazards fire department providing traditional structural fire suppression, wildland firefighting, emergency medical services, medical first-response, Advanced Life Support, rescue, and hazardous materials first response. El Dorado Hills deploys its apparatus and personnel from five fire stations and received a Class 3 Public Protection Classification from the Insurance Services Office in 2021. In addition, El Dorado Hills provides fire prevention services such as inspections, code enforcement, plan checks, fire investigations, public education programs, and inspections of public and private properties for compliance with their weed abatement ordinance.

El Dorado County Fire Protection District (County Fire)

Formed on March 1, 1991, County Fire primarily operates in a rural environment, serving the communities of Apple Hill, Camino, Coloma, Cool, Gold Hill, Kyburz, Lotus, Oak Hill, Pacific House, Pilot Hill, Placerville, Pleasant Valley, Pollock Pines, Salmon Falls, Shingle Springs, Sierra Springs, Silver Fork, Strawberry, Texas Hill, and Twin Bridges. A narrow corridor of the district extends to the eastern portion of El Dorado County along Highway 50 to the boundary of Lake Valley Fire Protection District.

County Fire is an all-hazards fire district providing traditional structural fire suppression, wildland firefighting, emergency medical services, medical first response, rescue, and hazardous materials first response. County Fire deploys its apparatus and personnel from five staffed fire stations. In 2022, County Fire received a Class 3 Public Protection Classification from the Insurance Services Office. In addition, County Fire provides prevention services such as

inspections of public and private property, code enforcement, plan reviews, fire investigations, and public education programs. While County Fire does not have their own weed abatement ordinance, they do participate in enforcing the El Dorado County Board of Supervisors vegetation management ordinance.

Currently, County Fire is annexing with the Diamond Springs Fire Protection District. One finding of note in the Annexation Feasibility Study prepared for this annexation states, *“In the future the joint annexation District may need additional revenue.”* It should be noted that County Fire is not unique in this regard and most rural fire districts in El Dorado County, and throughout rural California, will likely need additional revenue in the long-term.

Finding #1: Like the finding identified in the Annexation Feasibility Study for County Fire and Diamond Springs, it is likely that if Cameron Park chooses to annex with County Fire, additional revenue will be needed in future years to staff and maintain Station 88 and Station 89 in Cameron Park.

V. GOVERNANCE

	Cameron Park CSD	County Fire	El Dorado Hills
Board Members	5	5	5
District Specific/At Large	At-Large	District Specific	At-Large
Term	4 Years	4 Years	4 Years
Fire Chief	Appointed by CalFire	At-Will	At-Will

Finding #2: Considering the population of Cameron Park, it is in the community’s best interest for the governing body to be elected by specific district versus an ‘at-large’ representation. While El Dorado Hills is agreeable to the ‘District Specific’ model, regardless of which agency is chosen for annexation, the governance structure will need to be negotiated and if the ‘District Specific’ model is chosen, boundary lines will need to be drawn to ensure adequate representation of each section of the community.

VI. MISSION/VISION/VALUES

	Cameron Park	El Dorado Hills	County Fire
Mission	To preserve and enhance the quality of life and to safeguard the health, safety, and welfare of the community through effective fire prevention, fire control, emergency medical, and public education programs; to provide a highly trained and properly equipped emergency response team and to mitigate the effects of disasters and all hazards to life and property for which the organization is charge.	We, the El Dorado Hills Fire Department, exist to serve and protect the Community through Emergency Management.	We are dedicated to providing professional and courteous service to our citizens and communities with Pride, Trust & Integrity.
Vision	To be the leader in providing fire prevention and protection, emergency response, and enhancement of natural resource systems.	We will be a leader in emergency services. We will be a diverse workforce that provides quality fire and life safety services through proactive and innovative training, education, code enforcement, risk assessment and community service.	N/A
Values	Service – Cooperation- Protection	Integrity...Services... Excellence	PRIDE: Professionalism Respect Integrity Dedication Excellence

There are no material findings as the Mission/Vision/Values are consistent between the three agencies and, if necessary, can be revised upon creation of a new fire district.

