



Sacramento Metropolitan Fire District

Fire Suppression Assessment

ENGINEER'S REPORT

FISCAL YEAR 2014/2015

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ENGINEER'S REPORT STATEMENT

Fire Suppression Assessment

Sacramento Metropolitan Fire District

Sacramento County and Placer County, State of California

As part of the Resolution of Intention packet presented for the consideration of the Sacramento Metropolitan Fire District Board of Directors, this Report describes the proposed Fire Suppression Assessment to be levied on parcels within the Sacramento Metropolitan Fire District commencing in Fiscal Year 2014/2015, including the budget and basis of the assessments. Reference is hereby made to the Sacramento County and Placer County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment, if approved by the property owners. The undersigned respectfully submits the enclosed Report as directed by the Sacramento Metropolitan Fire District Board of Directors.

Dated this _____ day of _____, 2014

Willdan Financial Services
Assessment Engineer
On Behalf of the Sacramento Metropolitan Fire District

By: _____

Jim McGuire,
Senior Project Manager

By: _____

Richard Kopecky
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INTRODUCTION AND BACKGROUND

The Sacramento Metropolitan Fire District (the “District” or “SMFD”) is a fire protection district organized and existing under the Bergeson Fire District Law (Health and Safety Code Section 13800 et seq.), to provide fire suppression, fire protection, fire prevention, and fire safety education, as well as emergency medical aid and other emergency response services to residents and properties.

The District provides fire suppression services to a region encompassing approximately four hundred seventeen (417) square miles in unincorporated Sacramento County and the cities of Rancho Cordova and Citrus Heights, as well as in a portion of unincorporated Placer County. The District is the seventh largest fire agency in California and is the successor to 16 smaller fire departments that, over the years, merged to create SMFD: Arcade; Arden; Carmichael; Citrus Heights; Elverta; Fair Oaks; Florin; Mather Field; McClellan Field; Michigan Bar; Mills; North Highlands; Orangevale; Rancho Cordova; Rio Linda; and Sloughhouse.

While the area served by the District has continued to experience growth in the last decade, with service call volume increasing year after year, the economic recession that has greatly impacted California over the last several years has limited revenues and the District’s ability to keep pace with the increasing service demand. In fact, the District’s budget constraints have forced the elimination of six engine companies (including three station closures), significantly increasing the average travel time for first unit response and negatively impacting overall fire suppression coverage.

As a result of the limited amount of available funds, the increasing demand for fire suppression services, the increasing costs of providing these services, and the District’s desire to halt the degradation of service levels in recent years and, over time, move closer to national best practice standards for emergency response, the District is considering the levy of a Fire Suppression Assessment (the “Assessment”) pursuant to Government Code Section 50078 *et. seq.* (the “Fire Suppression Law”). The Fire Suppression Law authorizes the levy and collection of assessments by the District for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.

By assessing real properties in the District for a portion of the cost of the special benefits these properties derive from the District’s overall fire suppression program, the Assessment will provide a portion of the funds needed to maintain and enhance the level of fire suppression services provided by the District. The District’s goal is to restore resources needed to achieve pre-recession response times by restoring three of the six previously closed engines in their original locations; restoring two of the remaining three closed engines to new locations where they are most urgently needed to cover underserved areas; and, over time, as revenues grow, restoring the one remaining closed engine company along with two additional engine companies to underserved areas. The location and priority of the near-term service improvements would be:

- Restore the previously closed Engine 26 and Engine 106 in the first year;
- Restore the previously closed Engine 68 in the 2nd year;

- Restore and relocate a closed engine in the 3rd year; and
- Restore and relocate a closed engine in the 4th year.

This Fire Suppression Assessment Engineer's Report (the "Report") has been prepared in connection with the levy of a proposed fire assessment commencing in Fiscal Year 2014/2015. The Fire Suppression Law requires that all assessments be supported by a detailed engineer's report containing the following elements:

- ◆ A description of each lot or parcel of property proposed to be subject to the assessment;
- ◆ The amount of the assessment for each lot or parcel for the initial fiscal year;
- ◆ The maximum amount of the Assessment, which may be levied for each lot or parcel during any fiscal year;
- ◆ The duration of the Assessment;
- ◆ The basis of the Assessment;
- ◆ The schedule of the Assessment; and,
- ◆ A description specifying the requirements for protest and hearing procedures for the proposed assessment.

This Report has been prepared to address the requirements of the Fire Suppression Law and Article XIII D of the California Constitution. More specifically, this is the "detailed engineers report" required by Section 4 of Article XIII D of the California Constitution.

COST ALLOCATION AND BENEFIT ANALYSIS

DETERMINATION OF ELIGIBLE EXPENDITURES

Section 50078 of the Fire Suppression Law authorizes assessments only for the purpose of “obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.” Section 50078.1(c) of the Fire Suppression Law defines “fire suppression” to include “firefighting and fire prevention including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard.”

In addition to responding to fires in structures and on real property, the District also responds to other types of incidents, such as medical emergencies, traffic accidents, search and rescue incidents, public assistance calls, and fires (such as car fires) that are not associated with real property. The District incurs expenses responding to these incidents, and also incurs other expenses that are neither costs associated with fire suppression equipment and apparatus nor the salary and benefits of firefighting personnel. Such expenses (“Excluded Expenses”) will not be funded with the Assessment, which can only fund the cost of special benefits to real property in the District associated with the equipment, apparatus, and personnel costs described in Section 50078 of the Fire Suppression Law (“Eligible Expenses”).

IDENTIFICATION OF EXCLUDED EXPENSES

In order to ensure that Excluded Expenses will not be funded through the Assessment, we have analyzed incident call data compiled by the District for calendar years 2005 through 2012 to classify efforts and expenditures related to Eligible and Excluded Expenses.

Utilizing this call data, the total number of incidents attributable specifically to real property fire suppression calls were identified and separated from other types of incidents. For each incident, the average number of personnel and duration of those incidents establishes the total amount of effort expended for the different incident types (Effort Factor). These Effort Factors in turn provide a reasonable means to quantify the total amount of resources expended by the District between Eligible Expenses and Excluded Expenses. Based on the call data over the eight year period (2005 through 2012), the total percentage of time attributed to real property fire suppression incidents and all other incidents resulted in 22.08% of the effort being for real property fire suppression (Eligible Efforts) and 77.92% being Excluded Efforts. The Effort Allocations identified in Table 1 to follow, illustrate the percentage of total effort expended between Eligible Effort versus Excluded Effort.

TABLE 1
SMFD Effort Allocation (Eligible vs. Excluded)

	Total Dispatches	Typical Personnel	Average Duration (Minutes)	Resource Factor ⁽¹⁾	Effort Factor ⁽²⁾	Effort Percentage
Eligible Effort	182,684	3	0:28:15	1:24:44	10,749	22.08%
Excluded Effort	804,982	2	0:33:56	1:07:52	37,935	77.92%

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

⁽¹⁾ Resource Factor equals: Average Personnel x Average Duration.

⁽²⁾ Effort Factor equals: Total Incident Calls x Resources Factor.

The Effort Allocation for fire related calls identified in Table 1 above yields 22.08% as the percentage of effort that is specifically related to real property fire suppression. The remaining effort (77.92%) represents that portion of the District's total effort that is not specifically related to fire suppression for real property.

