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NOT TO BE PUBLISHED IN OFFICIAL REPORTS

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FOURTH APPELLATE DISTRICT

DIVISION THREE

ORANGE COUNTY FIRE AUTHORITY et al.,

Plaintiffs and Appellants,

v.

COUNTY OF ORANGE,

Defendant and Respondent.

G050687

(Super. Ct. No. 30-2013-00694527)

O P I N I O N

Appeal from a judgment of the Superior Court of Orange County, William D. Claster, Judge. Affirmed.

Richards, Watson & Gershon, T. Peter Pierce and Stephen D. Lee for Plaintiff and Appellant Orange County Fire Authority.

Snell & Wilmer, Mary-Christine Sungaila, Jenny Hua, and Brian Daluiso; Rutan & Tucker, Todd O. Litfin; Jarvis, Fay, Doporto & Gibson and Benjamin Peters Fay; Haynes and Boone and Mary-Christine Sungaila for Plaintiff and Appellant City of Irvine.

Nicholas S. Chrisos, County Counsel, Marianne Van Riper, Senior Assistant County Counsel, Mark D. Servino and Adam C. Clayton, Deputy County Counsel for Defendant and Respondent County of Orange.

* * *

The Orange County Fire Authority (the Authority) was formed in 1995 "to provide fire suppression, protection, prevention and related and incidental services" to its members. The County of Orange (the County), the City of Irvine (Irvine), and 22 other cities in the County are currently members of the Authority. The residents of several Authority members, most prominently Irvine, have consistently paid more to the Authority than it costs to provide services within the boundaries of their respective municipalities. This occurs because of the Authority's primary funding mechanism — a structural fire fund (SFF) share of property taxes collected by the County from residents who reside within geographical areas serviced by the Authority. Irvine's famously robust real estate values have resulted in the Authority receiving more money than it needs to provide the level of service it has selected for its members. Almost since the inception of the Authority, Irvine has objected to its residents paying more to the Authority than it costs to provide fire protection in Irvine.

Facing the threat of Irvine potentially opting out of membership in the Authority, and with the agreement of 20 of its members, the Authority amended its joint powers agreement in 2014. The amendment provided that members whose residents' property taxes overfund the Authority (including Irvine) will receive "jurisdictional equity adjustment payments" from any surplus funds available to the Authority. The Authority and Irvine filed an action to confirm the legitimacy of this amendment. The

County opposed the action, arguing among other things that Government Code section 6503.1 and the Authority's joint powers agreement prohibited such payments.[1]

Ruling on competing motions for judgment on the pleadings, the court agreed with the County that the amendment was "invalid and unenforceable." We affirm. The basis for the payments is that Irvine residents are paying too much for the services they receive. As conceded by the Authority and Irvine, section "6503.1 ostensibly prohibits [the Authority] from simply rebating SFF property taxes to the Over-Funded SFF Jurisdictions for uses unrelated to the provision of Fire Services." To approve the Authority's attempt to circumvent this rule by claiming the payments to Irvine are made from other "unrestricted" funds would wrongly honor form over substance. The Authority cannot be allowed to transfer its funds to Irvine, without strings attached requiring the funds to be spent for fire protection purposes.

FACTS

"[T]he facts alleged in the pleading attacked must be accepted as true, although the court may consider matters subject to judicial notice . . . ." (*Tiffany v. Sierra Sands Unified School Dist.* (1980) 103 Cal.App.3d 218, 225.) Because this appeal turns on whether the court correctly granted judgment on the pleadings to the County, our recitation of facts focuses on the allegations of the Fire Authority and Irvine in the first amended complaint, as well as the contents of the operative documents attached to this complaint and other judicially noticeable documents.

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[1] All statutory references are to the Government Code unless otherwise stated.

Back in the Old Days

Fifteen of the cities that are current members of the Fire Authority (including Irvine) have never had their own fire department. Instead, these cities entered into agreements with the County for the provision of services by the County fire department. Policy control was wielded solely by the County's board of supervisors.

Prior to the enactment of Proposition 13 in 1978 (see Cal. Const., art. X111 A), SFF property taxes were imposed by the County on residents in jurisdictions where the County provided fire services. The County could adjust the amount of these taxes to reflect the estimated cost of providing services to each jurisdiction.

