

INTEROFFICE MEMO



DATE September 7, 2007 PHONE 387-4052

FROM *Norm Kancel*
NORM KANCEL, Assistant County Administrator
Public and Support Services Group

TO KATHY ROLLINGS-MCDONALD
LAFCO Executive Officer

County of San Bernardino

SUBJECT FIRE REORGANIZATION UPDATE-PROPERTY TAX DISTRIBUTIONS FOR DISTRICTS HAVING SHARED POWERS

This memorandum provides additional information regarding the allocation of property taxes for fire or other special districts services, as originally transmitted in a letter to you dated April 13, 2007 signed by Fire Chief Pat Dennen, Special Districts Director Tom Sutton, and me.

The attachment to this memorandum identifies the eleven (11) Board-governed districts involved with the County Fire Reorganization that also share functions (i.e. street lights, parks, road and sanitation) which are provided by the County Special Districts Department. The attachment shows the agreed upon property tax sharing ratios between County Fire and the County Special Districts Department, as originally identified in the April 13th memorandum, with two exceptions to the chart in that memo: the proposed sharing ratios for CSA 56 and CAS 56 F-1 have been changed to reflect a newly-agreed upon sharing arrangement that is expected to be approved by the Board on September 18, 2007.

All of these eleven districts had their budgets based on these sharing ratios, and they are included in the FY 2007/08 budget column. A projected FY 2008/09 budget column is also included, based on projected salary/benefit and general cola increases as well as related revenue growth. **It should be noted that the Fire Reorganization has no detrimental effect on the remaining special districts functions within these districts, and that any potential future shortfall in revenues on the Special Districts side will need to be addressed by that Department, either through a raising of revenues or reduction in expenditures.**

Please contact me at 387-4532 if you have any questions regarding this updated information.

Cc: Pat Dennen, Fire Chief
Tom Sutton, Special Districts Director
Dan Wurl, Deputy Fire Chief
Carol Montag, County Fire Budget Director
Wayne Thies, Administrative Analyst

FIRE DISTRICTS	JOSHUA TREE CSA 20 - SGP 209-536					LUCERNE VALLEY CSA 29 - SGF					RED MOUNTAIN CSA 30 - SGM				
	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire
Revenues															
Property Taxes				446,181	464,028	718,432	896,142	893,528	891,201	926,849	9,405	7,526	10,169	7,300	7,300
Current Services											255	413	771	200	206
Other	349,404	349,404	653,751	310,751	310,751	263,562	439,196	717,045	756,747	779,449					
Fund Balance	0	0	0	720,556	769,670	0	0	0	199,043	179,469	0	0	0	13,550	419
Total Revenue	349,404	349,404	653,751	1,477,488	1,544,449	981,994	1,335,338	1,610,573	1,846,991	1,885,767	9,660	7,939	10,940	21,050	7,925
Appropriations:															
Salaries	527,735	133,702	937,808	1,247,013	1,309,364	781,507	59,009	83,689	61,216	64,277	66	0			
Services	98,643	132,768	145,817	230,475	235,085	144,542	199,563	185,087	265,862	271,179	7,531	2,304	9,830	17,128	7,125
Other	6,176	431,189				11,114	1,067,728	1,296,338	1,519,913	1,550,311	272	4,077	(311)	784	800
Resrvs/Conting	0	0	0	0	0	0	0	0	0	0	0	0	0	3,138	0
Total Appropriations	632,554	697,659	1,083,625	1,477,488	1,544,449	937,163	1,326,300	1,565,114	1,846,991	1,885,767	7,869	6,381	9,519	21,050	7,925
SDD DISTRICTS	CSA 20 - SGD - Park/Streetlights					CSA 29 - SGG - Park/Streetlights/Cemetery/TV					CSA 30 - SGJ - Streetlights				
	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD
Revenues															
Property Taxes	814,891	886,445	1,120,657	446,181	464,028	378,565	391,490	436,516	479,878	499,073	2,815	2,908	3,316	3,144	3,270
Current Services	26,526		36,238	235,646	242,715	10,020	(9,631)		15,000	15,450					
Other	20,487		34,689	26,000	26,780	81,248	22,842	85,770	556,069	88,343	45	31	28	20	21
Fund Balance	0	0	0	551,749	560,332	0	0	0	199,936	582,144	0	0	0	0	0
Total Revenue	861,904	886,445	1,191,584	1,259,576	1,293,855	469,833	404,701	522,286	1,250,883	1,185,010	2,860	2,939	3,344	3,164	3,291
Appropriations:															
Salaries	227,633	205,073	232,809	287,340	301,707	289,936	236,531	245,228	240,656	252,689	2,213				
Services	143,403	116,570	151,089	220,970	225,389	103,264	46,141	108,334	181,124	184,746	2,028	2,298	1,892	1,638	1,734
Other	373,798	683,229	503,675	175,595	179,107	3,463	98,806	167,055	652,037	665,078	354	1,557	2,178	1,526	1,557
Resrvs/Conting	0	0	0	575,671	587,652	0	0	0	177,066	82,497	0	0	0	0	0
Total Appropriations	744,834	1,004,872	887,573	1,259,576	1,293,855	396,663	381,478	520,617	1,250,883	1,185,010	4,595	3,855	4,070	3,164	3,291
	Property tax received into Non-Fire Fund split by contract payment					Property tax received into Non-Fire Fund split by transfer					Property tax received into Non-Fire Fund no split due to assessment for fire				
Current Split	46% Fire / 54% SDD					65% Fire / 35% SDD					100% SDD				
Recommended Split	50% Fire / 50% SDD					No change					No change				
				892,362					1,371,079					3,144	
		Fire		50%					65%					0%	
		SDD		50%					35%					100%	