Of the District's budgeted expenditures for Salaries and Benefits (\$131,206,765), \$80,400 is identified as personnel expenditures that are fire suppression specific and best described as Eligible Expenses. Conversely, \$9,543,948 is identified as personnel expenditures that are best described as Excluded Expenses. These expenses are related to the following:

- Salaries and Benefits of District personnel identified in the District's budget as indirect or administrative support (\$5,291,402);
- Salaries and Benefits of District personnel identified in the District's budget as non-fire related operations (\$4,252,546);

The remaining amount budgeted as Salaries and Benefits (\$121,582,417) is identified as expenditures for operational personnel and these expenditures are best allocated as Eligible Expenses or Excluded Expenses utilizing the Effort Percentages identified above in Table 1.

Of the District's budgeted expenditures for Operating Services and Supplies (\$12,101,611), \$1,092,049 is identified as expenditures that are fire suppression specific and best described as Eligible Expenses. Conversely, \$1,443,050 is identified as expenditures that are non-fire related operations such as medical supplies and services and therefore identified as Excluded Expenses.

The remaining Operating Services and Supplies expenditures budgeted (\$9,566,512) are identified as operational services, supplies, equipment and apparatus expenditures that are best allocated as Eligible Expenses or Excluded Expenses utilizing the Effort Percentages identified above in Table 1.

In addition to the expenses identified above as Excluded Expenses, the following District expenditures are identified as Excluded Expenses:

- District Overhead Expenses, Supplies and Services, identified in the District's budget as expenditures for general administration and business activities of the District (\$6,590,631). These expenses include, office equipment and supplies; printing, copying and mailing services and supplies; actuarial, financial, legal and personnel services; taxes, fees and assessments paid by the District; and similar expenses; and,
- Building/Property Expenses, Supplies and Services identified in the District's budget as expenditures for maintaining, rehabilitating, and expanding District station houses and other real property that are not identified as fire suppression equipment or apparatus (\$2,566,420). These expenses include custodial service and supplies; utilities; real property rental; building services, supplies and structures; and similar expenses.

GENERAL BENEFIT

In addition to the Excluded Expenses, pursuant to Article XIII D of the California Constitution, only special benefits are assessable, and an agency must separate the general benefits of expenditure from the special benefits conferred on parcels. For purposes of this requirement, the Constitution does not define "general benefit." However, it does define the term "special benefit". Pursuant to Article XIID, Section 2(i), special benefit means "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute 'special benefit.'"

As is discussed later in this Report, fire suppression services have a very direct special benefit to real property. Furthermore, through the identification of Excluded Expenses, this Report has excluded from the Assessment the entirety of the District's costs that are related to responses to medical emergencies, car fires, traffic accidents, and other incidents that are not directly related to suppressing fires that can spread to and destroy real property. However, some of the benefits of fire suppression services are arguably general benefit that is either benefit to property outside of the District, general benefit to property inside of the District, or general benefits unrelated to property. As required by the Constitution, the below analysis identifies, quantifies and separates these general benefits.

Mutual Aid General Benefit

In addition to providing fire suppression services to residents and properties within the boundaries of the Sacramento Metropolitan Fire District, SMFD, through mutual aid agreements, assists neighboring fire departments and at times responds to fires outside the District boundaries on a "Mutual Aid" basis. In reviewing the fire suppression related call data provided by the District, less than one percent of all fire-related incidents were identified as Mutual Aid (calls which originated from outside the District's service area). Therefore, 1% of the fire suppression related expenditures (\$301,301) has been excluded from the potential fire suppression funding and is shown in the budget that follows (Table 2) as a "Benefit Cost Adjustment" for "Mutual Aid General Benefit".

Wildfire General Benefit

Some large fires within the District's service area often require mutual aid from other agencies. These fires typically involve large areas of land affecting multiple properties and generally require deployment of firefighter personnel and equipment for a period greater than 24-hours in duration. For purposes of this Report, these large scale fires are referred to as "Wildfires". In reviewing the fire suppression related call data provided by the District, less than seven percent (6.98%) of all fire related effort were identified as Wildfires. Because such fires typically require mutual aid from other agencies; generally involve and affect multiple properties; impact the environment, air quality, and habitat in a far more disruptive manner than a typical fire; often spread across political boundaries and involve or threaten properties that are not located in the District, and often impact the broader community and disrupt normal daily activities in a broad geographic area; the suppression of these fires is largely general benefit. Therefore, the fire related expenditures associated with these Wildfires (\$2,102,718), has been excluded from the potential fire suppression funding and is shown in the budget that follows (Table 2) as a "Benefit Cost Adjustment" for "Wildfire General Benefit".

Other General Benefits

In addition to the general benefit and unfunded costs previously identified, it is recognized that there are indirect or incidental general benefits to properties within the District as well as the general public that are associated with fire suppression services, including:

- minimization of air pollutants caused by fire and smoke;
- reduced inconvenience to the public by the prevention and/or containment of large fires; and,
- the decrease of runoff contaminants and landslides by mitigating scorched vegetation.

Although these types of benefits might best be characterized as indirect consequences of the special benefit of fire suppression provided to parcels served by the District, for the purposes of this Report we assume these types of benefits to be general benefits, albeit general benefits that are extremely difficult to quantify. We estimate that the costs associated with these indirect benefits do not exceed one percent of the overall fire-effort expenditures. Therefore, the fire related effort and costs associated with these general benefits (\$301,301) has been excluded from the potential fire suppression funding and is shown in the budget that follows (Table 2) as a "Benefit Cost Adjustment", specifically "Indirect General Benefit".

SPECIAL BENEFITS

Having excluded from the Assessment (i) all costs associated with services other than fire suppression on real property, (ii) all costs of providing services outside of the District; and (iii) all costs of general benefits, what is left is the District's cost of the special benefit of fire suppression services to real property within the District's boundaries. The special benefit of these services is that the Sacramento Metropolitan Fire District responds to fires on the assessed parcels, reduces fire hazards affecting these parcels and attempts to prevent the spread of fires to assessed parcels. These services are delivered directly to property within the District, and made available to every property on a 24/7 basis. Fortunately, not every parcel in the District actually calls for fire response every year, and it cannot be predicted at the beginning of the year what services will actually be used by any particular parcel. However, every parcel benefits from the fact that the District is constantly "standing by", available to respond to whatever fires do occur on each parcel, and minimizing the spread of fire from their ignition location onto other parcels. These services reduce the amount of damage fires cause to real property, minimize the disruption of use of the real property, and mitigate property-based safety hazards that occur when real property catches fire. The District endeavors to provide a consistent level of service throughout its boundaries, and uses all of its resources throughout its territory to provide coverage for all calls that come in. This practice allows multiple pieces of equipment (from fire stations throughout the territory) to respond to fire incidents and back-up the equipment that first responds to an incident. As a result of this practice, parcels receive the same benefit from the services regardless of their location within the District.

FUNDABLE FIRE SUPPRESSION EXPENSES

Applying the preceding discussions and determinations for Excluded Expenses and General Benefits to the District's current "Total District Budget" of \$152,465,427 identified in Table 2 that follows, \$122,335,292 has been identified as "Excluded Expenses" and \$2,705,320 as "General Benefit Adjustments". This results in the "Net Eligible Fire Suppression Service Expenditures" that may potentially be assessed as special benefit to real property within the District of \$27,424,815. Table 2 that follows outlines these expenditures and adjustments.