Since Proposition 13, however, the County has been limited to collecting property taxes equal to 1 percent of the total assessed value of real properties located within the County. (See *City of Scotts Valley v. County of Santa Cruz* (2011) 201 Cal.App.4th 1, 7 (*Scotts Valley*).) This significantly reduced the amount of property tax revenues available to local agencies. A statutory scheme was enacted to allocate property tax proceeds among the various local agencies receiving property taxes when Proposition 13 was approved. (*Id*. at pp. 8-9.) The SFF rate was established as a fixed statutory formula and was not, therefore, tethered to the actual cost of providing services.

The County did not (prior to Proposition 13) and does not now receive SFF property taxes from residents of cities to whom fire services were not provided prior to 1978. These cities had their own fire departments, but some have subsequently sought fire protection services from the County (and later, the Authority) on a "cash contract" basis.

The Creation of the Authority in 1995

As time passed, cities receiving fire services from the County sought additional input into fire protection policy decisions and the use of revenues received by the County for the provision of fire services.

"[T]wo or more public agencies by agreement may jointly exercise any power common to the contracting parties . . . ." (§ 6502.) In 1995, a joint powers authority agreement created the Authority, a new public entity composed of (at the time) 19 public agency members, including the County. Each member was entitled to appoint a director to the Authority's board, except the County was allotted two director positions.

A joint powers agreement "shall state the purpose of the agreement or the power to be exercised. [It] shall provide for the method by which the purpose will be accomplished or the manner in which the power will be exercised." (§ 6503.) The purpose of the agreement was the joint exercise of the members' powers to "provide fire suppression, protection, prevention and related and incidental services . . . ." The other powers listed in the joint powers agreement consisted of means by which the Authority might fulfill its basic fire protection purpose, e.g., to enter and assume contracts, employ agents, lease and acquire property, invest surplus funds, incur liabilities, sue and be sued, obtain financing, advocate for legislation, levy fees, impose taxes, hire professionals, purchase insurance, and adopt rules.

Two types of members joined the Authority — those for which the County received SFF property taxes and cash contract cities. As stated in the agreement, the "County receives [SFF property taxes] from the unincorporated area and all member Cities except [six listed cities]. On behalf of the Cities receiving SFF, and the unincorporated area, County shall pay all SFF it receives to the Authority to meet budget expenses and fund reserves in accordance with the County's normal tax apportionment procedures pursuant to [California law] and the County's tax apportionment schedules."

For member cities whose property owners are not subject to SFF allocations from their 1 percent property tax payments, the Authority bills them pursuant to a formula intended to estimate the cost of providing services.

Article IV, section 4 of the joint powers agreement, titled "Equity," is particularly important to this case. The original "Equity" provision limited the ability to

overcharge any individual member for services, but its operative language seems to be limited to cash contract cities: "The County and each member City shall be member agencies in equal standing in the Authority. It is understood that the cost of service shall not be adjusted by reason of equity for any member agency for a period of three (3) fiscal years from the effective date of Authority formation. After the Authority's first three fiscal years, any new annual adjustment to the cost for fire services to each member for reasons of equity must be fair and equitable to all members and may not exceed two (2) percent of the member's immediately prior annual contribution. Upon approval of two-thirds of all of the directors of the Board, another method may be utilized in lieu of the foregoing formula as long as such method is fair and equitable to all members." This provision did not discuss adjustments to SFF taxes paid by the County to the Authority.

However, the original joint powers agreement contemplated that SFF funds could be provided directly to cities in one situation, the termination of the agreement. "The Authority may vote to terminate this Agreement . . . . If termination occurs, all surplus money and property of the Authority shall be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership, whether SFF or cash contract amounts. . . . In any such distribution, the amount of SFF derived from each incorporated or unincorporated city area[] shall be considered as received from that member in the same manner as cash contract payments have contributed to surplus assets."[2]

[2] This provision certainly satisfies one statutory requirement for joint powers agreements. "The agreement shall provide that after the completion of its purpose, any surplus money on hand shall be returned in proportion to the contributions made." (§ 6512.) Whether the particular termination provision here is consistent with section 6503.1 is a different question, though one not before this court.

Amendment and Restatement of Joint Powers Agreement in 1999

In 1999, the (at the time) 20 members of the Authority amended and restated the joint powers agreement. Much of the agreement remained the same, including the County's obligation to remit all SFF property taxes to the Fire Authority. Significant changes were made to the cost calculation methodology for cash contract cities.

