



# AGENDA REPORT

Department

<b>DATE:</b>	April 21, 2026
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Shasa Curl, City Manager Aaron Osorio, Fire Chief Emily Combs, Director of Finance
<b>Subject:</b>	Revenue Enhancement and Financing Recommendations for Advanced Life Support (ALS) First Responder Services and Fire Station Upgrades
<b>FINANCIAL IMPACT:</b>	There is no immediate financial impact from receiving this report. However, implementing ALS First Responder Services and completing needed fire station replacements and/or upgrades will create substantial ongoing operational and capital costs. Preliminary work with SCI Consulting Group indicates that new, dedicated revenues or financing mechanisms will be required. Specific funding options and cost-recovery estimates will be refined and returned to the City Council based on its direction.
<b>PREVIOUS COUNCIL ACTION:</b>	May 27, 2025 January 27, 2026
<b>STATEMENT OF THE ISSUE:</b>	In January 2026, the Richmond Fire Department, Finance Department, and City Manager's Office provided an update on the City's transition to Advanced Life Support (ALS) First Responder Services, the associated fire station upgrade needs, and projected fiscal impacts. As part of that discussion, and following City Council's prior direction to pursue ALS implementation after review of the Matrix Consulting Group feasibility study, the City Council requested the City Manager to develop revenue enhancement and financing recommendations to address the ongoing operational and capital costs related to ALS

	services and fire infrastructure needs. This report responds to that requests by presenting potential revenue and financing options for City Council consideration.
<b>RECOMMENDED ACTION:</b>	RECEIVE a report on revenue enhancement and financing options to support Advanced Life Support (ALS) First Responder Services and fire station upgrades and replacements, and PROVIDE DIRECTION to the city manager on preferred revenue and financing pathways, including whether to proceed with preparation for a potential November 2026 funding measure – Fire Department/Finance Department/City Manager’s Office (Chief Aaron Osorio 510-307-8021/Emily Combs 510-890-5534/Shasa Curl 510-620-6512).

**DISCUSSION:**

On January 27, 2026, staff presented an update on the implementation of Advanced Life Support (ALS) First Responder Services to bring Richmond Fire into alignment with all other areas in Contra Costa County. This effort requires coordination with the Contra Costa County Emergency Medical Services Agency (CCCEMSA), Contra Costa County Fire Chiefs, as well as the following City departments: Fire, City Manager’s Office, City Attorney’s Office, Finance, Human Resources, and Public Works. The update also included preliminary impacts to the City’s five-year financial forecast and early assessments of fire station upgrade and/or replacement needs.

On average, the ALS program is projected to cost approximately \$4.1 million annually, based on the five-year program estimate presented to the City Council on January 27, 2026. This annual cost estimate does not include additional expenses for fire station upgrades or the major replacement needs identified in recent facility evaluations.

**Regional Precedent for Voter-Approved Revenue Measures**

As the City evaluates sustainable long-term funding pathways for ALS services and fire station infrastructure, neighboring West County jurisdictions provide relevant precedents for voter-approved approaches to preserving essential emergency and health services. Following the threatened and eventual closure of Doctors Medical Center in San Pablo, the West Contra Costa Healthcare District pursued multiple parcel tax measures, most notably Measure D (2004) and Measure J (2011), to maintain emergency department operations and stabilize hospital finances. These measures generated several million dollars annually and demonstrated strong community support for protecting critical emergency-response services. Although the hospital ultimately closed in 2016, this

experience offers an instructive regional example: when core emergency medical services are at risk, West County voters have historically shown a willingness to consider dedicated revenue measures to sustain those services. This context reinforces the importance of exploring election-based funding tools for Richmond's ALS First Responder Services and fire station modernization needs.

Recognizing the substantial operational and capital costs associated with ALS service delivery, the City Council requested the City Manager develop revenue enhancement and financing recommendations. Pursuant to this direction, the City Manager, Director of Finance, and Fire Chief are working with SCI Consulting Group (SCI) to evaluate potential funding pathways and obtain technical support for revenue planning and public finance analysis.

### **Election-Based Funding Pathways**

Based on preliminary discussions with SCI, a potential revenue measure could be pursued as early as the November 3, 2026, General Election. A possible timeline includes:

- April 2026: Planning and preliminary financial analysis
- April 2026: Public opinion research (polling)
- May – August 2026: Ballot measure development and City Council action
- August 2026: Submission to Contra Costa County Elections for E-88 deadline
- August – November 2026: Community outreach and education

Alternatively, the City could pursue a measure in a later election cycle (2027 or 2028) to allow more time for stakeholder engagement, expanded feasibility work, and project-level capital refinement.