TABLE 2
SMFD Fire Suppression Assessment Budget

Budget Item	Total District Budget	Excluded Expenses	Eligible Expenses
Service Expenditures			
Salaries and Benefits (Indirect/Administrative Support)	\$ 5,291,402	\$ 5,291,402	\$ -
Salaries and Benefits (Non-Fire Related Operations)	4,252,546	4,252,546	-
Salaries and Benefits (Fire Suppression Specific)	80,400	-	80,400
Salaries and Benefits (Operations - Effort Allocated)	<u>121,582,417</u>	<u>94,737,019</u>	<u>26,845,398</u>
Total Salaries and Benefits	131,206,765	104,280,967	26,925,798
Operating Services and Supplies (Non-Fire Related Operations)	1,443,050	1,443,050	-
Operating Services and Supplies (Fire Suppression Specific)	1,092,049	-	1,092,049
Operating Services and Supplies (Operations - Effort Allocated)	<u>9,566,512</u>	<u>7,454,224</u>	<u>2,112,288</u>
Total Operating Services and Supplies	12,101,611	8,897,274	3,204,337
District Overhead Expenses, Supplies and Services	6,590,631	6,590,631	-
Building/Property Expenses, Supplies and Services	<u>2,566,420</u>	<u>2,566,420</u>	<u>-</u>
Total Service Expenditures	\$ 152,465,427	\$ 122,335,292	\$ 30,130,135
General Benefit Adjustments			
Mutual Aid General Benefit	1.00%		\$ (301,301)
Wildfire General Benefit	6.98%		(2,102,718)
Indirect General Benefit	1.00%		<u>(301,301)</u>
Total General Benefit Adjustments			\$ (2,705,320)
Net Eligible Fire Suppression Service Expenditures			\$ 27,424,815
Administrative and Incidentals Expenses			
Annual Levy Administration and Professional Services			\$ 100,000
Annual District Administration			100,000
Annual County Collection Fee			<u>95,810</u>
Total Administrative and Incidentals Expenses			\$ 295,810
Total Eligible Fire Suppression Assessment Expenditures			\$ 27,720,625
District Contribution (toward rate reduction)			(15,720,625)
Total Fire Suppression Assessment to be Collected			\$ 12,000,000
⁽¹⁾ District Contribution for SRA Unimproved Properties			(254,449)
Net Fire Suppression Assessment to be Collected on Tax Rolls			\$ 11,745,551

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

⁽¹⁾ A portion of the District's service area is located within State Responsibility Area (SRA). Pursuant to Government Code Section 50078.2 (b), a benefit assessment cannot be levied for wildland or watershed fire suppression on land located in a State Responsibility Area as defined in Section 4102 of the Public Resources Code. To ensure compliance with this requirement, "Unimproved" parcels in the SRA will not be subject to the assessment and the \$254,449 that would otherwise be assessed to such parcels will be covered from other District funds.

In addition to the "Net Eligible Fire Suppression Service Expenditures" of \$27,424,815 identified in Table 2 above, there will be administrative and incidental expenses associated with the annual levy and collection of the assessments which may also be funded by the assessments, and these "Total Administrative and Incidentals Expenses"

are estimated to be \$295,810 per year. These two amounts result in the “Total Eligible Fire Suppression Assessment Expenditures” of \$27,424,815 that may be assessed for the special benefits to real property within the District. However, in order to reduce the special benefit rates and fire assessments, the District will contribute annually approximately \$15.72 million towards the “Total Fire Suppression Assessment Expenditures” that could potentially be assessed, to reduce the “Total Fire Suppression Assessment to be Collected” as special benefit assessments to \$12,000,000. In addition to the \$15.72 million District contribution to reduce the “Total Fire Suppression Assessment to be Collected”, as noted in the footnote of Table 2, the District will also make a contribution for the SRA Unimproved Properties that cannot be assessed pursuant to Fire Assessment Law. This contribution is estimated to be \$254,449, which reduces the amount to be levied and collected annually on the County Tax rolls (“Net Fire Suppression Assessment to be Collected on Tax Rolls”) to \$11,745,551.

SPREADING THE ASSESSMENT ACROSS ASSESSED PARCELS

Article XIID of the California Constitution requires that, “An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.” Furthermore, “Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.”

Except as discussed later in this Report, every parcel of land in the District specially benefits from the fire suppression services provided by the District. Utilizing the land use descriptions provided by the County of Sacramento and the County of Placer, this Report groups different land use types into seven Property Categories. This was done to differentiate the degree of special benefit each Property Category receives from fire suppression related services based on the class of improvement to property and use of property as reflected by the call data. The following provides a brief description of each of the Property Categories used in this analysis.

Single Family Residential — means an Assessor’s Parcel on which there exists a residential structure or structures consisting of one or two dwelling units, which may include but is not limited to, single-family residences, duplexes, condominiums, townhomes and manufactured, modular or mobile homes on individual parcels. Based on call data logs, it was not possible to make a discernible distinction between a condominium, a single unit residential property and single family residential property that may have a second unit (guest house), or a duplex. Duplexes tend to be of similar structural size to single family residential properties. Therefore, for purposes of determining proportional special benefit, each residential property designated by the County Assessors as a residential use with two or less units are classified as Single Family Residential for purposes of determining and calculation each parcel’s Fire Suppression Assessment

Multi-Family Residential — means each Assessor's Parcel on which there are three or more residential structures or a residential structure consisting of three or more dwelling units. This Property Category includes, but is not limited to, parcels with a land use classification identified by the County of Sacramento or County of Placer as any residential property with three or more units including triplexes; apartments; manufactured home or mobile home complexes; multi-unit senior or affordable housing; and assisted living facilities.

Commercial — means an Assessor's Parcel on which there exists a non-residential structure or structures that is used or may be used for commercial purposes as defined by the County use codes, whether those structures are occupied or not. This Property Category includes, but is not limited to, parcels with a land use classification identified by the County of Sacramento or County of Placer as commercial retail; auto service or dealerships; food services; shopping centers; grocery stores; gas stations; restaurants; private schools; office buildings; professional buildings; hotels and motels.

Industrial — means an Assessor's Parcel on which there exists a non-residential structure or structures that are used or may be used for industrial or similar purposes, whether those structures are occupied or not. This Property Category includes, but is not limited to, parcels with a land use classification identified by the County of Sacramento or County of Placer as industrial property, including but not limited to, light and heavy manufacturing; food processing; storage and warehouse facilities.

Institutional — means an Assessor's Parcel on which there is a structure considered to serve the public for an educational, religious, social or similar public purpose. This Property Category includes, but is not limited to, parcels with a land use classification identified by the County of Sacramento or the County of Placer as churches, public schools, and government buildings.

Unimproved — means an Assessor's Parcel that is generally undeveloped and does not have a structure that may be occupied or utilized for residential or non-residential purposes. This Property Category includes, but is not limited to, parcels with a land use classification identified by the County of Sacramento or the County of Placer as residential or non-residential vacant land; land devoted primarily to or identified as agricultural, timber, or livestock uses; and open spaces.