VII. CRITICAL ISSUES

Cameron Park Community Services District

- Likely the number one priority for the Cameron Park Community Services District is identifying how to continue providing a high level of fire protection services while also maintaining the existing levels of parks, recreation, and other services. Increasing costs and lack of revenue growth has made this challenging.
- Ongoing fiscal challenges that prevent Cameron Park from funding sufficient staff to meet National Fire Protection Association guidelines and recommendations, such as staffing three firefighters per engine.
- Lack of necessary funding to establish a deferred maintenance and capital improvement/replacement plan for Community Services District facilities and infrastructure.
- The implementation of an equipment replacement plan to ensure the safety of all CPCSD staff, including Cal Fire personnel.
- The size and obsolescence of Station 88. Constructed in 1990, it is not large enough to support industry standard staffing levels.

El Dorado Hills Fire Department

- Aging communications system.
- Neighboring Fire Districts stability.
- Staffing challenges, especially as related to anticipated retirements.
- High growth rate and impact on the Community Risk Reduction Division. Specifically, the Community Risk Reduction Division has not developed as rapidly as the community and department have expanded.²

El Dorado County Fire Protection District

- Funding for long-term rising employee costs, apparatus, and facilities costs.
- PERS Unfunded Liabilities.
- Recruitment and retention of personnel.
- Supply chain impacts from EMS supplies to apparatus repairs.

Finding #3: Cameron Park has significant funding challenges which jeopardize existing service levels, while County Fire's primary concerns relate to pension liabilities and

² The National Fire Protection Association (NFPA) defines Community Risk Reduction as a process to identify and prioritize local risks, followed by the integrated and strategic investment of resources to reduce their occurrence and impact.

recruitment/retention of staff. El Dorado Hills' primary challenge is ensuring the department can continue to expand to meet the service demands of its growing community. In addition, El Dorado Hills is concerned with the long-term sustainability of fire districts located on the West Slope, which, if they suffer and/or reduce services due to funding challenges, will impact the County's fire and emergency medical services response system on the West Slope.

VIII. HIRING AND RETENTION

Cameron Park/Cal Fire, El Dorado Hills and County Fire have all demonstrated success in recruiting and hiring personnel. When compared to County Fire, El Dorado Hills has historically had an easier time recruiting and retaining staff due to higher employee compensation. In addition, on occasion, El Dorado Hills hires staff from County Fire. An entry level Firefighter/Paramedic for El Dorado Hills is paid \$32.25/hour at Step 1, while an entry level Firefighter/Paramedic for County Fire is paid \$24.6/hour at Step 1.

All three agencies conduct a recruitment program, qualification program, reference checks, physical standard requirements, knowledge testing, interviews, and medical examinations. El Dorado Hills and County Fire also conduct thorough background investigations. Based on direction from the State of California, CalFire staff are required to complete the State Department of Justice Livescan process, but they do not conduct a comprehensive background check.

It should be noted that there is a shortage of firefighters throughout California. On April 13, 2023, CBS News reported the Forest Service stating in California they were short 650 firefighters. Similarly, Cal Fire reportedly stated they needed to hire 1,700 people for jobs ranging from firefighters to fire reduction to reforestation.

Finding #4: When compared to County Fire, El Dorado Hills has an easier time recruiting and retaining staff due to higher compensation and likely due to being closer to larger population centers.

Finding #5: The State of California's direction not to allow Cal Fire to conduct comprehensive background checks increases the organization's risk and liability.

IX. SAFETY PRACTICES

As all are aware, firefighters have an extremely dangerous job, and the fire service must take every reasonable precaution to minimize exposure and ensure consistent medical monitoring. All three departments excel in taking a proactive approach to ensuring the safety of their staff. Each department offers wellness programs, including education on healthy lifestyles, mental health support and illness prevention and cancer prevention. Additional examples of safety efforts include:

- Providing adequate physical fitness equipment.
- Providing annual or bi-annual medical exams to screen for heart disease or cancer.
- Providing line personnel with two sets of personal protective equipment.
- Performing gross decontamination at all fire scenes and then cleaning all personal protective equipment.

There are no material findings, as all three organizations take a proactive approach and place a priority on providing as safe a work environment as possible, considering the profession.

X. STAFFED FIRE STATIONS

The primary purpose of this section is to provide an overview of which fire stations are staffed, including:

1. The age and size of each fire station, as this impacts future renovation and capital replacement costs.
2. The location of each fire station that can provide timely response to Cameron Park residents.