The most important change for purposes of this case was the "Equity" provision of the joint powers agreement, which previously dealt exclusively with adjustments to cash contract cities. Now, this provision provided a way to use excess SFF funds to compensate cities whose residents' property taxes exceeded the cost of providing services.

"Annually after the conclusion of each fiscal year and consideration of the audited financial statements for that year, and after consideration of the Authority's financial needs, the Board of Directors in its sole discretion shall determine whether sufficient unencumbered funds from that fiscal year are available for additional services or resources to [SFF] members. In the event the Board determines that (1) such funds are available, (2) a distribution is warranted, and (3) that it is appropriate to do so, it shall allocate those funds, or any portion thereof, to a restricted [SFF] Entitlement fund."

"Those [SFF] members whose [SFF] revenues were greater than the cost to serve . . . shall receive a pro rata allocation from the Entitlement fund, based on the relative amounts by which, respectively, those [SFF] revenues exceeded said cost to serve." Such allocations "may thereafter be used for Board-approved and Authority-related service or resource enhancements to such Structural Fire Fund members." No SFF "member will be entitled to receive cash payments or reimbursements" rather than enhanced fire protection services.

State's Adoption of Section 6503.1 in 2002

In direct response to perceived misuses of property tax funds by the Authority, a law was passed in 2002 prohibiting the use of property taxes received by the Authority (and any similarly positioned agency) on expenditures not related to fire protection purposes. (§ 6503.1 ["When property tax revenues of a county of the second class are allocated by that county to an agency formed for the purpose of providing fire protection pursuant to this chapter, those funds may only be appropriated for expenditure by that agency for fire protection purposes"].)

Like the trial court, we take judicial notice of a bill analysis prepared for legislators describing the motivation behind the law. "Proposition 13's implementing legislation . . . locked the portion of fire service property taxes into statute. When the County and these cities joined [the Authority], they turned over their share of property taxes dedicated to fire service. Cities that provided their own fire services prior to Proposition 13 do not have statutorily defined property taxes proportions for fire service. When they joined [the Authority], they negotiated their payments . . . . These cities are called 'cash contract' cities."

"In 1996, [the Authority] conducted an equity study on its revenues from its participating jurisdictions after . . . some SFF cities expressed concerns over their payments. The [Authority] study concluded that [it] collected proportionally more property taxes within the borders of the SFF cities than cash contract cities. In response, [the Authority] concluded that they should address the funding inequities."

"A 1999 amendment to the JPA agreement created a fund to benefit SFF cities. This fund offers extra services to SFF cities when financial conditions allow. SFF cities receive funding and/or services for renovations like preemption devices for traffic signals, tree trimming in city parks, landscaping projects, and other maintenance. The City of Irvine, for example, has received approximately $3.4 million in funding and services. [¶] Many are concerned about this practice, and negotiations produced an

agreement that [the Authority] should spend its money only on fire-related services." (Sen. Rules Com., Off. Of Sen. Floor Analyses, 3d reading analysis of Assem. Bill No. 2193 (2001-2002) as amended May 14, 2002.)

First Amendment to Amended Joint Powers Agreement — 2010

The amended joint powers agreement was amended by the Fire Authority's members (23 at the time), effective July 2010. Many of the changes again pertained to the cost calculation methodology and service fees charged to cash contract cities. Also added was a provision altering the funding of the SFF entitlement fund. This first amendment is not at issue in this appeal.

Second Amendment to Amended Joint Powers Agreement — 2014

The amount of SFF property tax generated from Irvine continued to significantly exceed the Authority's cost of providing services to Irvine. Prior efforts to allocate additional funds to the SFF entitlement fund were not deemed sufficient to address this perceived inequity.

The Authority formed a working group in March 2012 to explore options. The working group recommended the adoption of a second amendment to the amended joint powers agreement. A required two-thirds majority of directors eventually approved this amendment.

Pursuant to the second amendment, "those SFF Jurisdictions whose SFF rate exceeds the Average SFF Rate (the 'Over-Funded SFF Jurisdictions') may receive a payment from [the Authority] from unrestricted revenues of [the Authority], i.e., from revenues other than SFF. This payment, referred to . . . as a Jurisdictional Equity Adjustment Payment or JEAP, is predicated upon the application of a formula set forth in the Second Amendment." Irvine also was authorized to receive an "Additional Equity Adjustment" because its SFF property taxes are "significantly higher than the cost of

providing Fire Services." It was estimated that Irvine would receive at least $134.5 million in equity payments by June 30, 2030, if the second amendment is allowed to operate as written.

