

**County of Contra Costa**  
**OFFICE OF THE COUNTY ADMINISTRATOR**  
**MEMORANDUM**

DATE: MARCH 10, 2016

TO: FINANCE COMMITTEE  
*Chair Federal D. Glover, District V*  
*Vice Chair Mary N. Piepho, District III*

FROM: TIMOTHY EWELL, Senior Deputy County Administrator

SUBJECT: **REQUEST FROM THE RODEO HERCULES FIRE PROTECTION DISTRICT FOR AN ALLOCATION OF COUNTY PROP. 172 SALES TAX REVENUE**

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**RECOMMENDATIONS:**

1. ACKNOWLEDGE receipt of a request from the Rodeo-Hercules Fire Protection District (the "District") to reallocate a portion of the County's Proposition 172 sales tax revenue from the County to the District; and,
2. DETERMINE that Contra Costa County should not allocate a portion of its Proposition 172 sales tax revenue to the Rodeo-Hercules Fire Protection District.

**BACKGROUND:**

The County Administrator is in receipt of a letter (attached) from the District dated February 10, 2016, transmitting a request approved via Resolution by the District Board to reallocate a portion of the County's Proposition 172 revenue from the County to the District. Specifically, the District is proposing an immediate shift of 1% of County Proposition 172 revenues, then 0.5% of any growth experienced in future years. Using fiscal year 2015/16 budget figures, this would be equivalent to \$744,234 of estimated revenue.

Following passage of Proposition 172, the Board of Supervisors adopted Resolution No. 93/635 allocating all County Proposition 172 revenues, including growth, to the budgets of the Sheriff-Coroner and District Attorney. In addition, the Board of Supervisors identified the Probation Department as an agency that may be eligible for future revenues. A copy of Resolution No. 93/635 is attached for reference.

It is important to note that Proposition 172 was designed as mitigation revenue to counties and cities following the impact of implementing the State Educational Revenue Augmentation Fund (ERAF) property tax shift beginning in 1992. ERAF shifts local property taxes from counties, cities and special districts to the State to fund local school districts. At inception, there was a commensurate reduction in State general fund support of schools – essentially, the State took local property tax dollars to offset its responsibility to fund schools.

The California State Association of Counties (CSAC) tracks the annual estimated impact from the ERAF property tax shift along with annual Proposition 172 sales tax receipts to determine the ongoing net loss to counties from the implementation of ERAF. For FY 2013-14, Contra Costa County transferred \$166.9 million in local property tax revenue to ERAF and received \$72.1 million in Proposition 172 revenue resulting in a net loss of \$94.8 million in that year.

**DISCUSSION:**

At the January 26, 2016 Board of Supervisors' retreat, the County Administrator provided a comprehensive presentation on challenges that the County will face in 2016 and in coming years. This included a projected budgetary deficit of \$50.3-\$61.9 million over two years depending on the outcome of labor negotiations. This would be the amount necessary to maintain current services as of fiscal year 2015/16. Following the Retreat presentation and in advance of fiscal year 2016/17 budget development, a hiring freeze was imposed on departments to retain additional control over costs leading into the new fiscal year and limit potential impacts to service delivery of our residents.

The proposal, as contemplated by the District, would distribute the impact of the 1.0% re-allocation of \$744,234 equally (0.5% each) between the Sheriff-Coroner and the District Attorney as outlined below:

<b>FY2015/16 1% of Revenue</b>	<b>District % Allocation</b>	<b><u>Department</u></b>
\$ 372,117	50.0%	Sheriff - Coroner
372,117	50.0%	District Attorney
<b>\$ 744,234</b>	<b>100.0%</b>	<b>Total Reduction</b>

It is important to note that the County allocation of Proposition 172 dollars is not equal between the Sheriff-Coroner and the District Attorney. The County allocation between the Sheriff-Coroner and the District Attorney is 82.6% and 17.4%, respectively. This results in the District's proposed allocation disproportionately impacting the District Attorney's operating budget. Below is an allocation of the proposed 1.0% amount, \$744,234, using the County's allocation factors:

<b>FY2015/16 1% of Revenue</b>	<b>County % Allocation</b>	<b><u>Department</u></b>
\$ 614,737	82.6%	Sheriff - Coroner
129,497	17.4%	District Attorney
<b>\$ 744,234</b>	<b>100.0%</b>	<b>Total Reduction</b>

The disproportionate impact to the District Attorney's Office would be approximately \$242,620 under the District's proposal.

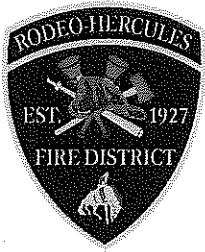
**CONSIDERATIONS:**

Staff is recommending that the County not support the proposed reallocation of Proposition 172 funding from the County to the District and offers the following considerations for the Committee:

1. The County is entering into another financially challenging period with the conclusion of multi-year labor agreements on the horizon. It will be a challenge to maintain current services during this period using current revenue estimates.
2. Specifically, the Sheriff's Office is likely to be impacted significantly due to the outcomes of labor negotiations with the Deputy Sheriff's Association.
3. Since the County's Proposition 172 funding is dedicated the Sheriff's Office and District Attorney, future increases to that funding stream have been contemplated in planning future costs within those departments.
4. In FY 2013-14, the County experienced an estimated net loss of \$94.8 million from ERAF implementation. Sizeable losses have accrued and will continue to accrue to the County under ERAF. Any reallocation of the County's Proposition 172 funding simply increases net losses under ERAF.
5. Any reallocation of Proposition 172 resources sets a precedent for other special districts to make similar requests of the County in the future.

**ATTACHMENTS:**

1. Letter from Rodeo-Hercules Fire Protection District to the County Administrator w/ Attachments. February 10, 2016.
2. Resolution No. 93/635
3. Letter from Auditor Controller to Rodeo Hercules Fire Protection District regarding Historical ERAF Losses. April 22, 2015.
4. CSAC ERAF/Proposition 172 Survey. FY 2013-14



**RODEO - HERCULES FIRE PROTECTION DISTRICT**  
1680 REFUGIO VALLEY ROAD, HERCULES, CALIFORNIA 94547  
(510) 799-4561 • FAX: (510) 799-0395

February 10, 2016

Mr. David Twa  
County Administrator  
Contra Costa County  
651 Pine Street, 10th Floor  
Martinez, CA 94553

**Re: Request for Allocation of Prop. 172 Monies to the Rodeo-Hercules Fire District**

Dear Mr. Twa:

On behalf of the Board of Directors of the Rodeo Hercules Fire Protection District ("District"), please consider this correspondence, and the attached approved resolution of the Rodeo Hercules Fire Protection District Board, a formal request to the Contra Costa County Board of Supervisors to change longstanding Contra Costa County policy as it relates to the distribution of Proposition 172 monies (the one-half percent public safety sales tax).

