

COUNTY FIRE DEPARTMENT

157 West Fifth Street, Second Floor • San Bernardino, CA 92415-0451 • (909) 387-5974
Fax (909) 387-5542



COUNTY OF SAN BERNARDINO
PUBLIC AND SUPPORT
SERVICES GROUP

PAT A. DENNEN
Fire Chief
County Fire Warden

April 13 2007

Kathleen Rollings- McDonald, Executive Officer
Local Agency Formation Commission
215 North 'D' Street Suite 204
San Bernardino, CA

RECEIVED
APR 17 2007
LAFCO
San Bernardino County

Re: County of San Bernardino Fire Department Split of Property Taxes in Districts Having Shared Powers & Shared Property Taxes with County of San Bernardino Special Districts Department

Pursuant to your request, the County Fire Department (County Fire) and the County Special Districts Department (SDD) have identified multiple-power districts affecting both jurisdictions, that collectively share a property tax base; whereas, one such district operating budget receives the full amount of property tax revenue and a share/ratio is then manually distributed to the other related district operating budget based on previously agreed upon or historical "split". An example of this is a County Service Area (CSA) that has park and fire powers, where the collective property tax revenue for the CSA is received in the park district operating budget and a share/ratio is subsequently transferred to the related fire district operating budget.

Once identified, County Fire and SDD have been further requested to agree upon a permanent property tax split between the affected districts prospectively in the event LAFCO approves County Fire's reorganization proposal (LAFCO No. 3000). The intent is to "seamlessly" and automatically direct the appropriate share of property tax revenues to the pertinent County Fire and SDD operating budgets, based upon agreements on the permanent division of the property tax revenue share within affected Tax Rate Areas. This will eliminate ratio fluctuations and the need to manually transfer the revenues on an annual basis, in addition to enhancing future sustainability of the districts dependent upon these revenues as a primary funding source.

County Fire represented by Fire Chief/Fire Warden Pat A. Dennen and SDD represented by Director of Special Districts Thomas L. Sutton entered into discussion regarding the identification of and agreement with respect to the permanent split of property taxes for CSA's that have multiple service powers.

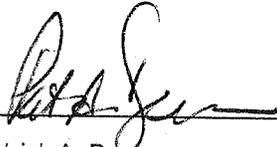
The proposed County Fire Reorganization, if approved by LAFCO, will result in the shifting of fire and medical service powers (along with other Fire related services) from all the current districts with multiple service powers, which includes fire, to the San Bernardino County Consolidated Fire District and one of the four to be formed regional improvement districts. To this end, County Fire and SDD looked at all of these districts and separated them into those districts that share property taxes and those districts that do not share property taxes.

As a result, SDD and County Fire have agreed to a permanent property tax split between the Districts with Shared Powers and Taxes, acknowledges those districts with multiple powers which allocate all property tax revenues to fire; and acknowledges the one affected district which receives 100% of the property tax revenues within the area. This permanent split benefits the affected districts and the proposed County Consolidated Fire District through its regional improvement districts by providing a secure revenue source with future growth based on assessed values of both current and future properties. A summary of each affected district, as agreed upon by both parties is presented on Exhibit A attached.

MARK H. UFFER
County Administrative Officer
NORMAN A. KANOLD
Assistant County Administrator
Public and Support
Services Group

Board of Supervisors
BRAD MITCHELL First District DENNIS HANSEBERGER Third District
PAUL HANE Second District GARY C. OVITT Fourth District
JOSIE GONZALES Fifth District

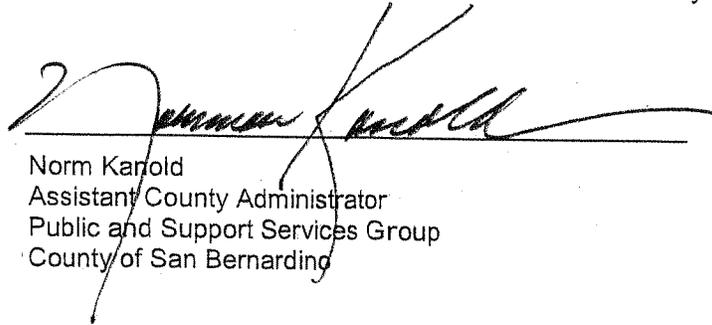
This agreement entered into on April 12, 2007 will become effective in the Fiscal Year 2007/2008, based on the Commission's approval of the County Fire Reorganization proposal. Should the Commission not approve the reorganization, then this agreement is null and void.



Patrick A. Dennen
Fire Chief/Fire Warden
San Bernardino County Fire Dept



Thomas L. Sutton
Director
San Bernardino County Special Dist Dept



Norm Karold
Assistant County Administrator
Public and Support Services Group
County of San Bernardino