



Menlo Park Fire Protection District

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October 18, 2016

Elizabeth Lewis, Mayor
Town of Atherton
91 Ashfield Road
Atherton, CA 94027

Via Electronic Mail

Re: Town of Atherton Fire Services Fiscal Review

Dear Ms. Lewis:

The Town of Atherton (the “Town”) and the Menlo Park Fire Protection District (“MPFPD” or the “District”) have recently exchanged correspondence regarding the Town’s intention to conduct what has been referred to as a “fire services fiscal review”, (please see, October 7, 2016 letter from Mayor Elizabeth Lewis to the District President, Rob Silano). This communication is intended to make clear that the District has neither legal obligation nor any present intention to participate in the Town’s study.

Existing Statutory Scheme for Tax Allocation

As I am sure you are aware, Proposition 13 forced state lawmakers to assume responsibility for allocating property tax revenues among local jurisdictions. Prior to Proposition 13, taxing jurisdictions established their tax rates independently and property tax revenues depended solely on the rate levied and the assessed value of the land within the agency’s boundaries. A given piece of property might, for example, be subject to a separate property tax rate for the city, county, and local school district as well as any special districts that provided services to the property. Prior to implementation of Proposition 13, local jurisdictions could determine the level of both services and property taxes in their community through their legislative authority.

However, in 1979, AB 8 implemented Proposition 13, restructured the mechanisms for the allocation of property taxes and provided other fiscal relief to local governments. A primary objective of AB 8 was to provide local governments with a property tax revenue stream that would increase over time as assessed value grew, thereby providing a stable mechanism for growing communities. The basic premise of AB 8 allocates each taxing jurisdiction *the amount it received in the prior year*, plus a share of any additional revenues above the prior year that occurred within its boundaries. In other words, each taxing agency receives a share of a county-wide property tax. *The District does not receive Atherton’s property taxes—*

Atherton receives its fair share based on a pre-established statutory scheme as does the District. Furthermore, it is the Fire District, not the Town, that represents District residents residing in Atherton as to all matters pertaining to the MPFPD.

Absent detachment from the District, the county auditor has no legal authority to adjust the allocation of property tax revenue determined pursuant to Sections 96 or 96.1 of the California Tax and Revenue Code, or the annual tax increment determined pursuant to Section 96.5.

Atherton's Fire Services Fiscal Review

The District has no legal responsibility to perform fiscal analysis nor participate in the Town's fire services review. As per the California Government Code, the District has no obligation to collect, analyze or provide information or documents that do not already exist.

With that said, despite the fact that the District has no legal duty to participate in the Town's fire services review, MPFPD is dedicated to public transparency and intends to continue meeting any and all of its legal obligations pursuant to the Public Records Act (Cal. Gov. Code §6250 et. seq.), California state law, and the operating rules and regulations of the District.

The District Remains Committed to Consolidation of Services

MPFPD provides a myriad of services to the community including but not limited to as basic fire and emergency services, disaster preparedness, public education, code promulgation, and inspection. The District has been a long-time advocate of consolidation and a leader in consolidated fire dispatch services, which have significantly reduced response times in its jurisdiction in recent years.

The District takes this opportunity to re-emphasize its support for consolidated services, allowing for economies of scale and exemplary levels of cost-efficient service. The District supports LAFCO policies that provide for efficiency in the delivery of fire suppression, disaster and emergency services, and reduce the costs of providing urban services

Thank you and feel free to reach out with any questions.

Sincerely,

Robert J. Silano, President
Menlo Park Fire Protection District

Cc: Town Manager George Rodericks
Fire Chief Harold Schapelhouman