Exempt — means a lot, parcel of land or Assessor's Parcel that is considered to not specially benefit directly from fire related services because it poses little or no fire risk independently of an adjacent property or development and the available call data does not reflect any incident calls specific to these property types. This classification includes, but is not limited to, areas of public streets, private streets and other roadways; public easements or right-of-ways including; landscaped parkways or easements and utility right-of-ways or easements. (These types of properties are often not assigned an Assessor's Parcel Number by the Counties).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (such as in condominium complexes); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel; irrigation or drainage ditches, channels or basins; and flood plains. These types of parcels (other than the sliver parcels and bifurcated lots) either do not generate calls or have immeasurable property damage from fires since fires incidents are uncommon

on these property types. Sliver parcels, bifurcated lots and the like are not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel.

Similarly, parcels that are identified as primarily improved green spaces such as parks; greenbelts or other public landscaped areas; and golf course property without structures are exempt from assessment. These types of properties have a low incidence of fire and often serve as potential firebreaks, therefore effectively serving as part of the fire suppression infrastructure, rather than beneficiaries of fire suppression services.

Table 3 presents the total number of parcels within the Sacramento Metropolitan Fire District, classified according to the Property Categories previously defined.

TABLE 3
SMFD Parcels by Property Category

Property Category	Number of Parcels	% of Total Parcels
Single Family Residential (1 or 2 dwelling units)	187,723	90.52%
Multi-Family Residential (3 or more dwelling units)	1,825	0.88%
Commercial	4,375	2.11%
Industrial	1,621	0.78%
Institutional	1,149	0.55%
Unimproved	10,690	5.15%
Total Parcels	207,383	100.00%

Sources: County of Sacramento; County of Placer; MuniServices; Willdan Financial Services.

ASSESSMENT ANALYSIS

PROPERTY DATA

Property data for the Fire Suppression Assessment was accumulated by MuniServices from various public and private sources to establish the land use, building square footage and acreage of each parcel within the District. The parcels within the District and their corresponding land use, ownership, and parcel specific data was initially established using the Assessor's Secured Assessment Roll data for both Sacramento County and Placer County. This data was integrated and updated with data from property tax files for both Counties, geographic information system (GIS) files for parcels within Sacramento County, SMFD developed files and County tax rate area (TRA) data and information. This parcel information (particularly building square footage data) was enhanced through the use of various private third party real estate and property data sources. The data obtained from each of these sources was prioritized by MuniServices and the most reliable data for the building footage and the lot acreage were assigned to each parcel with County data being given the highest priority. For those parcels where the data was incomplete from the available sources or the various sources were inconsistent, the parcels were researched and updated either by virtual electronic sources including the county map system and Google Maps to calculate the building size and or parcel acreage or manually by on-site measurements. To ensure the accuracy of the data that was not obtained from one of the various county sources, property owners were contacted by mail to verify and or correct the data being applied.

Utilizing the land use designations and parcel data developed by MuniServices from the County of Sacramento and the County of Placer as well as the other sources discussed above, the parcels within the District have been grouped into one of the seven (7) Property Categories to differentiate the degree of special benefit each Property Category receives based on the demand such parcels places on the District fire suppression related services as reflected by the call data accumulated for calendar years 2005 through 2012. The property classifications (as defined previously) include Single Family Residential, Multi-Family Residential, Commercial, Industrial, Institutional, and Unimproved (which includes vacant and various agricultural properties). In addition to these property classifications, certain properties are classified as Exempt parcels and therefore excluded from the calculation of the Fire Suppression Assessment.

INCIDENT DATA

As previously noted, incident call data was utilized to identify the overall District fire suppression related efforts and expenditures. This call data included information regarding the type of property that was responded to for each incident as well as the resources deployed and the average duration of such resources. This incident data was coded and correlated with the previously listed fire assessment land use classifications. The frequency that each property classification requests the need for fire services and the related effort expended by the District provides a direct correlation of the special benefits received by such properties.

As indicated in the preceding Table 1, over the eight year period of call data evaluated, there were a total of 987,676 incident calls encompassing 517,055 unique incidents. Of these 517,055 incidents, 73,738 were real property fire suppression related incidents

and of those real property fire suppression related incidents, 66,044 incidents (approximately 90%) could be assigned to a specific property type. The 7,694 remaining fire related incidents could not be assigned to a specific property or parcel due to the lack of property information provided for that particular incident. Only those calls that could be tied to a specific property use were considered in calculating the percentage of calls generated by each Property Category listed in Table 4 below.

TABLE 4
SMFD Fire Related Call Incident Summary

Property Category	Total Unique Incidents	Percent of Calls
Single Family Residential	26,702	40.43%
Multi-Family Residential	7,284	11.03%
Commercial	13,856	20.98%
Industrial	3,771	5.71%
Institutional	5,837	8.84%
Unimproved	8,559	12.96%
General Benefit (Wildfires)	35	0.05%
Total	66,044	100.00%

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

WEIGHTING OF INCIDENTS

To determine the level of benefit that properties receive from the District's fire suppression services, a weight must be applied to each benefit factor that fairly allocates the proportional special benefit conferred on properties within the District.

Similar to the overall Effort Allocation computed for Eligible and Excluded Efforts, the amount of total resources that respond to a particular call and the effort expended by SMFD varies depending on the type of property. As such, the fire related incidents allocated to each Property Category above were also weighted by the respective average time durations and the average response personnel for fire incidents within each Property Category. This weighted calculation results in the total amount of effort expended for the six different Property Categories to be assessed (Effort Factor).

Use of this type of methodology is intended to derive a special benefit nexus between different property types. In this sense, calls within each category are "weighted" based upon a comparison with the other categories of calls. These ratios become an expression of total effort expended, as presented in the following two tables, Table 5A and Table 5B.

TABLE 5A
SMFD Effort Allocation by Property Category

Property Category	Average Personnel per Incident	x	Average Time per Incident	= Resource Factor
Single Family Residential	6.12		0:27:48	2:50:13
Multi-Family Residential	8.18		0:23:13	3:09:54
Commercial	6.02		0:15:53	1:35:40
Industrial	5.42		0:23:22	2:06:41
Institutional	6.24		0:13:27	1:23:55
Unimproved	7.33		0:37:14	4:33:05

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

TABLE 5B
SMFD Effort Expended per Property Category

Property Category	Total Unique Incidents	x	Resource Weight ⁽¹⁾	=	Effort Factor	Percent of Effort
Single Family Residential	26,702		2.03		54,163.78	43.05%
Multi-Family Residential	7,284		2.26		16,484.38	13.10%
Commercial	13,856		1.14		15,795.81	12.55%
Industrial	3,771		1.51		5,693.32	4.52%
Institutional	5,837		1.00		5,837.00	4.64%
Unimproved	8,559		3.25		27,855.03	22.14%

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

⁽¹⁾ Resource Weight represents the equalized Resource Factor values calculated in Table 5A above, divided by the smallest Resource Factor (The 1:23:55 Factor for Institutional).