These payments "may only be paid from [the Authority's] unrestricted revenues not generated from property taxes, and may not be made from SFF property taxes." In other words, to comply with section 6503.1, the second amendment provided for payments to Irvine with money collected from the cash contract cities or other unrestricted funds (not SFF funds). "SFF are restricted funds and shall not be used to pay [equity adjustment payments]."

Procedural History

The operative complaint acknowledges that section 6503.1 prohibits the Authority "from simply rebating SFF property taxes to the Over-Funded SFF Jurisdictions for uses unrelated to the provision of Fire Services." The Authority claims the second amendment is necessary to prevent Irvine from leaving the Authority and forming its own fire department. This would "significantly impact [the Authority's] revenues" and thereby jeopardize the Authority's ability to continue providing fire protection services.

The Authority and Irvine seek a validation of the second amendment under Code of Civil Procedure section 860 and/or section 53511. In the alternative, declaratory relief under Code of Civil Procedure section 1060 is sought. The County opposed issuance of relief in favor of the Authority and Irvine.

The parties filed dueling motions for judgment on the pleadings. The court denied plaintiffs' motion and granted the County's motion.

The court agreed with the County that the proposed equity adjustment payments to Irvine would violate the joint powers agreement. "The parties to the [joint powers] agreement may provide that (a) contributions from the treasuries may be made for the purpose set forth in the agreement . . . . ." (§ 6504.) As conceded in the operative complaint, all of the Authority's funds are limited "by Section 6504's requirement that they be made for the purpose for which [the Authority was] formed." The purpose of the agreement was the joint exercise of the members' powers to provide "fire suppression, protection, prevention and related and incidental services . . . ." In sum, all of the Authority's funds (whether SFF property taxes, payments by cash contract cities, or otherwise) must be spent for fire protection purposes as defined by the agreement. The Authority and Irvine contended the payments are related to the purpose of the agreement, both because creating an equitable funding mechanism relates to fire protection purposes and because keeping Irvine in the Authority will promote the survival of the Authority.

The court's view differed. "[T]he Equity Adjustment Payments have nothing to do with fire protection, suppression, prevention or related services. Thus, the payments are not used for fighting fires, taking steps (such as clearing brush) to prevent fires or buying equipment for those purposes. Rather, they are, plain and simple, refunds to Irvine and several other cities that have 'overpaid' for the fire protection services they are receiving. There are no restrictions on how the refunds may be used by the cities. Indeed, they are not even limited to the tree-trimming and landscaping that apparently was allowed to take place under the 1999 Amended Agreement. Put another way, the equity payments are [the Authority's] blank check for the cities to spend on virtually any conceivable municipal purpose." As the court noted to counsel for the Fire Authority at the hearing, "the implication of what you're saying is that . . . anything that a limited powers agency does to ensure its survival is . . . within its limited purpose. Anything." Counsel responded, "That's the logical extension of the argument, but . . . I don't think we are on the outer margins of that here in this particular case." Relatedly, the court also

concluded that the contemplated payments are improper gifts of public funds by the Authority to Irvine.

The court disagreed (at least for purposes of granting judgment on the pleadings) with the County's argument that the second amendment violated section 6503.1. "For better or worse, the [Authority] has come up with a mechanism that skirts the restrictions contained in Section 6503.1." "To the extent that the County contends that it has evidence that the [Authority] is actually commingling property tax revenues with Service Charges in a single account and that, therefore, the [Authority] is violating Section 6503.1 when it makes equity adjustment payments (since a percentage of any such payments would necessarily consist of property tax revenues), that argument pertains to implementation of the Second Amendment, and not whether the [amendment] is lawful on its face."

DISCUSSION

Our review of the court's grant of judgment on the pleadings, including the court's interpretation of the joint powers agreement, is de novo. (*Quantification Settlement Agreement Cases* (2011) 201 Cal.App.4th 758, 797; *Stevenson Real Estate Services, Inc. v. CB Richard Ellis Real Estate Services, Inc.* (2006) 138 Cal.App.4th 1215, 1220.) "If the trial court's ruling on a motion for judgment on the pleadings is correct upon any theory of law applicable to the case, we will affirm it, even if we may disagree with the trial court's rationale." (*Stevenson Real Estate Services, Inc.*, at p. 1220.)

