

Attachment #4

BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA

RESOLUTION OF THE BOARD OF
SUPERVISORS OF THE COUNTY OF SANTA
BARBARA REALLOCATING LOCAL
PUBLIC SAFETY FUND PROPOSITION 172

RESOLUTION NO. _____

WHEREAS, the people of Santa Barbara County have demonstrated that they consider public safety a funding priority for local government; and

WHEREAS, without Proposition 172 revenue public safety departments would face drastic cuts at the local level; and

WHEREAS, the lack of adequate public safety protection will threaten the quality of life for every citizen of Santa Barbara County; and

WHEREAS, the preservation of sheriffs, fire protection, criminal prosecution, criminal defense and corrections is a major concern to residents of Santa Barbara County; and

WHEREAS, the County of Santa Barbara has experienced violent crime and fires which have placed demands on sheriffs, fire protection, criminal prosecution, criminal defense and corrections; and

WHEREAS, Proposition 172 provides that all revenues collected within all of Santa Barbara County from the dedicated 1/2 cent sales tax will be set aside for the purpose of funding local public safety services; and

WHEREAS, on July 27, 1993, the Santa Barbara County Board of Supervisors adopted a resolution enabling the County of Santa Barbara to accept sales tax revenue resulting from the passage of Proposition 172, and on October 12, 1993, adopted a resolution placing such revenue into a Local Public Safety Fund; and

WHEREAS, the County of Santa Barbara is dedicated to the safety of its citizens and will continue to set priorities which will provide those basic needs; and

WHEREAS, on March 5, 1996 the Santa Barbara County Board of Supervisors adopted Resolution 96-91 stating that Proposition 172 revenues be allocated to public safety agencies in accordance with a formula agreed upon through a Letter of Understanding signed by Public Safety Agencies; and

WHEREAS, on July 13, 2004 the Santa Barbara County Board of Supervisors adopted Resolution 04-202 to increase the Fire Department's share of Proposition 172 from 2.25% to 9.75% over the period of five years in accordance with a formula agreed upon through a Letter of Understanding signed by Public Safety Agencies; and the Board of Supervisors replaced the forgone Proposition 172 revenue transferred to the Fire Department from other Public Safety Agencies with other funds for those Agencies at a level equal to the forgone growth in Proposition 172 revenue; and

WHEREAS, on May 22, 2012, it is the intent of the Santa Barbara County Board of Supervisors to adopt a resolution approving a transfer of a portion of the General Fund property tax revenue growth to the Santa Barbara County Fire Protection District such that the Santa Barbara County Fire Protection District receives an average of 17% of the total property taxes collected within the tax rate areas served by the District; and

WHEREAS, it is the desire of the Santa Barbara County Board of Supervisors to decrease the Fire

Department share of Proposition 172 revenues, due to the aforementioned transfer of property tax revenues to the Fire District, from 9.75% to zero; and

WHEREAS, the Fire Department's share of Proposition 172 revenues will be decreased by 0.75% each year commencing in fiscal year 2013-14 and continuing over the next thirteen years; and

WHEREAS, the County of Santa Barbara will use the 1/2 cent sales tax revenue for Public Safety purposes in the proportions and in the manner set forth in the attached Letter of Understanding.

NOW, THEREFORE, BE IT RESOLVED that the Santa Barbara County Board of Supervisors, shall allocate monies received by the County of Santa Barbara and placed in the Local Public Safety Fund to maintain critical public safety services including the Sheriff, Fire, District Attorney, Probation, Public Defender, and Ocean Life Guards in the proportion and in the manner set out in the attached Letter of Understanding; and

FURTHER BE IT RESOLVED that it is the desire of the Santa Barbara County Board of Supervisors that should the property tax transfer to the Fire District, pursuant to Resolution _____, be stopped or decreased then the reduction of proposition 172 funds from the Fire Department would immediately cease and be reallocated proportionally to any reduction; and

FURTHER BE IT RESOLVED that although the Santa Barbara County Board of Supervisors recognizes that it has no authority to bind future Boards as to the allocation of Proposition 172 funds, it is the Board's desire that future Boards would honor this agreement.

