

**TOWN OF PARADISE
COUNCIL AGENDA SUMMARY
DATE: MARCH 9, 2010**

AGENDA NO. 7.a.

ORIGINATED &

REVIEWED BY: Charles Rough, Jr., Town Manager
Chris Buzzard, Police Chief
Chris Jensen Fire Chief

**SUBJECT: PRESENTATION OF A REPORT TO THE TOWN
COUNCIL DETERMINING IF THEY WISH
TO PROCEED WITH CONDUCTING A DULY
NOTICED PUBLIC HEARING TO CONSIDER THE
ADOPTION OF AN ORDINANCE TO BE SUBMITTED
TO THE VOTERS FOR THE NOVEMBER 2, 2010
ELECTION, THAT IF APPROVED, WOULD
ESTABLISH A SPECIAL PUBLIC SAFETY
(POLICE/FIRE) PROTECTION PARCEL TAX**

COUNCIL ACTION REQUESTED:

- 1. Approve conducting a duly noticed public hearing at the Town Council's next regularly scheduled meeting on April 13, 2010, to consider adopting an ordinance to submit for the November 2, 2010 election, establishing a special public safety (police/ fire) protection parcel tax that requires two-thirds voter approval; or**
- 2. Determine not to proceed with a public safety tax measure for the November 2, 2010 election; or**
- 3. Provide other direction to staff.**

Council Agenda Report

-2-

Introduction:

At the November 10, 2009 Town Council meeting, I presented to the Council my September 24, 2009 final report on additionally needed fire protection, emergency preparedness and fire suppression to the Town of Paradise/Butte County Ad Hoc Committee.

This final report included three different options to achieve significant and long overdue fire safety improvements to our very vulnerable, high risk fire area. Options A & B proposed various fire safety improvements for a larger district area that encompassed Paradise, the Upper Ridge, the south Paradise unincorporated area, and Butte Creek Canyon. Option C provided an approach whereby areas within this larger district could do their own thing in terms additional fire safety improvements, such as the Town of Paradise. In fact, Option C presented a possible approach that the Town of Paradise might pursue if the County, or any of the areas in the larger district chose to go a different route. All three options included a special tax (through the formation of a Mello-Roos Community Facilities District) to fund these additional fire safety improvements due to the financial constraints, and inability of the County, or the Town, to fund them with their limited financial resources.

After my presentation, the Town Council complimented the report, recognized the need for various fire safety and emergency preparedness improvements, and expressed a general willingness to continue to work the County on these issues. However, the Council also stated, that short of any actual buy-in from the County, the Town needed to focus on the Town of Paradise and our public safety needs first and foremost. In fact, the Council directed that we explore a variation of Option C that would include both police and fire for a possible tax measure to be submitted to the voters at the November 2, 2010 election.

The Council asked me to bring back a report that included comparisons of the various types of applicable tax measures, which if approved by the voters, will provide the additional funding necessary to achieve long overdue police and fire improvements; as well as provide information to the Council about those needed public safety improvements. The report is intended to provide information necessary for the Council to make an informed decision as to whether they want to proceed to the next step. The next step is for the Council to direct that a duly noticed public hearing be scheduled to consider the adoption of an ordinance that will be submitted to the voters in November to establish a special police/fire public safety protection parcel tax.

Council Agenda Report

-3-

This report which follows is intended to provide the Council with the information that you requested. There will be additional information (including comparison charts) presented this evening as part of my staff report (by power point) that will further explain and amplify the information contained in this report.

It should be noted that following the Town Council's November meeting, Butte County's administration presented a report, on December 8, 2009, to the Butte County Board of Supervisors, which provided the Board with a whole range of approaches to consider for funding fire protection in the County. This is directly connected to future deliberations over the method, or methods, of providing fire protection in the County.

The Town's Financial Dilemma & Fiscal Challenges – Past and Present:

The Town of Paradise *has never had the financial resources necessary to adequately fund minimally required* levels of police and fire services necessary to address law enforcement, fire and medical emergency response, emergency preparedness and fire safety challenges, in Paradise.

Since its incorporation in 1979, *the Town has always operated under significant fiscal constraints*, and as such, has never been able to provide the level of services, particularly public safety services, that a changing community of our size relative to population, demographics, socio-economics and geographic size requires.

