

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 7/2/04
Department Name: County Administrator
Department No.: 012
Agenda Date: 7/13/04
Placement: Departmental
Estimate Time: 30 mins.
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Administrator

STAFF CONTACT: Jim Laponis
Deputy County Administrator, 568-3400

SUBJECT: Reallocation of Future Local Public Safety Fund Proposition 172 Revenue and Intent to Allocate Certain Future Capital Funds to the Fire Department

Recommendations:

That the Board of Supervisors:

- A. Adopt the resolution (attached) re-allocating future Local Public Safety Fund Proposition 172 monies by increasing Fire's prospective share from 2.25% to 9.75% over a five year period by adding 1.5% per year commencing in FY 2005-06; and, directing the County Administrator to recommend in each successive Proposed Budget, funds to the other public safety agencies sufficient to replace their forgone growth in Prop 172 revenue.
- B. Adopt the following Declaration of Board Intent: It is the intent of the Santa Barbara County Board of Supervisors to allocate \$4 million from non Fire Department sources to the FY 2005-06 Capital Outlay Fund for Fire Department Capital Facility needs as determined by the Board of Supervisors; and further, the County Administrator is directed to recommend such funding in the FY 2005-06 Proposed County Budget.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

During the board of Supervisors' June 22, 2004 meeting, the County Administrator was directed to work with County Fire employee groups and Public Safety agencies toward a reallocation of Local Public Safety Proposition 172 Funds. Such reallocation was to enhance Fire's share allowing the department to address

priority needs. During that process, Fire's priority needs were determined to be 5 separate firefighter post positions (approximately 18 total firefighter positions) and various fire facility related capital projects.

After numerous meetings concerning both the process by which this matter came into being as well as the relative fiscal needs and impacts to departments, the recommended actions were agreed to be presented to the Board.

The results of enacting the recommendations in this report can be summarized as follows.

The Board would declare its intent that:

- Fire's current share of Proposition 172 sales tax revenues (2.25%) would increase 1.5% per year for five continuous years starting in 2005-06, reaching 9.75% in FY 2009-10 and remaining at that level thereafter for the expressed purpose of adding 5 post (approximately 18 total) firefighter positions.
- The Capital Outlay Fund would be allocated \$4 million in FY 2005-06 for the express purpose of meeting Fire Department Capital Outlay needs as determined by the Board of Supervisors (it is intended that the \$4 million be debt financed, thereby costing the General Fund approximately \$360,000/year for 20 years)¹.
- All of the Public Safety Departments (District Attorney, Fire, Probation, Public Defender and Sheriff) would maintain their current levels of service as defined by the FY 2004-05 Adopted County Budget.

The dollar impact to the General Fund is estimated to be \$760,000 in FY 2005-06 and grow incrementally over the 5 year period to \$2,584,000 in FY 2009-10 (including both backfilling the Proposition 172 revenue impacts and providing the Fire Capital Outlay allocation). This impact could fall on the non-public safety departments if natural growth of local revenue is insufficient to offset the shift or if other costs such as salary are not kept at modest levels.

The attached resolution and letter of understanding signed by each of the Public Safety Department Directors and Parks Director (Parks provides ocean lifeguard services which receive a small portion of Proposition 172 revenues) contains language effecting the Proposition 172 revenue reallocation and the intent to keep public safety departments at their current levels of service. The recommended "Declaration of Board Intent" allows for the Fire Capital Outlay funding.

Mandates and Service Levels:

There are no mandates associated with the recommended actions. Future service levels would be affected in that Public Safety departments' service levels would be at least maintained which could impact non-safety departments' services levels.

Fiscal and Facilities Impacts:

A. The recommended Local Public Safety Fund Proposition 172 revenue reallocation to Fire combined with backfilling the related Public Safety departments could have the following potential General Fund impact on

¹ If the State were to repay the Vehicle License Fee or other take-aways as promised in the past years, there could be an opportunity to explore other financing mechanisms.