METHOD OF ASSESSMENT

COST APPORTIONMENT

The budget for Fiscal Year 2013/2014, identified in Table 2, has been used to determine and establish the fire assessment rates to be levied on parcels within each Property Category commencing in Fiscal Year 2014/2015. The "Total Fire Suppression Assessment to be Collected" (\$12,000,000) has been allocated to each Property Category based on the percentage of Effort Allocation presented in Tables 5A and 5B. Table 6 below provides the allocation for each Property Category of that Total Fire Suppression Assessment amount budgeted.

TABLE 6
SMFD Allocated Fire Suppression Assessment Budget

Property Category	Percent of Effort	Budget Allocation
Single Family Residential	43.05%	\$ 5,165,452
Multi-Family Residential	13.10%	1,572,071
Commercial	12.55%	1,506,403
Industrial	4.52%	556,659
Institutional	4.64%	542,957
Unimproved	22.14%	2,656,459
Total	100.00%	\$12,000,000

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

Parcels identified as Single Family Residential, Multi-Family Residential, Commercial, Industrial and Institutional are collectively referred to in this Report as "Developed Property".

ALLOCATED BUDGET APPORTIONMENT METHODOLOGY

The budget figures allocated between each Property Category shown in Table 6 are further apportioned to properties within each category by dividing the budgeted amount for each Property Category by a denomination that provides a fair and equitable basis for determining each parcel's proportional special benefit within each category. This methodology, based on land use and the District's historical efforts related to different land uses, results in a uniform rate schedule based on the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. To establish each property's proportional special benefit and share of the allocated costs within its Property Category, an Equivalent Benefit Unit (EBU) method of apportionment has been utilized. The EBU method of apportioning special benefits for

fire suppression services provides an appropriate and equitable assessment methodology for determining each parcel's proportional special benefit based on a function of comparable and quantifiable property characteristics (building square footage and acreage) that correlate directly to the demand and extent of fire suppression efforts that may be required. For Unimproved Property, each parcel's special benefit assessment is equitably apportioned by a calculated EBU that is based on the parcel's "Assessable Acreage" (which is described in the discussion that follows), multiplied by an acreage assessment rate. For Developed Property, each parcel's special benefit assessment is equitably apportioned by a calculated EBU based on the parcels building square footage multiplied by the applicable building assessment rate for that Property Category and if applicable, the EBU calculated for the parcel's "Assessable Acreage" multiplied by the same acreage assessment rate applied to Unimproved Property. Table 7 provides a summary overview of the basis upon which each Property Category shall be assessed.

TABLE 7
SMFD Assessment Basis

Property Category	Fire Assessment Basis
Single Family Residential	Building sq. ft. Assessment + Assessable Acreage Assessment (as applicable)
Multi-Family Residential	Building sq. ft. Assessment + Assessable Acreage Assessment (as applicable)
Commercial	Building sq. ft. Assessment + Assessable Acreage Assessment (as applicable)
Industrial	Building sq. ft. Assessment + Assessable Acreage Assessment (as applicable)
Institutional	Building sq. ft. Assessment + Assessable Acreage Assessment (as applicable)
Unimproved	Assessable Acreage Assessment

Sources: Sacramento Metropolitan Fire District; Willdan Financial Services.

Although building square footage and parcel acreage are appropriate property characteristics for determining each parcel's proportional EBU and special benefit, in order to ensure those allocations are fair and equitable, other factors, such as SMFD's limits and capabilities, the point at which a fire is no longer considered solely special benefit and the point at which mutual aid is required, must also be considered. Likewise, while it is true that larger buildings and larger parcels of land require additional effort, it is not reasonable to conclude that the effort required is directly proportional to the increase in size. Based on discussions with the SMFD chief, it is apparent that as building square footage or acreage for a property increases, the overall fire suppression effort increases, but that effort does not increase by the same proportion as square footage and acreage. This disproportionality occurs in large part, because the resources deployed (number of engines and personnel) are only incrementally increased based on the size of the fire. (e.g. the resources deployed to a 50,000 square foot structure is certainly greater than the resources deployed to a 5,000 square foot structure, but not ten times greater). Therefore, the Equivalent Benefit Unit (EBU) applied to each parcel for both building square footage and acreage utilize sliding scales to more accurately reflect the proportional special benefit and fire suppression effort associated with each parcel's acreage and building square footage.

Consolidated Parcels

For purposes of this Report and application of both building square footage and acreage EBUs, a “Consolidated Parcel” is a group of contiguous parcels that operate in tandem by the same (or related) owners. As with bifurcated properties (single lots or parcels of land that have been split into two or more Assessor’s Parcel Numbers due to Tax Rate Areas) it is equitable to treat these contiguous parcels with the same (or related) ownership as a single property for purposes of calculating proportional EBUs and special benefits rather than applying the EBU calculated for each individual parcel.

Because the Fire Assessment utilizes EBUs calculated for both building square footage and acreage that incorporate sliding scales (discussed in more detail later in this section), it has been determined that treating these parcels as one property (Consolidated Parcel), more accurately reflects the proportional special benefit of those individual parcels (e.g. two contiguous unimproved 100 acre parcels with the same ownership would be collectively subject to the same assessment as a single, unimproved, 200 acre parcel). Therefore for purposes of calculating the Fire Assessment for the “Consolidated Parcel”, both the building square footage EBU and acreage EBU are calculated based on the collective parcels within the Consolidated Parcel group and the resulting EBUs are then proportionately allocated back to the individual parcels to calculate their proportional Fire Assessment.

Building Square Footage EBUs (Sliding Scale)

Each Developed Property’s special benefit and fire suppression assessment includes a calculated Equivalent Benefit Unit that is based on the parcel’s building square footage, multiplied by the Assessable Building Rate for each Property Category. Based on discussions with SMFD, it was determined that for structural fires that involve a building in excess of 130,000 square feet, the District has limited capacity to handle the fire without assistance from outside agencies. In such circumstances, mutual aid would be called and based on the discussions with the District; SMFD would likely be only one of three responding agencies and thus would be providing only 1/3rd of the total fire suppression effort. However, any structure fire under 130,000 square feet would generally be covered solely by the District. Therefore, recognizing that structural fires in excess of 130,000 square feet would involve reduced District fire suppression efforts due to mutual aid (1/3rd of the EBUs) and recognizing that the effort required to address structural fires is not exactly proportional to the direct increase in building square footage as previously noted, the calculation of building square footage EBUs for each property utilizes a weighted sliding scale in 10,000 square foot increments (Tiers) as the building size increases up to 130,000 square feet.

As shown in Table 8 that follows, building square footages in excess of 130,000 square feet are assigned a weighted special benefit referred to as a Benefit Unit Factor (BUF or BU per square foot) of 0.333 BU per square foot, which is reflective of the reduced SMFD fire suppression efforts due to mutual aid. For each 10,000 square feet or portion thereof, the weighted BUF is proportionately and incrementally adjusted for building square footages less than 130,000 square feet. As a result of this incremental adjustment, for the first 10,000 square feet or portion thereof (Tier 1), each square foot is assigned 1.000 BU per square foot. For the next 10,000 square feet or portion thereof (Tier 2 — 10,001 to 20,000 sq. ft.), each square foot is weighted 0.949 BU per square foot. This incremental adjustment in the weighted benefit continues for each 10,000

square foot increment (each Tier) up to 130,000 square feet, with each square foot in excess of 130,000 square feet being weighted 0.333 BU per square foot. The total benefit units applied for building square footage is therefore the accumulation of the benefit units for each Tier applicable to the square footage associated with the structure or structures for each parcel or Consolidated Parcel, with the BUs per square foot calculated for the highest applicable Tier being added to the Maximum BUs of the previous Tier as demonstrated in Table 8 that follows. For rounding purposes and establishing the assessment rate per EBU for building square footage, the resulting total BUs per square foot for each property ("Accumulative BUs"), is divided by 100 square feet to establish the property's building square footage Equivalent Benefit Units ("Accumulated EBUs").

