

Operating Levy

FOR BOARD CONSIDERATION

Outline

Status of current taxing amounts

Needs of District in the coming years

Funding of the District in the coming years

Amount the District would need to levy to meet the District's needs

What a continuation of the current rate would offer the District

Repercussions of a levy not being pursued or not passing

Timeline should the Board decide to pursue an operating levy

Status of Current Taxing Amounts

Permanent taxing rate of \$1.5038 per thousand dollars of assessed value

In 2014 the Fire District passed both a bond and an operating levy

The bond is for 15 years, from 2014-2033 and was for approximately 2 million dollars which costs approximately .14 cents per thousand

The operating levy is for 5 years, from 2014-2018 at a rate of .19 cents per thousand

The reason we are having this conversation now is that we will still be collecting on the .19 cent operating levy in the coming 2018-2019 fiscal year



Needs of District in the coming years

Standard of cover explained the need for additional staffing of firefighter/paramedics

We are increasing our call volume and thus have more calls overlapping one another

This is resulting in a decreased compliance with our response goal

Also continue to lack someone in the Fire Marshal position

The result is not only buildings being built or altered in ways that may not be safe for patrons or employees, but also may not be safe for our personnel to be in

Need to continue to fully fund the equipment replacement plan

Funding of the District in the coming years - Revenue

Our primary source of revenue will continue to be from our permanent tax rate

Our second largest source of revenue is ambulance revenue

After ambulance revenue staying flat for three consecutive years, this year we are far ahead of our ambulance revenue from last year

In the past 10 years, four times we have had ambulance revenue increase by more than 11%; in three of those instances, ambulance revenue decreased the following year

In the past 10 years, annual increases in ambulance revenue have averaged 3.7%

The third largest is our operating levy

Funding of the District in the coming years - Expenses

Our largest expense is and will continue to be personnel services

We will see additional PERS rate hikes in each of the next two biennium which we have no control over

We spend money on materials and services responsibly

Our materials and services have averaged an increase of 3.8% over the past 10 years

We do not need to budget much for capital improvements thanks to the Laudahl Fund

We do need to continue to put money into the equipment replacement plan

Amount the District would need to levy to meet the District's needs

In order to meet the District's needs in the coming years, we must:

Hire an addition FF/Paramedic to ensure four personnel 24/7

Contract for a part time Fire Marshal

Fully fund the equipment replacement fund

We cannot ensure that all of these will happen without an operational levy in the amount of .28 cents per thousand

For every \$100,000 of assessed value this represents a \$9 annual increase from the current levy

What a continuation of the current rate would offer the District

If we continued to levy .19 cents per thousand, even though it would not meet all of the District's needs, it would still improve our service

We would be able to hire the 4th person per shift to offer 4 personnel 24/7

We would be able to contract for a Fire Marshal

We would not be able to fully fund the equipment replacement fund

We would have enough to purchase the forecasted needs of future ambulances, but would reach the end of the levy period with no money remaining in the equipment replacement plan

Repercussions of a levy not being pursued or not passing

There will be no layoffs and we will continue to do the best we can with what we have

We will reduce daytime staffing to a minimum of 3 rather than 4 to reduce overtime costs

We will fund the equipment replacement plan at 33%

Other impacts will be dispersed over all areas of the budget: medical supply improvements, uniforms, outside training, etc.

Summary of Options:

	.28 cents / thousand	.19 cents / thousand	No Levy
4 th Firefighter/Paramedic 24 hours a day	YES	YES	NO
Part time Fire Marshal	YES	YES	NO
Funding Equipment Replacement Plan	100%	0%	33%

Timeline should the Board decide to pursue an operating levy

March 16 – Filing deadline with Polk County

May 16 – Election day

Questions and Discussion
