

Attachment #1

FIRE/EMS FUNDING COMMITTEE

April 9, 2019

Committee Members

■ Committee Members:

- *Kathy Connell, Chair*
- *Gary Cogswell, Vice Chair*
- *Bud Romberg*
- *Joella West*
- *Dan Pirrallo*
- *Ed Macarthur*
- *Steve Sehnert*

■ Council/Staff:

- *Robin Crossan*
- *Sonja Macys*
- *Gary Suiter*
- *Kendall Yeager*
- *Mel Stewart*
- *Chuck Cerasoli*
- *Kim Weber*
- *Dan Foote*

Committee Objectives

- Develop and evaluate viable options for paying for a new central fire station and staffing
- Consider paying for operations and capital in a way that the citizens will support
- Consider phasing if necessary
- Avoid site analysis discussion
- Deliver a report to City Council by mid-April

Ground Rules

- Member comments should be limited to 3 minutes
- Be open minded to all suggestions – listen
- The Committee will be apolitical
- This is a working committee, but may accept public comment at the committee's discretion
- Decisions will focus on the greater good of the community. Who pays and is it fair?

Committee Consensus

- Core Function - Fire & EMS are core functions of the City
- Fairness - Fairness and who pays is important when looking at new revenue sources.
- Funding - A mix of “sin”/alcohol tax and property tax should be used to fund Fire/EMS service in addition to the charges for service and SSAFPD contracted services payment.
 - Property Tax - *There is a rational nexus between Fire Protection, property value, and service provided to second homeowners.*
 - Sin Tax - *There seems to be a rational nexus between EMS service and alcohol related incidents and impaired driving.*
- Gallagher – In suggesting a mill levy for property tax, consideration needs to be given to the impact on commercial due to the Gallagher Amendment.
- IGA – The City and the Fire District should continue to work under the current IGA with some amendments and a review and revision of the cost share allocation.
- Dedication – New revenue should be dedicated for Public Safety