A change in policy would essentially allow the District, as an eligible fire protection district, to share in the Proposition 172 revenues. The Rodeo-Hercules Fire District Board recognizes that this request for redistribution of voter approved sales tax revenue will take thoughtful analysis to determine how best to proceed. The Fire District Board requests specifically that a share of the Proposition 172 funds be allocated to the Fire District. This allocation would be based on a set percentage of the annual revenue (with a fractional decrease to the County justice departments' allocations) and a separate distribution of the year-over-year growth funds. This action is intended to ensure that the District receives a share in the year-over-year growth in revenue reflecting a proper distribution of these funds consistent with the intent of Proposition 172 to mitigate the effects of lost property based revenue to public safety agencies.

Proposition 172 was approved by the voters in November 1993. The goal of Proposition 172 was to mitigate the impact of the loss of property taxes to cities and counties resulting from the ERAF shift implemented by the state in 1992. While it was understood that the Proposition 172 revenue would not replenish the ERAF loss, it would mitigate some of the impact the loss of property tax could have on public safety services. The District has confirmed that the County's justice departments (Sheriff, District Attorney, Probation) share in the Proposition 172 funds. The District currently does not. It is the Rodeo Hercules Fire Protection District Board of Director's position that the allocation of Proposition 172 funds to the District is compelling and urgent. As you may be aware, the District is in dire financial straits, caused by numerous forces

Mr. David Twa  
February 10, 2016  
Page 2

and factors that affect its annual revenues, from the dissolution of redevelopment, to ERAF shifts, to changes in the Phillips 66 annual tax assessments. The District maintains two fire stations, one of which is staffed through a Federal SAFER grant that is scheduled to sunset in the Spring of 2016. A Proposition 172 allocation could prevent this from happening. In addition, the District's relatively small population size juxtaposed against its unique and central service area (which contains part of the San Pablo Bay, a large area of the Franklin Canyon open space, a major West Coast refinery, and numerous mass transit facilities, highways, and rail lines) requires a level of service that encompasses differing types of apparatus, specialized training and technical expertise, all of which could be augmented with Propositions 172 funds.

It is our hope that your office and the Board of Supervisors recognizes the urgency of the situation such that this item will be placed on an upcoming agenda for discussion and action that will establish the necessary steps to implement a redistribution of Proposition 172 funds to the Rodeo Hercules Fire District. As a courtesy, County Counsel has been copied on this correspondence as well. I look forward to your response.

Very Truly Yours,



Charles Hanley  
Fire Chief

Rodeo Hercules Fire Protection District

Cc: Sharon L. Anderson, County Counsel

RESOLUTION 2015-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RODEO HERCULES FIRE PROTECTION DISTRICT TO DEMAND THAT THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY AMEND COUNTY RESOLUTION NO. 93/635 TO APPROPRIATE 1 PERCENT OF THE ANNUAL PROPOSITION 172 REVENUE, AND SEPARATELY, DISTRIBUTE 0.5% OF THE YEAR-OVER-YEAR GROWTH TO THE RODEO HERCULES FIRE PROTECTION DISTRICT TO FUND FIRE PROTECTION AND EMERGENCY RESPONSE SERVICES

WHEREAS, the Rodeo Hercules Fire Protection District is a public agency located in the County of Contra Costa, State of California, formed under California Health and Safety Code section 13800 *et seq.*, and

WHEREAS, for the better part of the last six years the Rodeo Hercules Fire Protection District has seen significant loss of revenue, primarily due to loss of property value in the merged redevelopment area, and involuntary tax shifts and reassessment of the Phillips 66 Refinery. Revenue to the Fire Protection District is primarily derived from property based sources, and is used to support emergency response, fire prevention and support activities within the Fire Protection District; and

WHEREAS, currently state law defines the type and level of revenue that is available to special districts to support fire protection and emergency medical services. Cities and counties exercise the broad powers of taxation that are granted to general-purpose governments by the California Constitution. Special districts, however, are limited to revenue sources specifically authorized by the Legislature. Fire protection districts are an autonomous unit of local government with sovereignty over internal fiscal issues but are restricted by law to specific revenue sources. Fire protection districts have specifically enumerated police powers but limited authority to raise revenue and collect fees to cover the actual costs of providing service or the impact of additional service needs; and

WHEREAS, in 1978 California voters passed Proposition 13. Prop 13 reduced property tax rates on homes, businesses, and farms by about 57 percent. According to the State Constitution, property tax rates may not exceed 1 percent of the property's market value and valuations may not grow by more than 2 percent per annum unless the property is sold. At the time of sale the property's value is re-assessed. Proposition 13 also requires that all state tax rate increases must be approved by a two-thirds vote of the legislature and local tax rates must be approved by a vote of the people. Since the passage of Proposition 13, the Rodeo Hercules Fire Protection District has relied increasingly on other revenue sources to finance services, and

WHEREAS, State Law determines the formula allocation of property tax revenue. Following the passage of Proposition 13, the Legislature adopted temporary measures to reallocate the reduced property tax revenue among counties, cities, and special districts and to provide some fiscal relief to local agencies with drastically reduced revenues.

In what became commonly known as the *bailout bill*, Senate Bill 154 allocated post-Proposition 13 property tax revenues on a *pro-rata* basis. For example, if a special district received 25 percent of the property tax revenue within a tax rate area prior to 1978, then following Proposition 13, the district would continue to receive 25 percent of the reduced revenue within the tax rate area. Senate Bill 154 also

provided additional funds to special districts for other programs.

Assembly Bill (AB) 8 provided a permanent solution for distributing property tax revenues. AB 8 adopted the allocation formula contained in Senate Bill 154 (SB 154); however, rather than providing the block grants of SB 154, AB 8 increased the *share* of property tax revenue allocated to local governments by shifting property tax revenue away from schools. School losses were back-filled from the State's general fund.

In the mid-1980s, the Legislature required counties to shift some of their property tax revenue to cities that had never received property tax revenue or had relatively low levels of property tax revenue.

In FY 1992-93 and again in FY 1993-94, the Legislature *permanently* shifted property tax revenues from counties, cities, and special districts back to schools in roughly the same proportion as the benefit received under AB 8.