****It is important to keep in mind, best practice is to dispatch five engines to a typical structure fire.***

Cameron Park Community Services District

Station 88 – 2961 Alhambra Dr., Cameron Park*

Original Construction: 1990.

3900 sq. ft.

**To accommodate a three-person crew, which is the industry standard, the interior of the fire station will likely need to be expanded.*



Station 89 – 3200 Country Club Dr., Cameron Park

Original Construction: 1962 with major renovation in 2003.

9680 Sq. Ft.



El Dorado Hills Fire Department

Station 84 – 2180 Francisco Dr., El Dorado Hills

Original construction: 2015.

10,633 sq. Ft.

Approx. 6.6 miles from Station 88
Approx. 9.4 miles from Station 89



Station 85 – 1050 Wilson Blvd., El Dorado Hills

Original Construction: 2005.

25,915 sq. Ft.

Approx. 9.6 miles from Station 88

Approx. 7.6 miles from Station 89



Station 86 – 3670 Bass Lake Rd., El Dorado Hills

Original Construction: 2001.

10,385 sq. Ft.

Approx. 5.2 miles from Station 88

Approx. 4.7 miles from Station 89



Station 87 – 4680 Golden Foothill Parkway, El Dorado Hills

Original construction: 2008.

13,119 sq ft

Approx. 10.9 miles from Station 88

Approx. 9 miles from Station 89



Station 91 – 7660 South Shingle Rd., Shingle Springs

Original construction: 1982 with complete renovation in 2018.

2,366 sq ft.

Approx. 12.4 miles from Station 88
Approx. 10.4 miles from Station 89



El Dorado County Fire Protection District

El Dorado County Fire Protection District consists of 14 fire station facilities. Five facilities are staffed with engine crews and two stations with support services personnel but without a fire engine crew. The following is the location of each staffed facility:

Station 17 – 6430 Pony Express Trail, Pollock Pines

Original construction 1956, remodeled in 2023.

4,950 sq. ft.

Approx. 27.3 miles from Station 88
Approx. 25.4 miles from Station 89



Station 19 – 4420 Pleasant Valley Rd., Placerville

Original construction: 1977.

5,460 sq. ft.

Approx. 22.1 miles from Station 88
Approx. 20.1 miles from Station 89



Station 21 – 4040 Carson Rd., Camino*

Original construction: 1976.
Remodeled 1991.

6,131 sq. ft.

Approx. 22.4 miles from Station 88
Approx. 20.4 miles from Station 89

**Administrative and support personnel only. This station does not include an engine unit.*



Station 25 – 3034 Sacramento St., Placerville

Original construction: 1950.
Remodeled in 1985.

5,358 sq ft.

Approx. 13.5 miles from Station 88
Approx. 20.1 miles from Station 89



Station 28 – 3860 Ponderosa Rd., Shingle Springs

Original construction: 2011.

10,049 sq. ft.

Approx. 3.9 miles from Station 88
Approx. 2.8 miles from Station 89



Station 72 – 7200 St. Florian Ct., Cool

Original construction: 1984.
Remodeled 2020.

5,501 sq. ft.

Approx. 22.4 miles from Station 88
Approx. 24.6 miles from Station 89



Station 74 – 5122 Firehouse Rd., Lotus*

Original construction: 1980.

8,648 sq. ft.

Approx. 11 miles from Station 88
Approx. 13.1 miles from Station 89

**One staff and houses EDCFPD’s swift water rescue boat and vehicle, but no fire engine.*



Finding #6: El Dorado Hills is better positioned than County Fire to respond more quickly due to the proximity of their fire stations to Cameron Park. With the ‘move up and cover’ model utilized by all West Slope fire districts; any structure fire will likely have engines from multiple fire districts responding.

Finding #7: El Dorado Hills fire stations are newer than those of Cameron Park and County Fire and will likely require fewer capital improvement costs in the near future.

XI. FLEET*

	Cameron Park/CalFire	County Fire	El Dorado Hills
Engines/Truck (including reserves)	6	14	13
Staff Vehicles	4	10	12
Water Tender		2	1
Engines/Truck On Order	1	4	3

**It should be noted that while CPCSD does not have comparable levels of equipment, which in part is due to the size of the district, Cal Fire has access to additional equipment to assist Cameron Park if necessary,*

depending on the circumstances. While it has not been a concern in the past, the timeliness and availability of this equipment during an emergency could be a concern.