The County claims the payments to Irvine are improper for three distinct reasons: (1) such payments violate the joint powers agreement because they are not consistent with the purpose of the agreement; (2) such payments are a gift of public funds; and (3) such payments violate section 6503.1 because they are not made for fire

protection purposes. We agree with much in the court's lengthy, well-reasoned ruling. In our view, however, the equity adjustment payments violate section 6503.1 on their face; it simply does not matter whether the Authority commingles SFF property taxes with other sources of funding. Because we agree with the County that the second amendment violates section 6503.1 as a matter of law, we affirm the judgment. We need not discuss whether these payments violate the joint powers agreement itself or are a gift of public funds.

"When property tax revenues of a county of the second class are allocated by that county to an agency formed for the purpose of providing fire protection pursuant to this chapter, those funds may only be appropriated for expenditure by that agency for fire protection purposes." (§ 6503.1, subd. (a); see §§ 28020-28023 [Orange County is county of the second class as defined by statute].) "As used in this section, 'fire protection purposes' means those purposes directly related to, and in furtherance of, providing fire prevention, fire suppression, emergency medical services, hazardous materials response, ambulance transport, disaster preparedness, rescue services, and related administrative costs." (§ 6503.1, subd. (b).) Hence, by statute, property tax revenues (e.g., the SFF funds provided by the County to the Authority) cannot be appropriated for non-fire protection purposes (as defined by the statute).

Courts """"must select the construction that comports most closely with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoid an interpretation that would lead to absurd consequences.""""" (*Robert J. v. Catherine D.* (2009) 171 Cal.App.4th 1500, 1516.) The legislative purpose is clear, based on the language of the statute and its accompanying legislative history: The Authority should spend its funds obtained from property taxes solely for fire protection purposes. The Authority is not allowed to spend property taxes for anything else.

But is section 6503.1 limited to "those funds" (i.e., property taxes allocated to the Authority)? Can the Authority do whatever it wants with other funds (e.g., those received from cash contract cities), regardless of whether doing so makes a mockery of section 6503.1? The nature of a local agency's acts "must be determined from the substance of the action taken regardless of its designation. [Citation.] The end attained and not the form of the transaction must be considered by the court in determining its substance and legal effect." (*Hicks v. Board of Supervisors* (1977) 69 Cal.App.3d 228, 237; *id*. at pp. 240-244 [affirming writ relief provided to district attorney when board of supervisors attempted to control investigative and prosecutorial functions under guise of budgetary process].) The justification for the equity adjustment payments is the overpayment by the residents of Irvine (and others) of SFF property taxes received by the Authority. The effect of the equity adjustment payments is to refund some portion of this overpayment to Irvine. Money is fungible. Regardless of whether the Authority truly keeps its sources of funding separate, each dollar refunded to Irvine is a dollar not being spent for fire protection purposes. The economic reality of the second amendment is the appropriation of property tax revenues for something other than fire protection purposes, namely the redistribution of property tax revenues to fit the Authority's view of what is equitable (and what will mollify Irvine).

The plain text of section 6503.1 does not require approval of the second amendment. Nothing in section 6503.1 indicates the Authority can avoid its prohibitions through clever accounting. It is reasonable to interpret section 6503.1 as applying to the economic reality of an appropriation rather than merely the insincere form of such appropriation. (See Civ. Code, § 3528 ["The law respects form less than substance"].) We decline to construe section 6503.1 in a manner that would undermine its purpose.

The Authority and Irvine protest that courts are required to interpret contracts to be lawful if at all possible. (See *Quantification Settlement Agreement Cases*, *supra*, 201 Cal.App.4th at p. 798; Civ. Code, § 1643.) Nothing in the pleadings indicates the way in which Irvine or other cities will spend equity payments. If one assumes that Irvine will spend every dollar it receives from the Authority for fire protection services as defined by section 6503.1, then could one not also assume the Authority has complied with section 6503.1? Because of the procedural posture of this case, we put to one side the implausibility of Irvine spending the equity adjustment payments on fire protection services (after all, the Authority could already spend extra money for such services in Irvine under the existing agreement, and Irvine was dissatisfied with that state of affairs). The better rejoinder to this point is that the second amendment obligates the Authority to "appropriate" (§ 6503.1, subd. (a)) funds to Irvine without any requirement that the funds be used for fire protection purposes.