TABLE 8
Building Square Footage EBU Sliding Scale Application

Tier	Building Square Footage	Building Square Footage Benefit Units (BUs)	Maximum BUs (Accumulated BUs)	Maximum EBUs (Accumulated EBUs)
1	0 to 10,000 sq. ft.	1.000 BU Per sq. ft.	10,000 BUs	÷ 100 = 100.000 EBUs
2	10,001 to 20,000 sq. ft.	10,000 BUs + 0.949 BU Per sq. ft.	19,490 BUs	÷ 100 = 194.900 EBUs
3	20,001 to 30,000 sq. ft.	19,490 BUs + 0.897 BU Per sq. ft.	28,460 BUs	÷ 100 = 284.600 EBUs
4	30,001 to 40,000 sq. ft.	28,460 BUs + 0.846 BU Per sq. ft.	36,920 BUs	÷ 100 = 369.200 EBUs
5	40,001 to 50,000 sq. ft.	36,920 BUs + 0.795 BU Per sq. ft.	44,870 BUs	÷ 100 = 448.700 EBUs
6	50,001 to 60,000 sq. ft.	44,870 BUs + 0.744 BU Per sq. ft.	52,310 BUs	÷ 100 = 523.100 EBUs
7	60,001 to 70,000 sq. ft.	52,310 BUs + 0.692 BU Per sq. ft.	59,230 BUs	÷ 100 = 592.300 EBUs
8	70,001 to 80,000 sq. ft.	59,230 BUs + 0.641 BU Per sq. ft.	65,640 BUs	÷ 100 = 656.400 EBUs
9	80,001 to 90,000 sq. ft.	65,640 BUs + 0.590 BU Per sq. ft.	71,540 BUs	÷ 100 = 715.400 EBUs
10	90,001 to 100,000 sq. ft.	71,540 BUs + 0.538 BU Per sq. ft.	76,920 BUs	÷ 100 = 769.200 EBUs
11	100,001 to 110,000 sq. ft.	76,920 BUs + 0.487 BU Per sq. ft.	81,790 BUs	÷ 100 = 817.900 EBUs
12	110,001 to 120,000 sq. ft.	81,790 BUs + 0.436 BU Per sq. ft.	86,150 BUs	÷ 100 = 861.500 EBUs
13	120,001 to 130,000 sq. ft.	86,150 BUs + 0.385 BU Per sq. ft.	90,000 BUs	÷ 100 = 900.000 EBUs
14	130,001 + sq. ft.	90,000 BUs + 0.333 BU Per sq. ft.	No cap	÷ 100 = EBUs as calculated

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

Assessable Acreage

Each parcel's special benefit and fire suppression assessment includes a calculated EBU that is based on the parcel's "Assessable Acreage", multiplied by the acreage assessment rate established for all unimproved Assessable Acreage. As previously noted, the District's fire suppression efforts associated with "Wildfires" are considered to be general benefit and the cost of such efforts have been excluded from Total Fire Suppression Assessment Expenditures budgeted as shown in Table 2. Based on discussions with SMFD, a correlation exists between fire suppression services (call incidents) that are considered Wildfires (fires that require deployment of firefighter personnel, equipment and/or apparatus for a period greater than 24-hours in duration) and the acreage associated with such fires. Based on those discussions, it was determined that for fires involving acreage in excess of 150 acres, the District has limited capacity to handle the fire without assistance and the deployment of firefighter personnel, equipment and apparatus would typically exceed 24-hours. Therefore, it has been determined that the maximum "Assessable Acreage" for any one parcel or Consolidated Parcel, shall be limited to 150 acres.

Developed Property Assessable Acreage

While the need and demand for fire suppression services for Developed Properties is predominately related to the structures associated with those properties (building square footage), in addition to the building square footage the development of such properties incorporate areas of landscaping, parking or other hardscape surfaces that adds to the area of the property that is improved and reduces that portion of the property that would be considered vacant or unimproved. Therefore, Developed Properties are given an Improvement Acreage Allowance to account for both the building square footage and the additional improvement area (developed square footage). Based on discussions with SMFD and a review of various Developed Properties in the District, the following determinations were made with respect to this Improvement Acreage Allowance:

- The typical Single Family Residential property within the District is situated on one acre or less of land and generally the entire acreage of the property is covered by the structure (building square footage) and/or hardscape surfaces and landscaping. Based on discussions with SMFD, it was determined that these additional areas and amenities present a very low fire risk and no notable or measurable fire suppression efforts beyond the effort associated with the property's building square footage is required. Therefore the proportional EBU and Fire Suppression Assessment calculated for these properties are based entirely on building square footage. However, if the acreage for a Single Family Residential property exceeds one acre, typically most if not all, of that acreage is unimproved and the risk of the fire spreading becomes greater. This additional acreage is considered Assessable Acreage and an Acreage EBU is calculated for each additional acre or portion thereof in excess of one acre, to reflect the fire suppression efforts that may be required for this remaining unimproved land.
- For Multi-Family Residential, Commercial, Industrial, and Institutional properties, in addition to the building square footage associated with these properties, these Developed Properties include parking areas and other hardscape surfaces as well as areas of irrigated landscaping. Similar to Single Family Residential properties, this additional area and amenities generally present a very low fire risk and on average

cover an area that is twice the square footage of the building square footage associated with the property. Therefore, it is appropriate that for these Developed Properties, an Improvement Acreage Allowance be applied to establish the Assessable Acreage to be assessed. That Improvement Acreage Allowance being the greater of one acre or three times the building square footage. Therefore, in addition to the building square footage assessment calculated for each of these Developed Properties, an Acreage EBU is calculated and applied for the Assessable Acreage associated with the property to reflect the fire suppression efforts that may be required for this remaining unimproved land.

Unimproved Property Assessable Acreage

For Unimproved Property, the “Assessable Acreage” is equal to the property’s acreage based on the property data established for parcels in the District’s service area. As discussed in more detail later in this section, a weighted sliding scale in 5-acre increments is applied to this Assessable Acreage to calculate and establish the Acreage EBU for each Unimproved Property. As part of this EBU calculation the Assessable Acreage applied to each parcel or Consolidated Parcel shall not be greater than 150 acres for reasons previously discussed.

