

Evans Fire District Proposal

Staff Report and Recommendations

Section I: Introduction

This briefing paper is the culmination of six months work by the Fire District Taskforce appointed by City Council in July 2010. At its regular meeting on March 15, 2011 the Evans City Council will consider Ordinance [REDACTED] approving the Evans Fire Protection District Service Plan and Intergovernmental Agreement (IGA) between the City and District. If City Council approves Ordinance [REDACTED], it will be forwarded to the Weld County District Court for review. All of the procedures outlined in State law have been followed, including the required public, property owner and governmental notifications.

The process required to organize a fire protection district is specified in the Colorado Revised Statutes. City Council's adoption of the proposed Ordinance approving the Service Plan and IGA is the third step in the total process. The process cannot continue unless City Council adopts the attached Ordinance approving the Service Plan and IGA.

Section VI of this briefing paper describes the Taskforce recommendations. These recommendations include the proposed fire district providing the same services and service levels currently provided by the City of Evans Fire Rescue Department, as well as several improvements designed to provide fire and emergency services for a fire protection district serving almost 20,000 citizens. The Taskforce further recommends that at the organization election in November 2011 the electors of the proposed district approve 5.5 mills of new property tax. This new dedicated property tax would increase the number of on-duty firefighters (which would provide more personnel during the critical initial attack for structure fires and improve coverage for two concurrent calls for service), replacement of major fire trucks, improve operations support and provide administrative services.

The Taskforce's work followed a 2010 Fire Study by Emergency Services Consulting Inc. that identified many shortcomings in the provision of fire and emergency service in Evans. These shortcomings included a growing discrepancy between the impacts of community growth and the ability of the City's Fire Rescue Department to fund and provide those services, and the decreasing number of firefighters available for structure fires and to respond to concurrent calls for service. The decline of the traditional volunteer firefighter system and the inability to fund the replacement of major fire trucks and critical firefighting equipment were identified as significant problems.

The Taskforce further recommends a two-step organization process. In the first step, the Fire District would be organized and funded partially with the dedicated property tax of 5.5 mills. During this step, the City would contribute to the Fire District the amount

projected for fire and emergency services in the City's long-range budget plan through the IGA. During the first step, the Fire District would lease all fire stations, administrative office space, training facilities, equipment and personnel from the City. In the second step, the City would reduce its current property tax by 10 mills on condition that the Fire District voters approve increasing the Fire District's property tax by 10 mills. The District would seek voter approval to increase in its property tax by 10 mills. This would result in no new increase in property taxes to the property owners in the City and Fire District. Once this "property tax transfer" has been accomplished, and the Fire District begins receiving sufficient revenue from the increased property tax to meet its financial obligations, all fire stations, fire apparatus, and emergency services equipment would be conveyed to the District. The administrative office space and the land on which the training facility is located would be leased to the Fire District for 99 years. All of the City's volunteer and paid emergency services personnel would be transferred to the Fire District. In future years, the Fire District would be funded primarily from the revenue generated from its 15.5 mills of dedicated property tax. The City would make an annual financial contribution that is necessary to make up the difference between the property tax revenue and the Fire District's approved budget; provided, however, that the City's annual financial contribution will not exceed the rate of inflation without the City Council's prior approval. The Service Plan and IGA contain provisions for the City's contribution to decrease or be completely eliminated in the future as the Fire District becomes fully self-sustaining from its dedicated property tax.

Section II: Organization Process

The entire Fire District organization project entails six steps. If the project continues on schedule, the electors of the proposed Evans Fire Protection District, which includes registered voters who are residents of Evans and property owners as defined in state law, will vote on the organization of the Fire District and 5.5 mills property tax on November 1, 2011. If approved by the electors, the final step of organization will occur with the Weld County District Court and the Weld County Clerk and Recorder. Once the Fire District is declared organized by the Weld County District Court and the Service Plan, IGA and Court Order are filed with the Weld County Clerk and Recorder, the Fire District will become responsible for fire and emergency services for the City of Evans.