In November 2004, state voters approved Proposition 1A, which establishes a constitutional amendment protecting local property tax revenue. Property tax revenue cannot be reallocated by the State unless approved by a two-thirds vote of the Legislature and the Governor declares a *significant financial hardship*. The revenue shifts are considered loans; and

WHEREAS, in 1992, the State of California found itself in a serious deficit position. To meet its obligation to fund education at specified levels under Proposition 98, the state enacted legislation that shifted partial financial responsibility for funding education to local government (cities, counties, and special districts). The state instructed county auditors to shift allocation of local property tax revenues from local governments to *educational revenue augmentation funds* (ERAF), directing specified amounts of city, county, and other local agencies' property taxes be deposited into these funds to support schools; and

WHEREAS, Proposition 172, sometimes referred to as the Local Public Safety Protection and Improvement Act of 1993, was passed shortly after the dramatic Laguna Fire in Orange County. It was touted as a panacea to stop major disasters and drastic losses of revenue to vital public safety services. This measure provided a dedicated revenue source for public safety purposes. Revenue would be distributed to cities and counties for police, sheriffs, fire, district attorneys, and corrections purposes; and

WHEREAS, on a countywide basis, during fiscal year 2014/15, this tax measure generated approximately \$71 million. Contra Costa County Board of Supervisors Resolution No. 93/635 appropriated all funds generated by Proposition 172 to the budgets of the Sheriff-Coroner and District Attorney. Special district fire agencies in Contra Costa County, including the Rodeo Hercules Fire Protection District, do not receive any funding from Proposition 172; and

WHEREAS, pursuant to California Attorney General Opinion No. 03-804, an independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993, a county board of supervisors has discretion, in each fiscal year, to change the allocation of Proposition 172 funds among eligible public safety service agencies, and that this discretion includes the possible allocation to a public safety service agency that had not received an allocation in any prior fiscal year.

NOW THEREFORE, the Board of Directors of the Rodeo Hercules Fire Protection District  
RESOLVE AS FOLLOWS:

1. That this resolution is evidence of formal action by the Board of Directors for the Rodeo Hercules Fire Protection District to demand that the Board of Supervisors for Contra Costa County take separate action to or amend its own Resolution No. 93/635 to appropriate 1.0% of Proposition 172 revenues to the Rodeo Hercules Fire Protection District by reducing the percentages received by the Sheriff-Coroner and District Attorney by 0.5% each; and

That the Board of Supervisors take action to appropriate 0.5% of the year on year growth to the Rodeo Hercules Fire Protection District to ensure the District has a share in any increase should one materialize.

2. That the Fire Chief is authorized to negotiate with the County Administrator any and all documents necessary to effect this demand.

3. That the Fire Chief shall transmit this resolution to the County Administrator, and each Supervisor, so that the action demanded may be analyzed and put into effect in Fiscal Year 2016-2017, and each year thereafter.

AYES:

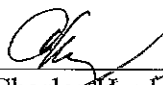
NOES:

ABSENT:

ABSTAIN:

IN WITNESS of this action, I sign this document on October 28, 2015.

ATTEST:

  
\_\_\_\_\_  
Charles Hanley, Fire Chief

APPROVED:

  
\_\_\_\_\_  
Beth Bartke, Board Chair

2536477.1



**RODEO HERCULES FIRE PROTECTION DISTRICT**  
**MEMORANDUM**

**Date:** October 28, 2015

**To:** BOARD OF DIRECTORS

**From:** CHARLES HANLEY, Fire Chief / RICHARD PIO RODA, General Counsel

**Subject:** PROPOSITION 172 FUNDING DEMAND TO CONTRA COSTA COUNTY  
BOARD OF SUPERVISORS

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**STATEMENT OF THE PROBLEM** – For the better part of the last six years the Rodeo Hercules Fire District has seen significant loss of revenue, primarily due to loss of property value in the merged redevelopment area, involuntary tax shifts and reassessment of the Phillips 66 Refinery. Revenue to the Fire District is primarily derived from property based sources, and is used to support emergency response, prevention and support activities within the Fire District. At the urging of the Board of Directors, staff was instructed to explore additional revenue streams, specifically the viability of receiving funding from Proposition 172 funding that is now exclusively allocated to law enforcement in Contra Costa County. Staff has prepared a brief overview of funding streams, the effects of Proposition 13 on the Fire District and the viability of Proposition 172 funding. The Chief sent a letter to the County Administrator to discuss concepts related to appropriation of Prop. 172 funds to the Fire District. The County Administrator agreed to meet and confer with the Chief. That meeting occurred, and discussions, while inconclusive to the matter, were fruitful.

**LIMITS TO REVENUE STREAM** - Currently, state law defines the type and level of revenue that is available to special districts to support fire protection and emergency medical services. Cities and counties exercise the broad powers of taxation that are granted to general-purpose governments by the California Constitution. Special districts, however, are limited to revenue sources specifically authorized by the Legislature. Fire protection districts are an autonomous unit of local government with sovereignty over internal fiscal issues but are restricted by law to specific revenue sources. Fire districts have specifically enumerated police powers but limited authority to raise revenue and collect fees to cover the actual costs of providing service or the impact of additional service needs.

**PROPOSITION 13** - In 1978 California's voters passed Proposition 13. Prop 13 reduced property tax rates on homes, businesses, and farms by about 57 percent. According to the State Constitution, property tax rates may not exceed 1 percent of the property's market value and valuations may not grow by more than 2 percent per annum unless the property is sold. At the time of sale the property value is re-assessed. Proposition 13 also requires that all state tax rate increases must be approved by a two-thirds vote of the legislature and local tax rates must be approved by a vote of the people. Since the passage of Proposition 13, the Fire District has relied increasingly on other revenue sources to finance services.

**SB 154, AB 377, AB 8, SDAF, PROP 1A** - State Law determines the formula allocation of property tax revenue. Following the passage of Proposition 13, the Legislature adopted temporary measures to reallocate the reduced property tax revenue among counties, cities, and special districts and to provide some fiscal relief to local agencies with drastically reduced revenues.

In what became known as the *bailout bill*, Senate Bill 154 allocated post-Proposition 13 property tax revenues on a *pro-rata* basis. For example, if a special district received 25 percent of the property tax revenue within a tax rate area prior to 1978, then following Proposition 13, the district would continue to receive 25 percent of the reduced revenue within the tax rate area. Senate Bill 154 also provided additional funds to special districts for other programs.

Assembly Bill (AB) 8 provided a permanent solution for distributing property tax revenues. AB 8 adopted the allocation formula contained in Senate Bill 154 (SB 154); however, rather than providing the block grants of SB 154, AB 8 increased the *share* of property tax revenue allocated to local governments by shifting property tax revenue away from schools. School losses were back-filled from the State's general fund.

In the mid-1980s, the Legislature required counties to shift some of their property tax revenue to cities that had never received property tax revenue or had relatively low levels of property tax revenue.

In FY 1992-93 and again in FY 1993-94, the Legislature *permanently* shifted property tax revenues from counties, cities, and special districts back to schools in roughly the same proportion as the benefit received under AB 8.

In November 2004, state voters approved Proposition 1A, which establishes a constitutional amendment protecting local property tax revenue. Property tax revenue cannot be reallocated by the State unless approved by two-thirds vote of the Legislature and the Governor declares a *significant financial hardship*. The revenue shifts are considered loans.