Passed and Adopted this 22nd day of May, 2012, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

DOREEN FARR
CHAIR BOARD OF SUPERVISORS

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By _____

Approved as to Form:
DENNIS MARSHALL
COUNTY COUNSEL

Approved as to Accounting Form:
ROBERT W. GEIS
AUDITOR-CONTROLLER

By _____

By _____

LETTER OF UNDERSTANDING
Between the Santa Barbara County Designated Public Safety Agencies
Ratified by Board of Supervisors Resolution _____

This Letter of Understanding is hereby entered into between the County of Santa Barbara (hereafter called "County") and the Santa Barbara County Public Safety Agencies (hereafter called "Agencies"), to wit:

District Attorney
Fire
Parks/Ocean Lifeguards
Probation
Public Defender
Sheriff

Whereas, the County receives Proposition 172 Sales Tax revenues from the State of California monthly and deposits these revenues into the Local Public Safety Fund enacted by Board of Supervisors Resolution #93-549 on October 12, 1993, and

Whereas, this Letter of Understanding is only valid if on May 22, 2012, the Santa Barbara County Board of Supervisors adopts a resolution approving a transfer of a portion of the General Fund property tax revenue growth to the Santa Barbara County Fire Protection District such that the Santa Barbara County Fire Protection District receives an average of 17% of the total property taxes collected within the tax rate areas served by the District; and

Whereas, it is the purpose of this Letter of Understanding to establish a methodology to equitably allocate said funds to the above Agencies.

Distribution Methodology: Representatives of the Agencies have reached an agreement on the equitable distribution of Proposition 172 collections and agree upon the following distribution of all actual receipts received each fiscal year. Commencing in fiscal year 2013-14 and for each fiscal year thereafter until the Fire Department share reaches zero, the distribution to the Fire Department shall be decreased by 0.75% of the Proposition 172 collections for that year. In each fiscal year that the Fire Department's distribution decreases, the distribution to the remaining Public Safety Agencies shall be increased proportionately. At the end of thirteen years (FY 2025-26) the distribution shall have changed from that described below as Current Distribution to that described below as Future Distribution:

	Current Distribution	Future Distribution
District Attorney	12.38%	13.72%
Fire	9.75%	0.00%
Parks/Ocean Lifeguards	0.11%	0.12%
Probation Officer	22.46%	24.89%
Public Defender	9.01%	9.98%
Sheriff-Coroner	46.29%	51.29%
Total	100.00%	100.00%

The attached table identifies the annual distribution percentages.

This distribution formula applies to total budgeted and unanticipated collections. If at fiscal year-end, an individual Agency is not in compliance with the Budgetary Control and Responsibility Policy, their formula share of the unanticipated Prop 172 receipts may first be applied to any financing deficit. The remaining balance will be transferred to the designation account for that Agency's use.

Should the property tax transfer to the Fire District, pursuant to Resolution _____, be stopped or decreased then the reduction of proposition 172 funds from the Fire Department would immediately cease and be reallocated proportionally to any reduction.

The terms of this Letter of Understanding shall commence on July 1, 2013 upon Board of Supervisors approval of Resolution _____, applying to all funds collected in the 2013-14 fiscal year and continue until amended in writing, as signed and authorized by the Agencies or at the conclusion of the collection of Proposition 172 receipts, or if the Board of Supervisors rescinds the Resolution, or if a new Letter of Understanding is drafted and signed by all participating agencies and approved by the Board of Supervisors.

Herman Parker, Community Services Director

Date

Joyce Dudley, District Attorney

Date

Michael W. Dyer, Fire Chief

Date

Beverly Taylor, Chief Probation Officer

Date

Raimundo Montes De Oca, Public Defender

Date

Bill Brown, Sheriff

Date

**Letter of Understanding
Annual Distribution of Proposition 172 Revenues**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Sheriff - all services	46.29%	46.67%	47.06%	47.44%	47.83%	48.21%	48.60%	48.98%	49.37%	49.75%	50.14%	50.52%	50.91%	51.29%
District Attorney	12.38%	12.48%	12.59%	12.69%	12.79%	12.89%	13.00%	13.10%	13.20%	13.31%	13.41%	13.51%	13.61%	13.72%
Public Defender	9.01%	9.08%	9.16%	9.23%	9.31%	9.38%	9.46%	9.53%	9.61%	9.68%	9.76%	9.83%	9.91%	9.98%
Probation	22.46%	22.65%	22.83%	23.02%	23.21%	23.39%	23.58%	23.77%	23.95%	24.14%	24.33%	24.51%	24.70%	24.89%
Fire	9.75%	9.00%	8.25%	7.50%	6.75%	6.00%	5.25%	4.50%	3.75%	3.00%	2.25%	1.50%	0.75%	0.00%
Parks	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