There are no material findings relative to each agency's fleet as each agency appears to have a sufficient fleet to meet the needs of Cameron Park.

XII. ENGINE STAFFING

The National Fire Protection Association (NFPA), Section 1710 recommends each engine be staffed with one officer and three fire fighters. Currently, El Dorado Hills staffs all engines with three fire fighters, except Engine 85, which is staffed with four firefighters. County Fire provides three firefighters to all engines except Station 72, which is staffed with two. During discussions for this report, County Fire's Fire Chief confirmed it is their goal to staff all engines in accordance with NFPA recommendations. While El Dorado Hills and County Fire are unlikely to deviate from a minimum 3-0 staffing model, the El Dorado Hills and County Fire Chiefs both stated there are alternative staffing models that may be explored during the negotiation process to reduce costs.

Due to financial constraints facing Cameron Park, Cal Fire provides two staff per engine. It needs to be emphasized that Cal Fire would prefer to staff each engine in accordance with NFPA recommendations and would do so if sufficient funding were available from Cameron Park.

Finding #8: Financial limitations facing Cameron Park prevent Cal Fire from staffing each engine in accordance with NFPA recommendations without reducing services in other areas.

XIII. FINANCIAL OVERVIEW

Likely the most important financial decision point for Cameron Park, County Fire and El Dorado Hills is ensuring short-term and long-term sustainability to continue providing a high level of fire protection service. Important factors for consideration include the following:

- Based on historical trends as well as potential future commercial and residential developments, El Dorado Hills will experience higher growth rates than County Fire.
- El Dorado Hills receives an average of approximately 17.9% of the ad-valorem property tax revenue across all Tax Rate Areas. County Fire receives approximately 13%. As a result, when combined with potentially higher growth rates, El Dorado Hills is better positioned for long-term, sustainable funding that will be needed to keep pace with increasing costs. For comparison purposes, Cameron Park receives an average of approximately 13.3% across all Tax Rate Areas to support parks, recreation, and fire services.

Cameron Park will also need to determine the impact on other, non-fire related services, based on the amount of property tax that would be transferred during the annexation process. As mentioned earlier, one of the findings identified in the feasibility analysis relative to the annexation of County Fire and the Diamond Springs Fire Protection District is, *“In the future the joint annexation District may need additional revenue.”* This will likely also apply to Cameron Park’s potential annexation with County Fire and El Dorado Hills.

Relative to expenditures, each agency will need to determine the ownership and plan for reserve funds and capital asset resources, including fleet and facilities. Included in this effort will be negotiations between Cameron Park and the annexation partner relative to the transfer, ownership and/or long-term leases of equipment, buildings and other land assets currently owned by Cameron Park and used to support fire services.

El Dorado Hills and County Fire demonstrate fiscal stability. Unfortunately, Cameron Park’s fiscal stability is uncertain, as costs and service demand for fire, parks and recreation, garbage services, CC&Rs, ARC, LLAD management and maintenance outpace revenue growth. One of the key factors contributing to Cameron Park’s fiscal challenges are its high levels of service and the expectation from the community that these services continue with a lesser share of property tax than other special districts. Additionally, the impacts of COVID and large inflationary increases in all costs, including Fire, without equivalent increases in funding, have overextended Cameron Park’s ability to operate those services and maintain facilities.

Another key contributor to Cameron Park’s financial challenges is that the Cameron Park community is built out, making it unlikely to increase revenue through residential and commercial development.

While there is always a level of fiscal uncertainty in local government due to the heavy reliance on property tax revenue, special districts are limited in their ability to generate revenue outside

of voter-approved tax increases or assessments. Recent history has demonstrated that voters in El Dorado County do not support any form of tax increase or assessment.