Project initiation: This step occurred in May, June and July of 2010. It ended with City Council's adoption of a resolution formally beginning the process on July 20, 2010 (Attachment A). A key provision of this resolution was appointing a special Fire District Taskforce. The resolution charged the Taskforce with developing the Service Plan and related recommendations for the organization and operation of the proposed Fire District.

Service Plan: The Taskforce worked for six months to prepare the proposed Service Plan, IGA and related recommendations. City Council was briefed by the Taskforce during four work sessions and City Council and senior City staff input was incorporated into the Service Plan, IGA and recommendations. Within this step was a public information drive in January and February. This information drive is described in detail later in this briefing paper.

Service Plan and IGA approval by City Council: Because the proposed Fire District is fully contained within the municipal boundaries of the City of Evans the Evans City Council is the approval body for the proposed Service Plan. At its regularly scheduled meeting on March 15, 2011 the City Council will consider adoption of Ordinance [REDACTED] approving the Service Plan and IGA. City Council action will include a public hearing. All public notices required by state law for the public hearing before City Council have been completed.

Weld County District Court Action: If the City Council adopts Ordinance [REDACTED] approving the Service Plan and IGA, the Weld County District Court will be petitioned to organize the Fire District. In order to petition the Weld County District Court to organize the Fire District, State law requires that the City Ordinance, Service Plan and IGA be accompanied by a petition supporting organizing the Fire District that is signed by at least 200 taxpaying electors in the proposed Fire District. This petition drive is on-going and currently has 236 signatures. Staff anticipates that the necessary petition signatures will be obtained at approximately the same time as City Council's second reading, and possible final action, on Ordinance [REDACTED], currently scheduled for April 5. If City Council gives final approval of the Ordinance, Service Plan and IGA at the April 5 meeting, the attached Ordinance, Service Plan and IGA, along with the signed taxpayer petition, will be submitted to the Weld County District Court in April 2011.

The District Court will review the Ordinance, Service Plan and taxpayer petition for compliance with State law. If the District Court finds the documents to be in compliance with State law, it will issue a Court Order calling for an election on whether the Fire District should be organized. The election will be held as part of the state-wide general election on November 1, 2011.

Organizational Election: Once the Weld County District Court has been petitioned to organize the Fire District, the restrictions of the Fair Campaign Practices Act will apply. This means that the City, the City Council, and all City employees will be significantly restricted as to the actions they can take in their official capacities to support organization of the Fire District until after the election has been conducted.

Based on comments Staff has received from various citizens, at this time it is expected that a separate Political Action Committee (PAC) will be formed. If formed, the PAC will engage in active campaign activities to support organization of the Fire District, may support specific individuals to serve on the initial Fire District Board of Directors, and may support the other Ballot Issues that will be submitted to the voters during the organizational election, such as "de-Brucing" and approving the multi-fiscal year obligations of the City and the Fire District contained in the Service Plan and the IGA. Typically, a PAC will continue its campaign activities through the day of election and then dissolve after the election (assuming a successful election).

Court Order of Organization: If the election is successful, the Weld County District Court will issue an Order declaring the Fire District organized, and the final

organizational documents will be filed with the Weld County Clerk and Recorder. At that time, responsibility for providing all of the City's fire and emergency services will be transferred from the City to the Fire District and the Fire District will begin operations under the provisions of the IGA.

Section III: Public Information

In January and February 2011 the Taskforce and Staff implemented several actions intended to inform the residents and property owners in Evans of the proposed organization of a fire protection district. These actions included two information mailings in the regular City utility bills, an information mailing to residential and business addresses that do not receive utility statements and the State law required property owner notification of the March 15 public hearing. Staff hosted two general public information meetings and one business owner information meeting. Staff also attended or hosted four neighborhood and homeowner association meetings. Information was provided to homeowner associations via telephone and e-mail of record. Since the beginning of the project three articles have been printed in the Greeley Tribune.