FIRE DISTRICTS	FAWNKIN CSA 53B - SJS					WRIGHTWOOD CSA 56 - SJY					PINON HILLS CSA 56F-1 - SKG				
	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire
Revenues															
Property Taxes	553,114	632,003	730,321	700,000	728,000	1,078,146	1,276,040	1,460,895	1,513,453	1,573,991	140,415	177,994	200,188	229,884	239,079
Current Services															
Other	5,909	(1,316)	7,995	3,500	3,605	1,106,052	1,251,149	933,266	841,269	866,507	126,673	35,334	4,203	2,500	2,575
Fund Balance	0	0	0	154,106	166,827	0	0	0	748,519	531,592	0	0	0	65,279	81,088
Total Revenue	559,023	630,687	738,316	857,606	898,432	2,184,198	2,527,189	2,394,161	3,103,241	2,972,090	267,088	213,328	204,391	297,663	322,742
Appropriations:															
Salaries	3,990					1,549,419	170,678	235,378	219,928	230,924	58,499	41,568	52,937	60,353	63,371
Services	11,385	13,970	4,559	7,713	7,867	311,902	298,994	416,651	528,467	539,036	58,183	101,253	83,284	118,876	121,254
Other	591,474	601,842	693,814	697,075	711,017	100,042	2,114,957	1,389,622	2,051,592	1,887,465	123,642	89,386	46,648	40,412	41,220
Resrvs/Conting	0	0	0	152,818	179,548	0	0	0	303,254	314,665	0	0	0	78,022	96,897
Total Appropriations	606,849	615,812	698,373	857,606	898,432	1,961,363	2,584,629	2,041,651	3,103,241	2,972,090	240,324	232,207	182,869	297,663	322,742
SDD DISTRICTS	CSA 53B - EBA - Sanitation					CSA 56 - SKD - Park					CSA 56F-1 - SKH - Park				
	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD
Revenues															
Property Taxes						71,140	106,173	152,288	163,136	169,661	32,471	53,495	44,449	50,462	52,480
Current Services	585,614	579,754	686,075	688,729	695,000	10,680	14,393	12,298	12,000	12,360	2,752	3,432	2,659	3,570	3,677
Other	18,057	136,965	242,717	168,783	60,000	21,128	22,862	25,381	0	0	1,687	2,893	5,124	2,500	2,575
Fund Balance		0	0	542,360	545,000	0	0	0	118,896	157,635	0	0	0	105,063	73,673
Total Revenue	603,671	716,719	928,792	1,399,872	1,300,000	102,948	143,428	189,967	294,032	339,656	36,910	59,820	52,232	161,595	132,405
Appropriations:															
Salaries	249,993					104,344	67,382	35,184	40,439	42,461	14,610	18,464	17,100	20,521	21,547
Services	360,268	277,440	210,826	290,646	300,000	45,081	30,548	44,857	77,801	79,357	12,659	10,948	11,394	19,058	19,439
Other	1,312	437,832	501,180	651,775	500,000	(12,824)	26,357	42,636	21,043	21,464	(12,074)	3,942	(2,167)	28,565	49,136
Resrvs/Conting	0	0	0	457,451	500,000	0	0	0	154,749	196,374	0	0	0	93,451	42,283
Total Appropriations	611,573	715,272	712,006	1,399,872	1,300,000	136,601	124,287	122,677	294,032	339,656	15,195	33,354	26,327	161,595	132,405
	Property tax split by ACR and received into appropriate fund					Property tax received into Fire Fund split by transfer					Property tax received into Fire Fund split by transfer				
Current Split	99% Fire / 1% SDD					90.3% Fire / 9.7% SDD					82% Fire / 18% SDD				
Recommended Split	No change					No change					No change				
				700,000					1,676,589					280,346	
				100%					90.3%					82%	
				0%					9.7%					18%	