For comparison purposes, the charts beginning on the following page include financial information for County Fire, El Dorado Hills Fire and Cal Fire. ***While annexing with Cal Fire is not an option and from a long-term perspective Cal Fire will be more expensive if/when they are required to staff in accordance with NFPA guidelines, the Cameron Park Board of Directors should keep in mind the best short-term decision may be to continue to contract with Cal Fire for fire protection services.***

Cameron Park Community Services District Overall (Including Fire Protection)						
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24 (Budget)
Property Tax Revenue	\$4,031,109	\$4,253,026	\$4,419,679	\$4,602,534	\$5,035,867	\$5,152,837*
All Other Discretionary Revenue	\$2,312,620	\$1,817,958	\$1,917,501	\$2,357,157	\$2,298,359	\$2,680,201
Total Discretionary Revenue	\$6,343,729	\$6,070,984	\$6,337,180	\$6,959,691	\$7,334,226	\$7,833,038
Total Discretionary Expense	(\$6,478,597)	(\$6,390,550)	(\$6,098,720)	(\$7,037,253)	(\$7,487,060)	(\$8,516,211)
Net Surplus/ (Shortfall)	(\$134,868)	(\$319,566)	\$238,460	(\$77,562)	(\$152,834)	(\$683,173)
Cameron Park Fire Protection Services						
Property Tax Allocated to Fire Protection	\$2,900,851	\$3,034,176	\$3,079,333	\$3,052,118	\$3,217,271	\$3,214,072
Ambulance JPA Reimbursement	\$1,180,533	\$1,122,400	\$1,127,797	\$1,150,000	\$1,254,545	\$1,353,200**
All Other Fire Revenue	\$196,027	\$60,970	\$240,786	\$274,220	\$207,398	\$325,199
Total Fire Revenue	\$4,277,411	\$4,217,546	\$4,447,916	\$4,476,338	\$4,679,214	\$4,892,471
Total Fire Expense	(\$4,072,093)	(\$4,193,651)	(\$3,972,733)	(\$4,383,043)	(\$4,491,475)	(\$5,602,094)***
Net Surplus/ (Shortfall)	\$205,318	\$23,895	\$475,183	\$93,295	\$187,739	(\$709,623)
% Property Tax allocated to Fire	72%	71.3%	69.7%	66.3%	63.9%	62.4%

*The Cameron Park Chief Fiscal Officer stated actual property tax revenues for FY 2023/24 will not be materially different than the budgeted amount.

**Revenue and expenses include JPA revenue and costs which are no longer applicable beginning in FY 2024/25.

***Total Fire Expense for FY 2023/24 is based on budget. CalFire anticipates ending the fiscal year with at least \$550,000 under the Not-to-Exceed amount of the contract.

Cameron Park Property Tax Growth Assumptions				
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Assuming 5% Growth	\$5,410,479	\$5,681,003	\$5,965,053	\$6,263,306
Projected Revenue Available for Annexation (Based on current allocation practices and fees collected)				
62.4% Property Tax Allocated to Fire	\$3,408,602	\$3,579,032	\$3,757,983	\$3,945,883
Additional Fire Service Revenue*	\$325,199	\$325,199	\$325,199	\$325,199
Total Available Revenue**	\$3,701,338	\$3,870,145	\$4,047,392	\$4,233,502

*Additional Fire Service Revenue is based on Cameron Park’s FY 2023/24 budget. For purposes of this discussion these revenues remain flat since it is difficult to determine what growth, or decline, could occur. Revenues include Fire Marshal Services (\$77,000), Fire Apparatus Equipment Rental (\$80,000), Donations (\$7,745), Grants (\$45,454) and First Responder Fee (\$115,000).

**Total Available Revenue is the sum of Property Tax and Additional Fire Service Revenue.

Finding 9: Using FY 2023/24 budgeted information, assuming a 5% increase in Property Tax revenue in FY 2024/25, assuming the current allocation amount of 62.4% of property taxes for fire protection, and assuming all other revenues and expenditures remain consistent, Cameron Park can potentially contribute approximately \$3.7 million to fire expenditures in FY 2024/25 without further impacting other services. *The actual amount will need to be determined by the Board of Directors and the General Manager and will consider other needs and priorities facing the CSD and negotiations with El Dorado Hills.*

CalFire Estimated Cost Projections				
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Current Contract	\$3.77M			
One Engine (Station 89)		\$2.95M	\$3.10M	\$3.25M
Two Engines (Station 88 & 89)		\$3.76M	\$3.94M	\$4.14M

Assumptions:

1) Costs no longer include ambulance services, as those services are now provided by El Dorado Hills through the Emergency Services Authority JPA.