Consequently, the Town has a history of controlled spending, saving for a rainy day, and aggressively pursuing federal and state grants to supplement some of our limited funding situation, but as those grants have been generally for very narrowly defined projects or programs that really do not make-up for our narrow tax base.

While the deepest economic recession and longest economic recovery in recent history; and an out-of-control, growing state budget deficit crisis has caused the Town its greatest financial challenge since incorporation; this Town has always had to contend with the fiscal reality of being predominately a bedroom community with an inadequate tax base. A bedroom community, such as Paradise, is primarily residential, highly dependent on property taxes for revenue, and usually has a small, retail commercial base.

The final effort to incorporate thirty years ago was successful primarily due to the passage of Proposition 13, which assured Paradise voters that they would not see the kind huge increases property tax increases that many other community's were experiencing prior to Proposition 13. However, ironically, Proposition 13 started the ball rolling in terms of our Town's struggle to provide basic municipal services, but lacking the

Council Agenda Report

-4-

the adequate revenues and income to carry it out.

Consequently, this pattern of understaffed police and fire departments, not to mention other non-public safety services and programs; and the resulting, constant tug-of-war issue between maintaining adequate staffing, as well as providing decent, competitive wages and benefits for our employees has been a continual dilemma since the Town's beginnings.

In addition to an inadequate local tax, the Town has experienced during its thirty year history, such outside, external factors as economic downturns and recessions, and state budget crises that have further aggravated the Town's tenuous fiscal stability and solvency.

The most damaging impact, excluding our present circumstances, that has adversely impacted the Town since it went into effect in 1994, was the ERAF property tax shift imposed by the State. This permanent statewide property tax shift from local governments to meet the Proposition 98 state funding mandates for education, resulted in an initial loss of \$ 300,000 in property tax revenues for Paradise that has now reached nearly \$ 400,000 annually in lost property tax revenues for the Town. Since 1994, the

Town has lost a sum total of \$ 4.6 million in property tax revenues due to the ERAF shift. This is a huge loss in revenue to the Town that largely accounts for why we have been unable to adequately staff our police and fire departments.

Without any fiscal reform as to how local governments and school districts are funded in the near future, it is likely that due to the ongoing 1994 ERAF property tax shift, Paradise can look forward to losing another \$ 3.9 million in property tax revenues to the state during the next ten years - at very least!

Another factor that has significantly affected our decline in property tax revenues has been the impact of the housing market downturn as part of the economic recession, and the very slow economic recovery. Prior to both the housing bubble and subsequent housing downturn, property tax revenue growth to the Town averaged 4% annually. During the short lived housing bubble it averaged as high as 5-6% annually. Presently, the annual growth factor is less than 1% (after our mid-year revision of current fiscal year property tax projections).

Council Agenda Report

-5-

As a result, of various reverses that the Town has experienced since incorporation in property tax revenues, the Town's total property tax revenues this fiscal year accounts for only 58% of the total police and fire department budgets. *Property tax revenues no longer cover the entire cost of police and fire services as they were once intended to do.* This illustrates how the property tax, which is a property-related, local government revenue that was originally established to pay, as well as cover property-related local government services (police, fire, schools, parks, libraries, etc.) has been seriously compromised over the years, especially since the loss of local home rule and discretionary fiscal control to Sacramento. The poor economy has certainly further aggravated the situation.

In our case, we are left with using other general fund revenues (sales tax, vehicle in lieu fees, etc.) to make up the other 42% of our police and fire budgets. This puts a tremendous strain on our non-public safety programs and services, and becomes a more acute struggle when some of those other revenues, or income, are also in decline due to the economy, such as motor vehicle in lieu fees and sales tax. The fact that we are a predominately bedroom community with a limited retail commercial sales base, even in good economic times underscores more of the fiscal problem facing the Town

While the first five years of redevelopment (2003-2008) resulted in actual property tax growth (as well as sales tax growth) in the Redevelopment Project Area, the fact remains that the Agency is still relatively young, the Redevelopment Project Area only accounts for a small percentage of the Town's total assessed valuation, and the economic downturn during the last three years has temporarily stalled much of our redevelopment /revitalization-related progress to date. Over the long term, our redevelopment/revitalization projects and programs will definitely add revenues to the general fund, but it will never fully produce the monies needed to adequately address essential police and fire service needs.