#### **EDUCATIONAL REVENUE AUGMENTATION FUNDS (ERAF)**

In 1992, the State of California found itself in a serious deficit position. To meet its obligation to fund education at specified levels under Proposition 98, the state enacted legislation that shifted partial financial responsibility for funding education to local government (cities, counties, and special districts). The state instructed county auditors to shift allocation of local property tax revenues from local government to *educational revenue augmentation funds* (ERAF), directing specified amounts of city, county, and other local agency property taxes be deposited into these funds to support schools.

**PROPOSITION 172** - Proposition 172 is sometimes referred to as the Local Public Safety Protection and Improvement Act of 1993. It passed shortly after the dramatic Laguna Fire in Orange County. It was touted as a panacea to stop major disasters and drastic losses of revenue to vital public safety services. This measure provided a dedicated revenue source for public safety purposes. Revenue was to be distributed to cities and counties for law enforcement services, fire services, district attorneys, and corrections. On a countywide basis, during fiscal year 2014/15 this tax measure generated approximately \$71 million. Special district fire agencies in Contra Costa County do not receive any funding from Proposition 172.

**PROPERTY TAXES** - The majority funding source for the Fire District is property tax revenue. Each local government agency shares a portion of this revenue based on an established percentage or allocation factor. Geographically these are referred to as tax rate areas. The Fire District receives 95 percent of its revenue from property taxes and assessments. Additional taxes or assessments require voter or landowner approval. The percentage of approval required depends on the type of funding mechanism sought. California Constitution Article XIII A (Prop. 13) limits the property tax to a maximum 1 percent of assessed value. The assessed value of property is capped at the 1975-1976 base year rate plus inflation or 2 percent per year. Property tax declines in value are reassessed at the lower market value. Property is reassessed to current full value upon a change in ownership (with certain exemptions). Property tax

revenue is collected by counties and allocated amongst cities, counties, school districts, and special districts. The share of property tax revenue allocated depends on a variety of factors, including historical allocations of tax dollars, the number of taxing entities in a tax rate area, etc.

**SALES TAX** - The sales tax that an individual pays on a purchase is collected by the State Board of Equalization and includes a State sales tax, the locally levied "Bradley Burns" sales tax and several other components. The sales tax is imposed on the total retail price of any tangible personal property. (State law provides a variety of exemptions to the sales and use tax, including resale, interstate sales, intangibles, food for home consumption, candy, bottled water, natural gas, electricity, water delivered through pipes, prescription medicines, agricultural feeds, seeds, fertilizers, and sales to the federal government.)

**PROPOSITION 218** - In 1996, Proposition 218 was passed. Proposition 218 is a constitutional initiative that applies to each of California's nearly 7,000 cities, counties, special districts, schools, community college districts, redevelopment agencies, and regional organizations. In general, the intent of Proposition 218 is to ensure that all taxes and most charges on property owners are subject to voter approval.

**SPECIAL TAXES** - After property tax, special taxes are the principal revenue source for funding fire protection operations. Section 4, Article XIII A of the California Constitution authorizes cities, counties, and special districts to impose non-ad valorem special taxes with two-thirds approval of the electors. Through a series of court cases, the California Supreme Court has found that all taxes levied by special purpose districts are to be considered special taxes – even if proceeds are used for general purposes. Accordingly, the primary alternative that fire protection districts can use to generate revenue requires two-thirds approval of the voters. Proposition 62 reinforced the two thirds requirement in 1986 – a statutory initiative intended to close Proposition 13 loopholes, and again in 1996, by Proposition 218, which created the *Right to Vote on Taxes Act*.

**BENEFIT ASSESSMENTS** – Benefit Assessments are used by local governments to pay the costs of providing fire suppression, flood control and other services to a particular community. These charges are based on the concept of assessing only those properties that directly benefit from the services or improvements financed. These assessments are allowable for fire districts under California Health and Safety Code § 13800. Because these charges are based on specific benefit, they are not subject to Proposition 13 limitations, but are subject to Proposition 218. The Fire District currently has three property owner based benefit assessments which amount to over 20% of the overall ongoing revenue to the Fire District.

**MITIGATION FEES** - Some agencies have adopted an ordinance establishing a mitigation fee program for their area. The agency collects funds during the building permit process on behalf of the fire protection agencies. These mitigation fee revenues must be used exclusively for capital facilities and equipment. Mitigation fees collected by the Fire District have typically been used for apparatus replacement.

**FEES FOR SERVICE** - Fire districts impose fees for a variety of services including issuing service availability letters and plan checks. The California Constitution (Proposition 26) defines fees as charges that do not exceed the reasonable cost for providing the regulation, product, or service for which fees are charged. Proposition 218 introduced procedural requirements on fees imposed as an incidence of property ownership. Fees are defined as "A charge imposed on an individual for a service provided to that person." A fee may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, plus overhead. Cities have the general authority to impose fees (charges and rates) under the city's police powers granted by the California Constitution (Article XI, Section 7;

Proposition 218). There are specific procedures in state law for fees used to fund property-related services.

**INTERGOVERNMENTAL REVENUE** - Local governments also receive revenue from other government agencies, principally the state and federal governments. These revenues include general or categorical support monies called *subventions*, as well as grants for specific projects and reimbursements for the costs of some state mandates. Intergovernmental revenues provide 13 percent of city revenues statewide. In the early 1990s, California experienced a recession and budget deficit. To offset its fiscal shortfall, the State shifted property tax revenues from cities to local schools. This ERAF shift continues today.

**BONDS** - Bonds are used to finance the acquisition and construction of public facilities and real property. They may *not* be used for equipment purchases or to pay for operations and maintenance. Until 1978, local agencies had the ability - with two-thirds voter approval - to issue general obligation bonds to finance public facilities and impose property tax rates to discharge the bond debt. Proposition 13 restricted the imposition of additional property tax rates and effectively terminated the use of general obligation bonds. In 1986, California voters approved Proposition 46, a constitutional amendment that restored the authority of local government to issue general obligation bonds. Each bond measure requires approval by two-thirds of a jurisdiction's voters.

Pension obligation bonds ("POBs") are bonds issued by a state or local government to pay its obligation to the pension fund or system in which its employees (or others for whose pension benefits it is responsible) are members.

**MELLO-ROOS** - Fire districts are specifically authorized by the Fire Protection District Law of 1987 to finance capital facilities or pay for fire protection services with a special tax outlined in the Mello-Roos Community Facilities Act. The Mello-Roos was specifically designed to facilitate passage of the two-thirds special tax. A Community Facility District (CFD) can overlay an entire jurisdiction or it may be limited to a specific area.

