

June 30, 2011



FACTUAL SUMMARY
City of Evans, Colorado
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Organization of the Evans Fire Protection District and Related Issues
November 1, 2011 Election

Background. The City of Evans ("**City**") Fire Rescue Department currently provides the community with fire suppression and related investigatory activities, fire prevention and public education services, emergency rescue and extrication services, hazardous materials services, and emergency medical services (collectively, "**Emergency Services**"). As the City's population has grown, the Fire Rescue Department has experienced an increasing number of calls for service each year. At the same time, the volunteer firefighter system has declined and the economy has shrunk, resulting in fewer numbers of firefighters responding to calls and less revenue for the Fire Department to use for fire trucks, equipment, and operations. The City's long-range revenue projections are inadequate to address these issues.

City of Evans Fire Rescue Department:

- Number of calls for service increased nearly 100% between 2000 and 2010.
- Number of firefighters responding to calls for service has decreased every year since 2007.
- 1 out of every 10 calls for service is received when the Fire Rescue Department already is responding to another call (*i.e.*, 1 out of every 10 calls is a "concurrent" call for service).
- No funds available to replace aging fire trucks.
- Receives less than 65% of the average Emergency Services funding per citizen as compared to similar communities.
- City of Evans has the second-lowest combined fire and municipal property tax of all Weld County municipalities, and has not asked for a property tax increase in 20 years.

Organization of the Evans Fire Protection District

Summary. The organization of the Evans Fire Protection District ("**Fire District**") would establish a new local government whose only responsibility is to provide Emergency Services to the City and its citizens. The City would transfer its Emergency Services operations from the Fire Rescue Department to the Fire District, and would be relieved from funding and providing Emergency Services.

Benefits.

- The Fire District's revenue will be generated almost entirely from its own property tax, so the Fire District will have a stable and predictable revenue stream to meet the City's Emergency Services needs. Other City services, such as police protection and road maintenance, will not have to compete with Emergency Services for City funding.
- The Fire District Board of Directors, which will be comprised of five elected officials, will devote all of its time, efforts, and revenue toward providing Emergency Services, and can critically analyze all revenues and expenditures to ensure taxpayer dollars are being allocated in a way that promotes the highest quality Emergency Services for the dollars expended.
- The Fire District Board of Directors will be able to gain a detailed understanding of the Emergency Services industry, the needs and best interests of the community, emerging trends and technologies, and new options for enhancing the health, safety, and welfare of the City's citizens.
- Because the Fire District will conform its boundaries to the City's boundaries, the Fire District will maintain a close identification and relationship with the City, and will continue to provide the same services to the City and its citizens that historically have been provided by the City's Fire Rescue Department.

Drawbacks. The organization of the Fire District will establish a new local government that will provide only Emergency Services. For voters who support less and smaller government, the establishment of a new local government may be contrary to this objective, even though the Fire District will not provide the same services as the City.

5.5 Initial Operating Mill Levy for the Evans Fire Protection District

Summary. The Fire District's initial property tax of 5.5 mills would result in approximately \$596,008 of new revenue to the Fire District annually, increasing the Emergency Services funding per citizen to 91% of the average as compared to

similar communities, and raising the City's combined fire and municipal property tax closer to the average for Weld County municipalities. Organization of the Fire District is conditioned on the voters also approving the initial operating mill levy.

Benefits.

The revenue the Fire District receives from the 5.5 initial operating mill levy will be used to:

- Hire 9 additional part-time firefighters. The additional firefighters will increase the Fire District's staffing by 1.5 firefighters on every shift, and will allow the Fire District to answer concurrent calls for service 90% of the time, instead of 50% of the time as allowed by current staffing.
- Establish a fund for replacement of aging fire trucks and vehicles, including replacement in 2012 of the current 1986 50-foot combination pumper/ladder truck with a new 75-foot combination pumper/ladder truck. The Fire Rescue Department currently does not receive any funding to replace fire trucks.
- Maintain and replace large equipment and tools, such as self-contained breathing apparatus, personal protective equipment, and communications equipment.
- Restore the supplies and services budget to a level that will support the Fire District's daily operations and Emergency Services objectives. The Fire Rescue Department's supplies and services budget has decreased over 30% since 2006.
- Provide administrative services necessary to operate the Fire District and to support the enhanced Emergency Services described above.

Drawbacks. The 5.5 initial operating mill levy will increase the tax burden on taxpayers. The new mill levy will increase property taxes approximately as follows:

Improved Residential	Per Month	Improved Commercial	Per Month
Avg. Mobile Home	\$1.43	Retail Store (4,135 sq. feet)	\$76.91
\$100,000 Home	\$3.65	Mobile Home Community (112 lots)	\$80.16
\$175,000 Home	\$6.39	Strip Mall (26,782 sq. feet)	\$195.75
\$250,000 Home	\$9.12	Apartment Complex (13 buildings)	\$385.25

Removal of Revenue and Spending Limits for the Evans Fire Protection District

Summary. Removing revenue and spending limits, also known as "de-Brucing", will allow the Fire District to collect, retain, and use all property tax and other revenue it receives in a given year without a corresponding "offset" in the form of future revenue reductions. The Fire District will not be allowed to increase taxes without prior voter approval. Organization of the Fire District is conditioned on the voters also approving the removal of revenue and spending limits.

Benefits. Removing revenue and spending limits will ensure a stable and predictable revenue source and will allow the Fire District to project its revenue for at least a few years into the future. This will enable the Fire District to engage in strategic and long-term planning regarding the Fire District's budget, expenditures, and Emergency Services operations.

Drawbacks. Removal of revenue and spending limits will relieve the Fire District from following the restrictions on revenue and spending imposed by TABOR and C.R.S. § 29-1-301 (*i.e.*, the 5.5% revenue cap). For voters who support less and smaller government, relieving the Fire District from these caps may be contrary to this objective.

Authorization of the IGA Between the City of Evans and the Evans Fire Protection District

Summary. Authorization of the Intergovernmental Agreement ("**IGA**") between the City and the Fire District will give voter approval to a written agreement between the City and the Fire District related to the transfer of Emergency Services to the Fire District, the City's financial support during the transition, City/Fire District cooperation and their future relationship, and other similar issues. Organization of the Fire District is conditioned on the voters also approving the IGA.

Benefits. The IGA between the City and the Fire District is an essential part of the organization of the Fire District. The IGA provides an agreed-upon process for the efficient and effective organization and operation of the Fire District, including an agreement by the City to provide financial support to the Fire District until the Fire District receives sufficient independent revenue to support all of its Emergency Services operations. The amount of City funding will be equal to the amount of funding the City currently provides to the Fire Rescue Department. Without approval of the IGA, the Fire District's ability to organize and to provide Emergency Services will be significantly impaired.

Drawbacks. The IGA commits the City to providing the Fire District with the same level of funding that the City currently allocates for Emergency Services, approximately \$1,426,163 per year. The City's funding contribution will continue until the Fire District receives sufficient independent revenue to support its operations; until then, the funding will not be available for use by other City services.