Assessable Acreage EBUs (Sliding Scale)

Not unlike the calculation of EBUs applied for building square footage, it is recognized that the fire suppression efforts required to address fires for unimproved land (Assessable Acreage) increases as the Assessable Acreage increases, but that effort does not necessarily increase by the same proportion in large part because the resources deployed (number of engines and personnel) are only incrementally increased based on the size of the fire (e.g. the resources deployed to a 5-acre fire on unimproved land are certainly greater than the resources deployed to a 50-acre fire on unimproved land, but not ten times greater). Therefore, the Equivalent Benefit Unit (EBU) applied to each parcel’s Assessable Acreage utilize a weighted sliding scale to more accurately reflect the proportional special benefit and the relationship between fire suppression efforts and Assessable Acreage. Based on the determination that the maximum Assessable Acreage for any one property shall be limited to 150 acres and the wide range of Assessable Acreages found in the District, a sliding scale in 5-acre increments (Tiers) is utilized to equitably reflect the proportional fire suppression efforts and special benefits for unimproved land.

As demonstrated in Table 9 that follows, for each 5-acres of Assessable Acreage or portion thereof, the weighted special benefit referred to as a Benefit Unit Factor (BUF or BU per acre) is incrementally reduced for Assessable Acreage less than 150 acres. For the first 5-acres (Tier 1), each Assessable Acre or portion thereof is assigned 1.000 BU per acre. For the next 5-acres or portion thereof (Tier 2 — 5.001 to 10.000 acres), each Assessable Acre is weighted 0.967 BU per acre. This reduction in the weighted benefit continues for each 5-acre increment (each Tier) up to 150 acres with each remaining acre of land in excess of 150 acres being weighted 0.000 BU per acre. The total benefit units applied for Assessable Acreage is therefore the accumulation of the benefit units for each Tier applicable to the Assessable Acreage associated with each parcel or Consolidated Parcel, with the BUs per acre calculated for the highest applicable Tier being added to the Maximum BUs of the previous Tier, as demonstrated in Table 9 that follows. The resulting total BUs per acre for each property (“Accumulative BUs”) represents the property’s acreage Equivalent Benefit Units (“Accumulated EBUs”).

TABLE 9
(1 OF 2)

Assessable Acreage EBU Sliding Scale Application

Tier	Assessable Acreage	Acreage Benefit Units (BUs)	Maximum BUs (Accumulated BUs)	Maximum EBUs (Accumulated EBUs)
1	- to 5.000 Acres	1.000 BU per Acre or Portion Thereof	5.000 BUs	= 5.000 EBUs
2	5.001 to 10.000 Acres	5.000 BUs + 0.967 BU per Acre or Portion Thereof	9.835 BUs	= 9.835 EBUs
3	10.001 to 15.000 Acres	9.835 BUs + 0.933 BU per Acre or Portion Thereof	14.500 BUs	= 14.500 EBUs
4	15.001 to 20.000 Acres	14.500 BUs + 0.900 BU per Acre or Portion Thereof	19.000 BUs	= 19.000 EBUs
5	20.001 to 25.000 Acres	19.000 BUs + 0.867 BU per Acre or Portion Thereof	23.335 BUs	= 23.335 EBUs
6	25.001 to 30.000 Acres	23.335 BUs + 0.833 BU per Acre or Portion Thereof	27.500 BUs	= 27.500 EBUs
7	30.001 to 35.000 Acres	27.500 BUs + 0.800 BU per Acre or Portion Thereof	31.500 BUs	= 31.500 EBUs
8	35.001 to 40.000 Acres	31.500 BUs + 0.767 BU per Acre or Portion Thereof	35.335 BUs	= 35.335 EBUs
9	40.001 to 45.000 Acres	35.335 BUs + 0.733 BU per Acre or Portion Thereof	39.000 BUs	= 39.000 EBUs
10	45.001 to 50.000 Acres	39.000 BUs + 0.700 BU per Acre or Portion Thereof	42.500 BUs	= 42.500 EBUs
11	50.001 to 55.000 Acres	42.500 BUs + 0.667 BU per Acre or Portion Thereof	45.835 BUs	= 45.835 EBUs
12	55.001 to 60.000 Acres	45.835 BUs + 0.633 BU per Acre or Portion Thereof	49.000 BUs	= 49.000 EBUs
13	60.001 to 65.000 Acres	49.000 BUs + 0.600 BU per Acre or Portion Thereof	52.000 BUs	= 52.000 EBUs
14	65.001 to 70.000 Acres	52.000 BUs + 0.567 BU per Acre or Portion Thereof	54.835 BUs	= 54.835 EBUs
15	70.001 to 75.000 Acres	54.835 BUs + 0.533 BU per Acre or Portion Thereof	57.500 BUs	= 57.500 EBUs
16	75.001 to 80.000 Acres	57.500 BUs + 0.500 BU per Acre or Portion Thereof	60.000 BUs	= 60.000 EBUs
17	80.001 to 85.000 Acres	60.000 BUs + 0.467 BU per Acre or Portion Thereof	62.335 BUs	= 62.335 EBUs
18	85.001 to 90.000 Acres	62.335 BUs + 0.433 BU per Acre or Portion Thereof	64.500 BUs	= 64.500 EBUs

TABLE 9
(2 OF 2)

Assessable Acreage EBU Sliding Scale Application (Continued)

Tier	Assessable Acreage	Acreage Benefit Units (BUs)	Maximum BUs (Accumulated BUs)	Maximum EBUs (Accumulated EBUs)
19	90.001 to 95.000 Acres	64.500 BUs + 0.400 BU per Acre or Portion Thereof	66.500 BUs	= 66.500 EBUs
20	95.001 to 100.000 Acres	66.500 BUs + 0.367 BU per Acre or Portion Thereof	68.335 BUs	= 68.335 EBUs
21	100.001 to 105.000 Acres	68.335 BUs + 0.333 BU per Acre or Portion Thereof	70.000 BUs	= 70.000 EBUs
22	105.001 to 110.000 Acres	70.000 BUs + 0.300 BU per Acre or Portion Thereof	71.500 BUs	= 71.500 EBUs
23	110.001 to 115.000 Acres	71.500 BUs + 0.267 BU per Acre or Portion Thereof	72.835 BUs	= 72.835 EBUs
24	115.001 to 120.000 Acres	72.835 BUs + 0.233 BU per Acre or Portion Thereof	74.000 BUs	= 74.000 EBUs
25	120.001 to 125.000 Acres	74.000 BUs + 0.200 BU per Acre or Portion Thereof	75.000 BUs	= 75.000 EBUs
26	125.001 to 130.000 Acres	75.000 BUs + 0.167 BU per Acre or Portion Thereof	75.835 BUs	= 75.835 EBUs
27	130.001 to 135.000 Acres	75.835 BUs + 0.133 BU per Acre or Portion Thereof	76.500 BUs	= 76.500 EBUs
28	135.001 to 140.000 Acres	76.500 BUs + 0.100 BU per Acre or Portion Thereof	77.000 BUs	= 77.000 EBUs
29	140.001 to 145.000 Acres	77.000 BUs + 0.067 BU per Acre or Portion Thereof	77.335 BUs	= 77.335 EBUs
30	145.001 to 150.000 Acres	77.335 BUs + 0.033 BU per Acre or Portion Thereof	77.500 BUs	= 77.500 EBUs
31	150.000 + Acres	77.500 BUs + 0.000 BU per Acre	77.500 BUs	= 77.500 EBUs

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

Application of EBU Methodology to Establish Assessable Building Rates

Utilizing the property data established for parcels in the District’s service area and applying the EBU calculations previously outlined for building square footage, the total Assessable Building Square Footage EBU for each Property Category is established. Table 10 below summarizes the Assessable Building Square Footage EBU for each Property Category.