- 2) Costs provide the same staffing levels identified in the current agreement except for one Battalion Chief position that will be deleted in FY 2024/25 and replaced with an additional firefighter for engine staffing.
- 3) Costs are current estimates provided by Cal Fire and would be finalized through negotiating the actual terms as part of a contract extension if desired by Cameron Park.
- 4) Assume 5% cost increase per year beginning in FY 2026/27.

Finding 10: Based on estimated costs and property tax growth assumptions, assuming no material change to Cameron Park CSD priorities while also taking into consideration Cal Fire will likely end FY 2023/24 with at least \$550,000 in savings and historically comes in lower than the Not-to-Exceed amount of the contract, it appears Cameron Park has sufficient revenues to continue contracting with Cal Fire through FY 2027/28 based on current service and staffing levels and keeping Station 88 and Station 89 open.

El Dorado Hills Fire – Estimated Costs for 2 Stations*	
Fixed Costs for two stations	\$209,598
Payroll and Benefits for two stations	\$3,733,254
Variable Costs for two stations	\$879,926
Total	\$4,822,778

Assumptions:

- 1) Based on 2023/24 budget.
- 2) Assumes 3-0 staffing model on each engine.

Finding 11: Based on current cost estimates and property tax growth assumptions, and assuming no material change to Cameron Park CSD priorities, there appears to be a shortfall in available funding to annex with El Dorado Hills by approximately \$1.1 million at their recommended engine staffing levels. *The actual amount of funding available to transfer to El Dorado Hills will need to be determined by the Board of Directors and the General Manager through the negotiation process.*

El Dorado County Fire Protection District – Estimated Costs for 2 Stations*	
Fixed Costs for two stations	\$209,558
Payroll and Benefits for two stations	\$3,196,026
Variable Costs for two stations	\$572,000
Total	\$3,977,584

Assumptions:

- 1) Based on 2023/24 Budget.
- 2) Assumes 3-0 staffing model on each engine.

Finding 12: Based on current cost estimates and property tax growth assumptions, and assuming no material change to Cameron Park CSD priorities, there appears to be a shortfall in available funding to annex with County Fire by approximately \$244,000 without

further impacting other services provided by Cameron Park. *The actual amount of funding available to transfer to El Dorado Hills will need to be determined by the Board of Directors and the General Manager through the negotiation process.*

Finding 13: Based on current revenue and expenditure assumptions, it is unlikely Cameron Park will have sufficient funding available to establish a deferred maintenance and capital reserve replacement program to address the ongoing needs of CSD buildings and infrastructure.

Finding 14: Through Fiscal Year 2027/28, Cal Fire is likely the most cost-effective option for Cameron Park primarily because Cal Fire is willing to staff fire engines with two firefighters.

XIV. EDUCATIONAL REALIGNMENT AUGMENTATION FUND (ERAF)

ERAF is a mechanism enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State-controlled Education Revenue Augmentation Fund. This program effectively reduces funds available to the taxing authority; the state then uses those funds to reduce its obligation to the schools.

There is at least one example of a fire district being exempt from ERAF, since the fire district provides services in two counties. This is relevant to Cameron Park's decision since the El Dorado Hills Fire Department provides services in El Dorado and Sacramento County. If El Dorado Hills is exempt from the ERAF shift, it will enable El Dorado Hills to garner greater property tax payments, resulting in increased revenue to fund fire services in a combined Cameron Park/El Dorado Hills fire district. The amount of the property tax shift is approximately 10% of the amount of property taxes that would be transferred from Cameron Park to El Dorado Hills after the negotiation process.

However, it should be noted there are also arguments against this position and a concern that if this position is challenged in court, it could be determined an organization such as El Dorado Hills is not exempt.

Finding 15: El Dorado Hills is exempt from ERAF since they provide services in two counties. However, additional research will need to be done to determine whether this exemption provides a financial benefit by avoiding the transfer of property tax revenues to education.

Finding 16: If it is determined El Dorado Hills is exempt from the requirement to shift property tax revenue to education, the funding shortfall to annex with El Dorado Hills may be reduced by approximately \$340,000, from approximately \$1.1 million to approximately \$760,000, based on current revenue assumptions.

