



# **Independent Budget Analyst Report on San Diego Fire-Rescue Needs and Funding Plan**

Ad Hoc Fire Prevention and Recovery Committee  
May 19, 2008

# Overview



- Preliminary Report (Feb 08)
- Identified Areas to be addressed:
  - Complete an update of the Comprehensive Public Safety Needs Assessment of Fire-Rescue
  - Provide an outline of a funding plan

# Purpose



- Identifying Unfunded Needs
  - History
  - Unfunded Needs
  - Service impacts
- Funding Solutions
  - History
  - Funding Options
  - Other Municipalities



# Identifying Unfunded Needs

# Identifying Unfunded Needs



## History

- Fire and Lifeguard Facilities Improvement Program
- 2004 Public Safety Needs Assessment
- Accreditation Study



# Identifying Unfunded Needs

- Fire Facilities
- Lifeguard Facilities
- Deferred Maintenance
- Staffing needs
- Helicopter
- Brush Management
- Operational needs
- Infrastructure needs

# Identifying Unfunded Needs



Updated Needs Assessment		
Identified Unfunded Needs	CAPITAL COST (or one-time)	OPERATING COST (annual)
FIRE FACILITIES (Detailed in Report)		
LIFEGUARD FACILITIES (Detailed in Report)		11,407,556
DEFERRED MAINTENANCE	83,999,930	
STAFFING NEEDS		
HELICOPTER (Copter 2)	25,918,902	
BRUSH MANAGEMENT		12,995,500
OPERATIONAL NEEDS	12,900,000	000
INFRASTRUCTURE NEEDS		600,000
<b>SUBTOTAL</b>	<b>119,010,300</b>	<b>\$25,617,056</b>