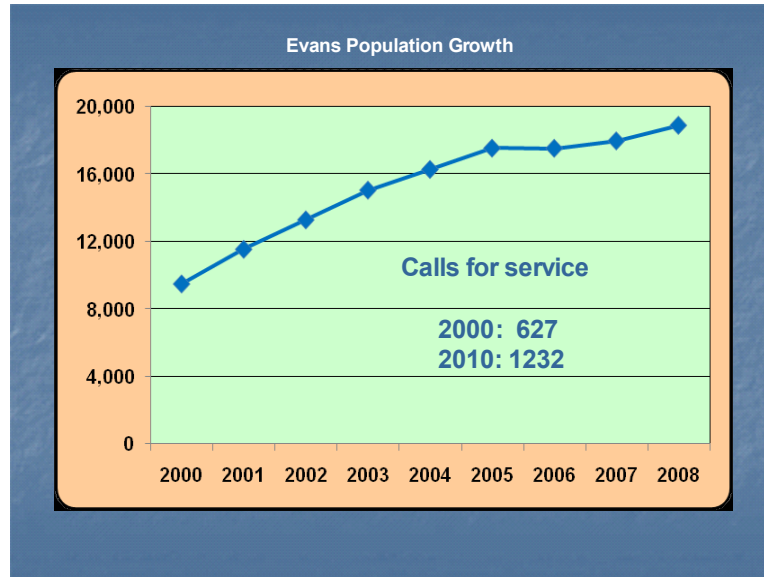
At the beginning of the project an extensive website was developed which contains all project information as well as the minutes of all Taskforce meetings and City Council work sessions on the project. This website is currently being visited an average of 30 times each day. The greatest number of telephone or personal inquires came immediately after the formal property owner notice of the public hearing. About three dozen inquires were addressed, most by providing further information. The Service Plan and IGA being considered by City Council, as well as this staff report, are posted on this website.

The public information and neighborhood meetings hosted or attended by Staff were sparsely attended. A general theme that emerged was recognition of the problem and awareness that some type of change was needed to provide effective fire and emergency services into the future. There was less agreement on the need for a property tax increase. Residents, especially those who had received fire and emergency services, were more supportive than others. Businesses were uniformly opposed to a property tax increase. Residents in the western portions of the City asked specific questions about the Fire Rescue Department's mutual-aid relationship with the Milliken Fire Protection District and Greeley Fire Department, as well as a small Milliken bond tax that Evans residents still pay.

Section IV: Problem Statement

The problems facing the City and its Fire Rescue Department are well documented in the 2010 Fire Study, to a smaller extent in a 2000 Fire Department Management Study and in a number of issue papers developed over the last 10 years. All are related to the growth of the Evans community and the inability to develop a sustainable revenue source to address service expansion. This problem has been exacerbated by the decline of the traditional volunteer firefighter system, combined with the inability to employ enough paid firefighters to provide adequate on-duty staffing.

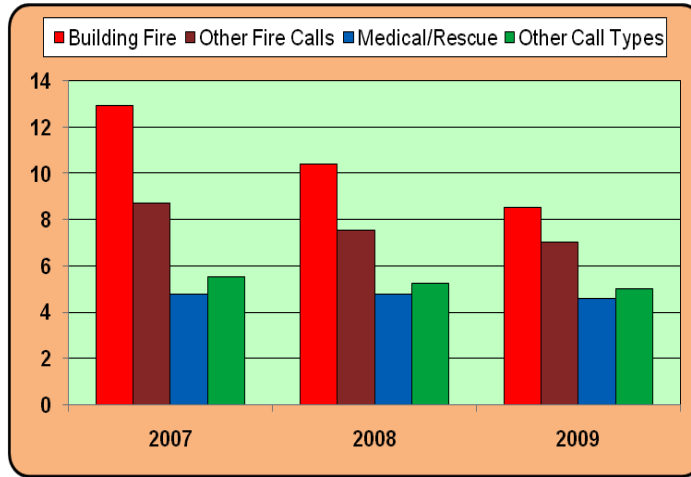
Growth: The number of residents in Evans has doubled over the last 10 years, with the majority of new residential development west of 23rd Avenue. The number of emergency calls for service over this same time period also has doubled to over 1,200 per year.