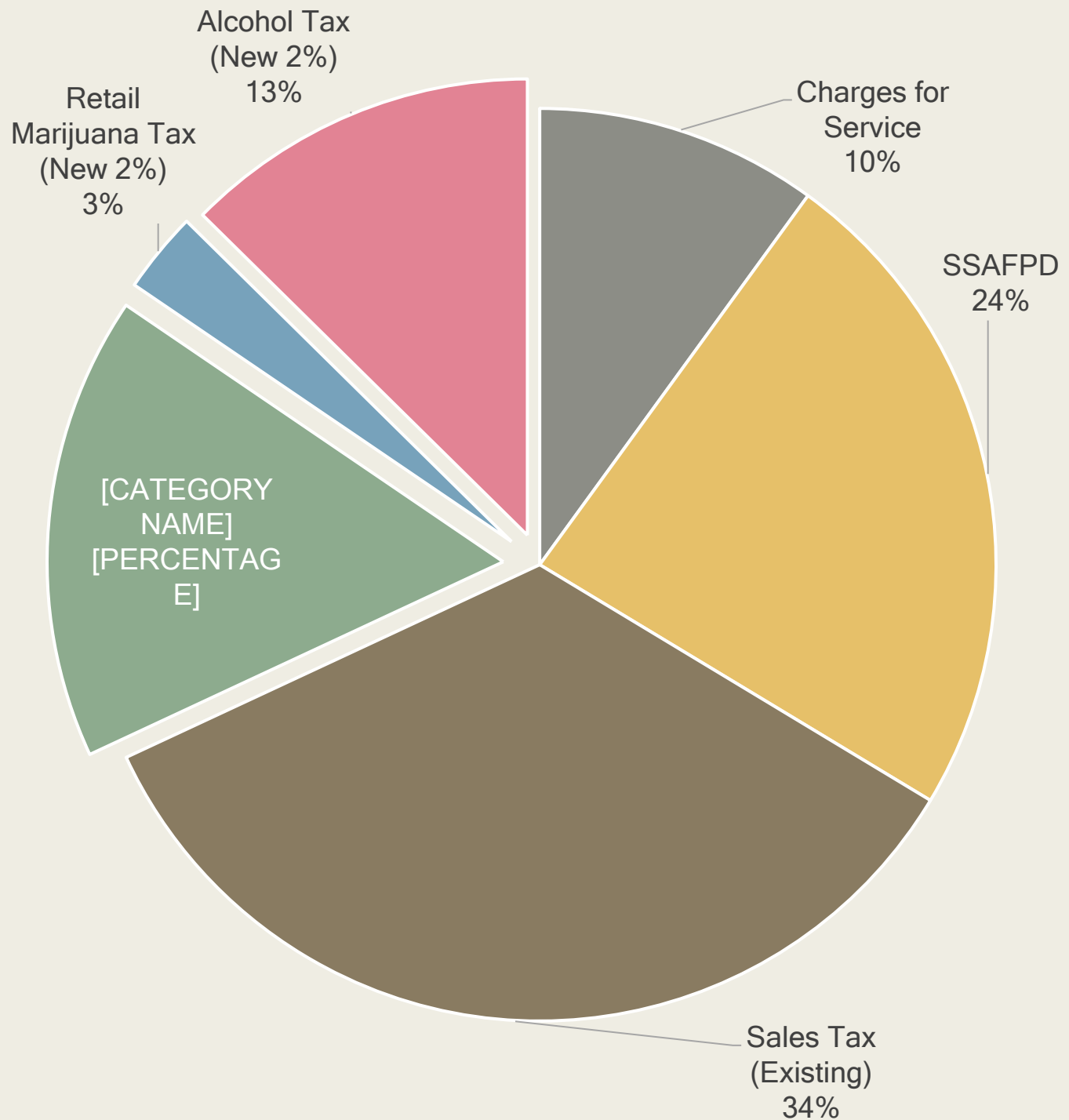
Budget Scenario

1

(Committee Option "E")

Charges for Service	\$793,200
SSAFPD	1,873,768
City Sales Tax (Existing)	2,729,075
Property Tax (New) 2 Mills	1,303,848
Retail Marijuana Tax (2%)	228,367
<u>*Alcohol Sales Tax (2%)</u>	<u>1,071,742</u>
Estimated Total	\$8,000,000

*Based on liquor store sales plus 20% of restaurant sales.



Scenario 1 – Full Committee Consensus

(Committee Option “E”)

■ Positives

- *Aligns with EMS call types*
- *Not adding more general sales taxes*
- *2 mill property taxes much lower than original proposal of 9 mills*
- *Property tax -- 2nd home owners help pay for Fire/EMS services*
- *Commercial representatives on committee supported this scenario*