Due to our fiscal constraints and history, our Town has never been adequately staffed or funded. We have always been a lean organization. With the current economic recession and state budget crisis, the Town over the last year-and-a-half has made major cutbacks in all our departments, consolidated operations, achieved agreements with all of our employees from the top down to make "shared sacrifice" concessions with their benefits, reduced hours of non-public safety personnel, and accomplished further staff reductions through normal attrition, retirements, and lay-offs.

Council Agenda Report

-6-

Therefore, the Town's historic financial constraints, which include an inherently narrow local economy and tax base, past state raids on our revenues, and the current economic recession and ongoing state budget crisis, have left us with no choice but to consider presenting the Town's voters with an opportunity, in November, to approve through a proposed parcel tax measure the additional funding necessary to achieve minimally required police and fire protection for Paradise.

Our Public Safety at Risk:

Clearly underscoring what we have been able to do, or not able to do, in terms of providing adequate police and fire protection for our community has depended largely on the fiscal limitations and constraints that the Town has dealt with since its incorporation.

This is not to be dismissive of the economy, enterprise and innovation that both the police and fire departments have historically demonstrated in stretching their dollars to the maximum; recruiting qualified police officers and firefighters despite the Town's inability to be competitive with its wages; dealing with large volumes of calls for service with understaffed shifts and personnel; utilizing vehicles and equipment well beyond their scheduled replacement time; pursuing grants wherever possible to attempt to make-up some for the Town's lack of financial resources; and utilizing volunteer components in each department to provide invaluable support that the departments simply cannot afford on their own.

Yet, the overarching theme of both departments, since incorporation, has been that they have seen their staffing levels reduced due to the Town's inherent, built-in fiscal constraints, and unavoidable budget cutbacks resulting from arbitrary state budget deficit-induced raids on our local revenues. The net result of the reduced staffing has been a parallel increase in overtime costs during recent years.

The bottom line is that from the very inception of this incorporated Town government, both departments have lacked minimally essential levels of staffing and programs necessary to meet the law enforcement and fire protection demands and challenges in this community. While they have done a tremendous job with limited staffing and resources, they have been largely reactive rather than proactive; and that has not only been frustrating to these highly dedicated public safety professionals, but it has meant that we are not adequately protecting our community at the level that we should be.

There are specific problems, issues and trends that place the public safety of our citizens at risk, and that we can no longer attempt to address in a reactive mode with our current limited resources. Those issues are:

Council Agenda Report

-7-

- The Growing Gang Problem in Paradise

Just five years ago, we were identifying and tracking a relatively small number of what our police department characterized as “gang wannabes.” In October, 2009, our Police Department’s investigations unit identified 77 actual gang members/associates in Paradise. In February, 2010, our investigations unit identified 133 gang members/associates. Over 70% reside or have Paradise addresses, with the balance from other areas including the Upper Ridge. Over 30-40% are on parole. The two primary gang affiliations are the White Pride and Nortenos gangs, with offshoot gangs from these two.

We are experiencing increasing gang involvement in such criminal offenses as the manufacturing, possession and sales of narcotics; theft/possession of firearms; commercial and residential burglaries, auto theft, criminal threats and graffiti.

Clearly, in order to better protect our community, we need to proactively focus on preventing gangs from gaining a foothold in Paradise like they’ve already done in several valley communities.

- The Increasing Illicit Drug Problem in Paradise

Paradise has continued to experience increases in narcotics violations that reflect corresponding increases in commercial burglaries, and robberies and aggravated assaults. The illicit drug problem also cuts across all age groups and demographics in our community. While we’ve experienced an increase in arrests having to do with sales of illicit drugs, possession and under the influence, with our current limited number of sworn police officers, we’re only scratching the surface in dealing with the problem.

