

Fledgling agency hurting

Two months before its scheduled birth in July, the new Central County Fire Joint Powers Agency is finding itself in financial troubles as California threatens to cut back its funding for local services throughout the state.

Gov. Jerry Brown has proposed cutting \$30 million from the state's bailout to the special districts throughout the state and that action, even through it is being strongly opposed by some legislators, including State Sen. Henry Mello, is now sending shock waves through the local fire departments.

In Santa Cruz County, Auditor-Controller Art Merrill is now warning fire departments that they shouldn't count on an 11 percent increase that had been forecast earlier this year for the next budget year.

Under normal conditions, Merrill is telling the fire districts in letters and personal appearances before the boards of directors, the county would be receiving an 11 percent increase next year to the \$2,906,721 it distributed this year to Santa Cruz county special districts, including the fire districts and the county library system.

But Brown is proposing to transfer some of that special district bailout that had been used to ease the effects of Prop. 13 to the

state's public school system.

That has left the financial outlook for the new Central County Fire Agency — a creation of the Soquel and Live Oak fire protection districts — even more uncertain than it was a couple of weeks ago.

The agency will use the tax revenues generated by the Soquel and Live Oak fire protection districts to provide fire protection throughout the combined areas.

Assistant Live Oak Fire Chief Harry Rowe, who has been named interim chief for the new department beginning July 4, says the picture has been getting bleaker each time he talks to the county's fiscal experts.

About one-fifth of the new agency's income — \$240,530 — is expected to come next year from the Soquel fire district.

The remainder — nearly \$900,000 — will be generated by the Live Oak area.

But the financial picture for the Live Oak district have been getting steadily gloomier as revenue estimates are continually refined.

A few weeks ago, the best estimates available showed that Live Oak could probably raise \$918,966 from all income sources, including the state's bailout.

Then Rowe met with Merrill. The veteran county

auditor chopped the district's income estimates to a conservative \$888,056.

On top of that, the district's carryover has been steadily dropping since the passage of Prop. 13, and is expected to reach zero next year as the district is forced by the state and the county to use its reserves to meet day-to-day operating expenses.

Table I

Carryover balance Live Oak Fire District

| | |
|---------------|-----------|
| 1978-79 | \$157,565 |
| 1979-80 | \$134,462 |
| 1980-81 | \$121,166 |
| 1981-82 | \$52,370 |
| 1982-83 | Zero |

Merrill's latest estimates give the new combined department a projected income of \$1,128,588 for next year, but Rowe cautions that no one is going to know for sure what shape the districts will find themselves in until sometime late this fall, four or five months after the districts, by law, have to adopt their budgets.

As a result, administrators and the directors of the new combined agency are taking a conservative approach to new spending. The result of that caution can be seen in Rowe's appointment as interim fire chief. The Joint Powers Board won't make a decision on whether or not to hire a new fire chief (increasing the number of chiefs in the agency from

three to four) until the end of 1981.

Until then, Rowe and Asst. Chiefs Doug Schmidt and Steve Negro will be carrying the load that is now shared by Soquel Fire Chief Ray Negro and Live Oak Chief Dick Pounds. Both men plan to retire on July 3.

Rowe said there might be other changes in the department's operations as a result of the money shortage.

"To maintain our basic level of service, we may have to do several things," Rowe said, "including consolidating existing stations under one roof and layoffs — something we will have to look at even though we want to protect the existing employees."

Closure of the Thurber Lane station is a possibility, Rowe said, as is a change in the current Live Oak constant manning policy.

The current constant manning policy requires a minimum manning of six firemen each day in the Live Oak district. (Soquel has a small nucleus of paid men, but relies principally on volunteer firemen). Rowe said economics may force the Live Oak department to cut the constant manning level back to five — meaning that as few as two firemen might answer an emergency call.