Like the trial court, we do not discount "the financial concerns of both Irvine and [the Authority]. The overfunding problem described in the pleadings [appears to be] legitimate and long-standing." The Authority apparently has too much revenue and too few worthy projects to which those revenues can be put to work. Irvine is understandably irritated that property taxes taken from its residents perpetually overfund the Authority. We have no reason to question the premise that the return of some of these funds to Irvine would result in more productive uses of taxpayer dollars. To put a fine point on it, section 6503.1 and the result in this case might be characterized as wasteful and illogical.

Nor do we question legislative judgments of the participating Authority members that it would be both equitable and prudent to refund money to Irvine, rather than to allow the Authority to keep control over funds it apparently does not need (and thereby potentially agitate Irvine into departing from the Authority). Certainly, there is nothing wrong with the Authority raising only the amount of money needed from cash

contract cities to pay for their fair share. One can reasonably ask why it makes sense to prevent Irvine from bringing "its" rightful share of Authority funding back home.

The proper framing of the question is not as simple as the Authority and Irvine would have it, however. "'There is no equitable way to share property tax revenues, only different degrees of inequity. . . . The allocation of property tax revenues is a "zero-sum game," in which there must be a loser for every winner.'" (*Scotts Valley*, *supra*, 201 Cal.App.4th at p. 10.) Looking only at SFF property taxes used to fund the Authority is superficial. Property taxes fund innumerable government functions in the County. The Authority and its participating members cannot intelligently address whether it would be equitable to return some of the Authority's surplus to Irvine by looking only at the Authority's budget in isolation.

The County, not the Authority, is the proper forum for adjusting the allocation of SFF property tax revenues. By state law, SFF property taxes are allocated to and controlled by the County, not the individual cities whose residents' property taxes comprise SFF funds. The County agreed in forming the Authority to transfer all SFF dollars to the Authority, with the understanding that SFF funds would be used for fire services (not to funnel SFF funds to high real property value members). Nothing in section 6503.1 prohibits the Authority members from agreeing that the County will no longer provide all SFF funds automatically to the Authority. In this way, excessive funds could be put to work elsewhere.

Local agencies[3] may adopt resolutions "to transfer any portion of its property tax revenues" to other local agencies (Rev. & Tax. Code, § 99.02, subd. (b)) if each of four conditions exists, including "[t]he transferring agency determines that revenues are available for this purpose" (*id.*, subd. (f)(1)) and "the transfer will not impair the ability of the transferring agency to provide existing services" (*id.*, subd. (f)(3)). "If

[3] "'Local agency' means a city, county, and special district." (Rev. & Tax. Code, § 95, subd. (a).)

the board of supervisors . . . concurs with the proposed transfer of property tax revenue, the board . . . shall, by resolution, notify the county auditor of the approved transfer." (*Id.*, subd. (c).) "Upon receipt of notification from the board of supervisors or the city council, the county auditor shall make the necessary adjustments . . . ." (*Id.*, subd. (d).)

Thus, there is at least one process whereby some of the SFF property taxes paid by Irvine residents can be reallocated for other purposes. First, the Authority would need to release the County from its contractual obligation to transmit all SFF funds to the Authority. Then the process provided by Revenue and Taxation Code section 99.02 could be followed to determine if a transfer of funds to a different local agency (e.g., Irvine) would be appropriate.[4] The Authority and Irvine avoided this process, preferring to cut the County out of the loop. Beyond the fact that this violates section 6503.1, this method of reallocating property taxes does not tend to advance the cause of reaching the most equitable distribution of property taxes possible given the constraints of the post-Proposition 13 system. Only the County can bring the breadth of perspective necessary to deciding whether transferring additional dollars to Irvine would be a fit use of revenues not deemed necessary for fire protection services. Perhaps there are other county-wide services that need additional funding more than Irvine. Perhaps Irvine already receives a higher percentage of property tax revenues back from the County than other cities in the County. There is no way of weighing these concerns in a political process limited to the operation of the Authority.

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[4] If Irvine withdraws from the Authority, it is not as if its residents' SFF taxes would automatically be transferred to Irvine. As noted in the joint powers agreement, "Withdrawal by a [SFF] city may be subject to property tax transfer negotiations and such additional notices as required by law."

DISPOSITION

The judgment is affirmed. The County's request for judicial notice is granted. The County shall recover costs incurred on appeal.

IKOLA, J.

WE CONCUR:

ARONSON, ACTING P. J.

FYBEL, J.