- Increasing Traffic Enforcement Needed on Our Streets

Except for several infrequent traffic safety and enforcement grants that provided our police department for a limited time with a sworn police officer dedicated to traffic enforcement, the Paradise Police Department has never had the ability to maintain a traffic enforcement program on a continuous basis. Our individual police officers attempt on every shift to enforce traffic laws when time permits, however, because of other more pressing, unanticipated law enforcement priorities that occur during any given shift, the focus on traffic enforcement often

Council Agenda Report

--8-

takes a lower priority. Due to staff shortages and lack of sworn personnel, the number of traffic citations written during the last two years have fallen off by as much as 40%.

With increasing volumes of traffic on our Town's streets and roads, a collision rate on certain Town streets that is higher than the state average, traffic volumes that are expected to increase in the future, and increasing neighborhood speeding complaints by residents, there is a long overdue need to improve traffic safety on our streets through dedicated traffic enforcement program in our police department.

- Paradise is Located in a High Fire Severity Zone

Our community is the largest, most densely populated, incorporated city in Butte County located in a high risk fire area. However, we are not doing enough to proactively protect the huge investment that we have in human life and property, our local economy, businesses and jobs, public facilities such as our churches and schools, and our infrastructure, including our communications systems on the Ridge.

A number of residential properties in Paradise still pose a serious fire risk to themselves, not to mention to their neighbors and neighborhoods, due to the lack of defensible space, and build-up of fuels, etc., on their properties.

Paradise has a lack of fuel-abated and maintained emergency evacuation routes for its population, and we do not want to ever find ourselves in the untenable situation that we experienced during the Humboldt fire, where we were limited to evacuating a third of our population on a single lane on one road out of our Town.

In addition, Paradise has a number of grant funded fuel breaks that have over the years either overgrown or are in danger of overgrowing, due to the lack of monies necessary to maintain them. Our community also needs additional fuel breaks or fire defense lines established.

We are also aware that since the 2008 fires, and due to the fact that Paradise is located in a high risk fire area, a number of our homeowners have experienced either being dropped from their homeowners insurance carriers altogether, or seen a sharp increase in their annual premiums.

Council Agenda Report

-9-

- Paradise Lacks Adequate Fire Engine Staffing

Paradise is one of the few full-time fire departments serving in a high risk fire area that still operates with 2-person engine crews, and in fact, the number of full-time departments with 2-person engine crews in municipal fire departments statewide is in a vast minority.

In our own immediate area, the other municipal fire departments operate with a minimum of 3-person engine crews. Even Butte County fire stations manned by Cal-Fire operates with 3-person engine crews. The only exception is the Cal-Fire manned state stations where they maintain 2-person engine crews during the non-fire season, and then during fire season they beef up to 3-4 person engine crews.

Reducing the Risks to Our Public Safety:

- **Establish a dedicated 2-person anti-narcotics/anti-gang investigative unit within the Police Department's Investigations Division - \$ 199,133/yr (salary +benefits)**

Most of the crime that we deal with in Paradise is drug-related, with the use, as well as the dealing of drugs involving all ages, from the very young to the very old in our community, and crossing all socio-economic groups. An alarming trend in recent years has been a growing gang presence in Paradise that is tied to illicit drug activity.

Our Town's police department needs to establish a dedicated ant-narcotics/ anti-gang task force that focuses exclusively on the investigation, arrest and prosecution of illegal drug dealers and criminal gang activity.

Our Town is currently a member of the north county multi-agency, anti-narcotics task force referred to as BINTIF. We actually dedicate one sworn police officer to this task force. While this task force does an excellent job, and we believe that its worthwhile for Paradise to continue to be a part of the task force, it's focus and energies are naturally split between the various communities that it serves. We believe that its vital that as a complement to the BINTF effort, we have a dedicated unit within our own department that not only focuses on illegal narcotics activity in Paradise, but the growing gang problem, and its connection to illegal narcotics.

Council Agenda Report

-10-

The addition of two sworn police officer investigators dedicated to narcotics and gangs investigations, will significantly help with the tremendous caseload that our current two investigators carry, and allow them to exclusively focus on other types of criminal investigations, including but not limited to the exploding child abuse cases taking place in our community.