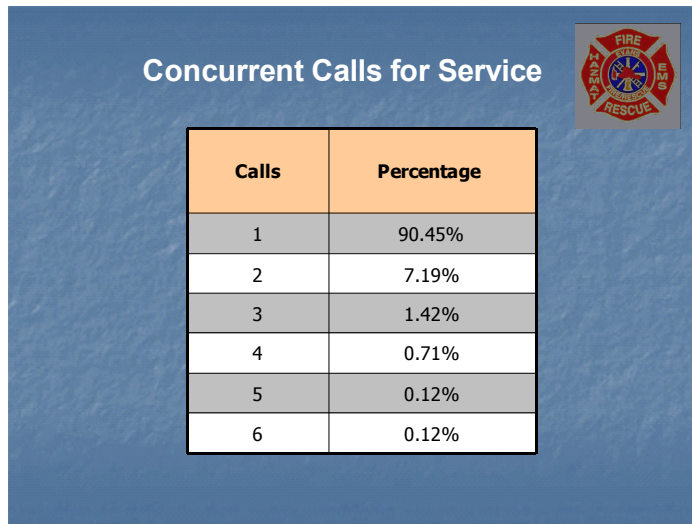
Decline of traditional volunteer firefighters: The ability of residents to contribute the large amount of time on an unrestricted basis to serve as volunteer firefighters has declined to the point where it is no longer possible to rely on this form of organization for the level of service required of a community of almost 20,000 residents. This problem is not unique to Evans. It has occurred, or is occurring, in all growing suburban areas of the State and Weld County. We continue to have an active volunteer firefighter program that saves the taxpayers of Evans approximately \$600,000 per year; however, the new volunteers contribute dedicated blocks of time rather than unrestricted availability from home.

Reduced number of firefighters for structure fires: The Fire Recue Department's ability to field an adequate number of firefighters for structure fires has declined from an average of 13 to 8 over the last 10 years. While we cooperate with neighboring fire departments through mutual-aid and automatic-aid agreements, the ability to deploy an adequate number of firefighters in the critical first 10 minutes of a structure fire is severely hampered by this decrease in average firefighter response. The Fire Recue Department's operational objective is to maintain an on-duty force of seven paid and volunteer firefighters staffing two fire pumpers. This allows us to begin an effective firefighting operation within the critical first 10 minutes that can be supported by off-duty response of paid and volunteer personnel and mutual and automatic-aid from other fire departments. We currently meet this objective approximately 60% of the time.

Decline in Number of Firefighters Responding to Calls



Increasing concurrent calls for service: The number of concurrent calls for service is increasing and now accounts for 10% of the Fire Rescue Department's total calls. This means that 40% of the time we cannot respond in a timely manner to a second call for service. Our operational objective of staffing two fire pumpers would allow us to respond to two concurrent calls for service almost 100% of the time.

