

CITY COUNCIL COMMUNICATION FORM

FROM: Gary Suiter, City Manager
Kim Weber, Finance Director

THROUGH: N/A

DATE: May 7, 2019

ITEM: Fire/EMS Funding Update.

<input type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input type="checkbox"/>	ORDINANCE
<input type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION
<input type="checkbox"/>	PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

On April 9, 2019 the Fire/EMS Funding Citizens Committee presented to City Council their recommendations on options of how to fund Fire/EMS services for the City of Steamboat Springs. The committee provided two funding alternatives that both involved new taxes for the City of Steamboat Springs. During the discussion regarding the alternatives, City Council expressed the desire to get more information on the current Fire/EMS Department Budget along with the projected budget in which the funding alternatives are based on.

This presentation starts with the current 2019 budget, expands into the 5-year projected budget based on the 2018 Fire/EMS Strategic Plan, recaps the two funding recommendations from the committee, and provides alternatives for fire station funding. Within the presentation the budget is summarized into divisions and categories, however the detailed 2019 budget is provided in Attachment 2.

The budget projections assume that the City and the Steamboat Springs Area Fire Protection District (SSAFPD) will be continuing to operate under the current

Intergovernmental Agreement (IGA) and the district will be responsible for approximately 26% of the net cost of Fire/EMS services. At the current (2018) assessed valuation of the SSAFPD, 9 mills (maximum approved) would generate \$1.76M in revenue for the district. Based on our projections, the SSAFPD's portion of cost would be approximately \$1.84M in 2024. The difference could be made up by increasing assessed valuations, voter approved increase in mill levy, temporarily utilizing reserves, or other methods as determined by the SSAFPD Board.

II. SUMMARY AND ALTERNATIVES:

Option 1 – Direct staff to pursue recommendation #1 which includes a marijuana tax, alcohol tax, and 2 mill property tax

Option 2 – Direct staff to pursue recommendation #2 which includes a 4 mill property tax

Option 3 – Direct staff to investigate other funding options

Option 4 – Direct Fire/EMS department to revisit the budget projections and 2018 strategic plan

Option 5 – Request staff to provide additional information

III. STAFF RECOMMENDATION:

Staff is recommending option 2. (See pros and cons in Attachment 1)

IV. FISCAL IMPACT:

The fiscal impacts of the 2018 Fire/EMS strategic plan are approximately \$8M annually within a 5-year timeframe which is about \$2.6M more than the current budget. The fiscal impacts of a new fire station are unknown at this time, but under the current IGA with the Fire District, the City would be responsible for 67% of the cost of the station.

V. LEGAL ISSUES:

TABOR requires new taxes and new debt to be approved by the voters.

The revenue calculations for the Steamboat Springs Area Fire Protection District assumes that the City and the district will be operating under the current IGA.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

None noted.

VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:

1) Develop a long-term fiscal sustainability plan for the City, which incorporates revenue diversification, cost recovery, asset performance for facilities, and community education and outreach.

a) All Things Fire

ATTACHMENTS:

Attachment 1: Fire/EMS Funding Presentation.

Attachment 2: Fire/EMS 2019 Budget Detail.