- **Establish a 2-person dedicated traffic enforcement unit within our Police Department's Patrol Division - \$ 191,412/yr (salary + benefits)**

The addition of two sworn police officers dedicated to traffic enforcement will provide the department with a consistent, continuous traffic safety and enforcement program for the first time in the department's history. The emphasis of the program will be both educating and informing our community about the importance of traffic safety, as well as the actual enforcement of our traffic laws. The officers in this unit will probably work an overlapping 4/10 work schedule during each week in order to provide adequate coverage during those periods of the week when traffic volumes are at their highest.

This dedicated traffic enforcement unit will be able to handle traffic collisions and accidents and free up our on-duty patrol officers to attend to their regular policing tasks and responsibilities. Furthermore, there have been increasing complaints by our residents of speeding in neighborhoods, and this dedicated unit will not only be able to respond to those complaints, but actually address the problem.

- **Funding for four (4) additional police vehicles for the four additional police personnel noted above - \$ 29,600/yr annual lease payment on a five-year lease**
- **Establish a 2-person, part-time (32 hours/wk each), year-around fire prevention/fuel reduction specialist unit as part of our Community Safety Services Division - \$ 78,383/yr (salary + benefits)**

Presently our fire prevention personnel consists of one (1) 32-hour per week Civilian Fire Inspector that focuses on fire code plan checking and working with our commercial businesses to improve their fire safety; and an 18-hour per week Civilian Fire Inspector that responds to fire hazard complaints on residential properties. This is clearly an inadequately staffed fire prevention program when our objective is to proactively reduce the danger of fire parcel-by-parcel in our neighborhoods and community. Clearly, our intent is to use these additional fire inspector specialists to inform, educate and work with property owners to reduce the fire hazards that may exist on their properties.

Council Agenda Report

-11-

As I've mentioned before, a proactive fire prevention effort such as the one being proposed in this tax measure gets a very big return in improving the public safety of our citizens for actually very little cost, or investment. It's prudent, cost effective and gets the desired results – better protecting Paradise by reducing the fire hazards and fuels build-up in our high fire risk area.

Finally, the fewer fire hazards that exist in our neighborhoods and community, means that it is the much easier for our firefighters to succeed in saving a home, as well as preventing the fire from spreading and destroying surrounding homes, and neighborhoods.

- **Establish an annual fire safety public information and education program, as well as a homeowner special needs fire hazard abatement assistance program through our Paradise Fire Safe Council - \$ 5,000/yr**

With the assistance of our Paradise Fire Safe Council, we need to improve our annual public information and education program for Paradise residents so that they are provided with helpful, relevant information on how to make their homes and property safer from the risk of fire, that provides them with up-to-date emergency preparedness information, and the latest information on emergency evacuation procedures, routes, sheltering, etc.

In addition, we need to develop through the Paradise Fire Safe Council a program that provides special needs homeowners with resources that can assist them in removing, or reducing fire hazards on their properties when they are either financially, or physically, unable to do so, on their own.

- **Establish an annual contracted program to reduce fuels and other fire hazards along lower Skyway, lower Clark Road, and lower Pentz Road in order to ensure that more than one of these major arterials can be utilized by Paradise residents for evacuation purposes; and establish a contracted program to maintain our existing fuel breaks; and to establish (and maintain) new additional fuel breaks and fire defense access areas - \$ 160,000/yr**

Time becomes a very precious commodity when a community is threatened by a major fire. Taking proactive measures before such a threatening fire occurs, particularly by reducing the risk factors surrounding emergency evacuation routes, and making sure that we have a well established network of maintained fuel breaks and fire defense access areas around Paradise's perimeter buys us the

Council Agenda Report

-12-

time to effectively mobilize, position firefighting engines and equipment, and respond to the fire threat and resulting emergency-related challenges, while waiting for additional support from other agencies, if needed. It also provides outside firefighting agencies better access for firefighting suppression purposes as well.

- **Establish 3-person engine units for all of our Fire Department's fire and emergency medical response operations, which will mean hiring 3 additional firefighters and 3 additional captains - \$ 633,664/yr (salary + benefits)**

Three-person engine crews have been an operational, service and safety need and imperative for the fire department in this high risk fire area since the Town was incorporated. However, the financial challenges facing the Town never made that possible, or achievable. The recently approved Transition Plan recognized that despite our Town's financial limitations and challenges, we could no longer avoid operationally to move in the direction of implementing 3-person engine crews.

