

July 15, 2015

Placer County Grand Jurors' Association

108 Chicory Court

Lincoln, CA 95648-8164

Winfield Gredvig, Chairperson,

Subject: Newcastle Fire Protection District Measures; Accounting of Measure F Funds

Due to an ill advised decision by the previous Newcastle Fire Protection District Board of Directors in November of 2012 to make an unnecessary move to a temporary fire station, many historical Newcastle Fire District documents were purged. It would be difficult, if not impossible, to specifically determine how each Measure F dollar was spent since Measure F's inception. Based on a review of the information available, we believe that Measure F funds were used as required to pay salaries of Newcastle firefighters during the period of Measure F's inception in tax year 1997/1998 through July 1, 2012 when a salary increase and benefits were provided to Newcastle firefighters

Measure F was authorized by Newcastle Fire Protection District Resolution #213-97 to allow the Newcastle Fire Protection District to add additional staff to provide paid personnel to support a two person paid firefighter response and to replace revenue from a 1987 Benefit Assessment of \$40 per parcel that was due to expire. Prior to 1997, Newcastle used unpaid volunteers to provide a two person response. In fact, the argument in favor of Measure F states that should it fail to pass, the District would revert to 1 unstaffed station relying on volunteer personnel only. Measure F funds were used to increase paid personnel and end Newcastle's reliance on unpaid volunteers.

Your calculation of Measure F revenue is overstated. Per Resolution #213-97, anticipated Measure F revenue was estimated at \$90,000 per year to be increased by the cost of living each year. Calculating a 2.5% cost of living increase added to that \$90,000 per year makes the total Measure F collections for the 15 years closer to 1.5 million dollars.

Without having the benefit of historical information to provide exact figures, we can only provide an estimate of Newcastle Fire District spending prior to being seated on the board in December of 2012. We estimate that each permanent firefighter works 3,300 hours per year. A reasonable 1998 hourly firefighter cost, which includes FICA and Workers Compensation Insurance, was \$8.00 per hour. The cost per firefighter per year would have been about \$26,400 (3,300 hours x \$8.00). It takes about 6 firefighters to fully staff Newcastle. As you can

see, the cost for Newcastle Fire Protection District to adequately staff the station in 1997/1998 was about \$158,400 (\$26,400 x 6 firefighters). This amount was well in excess of the \$90,000 that Measure F collected from the taxpayers during the first year of its inception and for each year of the following 15 year period.

During the 2014/2015 budget year, we anticipate that our actual spending for firefighter wages and benefits will be approximately \$292,000 which is twice the revenue currently generated by Measure F.

The total yearly budget for the Newcastle Fire Protection District for 2014/2015 is \$724,000 which includes the ad valorem percentage and Measures F and B. Newcastle Fire Protection District receives only .0334% of the 1% ad valorem taxes collected by Placer County in our district. For tax year, 2014/2015 the ad valorem collected was approximately \$189,217. In the 1997/1998 tax year, we assume that that the ad valorem tax collected then was less than in the 2014/2015 budget year. Therefore, while we don't have exact figures for staffing and wages for years prior to 2012, we can safely say that Measure F funds were used as required to pay for firefighter's salaries and to adequately staff the Newcastle fire district.

Please feel free to contact me at (916) 663-4387 or email me at [jjelder@yahoo.com](mailto:jjelder@yahoo.com) if you have further questions concerning the spending of Measure F funds.

Thank you for your interest,

Jonita T. Elder

Elected Secretary, Newcastle Fire Protection Board of Directors