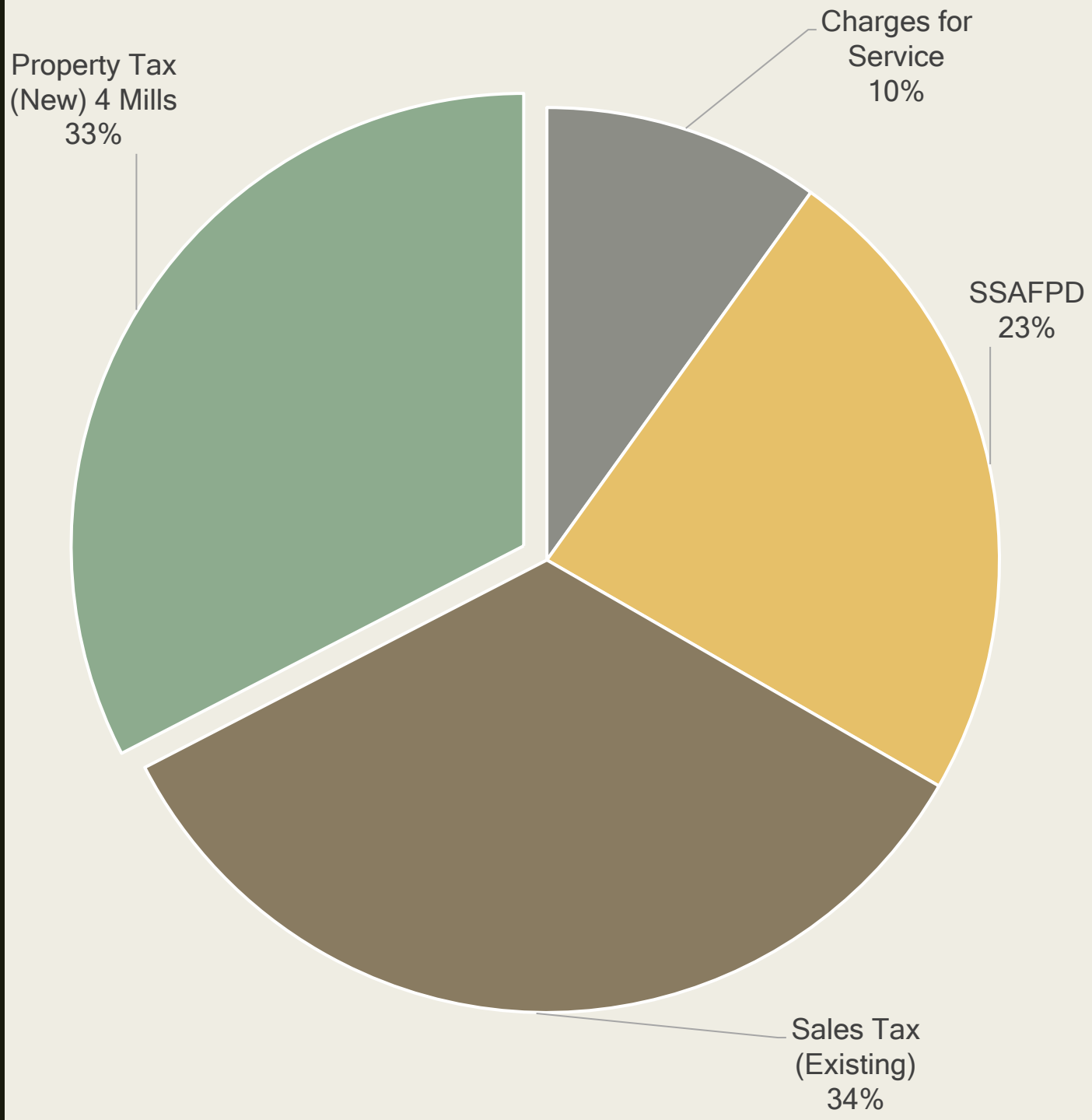
■ Considerations

- *Property tax -- Gallagher Effect*

Budget Scenario 2

(Committee Option "A")

Charges for Service	\$793,200
SSAFPD	1,873,768
City Sales Tax (Existing)	2,729,075
<u>Property Tax (New) 4 Mills</u>	<u>2,603,957</u>
Estimated Total	\$8,000,000



Scenario 2

(Committee Option “A”)

