

**CITY OF PALOS VERDES ESTATES
FIRE AND PARAMEDIC SERVICES FUNDING COMMITTEE
FUNDING OPTIONS**

Special Assessment	
<ul style="list-style-type: none"> • Property owners are mailed ballot • Requires 50% approval based on assessment value of mailed ballots • Votes are weighted by value of parcel assessment, larger assessments carry more weight 	
Pros	Cons
<ul style="list-style-type: none"> • Residents familiarity with Assessment Districts from per 2001 Assessment 	<ul style="list-style-type: none"> • Cannot finance “General Benefits” <ul style="list-style-type: none"> ○ Base Fee for Stand By Service ○ Paramedic Services • Public Properties such as Schools and Parklands would not be exempt from assessment • Major education effort on voting requirements to get property owners to return ballots • Small number of large owner assessments voting no could defeat proposal

General Tax	
<ul style="list-style-type: none"> • May be imposed for any general governmental purpose • Only General Tax that PVE could use would be a utility users tax on gas, water, phones and cable television • Vote can only occur during general municipal election • Only requires majority approval for enactment • May include an advisory measure as to the use of the funds 	
Pros	Cons
<ul style="list-style-type: none"> • Could generate sufficient revenue for single source to finance contract • Lower voter threshold for approval 	<ul style="list-style-type: none"> • Voters reluctant to approve, uncertain how funds will be used • Utility user tax not tax deductible • Rates and consumption create volatility of revenue stream • No correlation between revenue generated and services financed • Largest utility users generate no greater demand for service

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Special Tax	
<ul style="list-style-type: none"> • Includes parcel tax for specific purpose • Money is restricted and must be deposited to a separate fund • City Council must receive annual report on the amount of funds generated and their use • Requires 2/3 voter approval at special or general election 	
Pros	Cons
<ul style="list-style-type: none"> • Could generate sufficient revenue • Voters like knowing restricted in use • Ability to include Sunset Clause • Current methodology easy to explain • Voters perceive equity in current tax formula • Formula square footing calculation reflects ability to pay 	<ul style="list-style-type: none"> • Higher voter threshold • Requires greater public education process

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While there are other financing methods available, all would be considered stop-gap measures in that revenue available from the source would not be sufficient to finance the total fire/paramedic contract cost for any length of time. Additionally, the use of the following sources could jeopardize the long-term fiscal health of the City. These methods include:

Fund Balance/reserves (general fund / capital funds)	
<ul style="list-style-type: none"> • Council policy mandates the City maintains a 50% general fund balance • Projected balance as of June 30, 2016 is 9.8 m which has taken 20 years to achieve 	
Pros	Cons
	<ul style="list-style-type: none"> • Nature of City's revenue stream and uncertainty about state actions affecting local revenues • Risk Exposure from catastrophic expenditures, earth quakes, legal damages would leave the City unprepared to respond

General Fund Operating Surplus
<ul style="list-style-type: none"> • Any funds in excess of what is required to meet the 50% general fund operating reserve are transferred to the capital improvement fund • No on-going dedicated funding for capital improvements (infrastructure/sewer needs) since expiration of UUT, therefore general funds in excess of the 50% reserve are needed for capital project financing

Assessment by Palos Verdes Homes Association
<ul style="list-style-type: none"> • In theory, the HOA could levy an assessment "on each parcel" to fund fire/paramedic services. PV Homes Association "Protective Restrictions Summary" conveys that the assessment process was an interim solution until a local government was formed. • In 1979 the Homes Association levied a \$50/parcel assessment for parkland/median maintenance. The assessment was billed by the Association, but proved difficult to collect

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Mello-Roos Community Facilities Act of 1982	
<ul style="list-style-type: none"> Community Facilities District (CFD) CFDs can be used to finance certain public capital facilities and/or services including Police and Fire protection and suppression services, and ambulance and paramedic services 	
Pros	Cons
	<ul style="list-style-type: none"> CFDs cannot be used to supplant services already available within the district CFD tax can only increase 2% per year, which would result in insufficient funding over time