

*Auditors Comment #22  
BOS Recd. 5-13-24*

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**From:** Joe H. Harn  
**Sent:** Monday, May 13, 2024 2:46 PM  
**To:** Brooke Laine; Wendy Thomas; George Turnboo; John Hidahl; Lori Parlin  
**Cc:** Kim Dawson; BOS-Clerk of the Board; Tiffany Schmid; Sue Hennike  
**Subject:** May 14, 2024 Agenda Legistar 24-0682 Tax Increment Shift to North Tahoe FPD

Dear Board Members,

**I believe that I understand some of the special financial difficulties related to providing fire protection services in the Meeks Bay area. I want to take this opportunity to remind your Board that many special districts in our county also have financial difficulties providing fire protection services. Annexation and merger may also benefit other fire protection districts on the western slope.**

**The recommended action will permanently transfer a portion of the general fund's property tax increment to the North Tahoe Fire Protection District. This will have a very small adverse effect on next year's general fund tax revenues. Next year's general fund budget will be difficult to balance and the State's financial situation will just make things more problematic.**

**One way to characterize the property revenue consequences of this agenda item: (1) a very small adverse effect on next year's general fund revenue for the County..... (2) a decrease in the property tax bills of property owners in Meeks Bay, many of whom are nonresidents.**

**If the recommended action is taken, some may perceive that your Board is establishing a precedent and that the County is willing to offer general fund tax increment to other agencies that provide fire protection service as they consider merger and annexation. It appears that we can afford this tax increment shift, but we can't afford many more without significant reductions to County spending in other areas.**

Joe Harn  
Auditor-Controller  
El Dorado County