Our ability to respond to structure fires in a timely, effective, and safe manner, as well as to deal with complex medical emergencies that often require more than 2 EMT firefighters was coming into serious question. However, the partial implementation of 3-person engine crews, with the closure of Fire Station # 2 is by no means the ideal solution either.

While the Town is pursuing a grant that, if approved, will provide 100% of the funding for two years to enable 3-person engine crews for all three stations; the Town will need to foot the entire bill for the third year of the grant. With our current financial difficulties, and what we fully anticipate are more tough times ahead, this is a financial risk that the Town probably shouldn't take.

Therefore, we are proposing that we accomplish our longtime need and goal for 3-person engine crews for all three fire stations so that our fire department is better staffed to effectively respond to wild lands and structure fires that threaten Paradise, as well as to all types of emergency medical calls.

This change to 3-person engine crews for all three fire stations will increase our current ISO rating from 3 to 2, which should help homeowners towards stabilizing their homeowner insurance policies and premium costs.

Council Agenda Report

-13-

It should be emphasized that this proposed public safety package does not include a number of other police and fire department needs. These unmet needs include the need for major capital facilities upgrades and new equipment. In other words, we didn't overload this proposed public safety package with everything possible. We will have to find other means to address those needs and problems.

Secondly, we did not include in the package funding in the event that the school resource officer grant program with the Paradise Unified School District runs out next year, and doesn't get extended. This program, which includes a sworn officer assigned to Paradise High School and a full-time Community Service Officer (total cost - \$ 91,957.77) that is assigned to the intermediate and elementary schools plays an important part in ensuring the safety of our Paradise students while at school; and providing a positive role model for the students; and performing constructive intervention and diversion for students with various problems. This would have added \$ 8.00 per year to the tax bills. We may want to further discuss this issue at tonight's meeting.

Types of Possible Tax Measures:

Some of the possible types of tax measures available and permissible under the law to cities to fund additional levels of police and fire public safety/protection services and improvements that would be most applicable to what we are attempting to achieve include the following:

Sales Tax

The current sales tax in Butte County is 8.25%. The Town of Paradise receives 1%. A sales tax measure requires a majority vote if the proceeds of the sales tax are going to be used for a general purpose; and a two-thirds vote if the proceeds are going for a specific purpose, such as public safety. The sales tax surcharge must be in multiples of 0.25%. The cost to place the measure on the November ballot is \$ 7,000-\$10,000 (in addition to our regular estimated \$ 28,000-\$30,000 charge by the County for the consolidated election in November) Can be sunset, or established on a permanent basis unless terminated by a vote of the electorate..

Pro: Spreads the impact among a broader range of people (other than property owners), including people who live outside our community, but buy goods and services in Paradise.

Council Agenda Report

-14-

Con: Might adversely impact low-to-moderate income families, the unemployed, or underemployed, local businesses, and consumer spending. Each multiple surcharge of 0.25% will generate only \$ 400,000 in additional sales tax annually, assuming no further impact the local economy.

Mello-Roos CFD

Involves the formation of a Mello-Roos Community Facilities District (CFD) (contiguous to Town limits), and the special tax requires approval by two-thirds of the voters in the defined district. Election can be conducted by mailed ballot. The Mello-Roos CFD is not an assessment district. Eligible funded facilities, services and maintenance must be for projects, programs or levels of services that did not exist at the time the district was formed. Special tax can be based on acreage, or by the same special tax uniformly charged each parcel in the district. Can include escalator provision.

Upside: Provides a very effective means of securing funding for additional facilities and services

Downside: District formation and election process is highly involved and costly (Estimated cost- \$ 50,000 -65,000 (includes mailed ballot option)

Utility Users Tax

The Utility Users Tax is a general tax levied on utility bills as a percentage of the bill. Utility taxes must be approved by a majority of the voters in a scheduled general election. Proceeds from the tax go into the general fund for general government purposes. Can be sunset, or established on a permanent basis, unless terminated by a vote of the electorate. Cost is \$ 7,000 to \$ 10,000 to place on the November ballot.