173,000

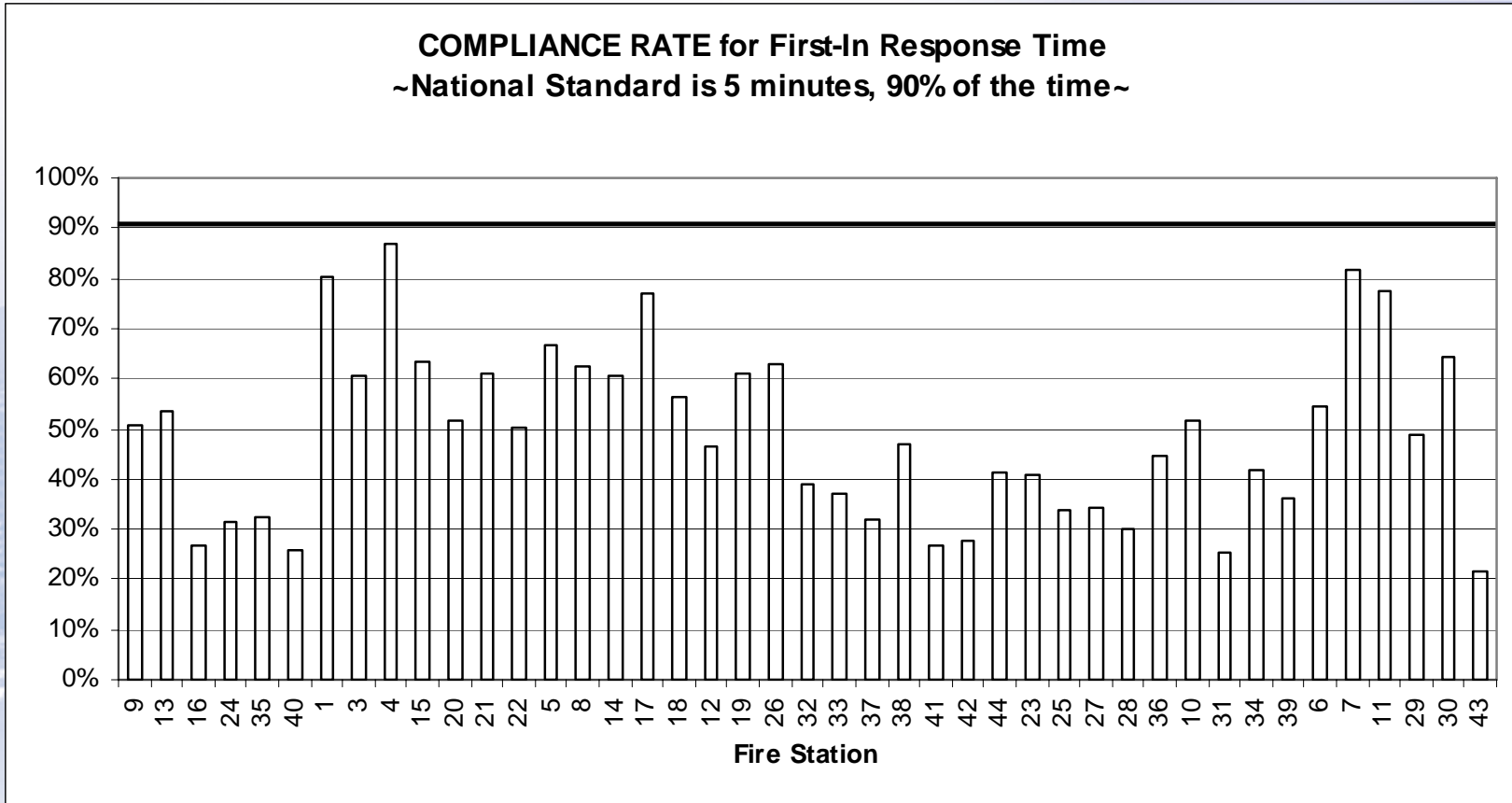
# Identifying Unfunded Needs



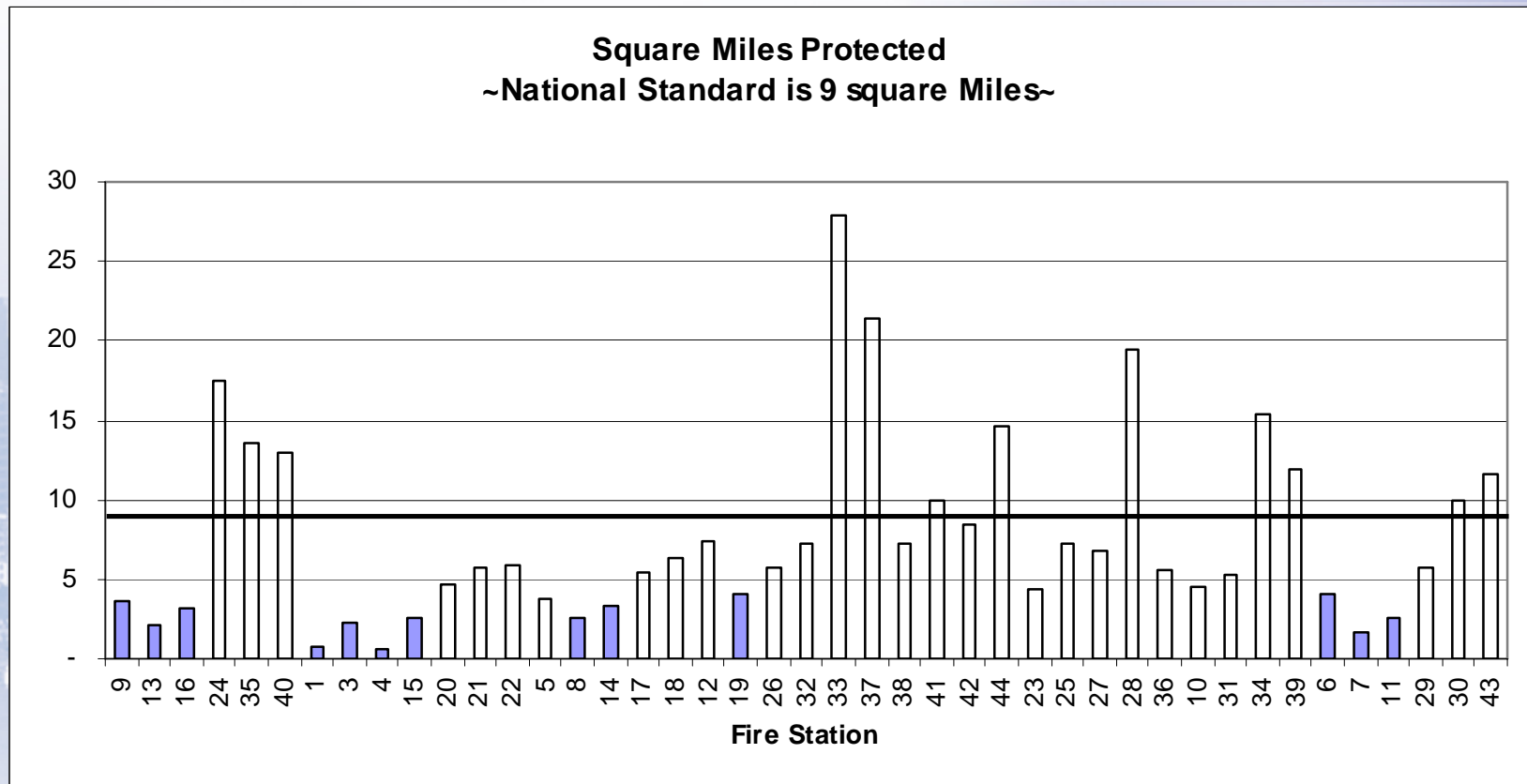
<b>Additional Stations needed to Achieve Accreditation</b>		
<b>Identified Unfunded Needs</b>	<b>CAPITAL</b>	<b>OPERATING</b>
<b>(Phased in approach)</b>	<b>COST</b>	<b>COST</b>
	(or one-time)	(annual)
Additional 5 Fire Stations (Total of 5)		
Additional 5 Fire Stations (Total of 10)		
Additional 5 Fire Stations (Total of 15)		
Additional 7 Fire Stations (Total of 22)	42,500,000	11,400,000
<b>Total of 22 Additional Fire Stations</b>	42,500,000 <b>\$187,000,000</b>	13,300,000 <b>\$55,100,000</b>
	42,500,000	13,300,000
	59,500,000	17,100,000