1/7/20/13

PUBLIC SAFETY GROUP

#4 17% Fire TaxXfr@20%+172 13yr

	Base Year FY2011-12	Year 1 FY2012-13	Year 2 FY2013-14	Year 3 FY2014-15	Year 4 FY2015-16	Year 5 FY2016-17	Year 6 FY2017-18	Year 7 FY2018-19	Year 8 FY2019-20	Year 9 FY2020-21	Year 10 FY2021-22	Year 11 FY2022-23	Year 12 FY2023-24	Year 13 FY2024-25	Year 14 FY2025-26
Percentages															
Sheriff - all services	46.29%	46.29%	46.67%	47.06%	47.44%	47.83%	48.21%	48.60%	48.98%	49.37%	49.75%	50.14%	50.52%	50.91%	51.29%
District Attorney	12.38%	12.38%	12.48%	12.59%	12.69%	12.79%	12.89%	13.00%	13.10%	13.20%	13.31%	13.41%	13.51%	13.61%	13.72%
Public Defender	9.01%	9.01%	9.08%	9.16%	9.23%	9.31%	9.38%	9.46%	9.53%	9.61%	9.68%	9.76%	9.83%	9.91%	9.98%
Probation	22.46%	22.46%	22.65%	22.83%	23.02%	23.21%	23.39%	23.58%	23.77%	23.95%	24.14%	24.33%	24.51%	24.70%	24.89%
Fire	9.75%	9.75%	9.00%	8.25%	7.50%	6.75%	6.00%	5.25%	4.50%	3.75%	3.00%	2.25%	1.50%	0.75%	0.00%
Parks	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Assumed Growth in Prop 172															
	27,500,000	29,000,000	30,000,000	31,050,000	32,136,750	33,261,536	34,425,690	35,630,589	36,877,660	38,168,378	39,504,271	40,886,921	42,317,963	43,799,092	45,332,060
		5.5%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Dollars															
Sheriff - all services	12,729,750	13,424,100	14,002,404	14,611,932	15,246,974	15,908,569	16,597,798	17,315,785	18,063,699	18,842,755	19,654,217	20,499,399	21,379,668	22,296,443	23,251,203
District Attorney	3,404,500	3,590,200	3,744,864	3,907,879	4,077,717	4,254,657	4,438,988	4,631,009	4,831,035	5,039,389	5,256,410	5,482,449	5,717,872	5,963,058	6,218,403
Public Defender	2,477,750	2,612,900	2,725,463	2,844,103	2,967,709	3,096,483	3,230,636	3,370,387	3,515,963	3,667,600	3,825,545	3,990,054	4,161,391	4,339,835	4,525,672
Probation	6,176,500	6,513,400	6,793,994	7,089,739	7,397,862	7,718,869	8,053,285	8,401,653	8,764,543	9,142,542	9,536,265	9,946,349	10,373,457	10,818,279	11,281,530
Fire	2,681,250	2,827,500	2,700,000	2,561,625	2,410,256	2,245,154	2,065,541	1,870,606	1,659,495	1,431,314	1,185,128	919,956	634,769	328,493	(0)
Parks	30,250	31,900	33,274	34,723	36,232	37,804	39,442	41,148	42,925	44,776	46,705	48,713	50,805	52,984	55,252
	27,500,000	29,000,000	30,000,000	31,050,000	32,136,750	33,261,536	34,425,690	35,630,589	36,877,660	38,168,378	39,504,271	40,886,921	42,317,963	43,799,092	45,332,060
Base Fire Prop 172 allocation	2,681,250	2,827,500	2,925,000	3,027,375	3,133,333	3,243,000	3,356,505	3,473,982	3,595,572	3,721,417	3,851,666	3,986,475	4,126,001	4,270,411	4,419,876
Reduction in Fire allocation \$	-	-	(225,000)	(240,750)	(257,327)	(274,769)	(293,117)	(312,413)	(332,701)	(354,026)	(376,436)	(399,981)	(424,713)	(450,686)	(477,958)
Cumulative reduction in \$	-	-	(225,000)	(465,750)	(723,077)	(997,846)	(1,290,963)	(1,603,377)	(1,936,077)	(2,290,103)	(2,666,538)	(3,066,519)	(3,491,232)	(3,941,918)	(4,419,876)
Net Fire Prop 172 allocation	2,827,500	2,700,000	2,700,000	2,561,625	2,410,256	2,245,154	2,065,541	1,870,606	1,659,495	1,431,314	1,185,128	919,956	634,769	328,493	-
Fire Prop Tax Growth Transfer per Auditor	-	-	524,673	802,750	826,832	1,135,516	1,180,937	1,228,174	1,277,301	1,328,393	1,381,529	1,436,790	1,494,262	1,554,032	1,616,183
Cumulative Fire Prop Tax Growth Transfer	-	-	524,673	1,327,423	2,154,255	3,289,771	4,470,708	5,698,882	6,976,183	8,304,576	9,686,105	11,122,895	12,617,157	14,171,189	15,787,382
Net Fire increase in revenue	-	-	299,673	861,673	1,431,178	2,291,925	3,179,745	4,095,505	5,040,106	6,014,473	7,019,567	8,056,376	9,125,925	10,229,271	11,367,506

This schedule assumes a 13 year straight-line decline in Fire Department Prop 172 allocation starting in FY2013-14

reallocating the value among remaining participants on a pro-rata basis.

Prop 172 growth rates in FY2012-13 and FY2013-14 from Auditor

Fire Prop Tax Growth Transfer per Auditor from Attachment B of Board Item D-9 on 5-1-12 agenda