



Pagosa Fire Protection District

Fire Chief
Randy Larson



January 10, 2018

Mill Levy Questions?

1. **How did you come up with this figure?**

After calculating the amount that would be needed today to implement our goals and considering how inflation would affect future budgets we settled on a number that would meet the goals of our Strategic Plan for the next few years. A mill of 7.85 would bring in just over \$2 million. This would provide the District with the funds necessary to continue to operate and move forward with our goals.

2. **How much will this cost me?**

With a mill levy of 7.85, for every \$100,000 residential value you would pay \$56.52. Homes valued at \$300,000 would pay Fire District taxes of \$169.56 per year, this is an increase of \$81.72. For a \$1,000,000 home taxes would be \$565.20 per year.

3. **How will the Fire District use the tax funds?**

One priority is to hire personnel to enable us to provide for 24/7 coverage to supplement our current volunteers. This would require hiring a total of 10 full time personnel over the next couple of years. This would allow for PFPD to staff Station 1 with a Company Officer and 3 Firefighters. With our current staffing we would also be able to have a fulltime mechanic and a Training Officer to oversee training for all personnel, both full time and volunteer.

We would also conduct a salary study and increase pay of our current staff to a level that would be comparable to other departments of similar size thus increasing our ability to retain quality personnel.

Hiring a fulltime mechanic would cut down on costs associated with having to use outside sources for repairs and maintenance and lower costs to send vehicles out of the area for repairs that cannot currently be completed in a timely manner now.

The Training Officer would bring better cooperation and coordination to the Training Division providing the District additional options for training and enhanced capabilities.



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PFPD would develop a comprehensive replacement program for capital items including apparatus, personal protective equipment, and buildings/station. By putting funds into reserve accounts the District will be able to replace apparatus and equipment on a rotating basis instead of coming to the public every few years and asking for more money through Bond Issues. As of now the District has 9 (nine) apparatus that are obsolete according to the National Fire Protection Association (NFPA). Most of these apparatus are still low mileage and low hours so we can make them last several more years; however, we do need to start replacing them and would do it one at a time. We also have buildings that are old and in need of some major repairs. We could ask for a Bond for these repairs but that is a one-time solution and does not take into account future needs and maintenance.

PFPD would also enact a Contingency Reserve in the case of unexpected major expenditures. It is conceivable that with the amount of Wildland Urban Interface (WUI) that we have within our District that a fire could start on District incorporated land and become out of control and spread quickly. When this happens the Fire District is expected to pay for the expenses of fighting this fire until it reaches levels that the State or Federal Authorities would get involved. Some communities have had expenses well over \$1 million. Having a contingency fund would allow for our Incident Commanders to order resources to help prevent the spread of fire into the populated areas.

4. What effect will a mill increase have on services?

By having Station 1 staffed 24/7 with paid firefighters we could reduce initial response times in the core area of Pagosa Springs and the Pagosa Lakes area by 5-10 minutes, more in bad weather. It would also benefit the outlying areas by having a known response from Station 1 to supplement the response of the volunteers. By having back-up crew's respond sooner, an aggressive interior attack can begin more rapidly and maintain the required safety regulations. Safety for the firefighters, both volunteer and paid, would be enhanced and which would provide a better chance of survival for fire victims.

PFPD would also be able to replace aging and obsolete apparatus and equipment, decreasing the possibility of an on-scene or enroute breakdown which could be devastating to both occupants and firefighters. We could also



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provide newer and safer Personal Protective Equipment (PPE) and better tools and equipment.

In the long term, we could provide new stations that are equipped with the latest designs in safety features with adequate living quarters for future expansion.

It is also possible that the use of 24/7 paid staff could help to lower our Insurance Service Organization (ISO) rating, subsequently reducing insurance costs.

5. **Will paid personnel be used to replace volunteers?**

ABSOLUTELY NOT! PFPD has a rich tradition of volunteer service and prides itself on our volunteers. They are a very well-trained and dedicated group and will always be a primary resource. What we plan to do with the paid staffing is to provide faster “out-the-door” services that will enhance and support the volunteer response. This will also allow our volunteers to focus on the important calls for service and not require them to be the first on call for minor incidents and public service needs, especially in the middle of the night, on weekends, and holidays. We will always need the volunteers to respond to structure fires, vehicle accidents, rescue situations, etc. This will relieve the burden of the more routine and non-emergency calls and provide a quicker initial response and enhance the safety of all involved.