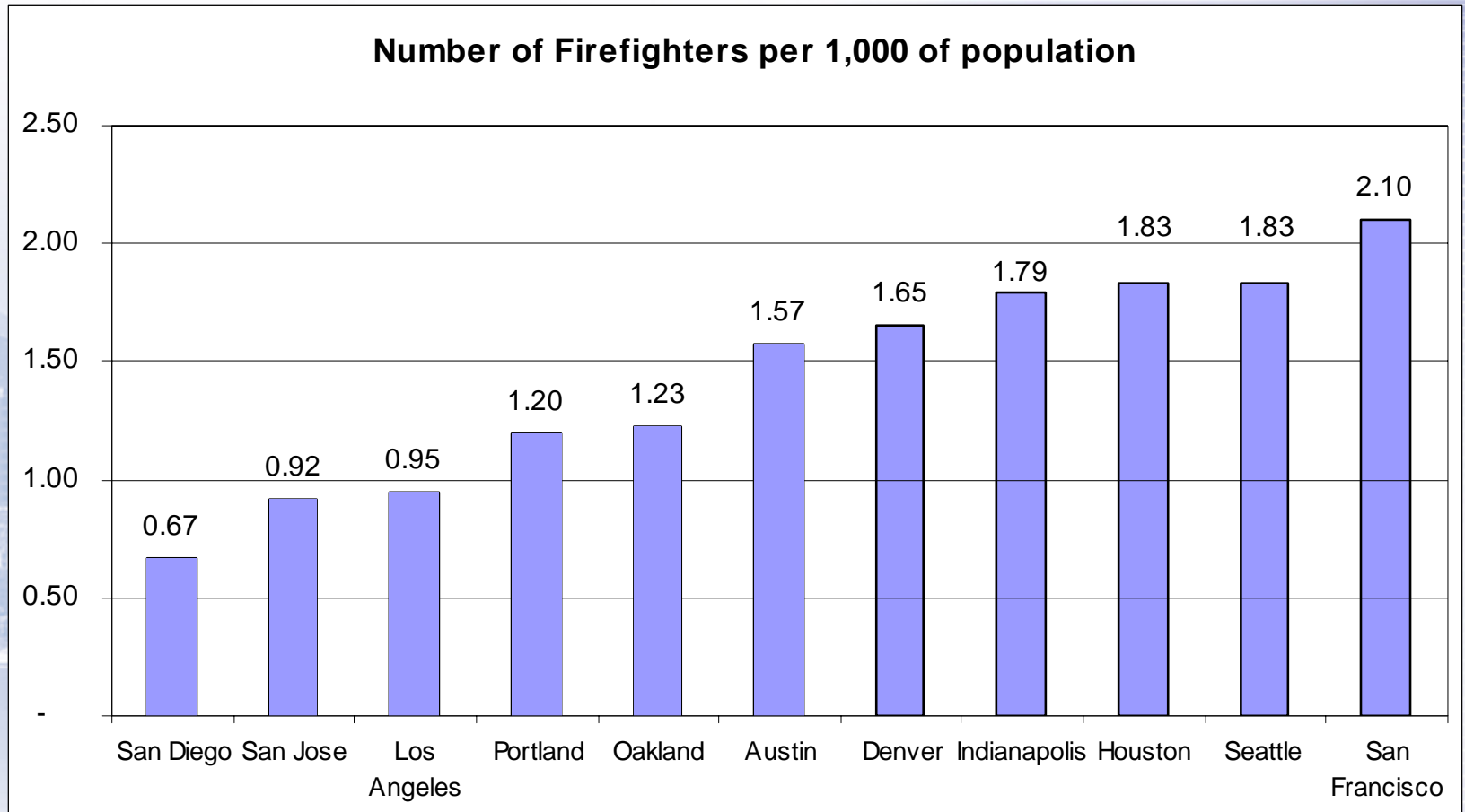
# Identifying Unfunded Needs



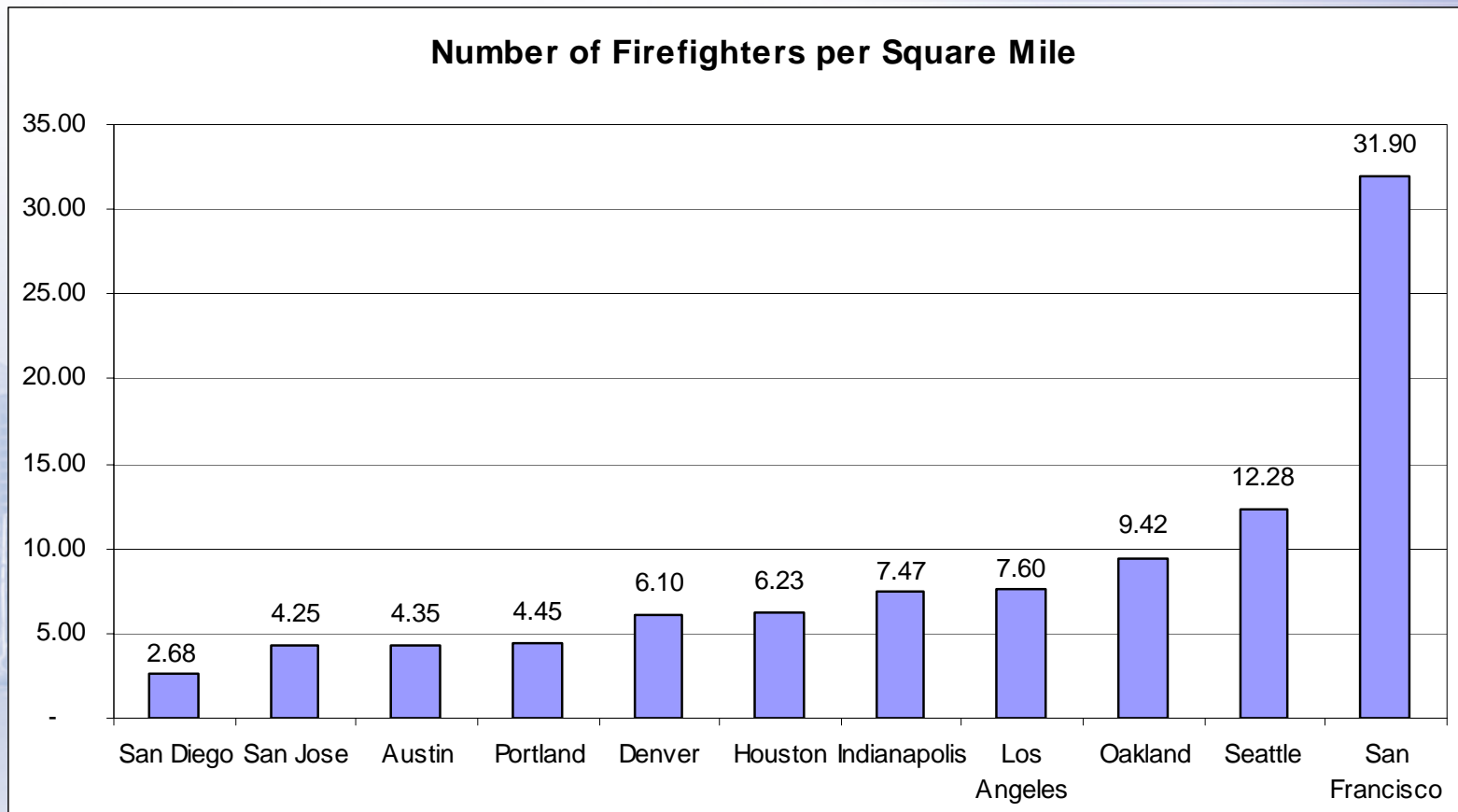
# Identifying Unfunded Needs



# Identifying Unfunded Needs



# Identifying Unfunded Needs



# Identifying Unfunded Needs



- Other Needs
- Fire Station Master Plan
- 2007 After Action Report
- Mayor's Regional Fire Committee



# Funding Solutions

# Funding Solutions



- History
- Funding Options
  - Sales Tax Increase
  - Parcel Tax Increase
  - Transient Occupancy Tax Increase
  - Property Transfer Tax Increase

# Funding Solutions



<b>SALES TAX SCENARIOS</b>	
<b>Proposed Increase</b>	<b>Additional Revenue Generate</b>
0.10%	\$23.9 m
0.15%	\$35.9 m
0.25%	\$59.9 m



# Funding Solutions



## PARCEL TAX SCENARIO

Annual Tax Assessed by Residential Unit and Commercial Parcel:

Single Family Detached Homes	\$54.49	\$108.98	\$163.47	\$217.96	\$326.94
Attached Homes/Mobile Homes	\$57.23	\$114.47	\$171.70	\$228.93	\$343.40
Commercial/Industrial	\$445.56	\$891.11	\$1,336.67	\$1,782.22	\$2,673.33
<b>NET REVENUE COLLECTED</b>	<b>\$25 m</b>	<b>\$50 m</b>	<b>\$75 m</b>	<b>\$100 m</b>	<b>\$150 m</b>

# Funding Solutions



<b>TRANSIENT OCCUPANCY TAX SCENARIOS</b>		
<b>Current Rate</b>	<b>Total City Revenue Generated</b>	
10.50%	\$162,625,787	
<b>Proposed Increase to TOT</b>	<b>Additional Revenue Generate</b>	<b>New TOT Rate</b>
1.00%	\$15,488,170	11.50%
1.61%	\$25,000,000	12.11%
3.23%	\$50,000,000	13.73%