Election-based revenue mechanisms available for consideration include:

- Special tax (requires two-thirds approval)
- Parcel tax
- Benefit assessment
- General obligation (GO) bond for capital projects

Using Richmond's 32,683 taxable parcels, a parcel tax dedicated to ALS First Responder Services would generate approximately \$1.63 million annually at \$50 per parcel, \$3.3 million at \$100 per parcel, and \$4.9 million at \$150 per parcel. For comparison, the ALS Update presented to the City Council on January 27, 2026, estimated annual ALS operating costs at approximately \$4.1 million, based on a five-year program total of \$20.46 million.

At these levels, a parcel tax between \$100 and \$150 per parcel could cover 80 percent to 120 percent of ALS operating costs, with higher rates providing capacity for physical station replacement and/or upgrades and/or reducing reliance on the General Fund.

<b>Tax Per Parcel</b>	<b>Estimated Annual Revenue</b>	<b>Percentage Share of Annual ALS Cost (~\$4.1 million)</b>
\$50 per parcel	\$1.6 million	40%
\$100 per parcel	\$3.3 million	80%
\$150 per parcel	\$4.9 million	120% (creates margin for capital)

Each mechanism carries distinct legal requirements and different applications for operational versus capital needs.

**Fee-Based and Cost-Recovery Funding Strategies**

As part of developing revenue enhancement and financing options, City staff have considered a range of general municipal fee-based and cost-recovery strategies that could help offset the ongoing operational costs associated with ALS First Responder Services.

Cities throughout California routinely rely on cost-recovery fees to support essential public safety services, including fire and emergency response, and other direct-service activities. These fees are typically structured to recover a portion of the costs of providing specialized or enhanced service levels to City residents.

Potential fee-based strategies for Richmond’s consideration include:

- A First Responder Service Fee designed to recover a portion of the direct costs associated with providing advanced life support–level emergency response
- Periodic updates to applicable public safety fee schedules based on formal cost-of-service analysis
- Administrative and regulatory fees tied to program oversight, compliance, or service delivery where allowable under state and local law

These cost-recovery approaches are commonly used by California jurisdictions to help sustain public safety services and reduce pressure on the General Fund. If directed by the City Council, City staff would work with SCI Consulting Group to further evaluate the applicability, structure, and cost-of-a service basis for any such fee and return with detailed recommendations at a future meeting.

**Capital Needs Exploration**

Preliminary facility evaluations have identified both near-term upgrades and major replacement needs across several fire stations, as previously presented to the City Council. These estimates, developed jointly with the Public Works Department and a

consultant team, form the baseline for determining how the City may finance the required capital improvements.

Many of the capital needs identified could be funded through the election-based mechanisms described earlier in this report, such as a general obligation (GO) bond, a parcel tax, or a benefit assessment. These tools are traditionally used by California jurisdictions to support fire station reconstruction, major renovations, and resilience-focused facility improvements.

In addition to potential voter-approved pathways, the City may also consider non-election-based financing options to support capital needs, including:

- Lease-revenue financing or Certificates of Participation (COPs) for major facility upgrades or phased station replacements,
- Phasing strategies that allow stations to be upgraded or replaced in stages, potentially paired with temporary facilities

City staff will continue refining the station upgrade and replacement cost estimates through formal facility condition assessments and project scoping. Updated capital cost information and a set of recommended financing approaches, integrating both voter-approved and non-election-based tools, will be returned to the City Council for further direction.

### **Staff Recommendation on Funding Pathways**

Based on City Council's prior direction and the significant long-term operational and capital needs associated with ALS First Responder Services, City staff recommend that the City Council direct staff to continue pursuing election-based funding pathways as part of the City's overall financial strategy.

Continuing work in this area will allow staff to:

- Advance public opinion research
- Refine revenue measure options
- Align funding strategies with fire service operational and capital needs
- Prepare the City Council for a decision regarding a potential November 2026 ballot measure

### **SYNERGISTIC POLICIES:**

The ALS First Responder Services initiative aligns with historic and current City Council policies by implementing Health in All Policies measures by improving conditions that reduce health disparities and support health equity. It also advances the City Council's strategic goal of enhancing public safety through improved emergency response and preparedness, and strengthens the City's internal infrastructure by upgrading fire stations that may serve as climate resilience hubs/centers. In addition, ensuring

appropriate staffing levels and expertise to meet the service needs of the Richmond community.

**DOCUMENTS ATTACHED:**

None.