June 3, 2019

Dear El Dorado County Supervisors, #5

The Taxpayers Association of El Dorado County is concerned with Item 5 on your June 4, 2019 agenda, a $78,338 discretionary transfer of General Fund to the El Dorado Hills County Water District (El Dorado Hills Fire Department). We respectfully request that you remove the item from your consent calendar and express an intent to end General Fund payments to the El Dorado Hills Fire Department as soon as possible.

We understand that the payment is intended to backfill money the Fire Department loses due to an annual state raid on local property tax revenue known as the Educational Revenue Augmentation Fund (ERAF). The Taxpayers Association shares the Department's frustration at this loss of local revenue to the state, but ERAF impacts every local fire district. El Dorado Hills Fire Department is the only fire district receiving assistance from county taxpayers, despite the fact that it collects by far the most property tax revenue per parcel. At a time when most of our rural fire districts are experiencing severe budget challenges, a special deal for the county's wealthiest district is inappropriate.

If you choose not to suspend these payments immediately, we would ask that you make clear to El Dorado Hills Fire Department that this expenditure will not be included in future budget years. Because ERAF is a percentage of a district's property tax revenue, this payment's impact on the budget will likely increase in future years as property values in the El Dorado Hills area increase. The time is now to make it clear that this special subsidy cannot continue.

This type of item is exactly the issue we the taxpayers of El Dorado County are most concerned about. A bad decision in the past should not bind the Board today.

Sincerely,

Bill George
President

Kris Payne Personal Comments:

We have read the Discussion/Background in Legistar File #19-0860 Version 1 provided as support for this proposed action today. We understand the legitimacy of the proposed action.

But we cannot support something that is fundamental wrong for the majority of taxpayers of our County. Not when requests for funding by your general fund departments for the benefit of all are being rejected, and our Board is faced with deficits not yet realized in future years. This 5-year time period described by your CAO and his staff as needing to be balanced, and as this speaker states monumental. You are about to enter that time of year (Budget Hearings) when public services and their delivery will be considered for no change or for potential cutback in some programs. And, the corresponding demand for these services increases.

It is not the time for giving away the precious commodity of general fund revenue. You have the discretionary right, maybe obligation, to say "things – have – changed" and we must collectively, including the El Dorado Hills Fire Protection District understand its moral obligation to allow other public services providers to use future money and specifically, this $78,338. Thank you.

Portion of Legistar File: #19-0860 Version 1

DISCUSSION / BACKGROUND

On June 12, 2018, the Board adopted Resolution 125-2018 (File No. 18-0922), authorizing a base property tax transfer to the El Dorado Hills Fire Department related to the Department's annexation of the Latrobe Fire Protection District service area. The resolution provides that the transfer does not include the amount of the Educational Revenue Augmentation Fund (ERAF) encumbrance associated with the base revenues. The resolution includes a provision for the Board to consider the payment of the equivalent amount of the ERAF encumbrance annually as part of the County Budget process. The amount is to be calculated annually by the Auditor-Controller. The Board of Supervisors approved payment of the ERAF amount, estimated at $73,000, as part of the FY 2018-19 budget process; however, the actual calculated amount is $78,338. There are sufficient funds to cover the additional cost.

Individually yes, When measured with other public services, No!