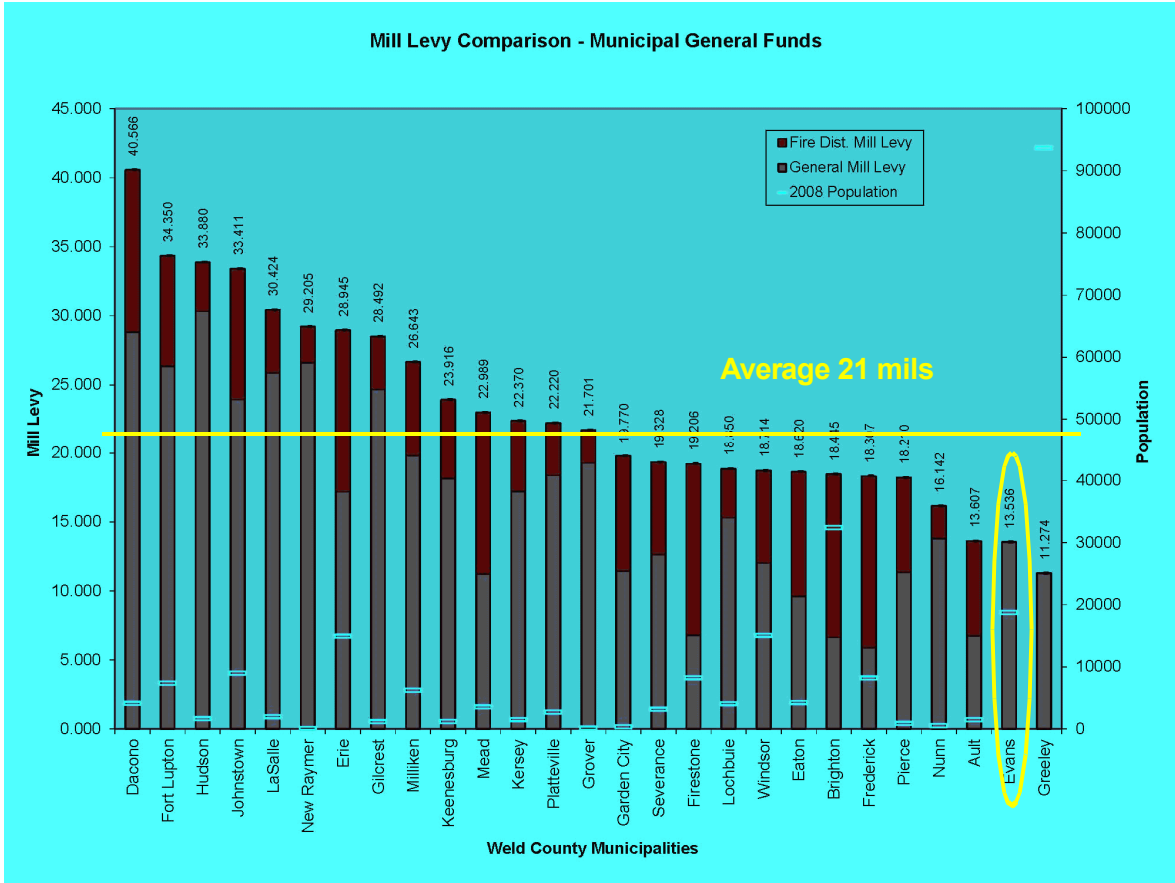


Lack of major fire truck replacement funding: The Fire Rescue Department's current major fire truck fleet includes three fire pumpers. The nationally recognized standard for replacement of this type of apparatus is 10-15 years. The newest of the Fire Rescue Department's pumpers is 10 years old and is nearing replacement. The other two are 15 and 25 years old respectively and are in need of immediate replacement. There is no funding available in the City budget for replacement of these fire trucks.

