



A Tradition of Stewardship  
A Commitment to Service

Auditor-Controller

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Tracy A. Schulze  
Auditor-Controller

**FILED**

JUN 26 2012

June 26, 2012

Clerk of the Napa Superior Court  
By: P. Baerman  
Deputy

The Honorable Diane Price  
Presiding Judge  
Superior Court of the State of California  
County of Napa  
825 Brown Street  
Napa, CA 94559

RE: 2011-2012 Grand Jury Report  
Reorganization of the Napa County Fire Department

Dear Judge Price:

Thank you for your report on the Reorganization of the Napa County Fire Department. I truly appreciate the hard work and dedication the members of the 2011-2012 Grand Jury put towards this effort.

In accordance with Section 933(a) of the California Penal Code, please find the attached Auditor-Controller responses as requested to findings 4, 6, 11, 13 and 14, and recommendation 6. If you have any additional questions or need any further information, please do not hesitate to contact me at 707-299-1733.

Sincerely,

Handwritten signature of Tracy A. Schulze in cursive.

Tracy A. Schulze  
Auditor-Controller

Enclosure

Cc: David B. Gilbreth, Foreman 2011-2012 Napa County Grand Jury  
Napa County Board of Supervisors  
Nancy Watt, Napa County Executive Officer

**Napa County**  
**Responses to Grand Jury Report**  
**Reorganization of the Napa County Fire Department**  
**Fiscal Year 2011-2012**

**Responses to Findings:**

**Finding #4.** An assessment of CAL FIRE services vs. cost of full service NCFD as a result of a Cost Benefit Analysis has not been completed.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Finding #6.** There is a reasonable probability of saving a major part of the \$8,267,184 CAL FIRE contract budget if Napa County transitions CAL FIRE services to the NCFD.

***Response, County Auditor-Controller.*** The Auditor-Controller partially agrees with this finding. Although the monies would be made available, there is no evidence at this time that supports the probability of the savings as a cost-benefit analysis has not been completed.

**Finding #11.** The current CAL FIRE agreement with Napa County is \$8,267,184 which includes an "Administrative Charge" of 11.96% equaling \$988,755 in the 2001-12 FY. This \$988,755 savings could be allocated for administration of a NCFD.

***Response, County Auditor-Controller.*** The Auditor-Controller partially agrees with the finding only in that if the agreement with CAL FIRE did not exist, the \$988,755 could then be allocated elsewhere. However, since there has not been a cost-benefit analysis completed, the Auditor-Controller cannot determine at this time if these funds would be available for NCFD.

**Finding #13.** Substantial accumulated County Fire Protection funds, of approximately \$10,000,000, are available that could be used for transition from CAL FIRE services to a full service volunteer and career NCFD.

***Response, County Auditor-Controller.*** The Auditor-Controller partially agrees with this finding. The fund balance of the Fire Fund is to be used for Fire related purposes only, which could include transition costs. However, the fund balance is also the only reserve the Fire fund has for any future capital needs or unforeseen expenditures that may arise.

For example, one fire engine can cost up to \$500,000 to replace and a natural disaster, such as an earthquake or major fire, would exhaust all the funds quickly. It is prudent to keep a healthy fund balance for these situations as well as capital needs. Therefore, it would not be recommended for these funds to be spent down completely for any one purpose.

**Finding #14.** The Volunteer Departments in Napa County are very cost effective providers of Fire/EMS services.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Responses to Recommendations:**

**Recommendation #6.** Napa County complete a CBA, by an independent firm, of all the fire protection services provided by CAL FIRE and NCFD before contracting CAL FIRE services for the agreement year 2014-2015.

***Response, County Auditor-Controller.*** The recommendation requires further analysis by the Napa County Fire Chief and the Board of Supervisors. The Auditor-Controller would assist in the analysis as requested.