6. **Why not just recruit more volunteers?**

It is the intent of the PFPD to continue to recruit and to enlarge our core group of volunteers; however, volunteerism is declining throughout the United States. It is becoming more and more difficult for young families to devote time to volunteer for any volunteer organizations, (much less the fire service). Add to that, a Volunteer Firefighter must complete a minimum of 240 hours of firefighter training plus another 40 hours of Hazardous Materials Operations training just to receive certification as a Firefighter I (The lowest certification level for an interior firefighter). Then they must complete a minimum of 36 hours of training per year to retain their certification.

On top of the training they are expected to respond to emergencies day or night, weekends, holidays, birthdays, and special occasion. There are no other volunteer organizations that expect you to leave your home and family during important family time and put your life on the line to help total strangers.



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Another issue we face is that most of our younger volunteers are looking not to volunteer for the next 20 or more years for a very small pension but are looking at the fire service for a career. If it is not available through PFPD, they will be forced to move somewhere else for the opportunity.

7. **Where do you intend to find firefighters to take these jobs?**

PFPD's first priority will be to hire from within our current pool of volunteer firefighters. We will also look at doing a recruit class from our local community to find capable applicants. It may be necessary to look outside the Department to the region and possibly further, but our local citizens will always be given priority.

Our hope is that we can keep our people local and also develop a recruitment plan through our local High School to provide a path for those that are interested in the fire service as a career.

8. **What other funding sources are available?**

PFPD receive over 90% of its funding through property taxes. We do receive a very limited amount through reimbursement from responses to motor vehicle accidents involving non-residents of the Fire District and from responses to emergencies outside the boundaries of the PFPD. This is typically less than \$20,000 per year.

We also receive funds from "specific ownership" (license plate sales). This can amount to less than \$100,000 per year but varies from year to year.

PFPD applies for as many grant opportunities as possible but we have received limited funding from grants. We also must be able to show that we have money available for "matching" funds prior to approval. Grant funding must be used specifically for the project and/or equipment requested.

During the wildland fire season when apparatus and personnel are available we will be sending out teams around the country to assist with large fires. We do receive a reimbursement for the personnel costs and for "rental" of the apparatus but this is also dependent on the fire conditions both in other areas and more



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importantly here at home. We will never deplete our resources for an outside deployment that would leave us vulnerable here at home.

9. **What was the Gallagher Amendment and how did it affect PFPD?**

The Gallagher Amendment is an amendment to the State of Colorado Constitution that affects the way property taxes are assessed throughout the State. This amendment sets the taxable value on your property based on whether it is residential or non-residential. Non-residential tax must remain at a certain percentage level compared to residential and when that percentage drops then assessed valuation of residential property is modified to correct those percentages.

In 2017, the Gallagher Amendment reduced the percentage of evaluation for residential property to 7.2% down from 7.67%. What this means is that for every \$100,000 of value in your home you are taxed on 7.2% of that amount or \$7,200. So for a \$300,000 home you are only taxed on \$21,600. When you multiply that by the mill, you receive your taxed amount.

Also in 2017 Archuleta County reassessed our property values. Most of the properties improved in value and would have had a subsequent increase in property tax. However, that increased amount was limited by Gallagher and most properties saw a very small increase in property tax paid.

For the PFPD we saw an increase in taxation of approximately \$42,000 but to put this into perspective our health care insurance costs increased by over \$35,000. Another factor is that with the Taxpayer's Bill of Rights (TABOR), when the percentages change to make the residential property tax rate lower than the requirements in Gallagher the assessment rate cannot be increased without a statewide vote. Therefore, there is no correction to increase your residential property tax without you having a say in the process. This is good for the individual but can cause issues for those organizations that rely on property taxes for funding.



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10. When was the last mill increase?

The original mill levy set in 1976 was 1.48, this increased slightly over the years until it reached 3.208 in 1991. In 1992 the mill was increased to 4.684. During this time the District entered into the Volunteer Pension Program and in 1990 the rate for the pension was set at 0.5 of the mill, meaning that at 4.684 the actual operating fund is based off of 4.184 mill. In 1998 the mill actually DECREASED to 4.067 with 0.5 still going to the pension system (3.567 for operating costs). The mill has remained at this 1998 level until now.