XV. SUMMARY OF FINDINGS

Listed below are the findings the Board of Directors should consider about the long-term sustainability of fire service in Cameron Park, followed by recommendations for consideration by the Board of Directors. **It is important to note that Cal Fire, El Dorado Hills, and County Fire all provide outstanding services to the communities they represent. The primary points the Board of Directors should focus on are costs and the impacts on the Cameron Park CSD and how quickly engines would be able to respond to serve Cameron Park.**

Finding #1: Like the finding identified in the Annexation Feasibility Study for County Fire and Diamond Springs, it is likely that if Cameron Park chooses to annex with County Fire, additional revenue will be needed in future years to staff and maintain Station 88 and Station 89 in Cameron Park. *(Page 5)*

Finding #2: Considering the population of Cameron Park, it is in the community's best interest for the governing body to be elected by specific district versus an 'at-large' representation. While El Dorado Hills is agreeable to the 'District Specific' model, regardless of which agency is chosen for annexation, the governance structure will need to be negotiated and if the 'District Specific' model is chosen, boundary lines will need to be drawn to ensure adequate representation of each section of the community. *(Page 5)*

Finding #3: Cameron Park has significant funding challenges which jeopardize existing service levels, while County Fire's primary concerns relate to pension liabilities and recruitment/retention of staff. El Dorado Hills' primary challenge is ensuring the department can continue to expand to meet the service demands of its growing community. In addition, El Dorado Hills is concerned with the long-term sustainability of fire districts located on the West Slope, which, if they suffer and/or reduce services due to funding challenges, will impact the County's fire and emergency medical services response system on the West Slope. *(Page 8)*

Finding #4: When compared to County Fire, El Dorado Hills has an easier time recruiting and retaining staff due to higher compensation and likely due to being closer to larger population centers. *(Page 8)*

Finding #5: The State of California's direction not to allow Cal Fire to conduct comprehensive background checks increases the organization's risk and liability. *(Page 8)*

Finding #6: El Dorado Hills is better positioned than County Fire to respond more quickly due to the proximity of their fire stations to Cameron Park. With the 'move up and cover' model utilized by all West Slope fire districts; any structure fire will likely have engines from multiple fire districts responding. *(Page 14)*

Finding #7: Overall, El Dorado Hills fire stations are newer and will likely require less capital improvement costs in the near future than Cameron Park and County Fire. *(Page 14)*

Finding #8: Financial limitations facing Cameron Park prevent Cal Fire from staffing each engine in accordance with NFPA recommendations without reducing services in other areas. (Page 15)

Finding #9: Using FY 2023/24 budgeted information, assuming a 5% increase in Property Tax revenue in FY 2024/25, assuming the current allocation amount of 62.4% of property taxes for fire protection, and assuming all other revenues and expenditures remain consistent, Cameron Park can potentially contribute approximately \$3.7 million to fire expenditures in FY 2024/25 without further impacting other services. *The actual amount will need to be determined by the Board of Directors and the General Manager based on other needs and priorities facing the CSD and negotiations with El Dorado Hills.* (Page 18)

Finding #10: Based on estimated costs and property tax growth assumptions, assuming no material change to Cameron Park CSD priorities while also taking into consideration Cal Fire will likely end FY 2023/24 with at least \$550,000 in savings and historically comes in lower than the Not-to-Exceed amount of the contract, it appears Cameron Park has sufficient revenues to continue contracting with Cal Fire through FY 2027/28 based on current service and staffing levels and keeping Station 88 and Station 89 open. (Page 19)

Finding #11: Based on current cost estimates and property tax growth assumptions, and assuming no material change to Cameron Park CSD priorities, there appears to be a shortfall in available funding to annex with El Dorado Hills by approximately \$1.1 million at their recommended engine staffing levels. *The actual amount of funding available to transfer to El Dorado Hills will need to be determined by the Board of Directors and the General Manager through the negotiation process.* (Page 19)

Finding #12: Based on current cost estimates and property tax growth assumptions, and assuming no material change to Cameron Park CSD priorities, there appears to be a shortfall in available funding to annex with County Fire by approximately \$244,000 without further impacting other services provided by Cameron Park. *The actual amount of funding available to transfer to El Dorado Hills will need to be determined by the Board of Directors and the General Manager through the negotiation process.* (Page 19)