■ Positives

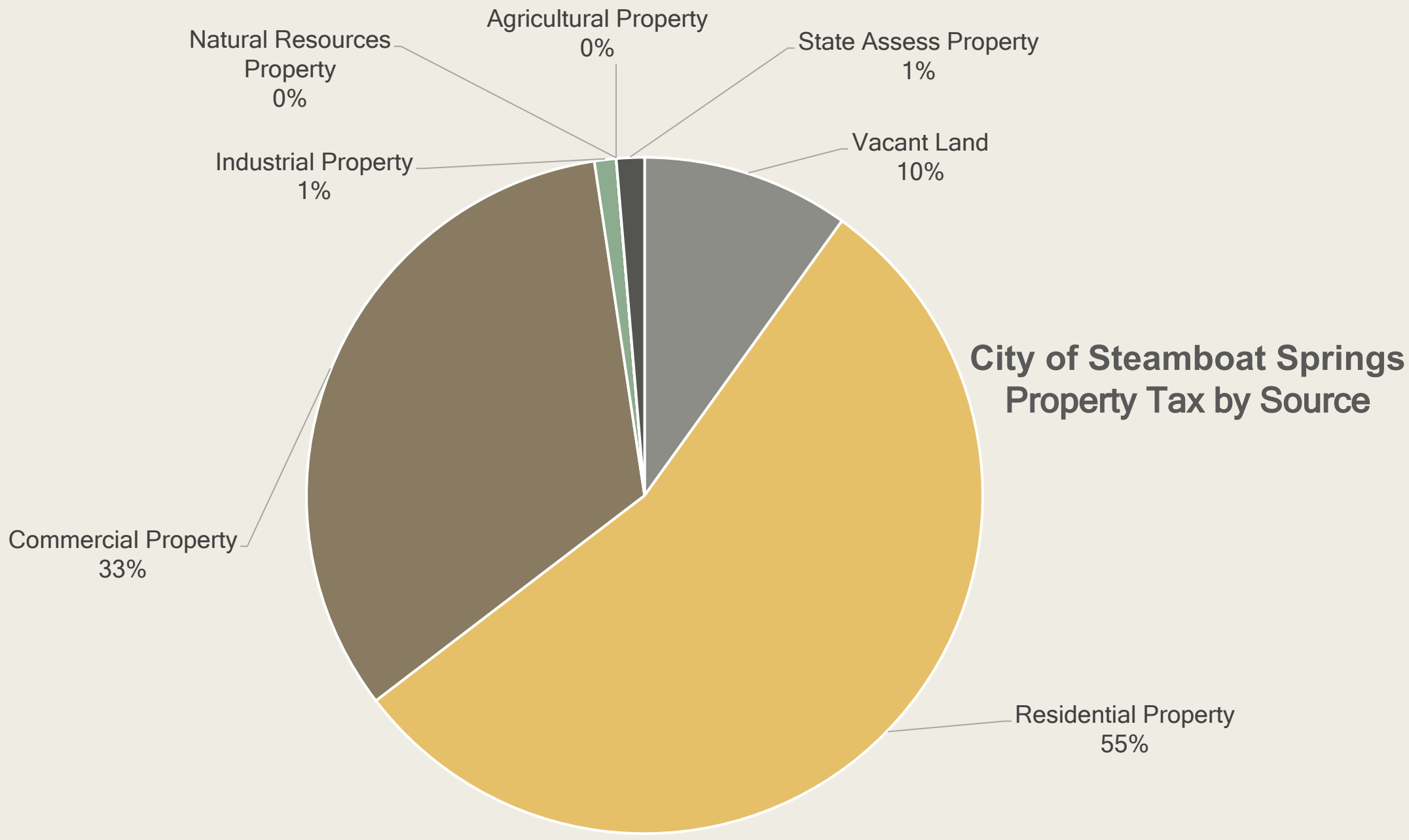
- *Not adding more general sales taxes*
- *4 mill property taxes lower than original proposal of 9 mills*
- *Property tax -- 2nd home owners help pay for Fire/EMS services*

■ Considerations

- *Property tax -- Gallagher Effect*
- *Commercial representatives on committee did not support this scenario*

City Property Tax – 2 Mills

	<u>Actual Value</u>	<u>% of Actual Value that is taxable</u>	<u>Assessed Value</u>	<u>Property Tax Revenue</u>	<u>% of total revenue</u>
Vacant Land	\$ 237,665,920	29%	\$ 68,923,210	6	\$137,84 10.6%
Residential Property	5,280,147,830	7.20%	380,169,950	40	760,3 58.3%
Commercial Property	790,832,480	29%	229,341,690	83	458,6 35.2%
Industrial Property	24,896,030	29%	7,219,830	40	14,4 1.1%
Agricultural Property	33,250	29%	9,630	19	0.0%
Natural Resources Property	68	29%	20	0	0.0%
State Assess Property	32,079,410	29%	9,303,100	06	18,6 1.4%
Exempt	359,864,440	0%	-	-	0.0%
TIF - Urban Redevelopment			(43,043,528)	87)	(86,0 -6.6%
	<u>\$ 6,725,519,428</u>		<u>\$ 651,923,902</u>	<u>\$1,303,848</u>	<u>100.0%</u>



**City of Steamboat Springs
Property Tax by Source**

Central Fire Station (Site & Construction)

- Phased approach – Initial years of new revenue source used for capital
- Utilize sales proceeds of 840 Yampa
- Grant funding for combined facility with District
- Bond Issuance should be considered to help fund new Fire/EMS Station
 - *Debt service payments should be accounted for within \$8M budget*
- Work within proposed taxes in scenarios (\$8M budget)

Recommendations completed with limited information on site and budget. May need further Council review.

Other Considerations

- Collaborative approach
- New taxes should be dedicated to Fire/EMS & Public Safety (full committee consensus)
 - *Ballot language would need to reflect this*
- Other funding sources considered by committee but no consensus to move forward at this time:
 - *Entertainment Tax (Lift Tax)*
 - *Food & Beverage Tax*
 - *General Sales Tax*
 - *Utilizing sales tax revenue currently earmarked for Chamber Destination Marketing*

Discussion