**TABLE 10
Building Square Footage EBUs**

Property Category	Total Assessable Building EBU
Single Family Residential	3,128,849.924
Multi-Family Residential	400,576.742
Commercial	542,799.320
Industrial	309,827.642
Institutional	240,024.797

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

The SMFD Allocated Fire Suppression Assessment Budget for each Property Category identified in Table 6, and the total Assessable Building Square Footage EBU for each Property Category identified in Table 10 are used to determine and establish the Building Assessment Rates to be applied to the Assessable Building EBU for each parcel in the various Property Categories. Table 11 summarizes this calculation and the resulting Assessment Rates (Maximum Assessment Rates for Fiscal Year 2014/2015) to be applied to each property’s Assessable Building Square Footage EBU to calculate the property’s Building Square Footage Assessment.

**TABLE 11
Building Square Footage Assessment Rates per EBU**

Property Category	Budget Allocation	Total Assessable Building EBU	Building Assessment Per EBU
Single Family Residential	\$ 5,165,452	3,128,849.924	\$ 1.6509
Multi-Family Residential	\$ 1,572,071	400,576.742	\$ 3.9300
Commercial	\$ 1,506,403	542,799.320	\$ 2.7752
Industrial	\$ 556,659	309,827.642	\$ 1.7967
Institutional	\$ 542,957	240,024.797	\$ 2.2621

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

Application of EBU Methodology to Establish Assessable Acreage Rate

Utilizing the property data established for parcels in the District’s service area and applying the EBU calculations previously outlined for Assessable Acreage, the total Assessable Acreage EBU is established. Table 12 below summarizes the Total Assessable Acreage EBU, for each Property Category.

**TABLE 12
Assessable Acreage EBUs**

Property Category	Total Assessable Acreage EBU
Single Family Residential	49,081.730
Multi-Family Residential	862.007
Commercial	1,457.876
Industrial	4,366.822
Institutional	1,691.037
Unimproved	29,632.059
Total Assessable Acreage	87,091.533

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

The SMFD Allocated Fire Suppression Assessment Budget for Unimproved Property identified in Table 6 (\$2,656,459), and the Total Assessable Acreage EBU identified in Table 12 (87,091.533 EBU) are used to determine and establish the Acreage Assessment Rate to be applied to the Assessable Acreage EBU for each parcel in all Property Categories. Table 13 summarizes this calculation and the resulting Assessment Rate (Maximum Assessment Rate for Fiscal Year 2014/2015) to be applied to each property's Assessable Acreage EBU to calculate the property's Acreage Assessment. Note: The same Rate (\$30.5019) is applied to the Assessable Acreage EBU in each Property Category.

In Table 13 that follows, the "Budget Allocation" for each Property Category represents the resulting assessment revenues for the Assessable Acreage associated with the parcels in that Property Category. It should be noted however, because Assessable Acreage for each Developed Parcel or Consolidated Parcel is calculated based on the property's actual acreage minus the Improvement Acreage Allowance, there are properties within those Property Categories for which there is no Assessable Acreage and the Acreage Assessment Rate is not applicable. For example, a majority of the Single Family Residential properties in the District are located on less than one acre and because these properties have a one-acre Improvement Acreage Allowance, they have no Assessable Acreage.

TABLE 13
Assessable Acreage Assessment Rate per EBU

Property Category	Budget Allocation	Total Assessable Acreage EBU	Acreage Assessment Per EBU
Assessable Acreage	\$ 2,656,459	87,091.533	\$ 30.5019

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

Table 14 summarizes the fire assessment rates to be assessed against parcels within each Property Category for Fiscal Year 2014/2015

**TABLE 14
SMFD Proposed Assessment Rates Commencing Fiscal Year 2014/2015**

Property Category	Building Assessment Per EBU	Acreage Assessment Per EBU
Single Family Residential	\$ 1.6509	\$ 30.5019
Multi-Family Residential	\$ 3.9300	\$ 30.5019
Commercial	\$ 2.7752	\$ 30.5019
Industrial	\$ 1.7967	\$ 30.5019
Institutional	\$ 2.2621	\$ 30.5019
Unimproved	\$ -	\$ 30.5019

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

Combined Total Assessment (Building and Acreage Assessments)

The following table (Table 15) summarizes the combined total Building Assessments and Acreage Assessments to be levied on parcels in each Property Category based on the preceding special benefit methodology and assessment rates.

**TABLE 15
Total Assessments to be Levied for Fiscal Year 2014/2015**

Property Category	Building Assessments	Acreage Assessments	Total Assessments
Single Family Residential	\$ 5,165,452	\$ 1,497,086	\$ 6,662,538
Multi-Family Residential	1,572,071	26,293	1,598,364
Commercial	1,506,403	44,468	1,550,871
Industrial	556,659	133,197	689,856
Institutional	542,957	51,580	594,537
Unimproved	-	903,835	903,835
Total Fire Suppression Assessments	\$ 9,343,541	\$ 2,656,459	\$ 12,000,000

Sources: Sacramento Metropolitan Fire District; MuniServices; Willdan Financial Services.

ADDITIONAL ASSESSMENT INFORMATION

DURATION OF ASSESSMENTS

The purpose of the Fire Suppression Assessment is to partially fund (support) ongoing fire suppression services provided by the Sacramento Metropolitan Fire District, and the proposed Fire Suppression Assessment described in this Report will be levied for a period of 10 years.

BALLOTING

The District will provide a Notice and Ballot for each affected parcel which has a special benefit conferred upon them and upon which an assessment will be imposed, if approved by the property owners and confirmed by the District's Board of Directors. The Assessment Ballot will identify the assessment amount for the affected property based on the land use codes assigned by the District based on the Parcel Data identified in this Report. The District will rely on the land use classifications assigned by the Sacramento and Placer County Assessor's office to classify parcels and assign assessment categories unless that information is known by the District to be inaccurate. Ballots must be received by the Board Clerk prior to the close of the public input portion of the Public Hearing to be considered. Valid ballots returned to the Board Clerk on the matter of the Assessment will be tabulated to determine if a majority protest exists. A majority protest exists if, upon the conclusion of the public hearing, ballots submitted in opposition to the Assessment exceed ballots submitted in favor of the Assessment. In tabulating the ballots, the ballots will be weighted according to the proportional financial obligation of the affected property that returns a valid ballot. If majority protest exists, the District will not impose the Assessment. If there is not majority protest, the Assessment may be approved by the District Board.

Pursuant to Government Code Section 54954.6(h), the requirements of Government Code Section 54954.6 do not apply to this Assessment.

PUBLIC PROPERTY

Parcels that are owned or used by any agency, the State of California or the United States are not exempt from the proposed assessment and will be assessed on the same basis as private property in the same use category.

ASSESSMENT ROLL

Because of the large number of parcels subject to the Fire Suppression Assessment, the assessment roll that identifies all parcels by Assessor's Parcel Number and their corresponding Fire Assessment amount will be filed electronically with the District Board Clerk by the Intent Meeting date. The assessment roll will not be a final document until the District Board has passed resolutions approving the Assessment assuming a lack of majority property owner protest on the matter of the Assessment.