# Funding Solutions



PROPERTY TRANSFER TAX SCENARIOS				
	<u>\$0.55</u>	<u>\$0.89</u>	<u>\$1.48</u>	<u>\$2.95</u>
City's Rate	\$1,000	\$1,000	\$1,000	\$1,000
<b>Total City Revenue*</b>	\$9,307,713	\$15,000,000	\$25,000,000	\$50,000,000
<b>City charge on the sale of a \$500,000 home</b>	\$275	\$443	\$739	\$1,477
<b>County's Rate</b>	<b>\$0.55/ \$1,000**</b>	<b>\$1.10/ \$1,000</b>	<b>\$1.10/ \$1,000</b>	<b>\$1.10/ \$1,000</b>
<b>County charge on the sale of a \$500,000 home</b>	\$275	\$550	\$550	\$550
<b>Total rate charged to public</b>	<b>\$1.10/ \$1,000</b>	<b>\$1.99/ \$1,000</b>	<b>\$2.58/ \$1,000</b>	<b>\$4.05/ \$1,000</b>
<b>Total charge to public on the sale of a \$500,000</b>	\$550	\$993	\$1,289	\$2,027

\* Based on fiscal year 2007 revenue; Source: Financial Performance Report (Charter Section 39 Report)

\*\* The county's rate is actually \$1.10 per \$1,000, but the city's conforming rate of \$0.55 per \$1,000 is credited against the county rate.

# Funding Solutions



- Proposition 172 Funds
- Financing Mechanisms
  - General Obligation Bonds
  - Lease Revenue Bonds
  - Service Fees
- Grant Funding

# Funding Solutions



## Other Municipalities Examples

- City of Los Angeles
  - Fire Facilities Bond
  - Citywide Public Safety Bond
- City of El Cajon

# Conclusion



## Goal of report:

- Quantify fire safety needs
- Demonstrate impact on services
- Review possible funding scenarios



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