FIRE DISTRICTS	HAVASU LAKE CSA 70HL - STC					WONDER VALLEY CSA 70M - SLM					HINKLEY CSA 70W - SLS				
	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire
Revenues															
Property Taxes	81,352	99,645	108,273	116,069	120,712	124,201	135,162	177,144	147,000	152,880	92,004	106,485	119,143	96,831	100,704
Current Services	21,644	40,314	18,905	16,775	17,278	0	121,500	121,713	121,500	123,323	366	1,163	(1,173)	0	0
Other	11,584	197,570	235,196	39,313	40,492	410	42,734	8,941	3,000	3,090	15,100	84,243	1,510		
Fund Balance	0	0	0	25,431	28,320	0	0	0	134,800	109,219	0	0	0	75,406	46,728
Total Revenue	114,580	337,529	362,374	197,588	206,802	124,611	299,396	307,798	406,300	388,512	107,470	191,891	119,480	172,237	147,432
Appropriations:															
Salaries	43,983	59,389	131,553	32,486	34,110	64,863	110,963	142,657	140,523	147,549	30,174	23,426	27,769	36,633	38,465
Services	79,077	119,295	238,575	76,619	78,151	48,894	86,638	129,869	78,799	80,375	62,326	63,792	44,102	58,558	59,729
Other	5,378	144,951	12,053	62,090	63,332	15,017	36,429	(2,102)	75,441	76,950	6,999	72,361	32,056	48,273	49,238
Resrvs/Conting	0	0	0	26,393	31,227	0	0	0	111,537	83,638	0	0	0	28,773	0
Total Appropriations	128,438	323,635	382,181	197,588	206,820	128,774	234,030	270,424	406,300	388,512	99,499	159,579	103,927	172,237	147,432
SDD DISTRICTS	CSA 70HL - EJA - Refuse					CSA 70M - SYR/SLP - Road/Park					CSA 70W - SLT - Park				
	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD
Revenues															
Property Taxes	7,130										10,000	2,610	10,000	11,968	12,447
Current Services	47,017	40,233	50,172	54,341	55,971	161,984	157,195	133,729	155,539	160,205	615	314	898	5,600	5,768
Other	350	11,517	2,025	1,000	1,030	5,518	7,373	19,033	4,600	4,738					
Fund Balance	0	0	0	22,723	12,878	0	0	0	167,930	153,000	0	0	0	16,666	16,870
Total Revenue	54,497	51,750	52,197	78,064	69,879	167,502	164,568	152,762	328,069	317,943	10,615	2,924	10,898	34,234	35,085
Appropriations:															
Salaries	0					56,164	77,075	63,875	87,766	89,521	2,868	179			
Services	38,775	37,282	52,578	57,649	58,802	28,285	38,055	73,252	61,847	63,084	4,560	7,810	10,647	15,312	15,618
Other	1,236	1,470	14,101	10,860	11,077	14,643	77,423	47,810	38,997	36,400	236	3,061	3,672	2,346	2,393
Resrvs/Conting	0	0	0	9,555		0	0	0	139,482	128,938	0	0	0	16,576	17,074
Total Appropriations	40,011	38,752	66,679	78,064	69,879	99,092	192,553	184,937	328,092	317,943	7,664	11,050	14,319	34,234	35,085

Property tax received into Fire Fund no split due to refuse fees rec'd by SDD

Property tax received into Fire Fund no split due to assessments rec'd by SDD

Property tax received into Fire Fund split by transfer

Current Split
 Recommended Split

100% Fire
 No change

100% Fire
 No change

91% Fire / 9% SDD
 89% Fire / 11% SDD

116,069
 100%
 0%

147,000
 100%
 0%

108,799
 89%
 11%

FIRE DISTRICTS	GREEN VALLEY LAKE CSA 79 - SOV					SEARLES VALLEY CSA 82 - SOY				
	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire	04/05 Fire	05/06 Fire	06/07 Fire	07/08 Fire	08/09 Fire
Revenues										
Property Taxes	121,744	143,691	165,191	171,517	178,378	88,892	94,445	100,821	98,000	98,980
Current Services							374			
Other	22,221	34,839	(32,727)	1,200	1,236	29,160	283,315	17,526	18,103	18,646
Fund Balance	0	0	0	61,976	32,598	0	0	0	10,569	12,890
Total Revenue	143,965	178,530	132,464	234,693	212,212	118,052	378,134	118,347	126,672	130,516
Appropriations:										
Salaries	38,027	10,805	14,858	29,937	31,434	54,291	43,767	47,545	43,657	45,840
Services	80,279	76,984	38,054	65,946	67,265	49,506	65,069	75,422	72,325	73,772
Other	31,658	95,015	72,338	108,130	110,293	36,216	214,337	44,540	10,690	10,904
Resrvs/Conting	0	0	0	30,680	3,220	0	0	0	0	0
Total Appropriations	149,964	182,804	125,250	234,693	212,212	140,013	323,173	167,507	126,672	130,516