Non-Public Safety departments (assumes a growth rate in Prop 172 revenues of approximately 2.75% per year):

	<u>FY 2005-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	Cumulative Total
	-----	\$400K	\$820K	\$1,256K	\$1,732K	
	<u>400K</u>	<u>+420K</u>	<u>+445K</u>	<u>+467K</u>	<u>+492K</u>	
TOTAL	\$400K	\$820K	\$1,265K	\$1,732K	\$2,224K	\$6,441K
	→	→	→	→	→	

B. The impact to the General Fund of providing Fire with \$4 million in Capital Outlay Funds in FY 2005-06 is estimated to be \$360,000/year.

cc: County Department Directors
County Employee Groups

Concurrence:

Jim Anderson, Sheriff
Tom Sneddon, District Attorney
John Scherrei, Fire Chief
Sue Gionfriddo, Chief Probation Officer
Jim Egar, Public Defender
Santa Barbara County Firefighters Union
Santa Barbara County Fire Department Chief Officers Association

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE

COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

In the Matter of) RESOLUTION NO. 04-
)
)
LOCAL PUBLIC SAFETY FUND)
PROPOSITION 172)

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

WHEREAS, the State of California has diverted approximately \$44 billion of local property tax revenues to school districts in lieu of other state budget reductions; 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, it is the desire of the Santa Barbara County Board of Supervisors to increase the Fire Department's share of Proposition 172 revenues, for the sole purpose of additional staff and related costs, from 2.25% to 9.75% by increasing the Fire Department's share of Proposition 172 revenues by 1.5% each year commencing in fiscal year 2005-06 and continuing over the next five 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; and

WHEREAS, it is the Santa Barbara County Board of Supervisors' intent to assure the public's safety by replacing 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.

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 the Santa Barbara County Board of Supervisors directs the County Administrator to recommend an allocation of replacement funds equal to the forgone Proposition 172 funds in each successive proposed annual operating budget and take such other actions as are necessary to replace the forgone growth in Proposition 172 funds described above; and

FURTHER BE IT RESOLVED that it is this Santa Barbara County Board of Supervisors' intent to maintain the current level of service as defined by the adopted 2004-05 County budget for all public safety departments through the use of General Fund or such other funds and savings as may be available; 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 ____ day of ____, 2004, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

JOSEPH CENTENO
CHAIR, BOARD OF SUPERVISORS

MICHAEL F. BROWN
CLERK OF THE BOARD

By _____
Deputy

APPROVED AS TO FORM:

APPROVED AS TO FORM:

STEPHEN SHANE STARK
COUNTY COUNSEL

ROBERT W. GEIS
AUDITOR-CONTROLLER

County Counsel

LETTER OF UNDERSTANDING
between the Santa Barbara County Designated Public Safety Agencies
and ratified by Board of Supervisors Resolution 04-

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, 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 2005-06 and for each fiscal year thereafter until the Fire Department share reaches a total of 9.75%, the distribution to the Fire Department shall be increased by 1.5% of the Proposition 172 collections for that year. In each fiscal year that the Fire Department’s distribution increases, the distribution to the remaining Public Safety Agencies shall be decreased proportionately. At the end of five years 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	13.41%	12.38%
Fire	2.25%	9.75%
Parks/Ocean Lifeguards	0.12%	0.11%
Probation Officer	24.33%	22.46%
Public Defender	9.76%	9.01%
Sheriff-Coroner	50.13%	46.29%
Total	100.00%	100.00%

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.

The terms of this Letter of Understanding shall commence on July 13, 2004 upon Board of Supervisors approval of Resolution 04-___, applying to all funds collected in the 2005-06 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.

Thomas Sneddon, District Attorney

Date

John Scherrei, Fire

Date

Terri Maus-Nisich, Parks/Ocean Lifeguards

Date

Susan Gionfriddo, Probation

Date

James Egar, Public Defender

Date

Jim Anderson, Sheriff

Date