

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Supervisor Buster

**SUBMITTAL DATE:** April 24, 2007

**SUBJECT: Funding of Operating Costs for Second Fire Station in Wildomar**

**RECOMMENDED MOTION:** That the Board of Supervisors direct staff to negotiate a cost sharing arrangement for partial funding for the operating costs of a second fire station in Wildomar if incorporation is approved.

**BACKGROUND:** Wildomar residents have long expressed their desire to determine their future. If approved by the Local Agency Formation Commission, they will have an opportunity to do so in November of this year by voting on incorporation.

Recent State legislation has reinstated start up revenue for new cities. Under the State legislation, Wildomar has a limited window of opportunity to qualify for this funding.

Analysis of future service needs for Wildomar determined that a fire station on the east side of the I-15 Freeway will be necessary at some point in the future. According to County Fire, a new fire station will be required, whether or not incorporation occurs. If incorporation occurs, the new fire station will likely serve not only residents within the new city but unincorporated residents as well. Therefore, it would be appropriate, should incorporation occur, to have staff negotiate a cost sharing arrangement with the city.

A handwritten signature in cursive script that reads "Bob Buster".

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Bob Buster  
Supervisor, 1<sup>st</sup> District

BB:si

**Option 1**  
**City 50% of Cost - County 50% of Cost - First 5 Years**

**General Fund Revenues and Expenditures**  
**Wildomar Incorporation Analysis (Jan 1, 2008 Effective Date)**

	Transition Year FY 07/08	Projection Year								
		2 FY 08/09	3 FY 09/10	4 FY 10/11	5 FY 11/12	6 FY 12/13	7 FY 13/14	8 FY 14/15	9 FY 15/16	10 FY 16/17
<b>General Fund Revenues</b>										
Property Tax	0	3,652,161	4,221,696	4,723,520	5,233,778	5,766,012	6,314,827	6,774,418	7,247,895	7,735,676
Sales and Use Tax	307,830	1,387,226	1,551,379	1,724,133	1,862,523	2,007,664	2,159,838	2,271,984	2,388,915	2,510,817
Property in Lieu of Sales Tax	0	462,409	517,126	574,711	620,841	669,221	719,946	757,328	796,305	836,939
Property Transfer Tax	96,780	207,136	224,791	198,604	210,321	225,918	242,048	204,913	217,793	231,062
Motor Vehicle In-Lieu Fees (AB 1602)	1,338,159	2,739,016	2,788,715	2,778,305	2,752,830	2,709,933	2,897,272	3,051,881	3,215,647	3,388,025
Off Highway Vehicle License Fee	447	935	976	1,003	1,029	1,053	1,082	1,104	1,127	1,151
Franchise Fees	0	595,556	634,500	664,647	694,746	721,044	746,908	771,324	796,305	821,323
Community Development Fees	0	605,681	651,613	689,265	728,590	769,654	812,526	849,471	879,660	915,141
Engineering/Building & Safety Fees	0	1,487,928	1,600,766	1,693,263	1,789,869	1,890,748	1,996,069	2,077,001	2,160,993	2,248,155
Transfer From RE (Traffic Eng/P/W Admin)	3,822	125,315	145,871	152,662	159,739	167,113	174,795	181,823	189,127	196,716
Animal License Fees	0	186,064	200,174	211,741	223,821	236,436	249,607	259,727	270,230	281,130
Fines & Penalties	0	211,887	221,316	227,286	233,256	239,226	245,195	247,706	250,216	252,727
Miscellaneous Revenues	33,495	70,110	73,230	75,205	77,180	79,156	81,131	81,961	82,792	83,623
Subtotal	1,780,532	11,731,424	12,832,154	13,714,343	14,591,524	15,483,180	16,857,243	17,747,529	18,723,002	19,734,359
Interest Earnings	14,667	32,397	39,157	49,227	69,751	103,471	142,101	183,095	241,443	312,997
<b>Total Revenues</b>	<b>1,795,199</b>	<b>11,763,821</b>	<b>12,871,311</b>	<b>13,763,570</b>	<b>14,661,275</b>	<b>15,786,651</b>	<b>16,999,344</b>	<b>17,932,624</b>	<b>18,964,445</b>	<b>20,047,356</b>
<b>General Fund Expenditures</b>										
City Council	33,700	66,100	67,363	68,664	70,004	71,384	72,805	74,270	75,778	77,331
City Manager	184,823	429,950	482,297	501,301	521,057	570,576	562,943	585,137	608,208	632,193
City Clerk	75,327	135,648	176,446	248,272	195,365	253,530	210,389	268,344	226,609	290,197
City Attorney	182,500	247,725	255,157	262,811	270,696	278,817	287,181	295,797	304,671	313,811
Finance	67,871	252,700	283,859	294,735	306,033	323,563	329,955	342,616	355,766	369,426
Non-Departmental	277,500	420,775	433,398	446,400	459,792	508,364	487,794	502,427	517,500	533,025
Community Development	43,664	993,386	1,193,495	1,307,104	1,291,446	1,376,527	1,342,891	1,396,735	1,452,640	1,510,681
Engineering/Building & Safety/Public Works	86,610	1,619,451	1,845,684	1,943,856	2,046,303	2,164,787	2,264,708	2,356,115	2,451,021	2,549,557
Animal Control	0	264,855	284,941	301,405	318,602	336,558	355,306	369,712	384,663	400,178
Law Enforcement (Sheriff)	0	3,997,614	4,321,652	4,593,562	4,879,211	5,179,229	5,494,271	5,744,793	6,006,121	6,278,705
Fire Protection Services	0	2,043,652	2,107,022	2,170,232	2,235,339	2,302,299	3,161,962	3,256,821	3,354,525	3,455,161
Community Services/Parks and Recreation	0	0	0	0	0	0	0	0	0	0
Subtotal	951,995	10,473,856	11,451,314	12,138,344	12,593,847	13,365,735	14,570,205	15,192,766	15,737,502	16,410,265
Contingency	95,200	1,047,386	1,145,131	1,213,834	1,259,385	1,336,573	1,457,021	1,519,277	1,573,750	1,641,026
County Reimbursement	0	86,344	86,344	86,344	86,344	86,344	0	0	0	0
<b>Total Expenditures</b>	<b>1,047,195</b>	<b>11,607,586</b>	<b>12,682,789</b>	<b>13,438,523</b>	<b>13,939,576</b>	<b>14,788,652</b>	<b>16,027,226</b>	<b>16,712,042</b>	<b>17,311,253</b>	<b>18,051,291</b>
<b>General Fund Operating Surplus (Deficit)</b>	<b>748,004</b>	<b>156,235</b>	<b>188,521</b>	<b>325,047</b>	<b>721,699</b>	<b>997,998</b>	<b>972,118</b>	<b>1,220,582</b>	<b>1,653,193</b>	<b>1,996,064</b>
<b>Cum General Fund Operating Surplus (Deficit)</b>	<b>748,004</b>	<b>904,239</b>	<b>1,092,760</b>	<b>1,417,808</b>	<b>2,139,507</b>	<b>3,137,505</b>	<b>4,109,623</b>	<b>5,330,205</b>	<b>6,983,398</b>	<b>8,979,462</b>
Revenue Neutrality	0	0	0	0	0	0	0	0	0	0
Net Balance after Revenue Neutrality	748,004	156,235	188,521	325,047	721,699	997,998	972,118	1,220,582	1,653,193	1,996,064
Cum Balance after Revenue Neutrality	748,004	904,239	1,092,760	1,417,808	2,139,507	3,137,505	4,109,623	5,330,205	6,983,398	8,979,462
Cum Balance as % of Operating Expenditures		8%	9%	11%	15%	21%	26%	32%	40%	50%