SDD DISTRICTS	CSA 79 - RCP/ EFP - Road/Sanitation					CSA 82 - SOZ/EFY - Park/Sanitation				
	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD	04/05 SDD	05/06 SDD	06/07 SDD	07/08 SDD	08/09 SDD
Revenues										
Property Taxes										
Current Services	756,547	737,666	859,957	860,343	860,343	178,514	161,570	198,354	209,375	215,656
Other	35,285	77,240	138,982	515,075	530,527	548,952	261,396	218,620	311,161	320,496
Fund Balance	0	0	0	524,741	523,480	0	0	0	138,822	127,605
Total Revenue	791,832	814,906	998,939	1,900,159	1,914,350	727,466	422,966	416,974	659,358	663,757
Appropriations:										
Salaries	2,708					193,121				
Services	13,952	378,077	250,592	451,419	460,447	101,762	60,873	50,079	163,226	166,491
Other	30	379,537	564,333	913,416	931,684	378,202	332,669	324,114	373,410	380,878
Resrvs/Conting	0	0	0	535,324	522,219	0	0	0	122,722	116,388
Total Appropriations	16,690	757,614	814,925	1,900,159	1,914,350	673,085	393,542	374,193	659,358	663,757

Property tax received into Fire Fund no split due to assessment rec'd by SDD

Property tax received into Fire Fund no split due to transf from sanitation to park by SDD

Current Split	100% Fire	100% Fire
Recommended Split	No change	No change
	171,517	98,000
	100%	100%
	0%	0%

COUNTY FIRE DEPARTMENT

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

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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 spit of property taxes for CSA's that have multiple service powers.

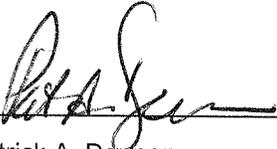
The proposed County Fire Reorganization, if approved by LAFCO, will result in the shifting of fire and medical service powers (along with other Fire related services) from all the current districts with multiple service powers, which includes fire, to the San Bernardino County Consolidated Fire District 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 MITZELFELT First District
PAUL BIANE Second District
JOSIE GONZALES Fifth District
DENNIS HANSBERGER Third District
GARY C. DVITT Fourth 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 Karjold
Assistant County Administrator
Public and Support Services Group
County of San Bernardino

EXHIBIT A

District Name	Existing Receipt and Distribution of Property Tax Revenues	Current Split of Property Tax Revenues	Re-Distribution of Tax Revenues	Recommended Split of Property tax revenues
CSA 20 (Joshua Tree)	Property tax received in Park Fund, split by contract payment	46% Fire/54% CSA 20	South Desert Improvement district and CSA 20	50% Fire/50% CSA 20
CSA 29 (Lucerne Valley)	Property tax received in Park Fund, manually split by transfer	65% Fire/35% CSA 29	North Desert Improvement District and CSA29	65%Fire/35% CSA 29
*CSA 56 (Wrightwood/Pinon Hills)	Property tax received by Fire Fund; manually split by transfer	91% Fire/9% CSA 56	North Desert Improvement District and CSA 56	91% Fire/9% CSA 56
*CSA 56 Improvement Zone F-1 (Pinon Hills)	Property tax received by Fire Fund; manually split by transfer	82% Fire/18% CSA 56 F-1	North Desert Improvement District and CSA 56 F-1	85% Fire/15% CSA 56 F-1
CSA 70 Improvement Zone W (Hinkley)	Property tax received by Fire Fund; manually split by transfer	91% Fire/9% CSA70 W	North Desert Improvement District and CSA 70 W	89% Fire/11% CSA 70 W
CSA 30 (Red Mountain)	Property tax received by CSA for streetlighting purposes; special assessment for fire	100% CSA 30	CSA 30	100% CSA 30
CSA 53 Improvement Zone B	Property tax received by Fire Fund	100% Fire	Mountain Improvement District	100% Fire
CSA 70 Improvement Zone HL (Havasu Lake)	Property tax received by Fire Fund	100% Fire	South Desert Improvement District	100% Fire
CSA 70 Improvement Zone M (Wonder Valley)	Property tax received by Fire Fund along with fire assessment; Road and Park receive special assessment revenues	100% Fire/100% of fire assessment	South Desert Improvement District/Improvement District FP-4	100% Fire/100% of fire assessment to Improvement District FP-4
CSA 79 (Green Valley Lake)	Property tax received by Fire Fund; special assessment for road and sewer enterprise activity	100% Fire	Mountain Improvement District	100% Fire
CSA 82 Improvement Zone SV-1 (Searles Valley)	Property tax received by Fire fund	100% Fire	North Desert Improvement District	100% Fire