Finding #13: Based on current revenue and expenditure assumptions, it is unlikely Cameron Park will have sufficient funding available to establish a deferred maintenance and capital reserve replacement program to address the ongoing needs of CSD buildings and infrastructure. (Page 20)

Finding #14: Through Fiscal Year 2027/28, Cal Fire is likely the most cost-effective option for Cameron Park, primarily because Cal Fire is willing to staff fire engines with two firefighters. (Page 20)

Finding #15: El Dorado Hills is exempt from ERAF since they provide services in two counties. However, additional research will need to be done to determine whether this exemption

provides a financial benefit by avoiding the transfer of property tax revenues to education.
(Page 20)

Finding #16: If it is determined El Dorado Hills is exempt from the requirement to shift property tax revenue to education, the funding shortfall to annex with El Dorado Hills may be reduced by approximately \$340,000, from approximately \$1.1 million to approximately \$760,000, based on current revenue assumptions. (Page 20)

XVI. CONCLUSION/RECOMMENDATIONS

The Cameron Park Community Services District is facing significant financial challenges because of costs to maintain existing service levels are outpacing revenue growth. As a result, the Board of Directors is going to have to make very difficult decisions as it relates to levels of service provided to the community and determining the priority of existing services.

This analysis identified that Cal Fire, the El Dorado County Fire Protection District and the El Dorado Hills Fire Department all provide a very high level of service to the communities they serve. The most significant factors the Board of Directors will need to evaluate will likely focus on short-term costs and affordability and long-term sustainability for the future of fire protection services to the Cameron Park Community.

Considering that Cal Fire continues to provide a high level of service to the community, their efforts to keep cost increases as minimal as possible over the next three to four years, as well as the amount of time it will likely take to complete the annexation process, it is recommended that the Cameron Park Community Services Board of Directors direct staff to negotiate a contract extension with Cal Fire through June 30, 2027.

As it relates to the one-time shift of revenue from the Cameron Park CSD to County Fire or El Dorado Hills Fire, County Fire will be the more affordable option. However, as it relates to the ongoing sustainability for fire protection services to the Cameron Park community, the proximity of fire stations and the ability to recruit and retain staff, El Dorado Hills Fire would be the preferred option.

Listed below are recommendations for consideration by the Board of Directors, recognizing that this will be a very difficult policy decision that will have long lasting effects on the Cameron Park community.

- 1) The Cameron Park Community Services District, Board of Directors should direct staff to notify CalFire of their intent to maintain existing service levels (e.g., keep Stations 88 and 89 open) through June 30, 2025.
- 2) The Cameron Park Community Services District, Board of Directors should direct staff to immediately begin negotiating a contract extension with CalFire for beginning July 1, 2025, through June 30, 2028, which includes a termination clause that allows Cameron Park to terminate the agreement for convenience upon one year notice.

- 3) The Cameron Park Community Services District, Board of Directors should appoint an ad-hoc committee of two Board members to work with staff on the annexation process and the terms of the negotiations, including items such as costs, property tax amounts, governance, and assets specific to fire services such as equipment, buildings, and land. The Board of Directors should consider appointing Director Scobey and Director Aiston, assuming they are willing to provide greater continuity.
- 4) Upon taking into consideration the proximity of El Dorado Hills fire stations to Cameron Park, the greater ability to recruit and retain staff due to higher compensation, and the greater potential for long-term financial stability due to higher growth rates and higher ad-valorem property tax revenue, the Board of Directors should direct staff to begin negotiations and the annexation process and negotiations with the El Dorado Hills Fire Department. In the event those negotiations are not successful, Cameron Park can begin the annexation process with the El Dorado County Fire Protection District, assuming they would still be interested.

If negotiations with El Dorado Hills are not successful, the Board of Directors should direct staff and the ad-hoc committee to conduct annex negotiations with County Fire.

- 5) If the Board of Directors directs staff to begin annexation discussion with El Dorado Hills direction should be given to staff to partner with El Dorado Hills in seeking a legal opinion to determine if this annexation will not require the shift of property tax revenue to education. If the legal opinion concludes El Dorado Hills is exempt from ERAF, the Board of Directors should then direct staff to confirm the analysis with the State Controller.