**Option 1**  
**County Absorbs 50% of Clinton Keith Station- First 5 Years**

**County Cost Recovery**

1. "Net Savings" is based on the total net costs of services transferred in the FY 05/06 Base Year as reflected in the Comprehensive Fiscal Analysis.
2. All costs and savings are based on a 3% annual inflation rate factor applied to the beginning FY 05/06 Base Year forecast which is consistent with the inflation rate assumptions reflected in the Comprehensive Fiscal Analysis.

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
Annual Cost to County	681,884	702,341	723,411	745,113	767,466	0	0	0	0	0
Cumulative Cost to County	681,884	1,384,225	2,107,636	2,852,749	<b>3,620,215</b>	0	0	0	0	0
Annual Net Savings to County from Incorporation	123,088	126,781	130,584	134,502	138,537	142,693	146,974	151,363	155,924	160,602
Cumulative Net Savings	123,088	249,869	380,453	514,954	653,491	796,184	943,157	1,094,540	1,250,464	1,411,066

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Annual Cost to County	0	0	0	0	0	0	0	0	0	0
Cumulative Cost to County	0	0	0	0	0	0	0	0	0	0
Annual Net Savings to County from Incorporation	165,420	170,383	175,494	180,759	186,182	191,767	197,520	203,446	209,549	215,836
Cumulative Net Savings	1,576,486	1,746,869	1,922,363	2,103,121	2,289,303	2,481,070	2,678,590	2,882,036	3,091,585	3,307,421

	FY 28/29	FY 29/30
Annual Cost to County	0	0
Cumulative Cost to County	0	0
Annual Net Savings to County from Incorporation	222,311	228,960
Cumulative Net Savings	3,529,731	<b>3,758,711</b>

**Payback Period 21.5 Years**