**REDEVELOPMENT AREAS** - Redevelopment agencies also divert property tax revenue. When a local government creates a redevelopment project area, the growth in property tax revenue within the project area is diverted to the redevelopment agency rather than being shared by other local jurisdictions. Redevelopment agencies use the revenue from property tax growth to finance improvements intended to revitalize the project area. After the redevelopment work is complete - typically in 30 to 40 years - the growth in property tax revenues is reallocated among other local governments in the area. In 2012, the State of California eliminated Redevelopment Agencies and set about their dissolution to effectively restore funds to affected agencies. The Fire District currently loses over \$800,000 dollars annually to the former redevelopment agency and an additional \$750,000 of annual pass-through is subordinated to the City of Hercules whereby it sits with the County Auditor-Controller in a special account, and is tracked on the Successor Agency to the City of Hercules Redevelopment Agency ROPS (Recognized Obligation Payment Schedule).

**CONCLUSION** - The goal of Proposition 172 was to mitigate the impact of the loss of property taxes resulting from the ERAF shift implemented by the State of California in 1992. In Contra Costa County the law enforcement (Sheriff and District Attorney), receive the entirety of the annual proceeds from Prop 172. No fire agencies in Contra Costa County that have been impacted by ERAF receive funding from

Prop 172. The Rodeo Hercules Fire District loses over \$1 Million dollars annually to ERAF, which is equivalent to approximately 20% of our current unrestricted General Fund revenue.

In January of 2004, the Attorney General of the State of California issued an opinion (No. 03-804) that *"An independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993"*. Furthermore the Attorney General concluded that *"a county may allocate Proposition 172 funding to a public safety service agency that it has never funded before. (86 Ops.Cal.AttyGen. 38, supra) Similarly, a county may distribute Proposition 172 funds to an independent fire protection district as part of its funding of "all combined public safety services."*

The Rodeo Hercules Fire District, as an independent special district, would be eligible and arguably entitled to Proposition 172 funding.

**DIRECTION** – The Fire Chief recommends that the Board of Directors approve the Resolution as the natural next step in the negotiation process for appropriation of Prop. 172 funds from the County. The Board should note that the District requests 1% appropriation, .5% each from the Sheriff-Coroner and the District Attorney. The District also requests 0.5% of the year-on-year growth, should there be any. The Chief also recommends that the Board consider the establishment of a residents' task force to assist the Fire District with this endeavor.

#### **ATTACHMENTS:**

DRAFT Resolution of the Board Demanding Appropriation of Prop. 172 funds from the County  
2536478.1

**RODEO HERCULES FIRE PROTECTION DISTRICT**  
**MEMORANDUM**

**Date:** September 9, 2015  
**To:** BOARD OF DIRECTORS  
**From:** CHARLES HANLEY, Fire Chief/RICHARD PIO RODA, General Counsel  
**Subject:** PROPOSITION 172 FUNDING

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**BACKGROUND** – At the August 12 regularly scheduled meeting of the Rodeo Hercules Fire District, Staff and General Counsel received authority to develop a letter to the Contra Costa County Board of Supervisors outlining our position and stating the Districts desire to receive Proposition 172 funds, and a non-binding resolution requesting a formula based redistribution of Proposition 172 funds to the Fire District.

In addition, the Fire Chief and General Counsel will be requesting a meeting with the County Administrative Officer to discuss this proposal and the mechanism for placing this item (Proposition 172 funding) on the Board of Supervisors Meeting Agenda to ensure we are meeting county deadlines for Fiscal Year 16/17.

Director Wheeler volunteered to work with Staff and General Counsel to develop a strategy to assist individual board members in approaching the Board of Supervisors on this issue. The Board took no action on the establishment of a citizen task force to assist the Fire District with this endeavor should our initial efforts meet substantial resistance.

**STATEMENT OF THE PROBLEM** – For the better part of the last six years the Rodeo Hercules Fire District has seen significant loss of revenue, primarily due to loss of property value in the merged redevelopment area, involuntary tax shifts and reassessment of the Phillips 66 Refinery. Revenue to the Fire District is primarily derived from property based sources, and is used to support emergency response, prevention and support activities within the Fire District. At the urging of the Board of Directors, staff was instructed to explore additional revenue streams; specifically the viability of receiving funding from Proposition 172 funding that is now exclusively allocated to law enforcement in Contra Costa County. In accordance with their wishes, staff has prepared a brief overview of funding streams, the effects of Proposition 13 on the Fire District and the viability of Proposition 172 funding.

**EDUCATIONAL REVENUE AUGMENTATION FUNDS (ERAF)**

In 1992, the State of California found itself in a serious deficit position. To meet its obligation to fund education at specified levels under Proposition 98, the state enacted legislation that shifted partial financial responsibility for funding education to local government (cities, counties, and special districts). The state instructed county auditors to shift allocation of local property tax revenues from local government to *educational revenue augmentation funds* (ERAF), directing specified amounts of city, county, and other local agency property taxes be deposited into these funds to support schools.

**PROPOSITION 172** - Proposition 172 is sometimes referred to as the Local Public Safety Protection and Improvement Act of 1993. It passed shortly after the dramatic Laguna Fire in Orange County. It was touted as a panacea to stop major disasters and drastic losses of revenue to vital public safety services. This measure provided a dedicated revenue source for public safety purposes. Revenue was to be

distributed to cities and counties for purposes such as police, sheriffs, fire, district attorneys, and corrections. On a countywide basis, during fiscal year 2014/15 this tax measure generated approximately \$71 million. Special district fire agencies in Contra Costa County do not receive any funding from Proposition 172.

**PROPERTY TAXES** - The majority funding source for the Fire District is property tax revenue. Each local government agency shares a portion of this revenue based on an established percentage or allocation factor. Geographically these are referred to as tax rate areas. The Fire District receives 95 percent of its revenue from property taxes and assessments. Additional taxes or assessments require voter or landowner approval. The percentage of approval required depends on the type of funding mechanism sought. California Constitution Article XIII A (Prop. 13) limits the property tax to a maximum 1 percent of assessed value. The assessed value of property is capped at the 1975-1976 based year rate plus inflation or 2 percent per year. Property tax declines in value are reassessed at the lower market value. Property is reassessed to current full value upon a change in ownership (with certain exemptions). Property tax revenue is collected by counties and allocated according among cities, counties, school districts, and special districts. The share of property tax revenue allocated depends on a variety of factors, including historical allocations of tax dollars, the number of taxing entities in a tax rate area, etc.

**CONCLUSION** – The goal of Proposition 172 was to mitigate the impact of the loss of property taxes resulting from the ERAF shift implemented by the State of California in 1992. In Contra Costa County the justice departments (Sheriff and District Attorney), receive the entirety of the annual proceeds from Prop 172. No fire agencies in Contra Costa County that have been impacted by ERAF receive funding from Prop 172. This is not untypical of Prop 172 distribution in the State of California. The Rodeo Hercules Fire District loses over \$1 Million dollars annually to ERAF, which is equivalent to approximately 20% of our current unrestricted General Fund revenue.

