

MEASURE: VALLEY CENTER FIRE PROTECTION DISTRICT LOCAL EMERGENCY RESPONSE/FIRE PROTECTION

November 2020

SDCTA Position: SUPPORT

Rationale for Position:

Meets key STCTA criteria of oversight committee protections, well defined need demonstrated and does not include full publicly funded pensions, but a 401K style plan, a savings to taxpayers.

Title: Valley Center Fire Department Measure

Jurisdiction: Valley Center Fire Protection District

Type: Parcel Tax Ballot Measure

Vote: Two-Thirds Majority

Status: On the November Ballot

Issue: Parcel tax to supply funding for an additional fire station and improved fire services. Vacant and agricultural land with no living residence would be taxed at \$49.00 per parcel; improved residential parcels at \$0.06 per square foot; and commercial and industrial parcels with buildings at \$0.18 per square foot.

Description: This parcel tax is applied to each parcel within Valley Center in order to fund a new fire station and improved services to meet the needs of the community.

Fiscal Impact: Increases annual taxes on each parcel, according to the above formula for different parcel types within Valley Center. These costs would be partially offset by decreased fire insurance rates for residents.

Background

The Valley Center Fire Department has seen an increase in demand in their services exceeding the amount they are currently able to provide. As a result, they have proposed a parcel tax in order to create an additional station to reduce emergency incident times, improve personnel recruitment and retention, improve the Department's ISO insurance rating to lower insurance rates, and increase their reliability to respond to simultaneous emergency incidents.



The current fire stations are not believed to have adequate capacity for the needs of the community. The majority of the staff is part-time and in need of additional training. As a result, turnover tends to run higher than average. Valley Center deems this turnover as inefficient in providing necessary fire and medical services. The measure specifies a portion of the revenue to be used for hiring more full-time staff; providing them with health, vision, and dental benefits; and establishing a 401k-style retirement plan with a match from the District, which together are aimed at lowering department turnover rates.

SDCTA supported a similar parcel tax measure for the Valley Center Fire Department in 2018, but the measure failed to garner sufficient votes for enactment. This measure was retooled after community listening sessions, and the tax formula was changed from a flat \$180 for most parcels, to a more delineated and progressive tax rate based on parcel type (see *Fiscal Impact* section below).

In the past, the SDCTA has opposed parcel taxes such as Proposition A in 2004, citing lack of specificity and acting prematurely on short-term issues. The SDCTA has also opposed bills that do not provide a long-term funding plan after parcel tax funds are expended, and in cases where the agency in question has a poor record of fiscal responsibility. The Valley Center Fire Department has demonstrated a history of good fiscal responsibility.

This measure has provided sufficient specificity and outlined the need for the parcel tax. In addition, the measure stipulates proper oversight for the parcel. While the parcel is discussed as subject to the residents, it does not outline the long-term plan following this parcel tax that would ensure the ability to maintain paying fire staff.

Fiscal Impact

This measure will introduce a parcel tax based on the following formula:

- Vacant and agricultural land with no living residence: \$49.00 per parcel
- Improved residential parcels: \$0.06 per square foot
- Commercial and industrial parcels with buildings: \$0.18 per square foot

This amounts to approximately \$820,000 per year of income for the Fire Department. Exemptions will be given to low income senior residents. Insurance agencies have reported that these increased services could lower insurance costs for homeowners and businesses. With the new fire station, homeowners who currently live outside the five mile driving distance from the two existing fire stations could see better access to insurance policy choices, and a potential reduction in rates by 30-40%. This is a result of living within closer driving distance to a station, thus reducing response times and liability in case of an emergency. This is expected to minimize the cost of the parcel tax for these residents; still, this parcel will be an additional cost to residents living within the Valley Center Fire Protection District.