



Key Facts: Metro Fire's Proposed Property Benefit Assessment

Metro Fire's Board of Directors will decide in late March or early April whether to pursue the levy of a special benefit assessment on properties to partially restore firefighting services lost to budget cuts since 2008, to improve emergency response times from their current levels, and to bring them closer to national best practice standards.

1. METRO FIRE'S FIRST LINE OF DEFENSE TO THE RECESSION WAS TO CUT EMPLOYEE COMPENSATION, BUT SERVICE LEVEL REDUCTIONS WERE ALSO NECESSARY.

- Due to the recession, properties in the district's service area lost \$8 billion in assessed value between 2008 and 2013. This translated into a cumulative loss of \$93 million of property tax revenue to Metro Fire. In the past fiscal year alone, the district's property tax revenue loss was \$24 million. In fact, property tax revenues accounted for just 68% of all revenue compared to 84% in 2008.
- Metro Fire's Board of Directors addressed this revenue loss – first and foremost – through layoffs, reassignments and concessionary bargaining over wage, pension, health and other benefit cuts to firefighters. These actions have cut expenditures by more than \$10 million per year and reduced Metro Fire's long-term labor costs by \$192 million. The district also increased its cost-recovery practices to be reimbursed for services such as ambulance transport, fire permits and building inspections.
- Service level reductions, including the closure of six engine companies, were also needed to close the budget gap. Although engines were closed in the areas determined through call data analysis to minimize the impact on public safety, Metro Fire's response times to serious emergencies have eroded. Over this same period, the number of emergency calls has increased from 64,000 to 84,000 per year.

2. WITH FEWER RESOURCES AND MORE EMERGENCIES, RESPONSE TIME PERFORMANCE HAS SUFFERED AND THE DAILY RISK TO PUBLIC SAFETY HAS INCREASED.

- Metro Fire's goal is to arrive at the scene of an emergency within 4 minutes of travel time in 90% of all incidents. Metro Fire meets this goal only 56% of the time, which is 13% worse than pre-recession response times. In 2012, Metro Fire was not able to respond within this travel-time goal in more than 36,000 serious incidents, which translates to 100 times per day or 4 times per hour.
- Meeting these national best practice response times are critical to preventing irreversible brain damage (or worse, death) in medical emergencies and keeping fires contained to their room or building of origin.

3. FACING A SLOW RECOVERY IN PROPERTY TAXES, METRO FIRE WILL NEED TO HOLD THE LINE ON EXPENDITURES AND WILL NOT BE ABLE TO RESTORE SERVICES WITHOUT NEW REVENUES.

- Property values will not rebound quickly enough to keep pace with the growth in future costs. While this poses ongoing challenges for Metro Fire to keep expenditures in line with revenues, it also means that funding is not available to take restorative actions to improve public safety.
- Cost recovery fees can help pay for emergency medical and fire prevention services, but not fire suppression services. Fire suppression services are paid for by property taxes.

4. A FIRE SUPPRESSION BENEFIT ASSESSMENT OFFERS THE MOST EQUITABLE WAY TO GENERATE NEW FUNDS THAT WILL ALLOW THE DISTRICT TO RESTORE FIRE SUPPRESSION SERVICES AND IMPROVE RESPONSE TIMES.

- To make substantial gains toward meeting response time goals, Metro Fire would require eight more single-engine stations than it has today in currently developed areas, as well as significantly more staffing and other equipment. The district believes, however, that a partial restoration of five of the six closed engine companies would bring response times at least back to their pre-recession levels and prevent further erosion. Three of these companies would be restored at their previous locations, while the other two would be located at new locations to generate better district-wide coverage.
- California law allows fire districts to assess properties for the cost of providing fire suppression services. Although Metro Fire could levy such an assessment in the amount of \$29 million, it is currently seeking to generate only \$12 million annually for the next decade. Homeowners would pay, on average, \$27.50 per year.
- The assessment would be levied on approximately 207,000 parcels in the district. The methodology developed by the engineer hired by the district quantifies district expenditures on fire suppression based on call volume, quantifies the special benefit conferred on various types of property based on how they draw on fire suppression resources, and utilizes a base unit of measurement to generate an assessment that is equitable for each individual property based on the data.
- To prevent distortions in the relationship between fire response and parcel size, the assessment will be applied based on a sliding scale for both building square footage and acreage. Also, to ensure an equitable application of the assessment on property owners whose lots are subdivided – but not eligible for the scaling provisions at the same rate – these lots would be consolidated and treated as one parcel for the purposes of the assessment.
- An independent citizens' oversight committee would review the assessment annually to ensure funds are spent consistent with the engineer's report and Resolution of Intent adopted by the Board of Directors, including funding the staff and equipment necessary to reopen five closed engine companies.