In January of 2004, the Attorney General of the State of California issued an opinion (No. 03-804) that *“An independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993”*. Furthermore the Attorney General concluded that *“a county may allocate Proposition 172 funding to a public safety service agency that it has never funded before. (86 Ops.Cal.AttyGen. 38, supra) Similarly, a county may distribute Proposition 172 funds to an independent fire protection district as part of its funding of “all combined public safety services.”*

The Rodeo Hercules Fire District, as an independent special district, would be eligible and arguably entitled to Proposition 172 funding.

**RECOMMENDATION** – Staff and General Counsel recommend the approval of the Draft Letter to the Board of Supervisors Requesting Proposition 172 Funding and Resolution 15-XX Request to the Board of Supervisors to Appropriate Proposition 172 Funding for the Rodeo Hercules Fire District

**ATTACHMENTS:**

Draft Letter to the Board of Supervisors Requesting Proposition 172 Funding

Resolution 15-XX Request to the Board of Supervisors to Appropriate Proposition 172 Funding for the Rodeo Hercules Fire District

Opinion of Attorney General No. 03-804

Contra Costa County Resolution No. 93/635

County of Contra Costa FY 2015-216 Recommended Budget (pp418)

THE BOARD OF SUPERVISORS  
OF  
CONTRA COSTA COUNTY, CALIFORNIA

RESOLUTION NO. 93/635

WHEREAS, the Legislature enacted Senate Constitutional Amendment # 1 (SCA 1), and

WHEREAS, the Legislature placed SCA 1 on a Special Election ballot on November 2, 1993, and

WHEREAS, SCA 1 would provide for a permanent extension of the half cent sales tax which was extended temporarily by the Legislature only through December 31, 1993, and

WHEREAS, SB 509 (Chapter 73, Statutes of 1993), the implementing legislation for SCA 1 requires that all of the proceeds of the sales tax be spent on public safety services, and

WHEREAS, the Contra Costa County Board of Supervisors has already dedicated all of the half cent sales tax received from the six month extension to the Sheriff and District Attorney, and

WHEREAS, the Board of Supervisors believes that public safety is one of the highest priorities for funding;

NOW, THEREFORE, BE IT BY THE BOARD OF SUPERVISORS OF THE COUNTY OF CONTRA COSTA RESOLVED THAT:

THE Board intends to appropriate all funds generated by the sales tax imposed as a result of the passage of Proposition 172 to the budgets of the Sheriff-Coroner and District Attorney to provide such public safety services as protection of the public from violent criminals, investigation and prosecution of drug dealers, incarceration of convicted criminals, intervention to stop gang violence, protection of the public from environmental polluters, prosecution of murders, rapists, and burglars and other criminals, and

BE IT FURTHER RESOLVED THAT the Board also intends to appropriate all growth in the revenue generated by the sales tax imposed as a result of Proposition 172 to the budgets of the Sheriff-Coroner and District Attorney in an effort to stay abreast of increases in the cost of living, and

BE IT FURTHER RESOLVED THAT the Board also establishes as a goal toward which it will work in the future to allocate additional resources to the budgets of the Sheriff-Coroner, District Attorney, and Probation Department, to the extent possible, and, in particular, to re-establish at least the 1992-93 fiscal year base of Sheriff's Department law enforcement and dispatch staffing (21 positions) over the next three budget years.

Witness my hand and the Seal of  
the Board of Supervisors  
affixed this 5th day of  
October, 1993.

PHIL BATCHELOR, Clerk of the  
Board of Supervisors and County  
Administrator

By A. Joseph  
Deputy Clerk

RESOLUTION NO. 93/636



TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL  
State of California

BILL LOCKYER  
Attorney General

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OPINION	:	No. 03-804
	:	
of	:	January 30, 2004
	:	
BILL LOCKYER	:	
Attorney General	:	
	:	
SUSAN DUNCAN LEE	:	
Deputy Attorney General	:	
	:	

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THE HONORABLE TAMARA C. FALOR, COUNTY COUNSEL,  
COUNTY OF HUMBOLDT, has requested an opinion on the following question:

Is an independent fire protection district eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993?

CONCLUSION

An independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993.

## ANALYSIS

In 1978, California voters adopted Proposition 13 (Cal. Const., art. XIII A), which sharply reduced the amount of property tax revenues available to support local governments and schools. (See *County of Los Angeles v. Sasaki* (1994) 23 Cal.App.4th 1442, 1451-1453; 70 Ops.Cal.Atty.Gen. 87, 87-88 (1987).) Since then, the Legislature has taken a number of steps to provide additional funding for cities, counties, special districts, and schools. In 1993, the Legislature proposed, and the voters adopted, Proposition 172, a constitutional amendment known as the Local Public Safety Protection and Improvement Act of 1993, imposing a 0.50 percent sales tax to be used exclusively for local public safety services. (Cal. Const., art. XIII, § 35.)

Under the statutes implementing Proposition 172 (Gov. Code, §§ 30051-30056),<sup>1</sup> the sales tax revenues in question are deposited in the Local Public Safety Fund of the State Treasury (§§ 30051-30053). The Controller allocates the revenues to the counties in proportion to each county's share of the total statewide taxable sales. (§ 30052.) The counties, in turn, maintain a Public Safety Augmentation Fund for receipt of the revenues, and after retaining a portion of the monies, each county distributes the remainder to the cities within its boundaries according to a statutory formula. (§§ 30054-30055.)

Both the Constitution (Cal. Const., art. XIII, § 35, subds. (a)(3), (d)(2)) and the implementing statutes (§§ 30052, 30054, 30055) restrict the use of Proposition 172 funds to public safety services. "Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies." (Cal. Const., art. XIII, § 35, subd. (d)(2).) "'Public safety services' includes, but is not limited to, sheriffs, police, fire protection, county district attorneys, county corrections, and ocean lifeguards. 'Public safety services' does not include courts." (§ 30052, subd. (b)(1).)

We recently examined the language of Proposition 172 and concluded that a county board of supervisors had discretion, in each fiscal year, to change the allocation of Proposition 172 funds among eligible public safety service agencies. We further concluded that this discretion included the possible allocation to a public safety service agency that had not received an allocation in any prior fiscal year. (86 Ops.Cal.Atty.Gen. 38 (2003).) We did not address, however, which agencies qualified as public safety service agencies. We now address that question and conclude that an independent fire protection district is eligible to receive Proposition 172 funds from a county.

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<sup>1</sup> All further statutory section references are to the Government Code, unless otherwise indicated.