Pro: There is a lower threshold for approval of the tax measure. It is another example of a tax that would spread the impact beyond property owners. Taxpayers would have some control over how much they pay based on their energy usage

Con: Revenues generated from the utility users tax would be for general government purposes, going into the general fund, rather than exclusively for public safety services. Might adversely impact our low income residents.

Council Agenda Report

-15-

Special Public Safety Parcel Tax

Involves the development of an ordinance that will establish a special parcel tax that must be adopted in a duly noticed public hearing in order to be placed before the voters on the November ballot. The ordinance identifies the amount of the special tax to be levied.

Approval of the special tax requires a two-thirds vote. All proceeds from the tax exclusively will go into a separate enterprise fund account to fund the police and fire/ public safety protection improvements that are part of the tax measure.

This special parcel tax, which will be identified in the ordinance as the maximum amount to be levied, can include a provision to increase the levy based on a percentage of any future increases to the Consumer Price Index. This provision is intended to ensure that the tax proceeds continue to cover the future costs of the public safety protection improvements contained in tax measure, without affecting the Town's General Fund, or regular funding for police and fire services.

This special parcel tax can be levied based on acreage, based on the type of structure - residential or commercial, or set a uniform tax levy for each parcel. Cost of placing the special parcel tax on the November ballot is \$ 7,000-\$10,000 (in addition to our anticipated \$ 28,000-\$30,000 share of the consolidated November election).

This special parcel tax would generate sufficient revenues to fund the proposed, essential public safety protection improvements that are included in this report.

Special Public Safety Parcel Tax Levy:

Based on an estimated 11,207 taxable parcels in Paradise, and assuming a uniform tax levy per parcel, and the total proposed public safety protection costs amounting to \$ 1, 297,192, the tax rate per parcel is \$ 115.75. This equates to roughly \$ 9.64 per month per property owner.

All proceeds from the tax would go into a special fund separate from the Town's general fund, and will be posted on our Town website so that citizens can access the fund at anytime to view the income and expense activity in the fund, and ensure that the tax proceeds are being spent on the intended public safety protection measures proposed in this package.

Council Agenda Report

-16-

Concluding Comments:

At the same time that we are dealing with the reality of ongoing, historic fiscal constraints and current financial challenges, the Town, as well as our community, faces real challenges to the public safety of this community that need to be addressed.

Despite the tough and unrelenting economic downturn, never-ending state budget crisis, and financial straitjacket under which this Town has had to operate since its incorporation; we need to put the question directly to our citizens as to what level of public safety protection they want for themselves, their families, their property, their neighbors, their schools, churches, local institutions, businesses and economy.

Clearly, how safe we are and how safe we feel as a community is at the very heart of the quality of life of our community; and one of the primary reasons that attracts individuals, families, and businesses to locate here. Public safety has been the Town's number one priority since incorporation in terms of budget, staffing, equipment and resources. The problem is that we've never had enough funding to do what we minimally need to do to proactively keep this community safe. With the disturbing, but real emerging trends that we are dealing with in law enforcement, and the near misses that we've recently experienced with major fires, just doing things the way we've always done them, or just getting by is no longer good enough.

As stated before, we believe that this proposed public safety package as it relates to the fire measures will further improve the Town's ISO rating. Furthermore, we believe that proactive parcel-by-parcel fire prevention programs will assist property owners in retaining their homeowner insurance carriers, and might reduce their current premiums, or at the very least minimize potential increases.

This is not a tax proposal by a tax-and-spend municipal government. We have a history of prudent and responsible financial management of this Town government, and rarely in our thirty-year history have we brought forward a tax initiative. Most of the elected, as well as appointed Town officials, in this municipal government, have a strong philosophical distaste and aversion towards politicians and bureaucrats who resort to taxing our citizens to bail them out of the financial problems that they created in the first place. This is clearly not the situation that we're talking about when we talk about the Town of Paradise, and this proposed tax measure. This is a case in which we clearly do not have the financial resources necessary to provide minimally essential police and fire programs that take a far more proactive approach to public safety than our limited funding and staffing has traditionally allowed us.

Above all else, the benefits of this proposed tax measure for our citizens and their public safety far outweigh the negatives. In submitting this proposed public safety protection package to our voters in November, we will be providing them with the opportunity to direct the future of public safety in Paradise.