

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO: 2018 - 3**

**A RESOLUTION DIRECTING APPROVAL OF THE FIVE CITIES FIRE AUTHORITY
BUDGET FOR FISCAL YEAR 2018/19**

WHEREAS, the Oceano Community Services District (District) is a member agency of the Five Cities Fire Authority (FCFA), which was created in 2010 upon approval of a Joint Powers of Authority Agreement (JPA Agreement) by the District and the cities of Arroyo Grande and Grover Beach; and

WHEREAS, on September 22, 2017, the FCFA Board of Directors adopted the Five Cities Fire Authority Strategic Plan; and

WHEREAS, on November 17, 2017, the FCFA Board of Directors began considering direction to the FCFA Fire Chief regarding whether to implement a plan for a phased transition of the Reserve Firefighter program from part time to full time employees; and

WHEREAS, on March 16, 2018, the FCFA Board of Directors received two preliminary budget proposals for the purpose of providing feedback to FCFA staff for further development of the Fiscal Year 2018-19 FCFA budget; and

WHEREAS, the two budget proposals were termed the "Status Quo" and the "Strategic Plan" budget options and included five year budget projections for each option; and,

WHEREAS, the draft minutes of the March 16, 2018 FCFA Board of Directors indicated support for the Strategic Plan budget option, including reference to statements by the District's representative, FCFA Board member White, that "Oceano Community Services District is looking for ways to support the "Strategic Plan" budget; and,

WHEREAS, on March 28, 2018, the District Board of Directors reviewed and discussed the FCFA budget options presented at the FCFA Board meeting of March 16, 2018; and,

WHEREAS, at their meeting of March 28, 2018, the District Board of Directors also reviewed information from District staff that included an estimated District General Fund deficit in fiscal year 2018/19 of \$(20,739) if the Status Quo budget is adopted and an estimated District General Fund deficit in fiscal year 2018/19 of \$(75,791) if the Strategic Plan budget is adopted; and,

WHEREAS, at their meeting of March 28, 2018, the District Board of Directors also reviewed information from District staff that included an estimated cumulative 5 year District General Fund deficit of \$(149,552) based on multi-year budget projections utilizing Status Quo budget assumption and an estimated cumulative 5 year District General Fund deficit of \$(820,340) based on multi-year budget projections utilizing Strategic Plan budget assumption; and,

WHEREAS, the Status Quo budget option for FCFA provides a level of service and staffing that is generally consistent with the JPA Agreement; and,

WHEREAS, the Strategic Plan budget option for FCFA provides a level of service and staffing that is greater than that provided in the JPA Agreement and includes funding for a phased transition of the Reserve Firefighter program from part time to full time employees; and,

WHEREAS, increasing service levels and staffing warrants amendments to the JPA Agreement, including consideration of amendments to the funding formula that determines the annual budget contributions from each of the member agencies to the FCFA; and,

WHEREAS, although at the District meeting of February 13, 2018 the District Board provided direction to their FCFA representatives to vote "no" on the fiscal year 2018/19 FCFA budget, on March 28, 2018, the Board provided direction to the District General Manager that included working with FCFA Chief Lieberman and City Managers on restructuring (i.e. amending) the JPA Agreement; and

WHEREAS, the District General Manager has met and conferred with FCFA Chief Lieberman and the City Managers, including preparation of a draft JPA restructuring agreement, which has been renamed as a Memorandum of Agreement; and,

WHEREAS, the Memorandum of Agreement provides for approval of the FCFA 2018/19 Strategic Plan budget option while also providing terms that require reconsideration of the JPA Agreement by all member agencies during fiscal year 2018/19 and terms that could result in the mutual termination of the FCFA JPA as of July 1, 2019 if the three member agencies of FCFA are not able to agree on JPA Agreement amendments during fiscal year 2018/19.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Oceano Community Services District that:

1. The foregoing recitals are true and correct.
2. That the Fiscal Year 2018/19 FCFA Strategic Plan budget is approved as presented to the FCFA Board of Directors on March 16, 2018 provided that a Memorandum of Agreement is also approved by the District, the City of Arroyo Grande and the City of Grover Beach prior to the regular FCFA Board meeting in June 2018.
3. That the Fiscal Year 2018/19 FCFA Status Quo budget is approved as presented to the FCFA Board of Directors on March 16, 2018 if a Memorandum of Agreement is not approved by the District, the City of Arroyo Grande and City of Grover Beach prior to the regular FCFA Board meeting in June 2018.
4. The District Board members that are appointed to the FCFA Board of Directors are hereby ordered to vote on the FCFA Fiscal Year 2018/19 budget consistent with direction provided in this resolution.

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District on April 25, 2018 by the following vote:

AYES:

Director Brunet, Director Angello, Vice President Austin, President White

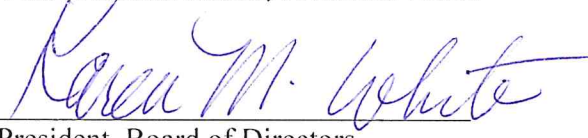
NOES:

ABSTAIN: None

None

ABSENT:

Director Coalwell



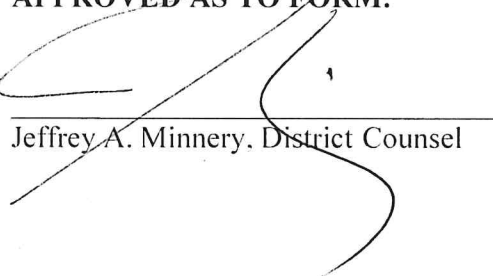
President, Board of Directors
of the Oceano Community Services District

ATTEST:



Board Secretary of the
Oceano Community Services

APPROVED AS TO FORM:



Jeffrey A. Minnery, District Counsel