An independent fire protection district is a special district authorized by statute to provide fire protection services in a defined area. (See Health & Saf. Code, § 13800 *et seq.*) Such districts are not subdivisions of the city or county in which they are located, but are instead separate public agencies organized, existing, and exercising essential government functions pursuant to state law. (*Ibid*; see, e.g., *Consolidated Fire Protection Dist. v. Howard Jarvis Taxpayers' Assn.* (1998) 63 Cal.App.4th 211, 214.)

Article XIII, section 35, subdivision (d)(2) of the Constitution provides that Proposition 172 funds “shall be allocated for use exclusively for public safety services of local agencies.” We find nothing in this language that would exclude the public safety services provided by an independent fire protection district. If there were any ambiguity about whether fire protection services were “public safety services,” that issue was resolved by the Legislature when it defined the latter term in section 30052, subdivision (b)(1), to expressly include “fire protection.”

Moreover, an independent fire protection district is plainly a “local agency” under California law. For example, special districts such as fire protection districts are defined as “local agencies” both for purposes of organizing the powers of government at the local level (§ 56054; see generally § 56000, *et seq.*), and distributing taxes among agencies of government at the local level (Rev. & Tax. Code, § 95, subs. (a), (m)).

Providing Proposition 172 funds to independent fire protection districts would be consistent with the goals of the constitutional amendment. As stated in subdivision (a), section 35, article XIII of the Constitution:

“The people of the State of California find and declare all of the following:

“(1) Public safety services are critically important to the security and well-being of the State’s citizens and to the growth and revitalization of the State’s economic base.

“(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

“(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety services.”

Nothing in these stated goals suggests an intent to deprive independent fire protection districts of Proposition 172 monies.

We reject the suggestion that the Legislature's implementing statutes exclude special districts from funding eligibility because the statutory language refers only to cities and counties and not to districts. While the tax revenues are initially divided among the counties and the cities according to a statutory formula (§§ 30054-30055), each city and county has discretion to decide how to spend its allocation, limited only by the proviso that the monies be spent exclusively on public safety services in an amount that matches its "base year" funding level. (§§ 30052- 30056; see 86 Ops.Cal.Atty.Gen., *supra*, at pp. 40-42.)

Because the implementing statutes do not restrict a city's or county's choice of which public safety service agencies to provide funding, a county may allocate Proposition 172 funds to a public safety service agency that it has never funded before. (86 Ops.Cal.Atty.Gen. 38, *supra*.) Similarly, a county may distribute Proposition 172 funds to an independent fire protection district as part of its funding of "all combined public safety services." (*Id.* at p. 42.)<sup>2</sup>

Accordingly, we conclude that an independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993.

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<sup>2</sup> County boards of supervisors have express general authority to "appropriate in any one year such sum of money as the board of supervisors deems necessary for the purpose of providing fire protection." (§ 25642.) Fire protection districts have express general authority to "accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district." (Health & Saf. Code, § 13898.)

## County Summary Information

### ALL COUNTY FUNDS

#### Revenues by Type (continued)

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Recommended	2015-16 Change
State Aid Library -CLSA	128,819	77,575	38,597	38,500	(97)
Miscellaneous State Aid	41,215,723	29,524,466	35,952,438	46,910,303	10,957,865
St Aid Trfc Cngstn Mgmt	5,686,209	11,738,045	8,800,000	5,144,979	(3,655,021)
Vehicle Theft - VLF	907,540	937,865	905,623	930,000	24,377
St Aid-Public Safety Svcs	67,178,163	72,053,360	72,238,220	74,423,400	2,185,180
Admin Fed Other CWS	156,976	52,721	0	0	0
Admin Federal - Other	81,863,384	87,954,256	103,782,580	103,181,450	(601,130)
Realloc/PY Adj Admn Fed	(175,912)	(2,913,931)	0	505,093	505,093
Fed Aid Family Inc Mtce	10,312,485	13,833,491	10,068,516	18,244,540	8,176,024
Fed Aid Child Brding Home	10,802,851	10,128,023	11,095,818	11,124,483	28,665
Fed Aid Refugees	302,191	127,373	136,760	198,235	61,475
Fed Aid Adoptions	6,841,260	6,621,774	6,993,285	6,587,152	(406,133)
ARRA/Federal Direct	194,634	22,112	0	0	0
Fed Hlth Admin (MCH&3140)	2,073,090	2,039,153	2,230,401	2,372,401	142,000
Fed Immunization Assist	422,252	400,002	409,738	409,738	0
Fed Nutrition Elderly	1,338,811	2,073,016	1,627,841	1,724,083	96,242
Fed W.I.C. Program	4,803,360	4,132,089	4,383,427	4,166,379	(217,048)
Misc Fed Health Projects	6,360,213	6,092,469	6,318,662	6,530,980	212,318
Fed Aid Airport Construction	2,849,274	57,348	628,847	0	(628,847)
Fed Aid Hwy Construction	3,992,128	2,266,121	11,710,000	11,361,590	(348,410)
Federal in Lieu Taxes	5,502	0	0	0	0
Fed Aid Crime Control	1,495,641	2,194,969	2,858,037	3,814,025	955,988
Fed Aid Comm Svcs Admin	24,822,565	18,838,718	28,676,031	28,542,127	(133,904)
Fed Aid Family Support	17,518,279	18,693,698	18,882,683	18,817,709	(64,974)
Fed Aid Employ & Training	9,359,125	9,757,053	9,565,000	10,813,958	1,248,958
Fed Aid NIMH Grant	1,752,122	1,726,121	1,725,959	1,725,959	0
Fed Aid Hud Block Grant	13,049,913	8,444,414	12,159,209	11,495,420	(663,789)
Other Federal Aid	12,177,739	13,196,120	10,442,638	7,504,809	(2,937,829)
Other in Lieu Taxes	0	10,572	1,151	1,204	53
RDA Nonprop-Tax Pass Through	2,571,485	4,780,504	2,616,627	4,286,868	1,670,241
Misc Government Agencies	9,781,813	10,898,085	19,340,954	22,437,547	3,096,593
<b>INTERGOVERNMENTAL REVENUE</b>	<b>717,847,196</b>	<b>747,329,486</b>	<b>779,492,645</b>	<b>829,824,777</b>	<b>50,332,132</b>
Fees Assessor	91,496	239,161	237,950	238,084	134
Comm For Tax & Assess Coll	2,580,816	7,943,166	8,299,236	5,935,455	(2,363,781)
Supplemental Roll Charges	1,158,599	2,169,270	1,163,000	2,000,000	837,000
Prop Characteristic Info	100	0	0	0	0
Auditing & Accounting Fees	2,853,992	3,091,461	3,119,051	3,094,045	(25,006)
ARRA/Charges for Svcs	57,110	108,260	191,084	90,883	(100,201)
Communication Services	5,316,341	5,434,961	6,032,867	6,176,872	144,005
Candidates Filing Fees	199,024	33,266	90,000	50,000	(40,000)

THE BOARD OF SUPERVISORS  
OF  
CONTRA COSTA COUNTY, CALIFORNIA

RESOLUTION NO. 93/635

WHEREAS, the Legislature enacted Senate Constitutional Amendment # 1 (SCA 1), and

WHEREAS, the Legislature placed SCA 1 on a Special Election ballot on November 2, 1993, and

WHEREAS, SCA 1 would provide for a permanent extension of the half cent sales tax which was extended temporarily by the Legislature only through December 31, 1993, and

WHEREAS, SB 509 (Chapter 73, Statutes of 1993), the implementing legislation for SCA 1 requires that all of the proceeds of the sales tax be spent on public safety services, and

WHEREAS, the Contra Costa County Board of Supervisors has already dedicated all of the half cent sales tax received from the six month extension to the Sheriff and District Attorney, and

WHEREAS, the Board of Supervisors believes that public safety is one of the highest priorities for funding;

NOW, THEREFORE, BE IT BY THE BOARD OF SUPERVISORS OF THE COUNTY OF CONTRA COSTA RESOLVED THAT:

THE Board intends to appropriate all funds generated by the sales tax imposed as a result of the passage of Proposition 172 to the budgets of the Sheriff-Coroner and District Attorney to provide such public safety services as protection of the public from violent criminals, investigation and prosecution of drug dealers, incarceration of convicted criminals, intervention to stop gang violence, protection of the public from environmental polluters, prosecution of murders, rapists, and burglars and other criminals, and

BE IT FURTHER RESOLVED THAT the Board also intends to appropriate all growth in the revenue generated by the sales tax imposed as a result of Proposition 172 to the budgets of the Sheriff-Coroner and District Attorney in an effort to stay abreast of increases in the cost of living, and

BE IT FURTHER RESOLVED THAT the Board also establishes as a goal toward which it will work in the future to allocate additional resources to the budgets of the Sheriff-Coroner, District Attorney, and Probation Department, to the extent possible, and, in particular, to re-establish at least the 1992-93 fiscal year base of Sheriff's Department law enforcement and dispatch staffing (21 positions) over the next three budget years.

Witness my hand and the Seal of  
the Board of Supervisors  
affixed this 5th day of  
October, 1993.

PHIL BATCHELOR, Clerk of the  
Board of Supervisors and County  
Administrator

By A. Joseph  
Deputy Clerk

RESOLUTION NO. 93/636

Office of the Auditor-Controller  
Contra Costa County

Robert R. Campbell  
Auditor-Controller

625 Court Street  
Martinez, California 94553-1282  
Phone (925) 646-2181  
Fax (925) 646-2649



Elizabeth A. Verigin  
Assistant Auditor-Controller

Harjit S. Nahal  
Assistant Auditor-Controller

April 22, 2015

Charles Hanley  
Fire Chief  
Rodeo-Hercules FPD  
1680 Refugio Valley Road  
Hercules, CA 94547

RE: Historical ERAF Shift 1992/93 thru 2014/15

Dear Sir:

The information you requested concerning the amounts your district lost to ERAF in fiscal years 1992/93 thru 2014/15 is summarized below. Amounts have been rounded to the nearest thousand.

<u>FISCAL YR</u>	<u>AMOUNT</u>
1992/93 to 02/03	\$5,110,000
2003/04	\$720,000
2004/05	\$856,000
2005/06	\$986,000
2006/07	\$1,079,000
2007/08	\$1,166,000
2008/09	\$1,173,000
2009/10	\$1,027,000
2010/11	\$1,036,000
2011/12	\$1,110,000
2012/13	\$1,115,000
2013/14	\$1,086,000
2014/15	<u>\$1,039,000</u>
TOTAL	\$17,503,000

If you have any questions, please contact Stan Lawrence at (925) 646-2225.

Sincerely,

ROBERT R. CAMPBELL  
Auditor-Controller

*Marie Rulloda*

By: Marie Rulloda  
Chief Accountant

February 17, 2015

TO: Geoffrey Neill, Principal Policy and Fiscal Analyst

FROM: David J. Twa, County Administrative Officer  
Robert R. Campbell, Auditor-Controller

RE: **ERAF SHIFT & PROPOSITION 172 AMOUNTS, FY 2013-14 ACTUAL & 2014-15 ESTIMATES**

As you are aware, CSAC is the only organization that collects data related to ERAF shifts and Proposition 172 revenues. For these reasons, it is essential to present a complete and accurate fiscal picture to the Legislature and the Governor's Administration. CSAC needs your assistance in updating our database of property tax revenue shifts to ERAF and Proposition 172 distributions received by providing the information in the tables below.

**1 ERAF Shift Amounts**

*Please include county/city dependent special districts in the special districts category.*

	ERAF Shift FY 2013/14	ERAF Shift FY 2014-15 (estimated)
Contra Costa County	166,873,620	179,319,436
Antioch	2,904,966	3,379,662
Brentwood	2,728,651	3,201,828
Clayton	506,585	539,467
Concord	3,442,691	3,734,708
Danville	883,433	941,514
El Cerrito	1,948,412	2,092,491
Hercules	615,964	714,896
Lafayette	509,513	545,806
Martinez	2,254,190	2,408,875
Moraga	486,621	521,173
Oakley	0	0
Orinda	434,670	467,110
Pinole	865,055	946,049
Pittsburg	3,393,628	3,654,122
Pleasant Hill	383,907	416,394
Richmond	6,694,094	7,165,033
San Pablo	447,194	496,155
San Ramon	1,112,925	1,186,713
Walnut Creek	3,182,030	3,418,088
Special Districts	<u>24,079,704</u>	<u>26,050,155</u>
Total	<u>223,747,853</u>	<u>241,199,675</u>

**2 Proposition 172 Amounts**

*Please include any district allocations in the county total category.*

Year	County	Cities	Total
FY 2013/14 (actual)	72,053,360	4,690,653	76,744,013
FY 2014/15 (estimated)	80,410,000	5,235,000	85,645,000

- 3** Is your county "running out of ERAF" revenue to fund the Triple Flip and VLF/Property Tax Swap? In other words, are you going into the school's share of property tax to make those payments? If yes, are you also running out of school property taxes to fund those payments?

No.

Contact: Bobby Romero

Title: Supervising Accountant, Auditor-Controller

Phone: 925.646.2225

E-mail address: bobby.romero@ac.cccounty.us

Please email or fax your response to Amanda Yang @ [ayang@counties.org](mailto:ayang@counties.org) or FAX (916) 321-5045 by **Thursday, February 19, 2015**. Thank you in advance for your cooperation.

c: David Twa and Lisa Driscoll, CAO