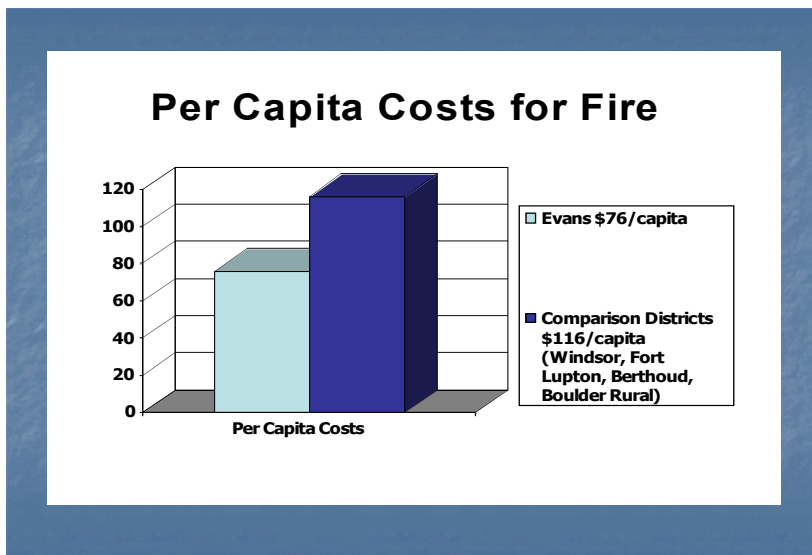
2010 Fire Study Evaluation

Apparatus Designation	Type	Year	Make	Condition	Minimum Staffing	Pump Capacity (gpm)	Tank Capacity (gallons)
Engine No. 1	Pumper	2000	American LaFrance	Fair	3	1,250	400
Engine No. 2	Pumper	1995	E-1	Good	Career/Volunteer 2	1,250	500
Engine No. 3	Pumper	1985	TeleSquirt	Fair	Career/Volunteer 2	1,250	400
Rescue No. 2	Rescue	1995	T-300 Kenmore	Fair	Career/Volunteer 2	N/A	N/A
Brush Truck	Brush	1983	GMC	Poor	Career/Volunteer 2	250	250
Tower No. 2	Aerial	1991	LTI	Poor	Career/Volunteer 2	1500	400

Low property tax rate: With the exception of Evans and Greeley, all fire and emergency services in Weld County are provided by fire protection districts. There are 27 cities and towns in Weld County that are served by fire districts. The average combination of city or town property tax and fire district tax rate is 21 mills. The property tax mill levy in Evans is 13.536, 64.5% of this average. Additionally, the City has not asked the citizens for a property tax increase in over 20 years. This low tax rate directly contributes to the City's inability to fund fire and emergency services within the new environment of growth and decline of traditional volunteers.



Currently, the direct cost of fire and emergency services in Evans is \$76 per resident. As shown below this is well below the average of \$116 per resident for fire districts that provide service to similar populations and communities.



Section V: Why a Fire District

A fire protection district is a quasi-municipal political subdivision of the State of Colorado established and operated under Title 32 of the Colorado Revised Statutes. It is one of many types of special districts which include water and sewer districts, parks and recreation districts, health and hospital districts, ambulance districts and metropolitan districts. There are 17 fire protection districts wholly contained within Weld County. The largest in geographic size is New Raymer-Stoneham with a very small population. The fire district with the most population is Windsor-Severance at about 28,000 residents. As noted previously Evans is one of only two cities or towns in Weld County that is served by a municipal fire department. The most common and effective method of providing fire and emergency services for small and medium-sized cities in Colorado is through fire protection districts.

The staffing and organizational structures of fire districts vary depending on the size of population served, risks protected and funding. The smaller rural fire districts are staffed completely by volunteers operating only one vehicle. The large urban districts are staffed completely by career personnel with many fire stations. West Metro Fire Protection District is the largest fire district in Colorado, with 313 career employees and 15 fire stations serving a population of 255,000. Like the proposed Evans Fire Protection District, most fire districts are staffed by a combination of paid, volunteer and part-time personnel.

A fire protection district is funded primarily by property taxes. The property tax rate is expressed as a mill levy and the actual taxes collected are calculated by multiplying the mill levy by the assessed value of property in the fire district. Both the tax rate and assessed value are regulated by other State statutes and the State Constitution, including Section 20 of Article X of the State Constitution, commonly known as TABOR. As noted previously the proposed Evans Fire Protection District will be funded primarily with a dedicated property tax and a contribution from the City general fund.

A fire protection district is governed by an elected board of directors. Nominations and elections are regulated by the Colorado Uniform Election Code and the Special District Act. A fire district board typically has five members, or "directors". Qualified electors wishing to run for a board position may nominate themselves and there is no statutory provision allowing director positions to be designated for specific governmental bodies or constituency groups. Fire district boards exercise varying degrees of management and oversight depending on the size, complexity and capabilities of the fire district's management staff. In many respects a fire district board of directors functions in the same way as a city council. The first board of five directors for the proposed Fire District would be elected in the organization election on November 1, 2011.

The conversion of a municipal fire department to a fire protection district, while not common, is not unprecedented. The Town of Estes Park converted its municipal fire department to a fire district in 2009. This conversion provides several specific benefits to the general Evans community and the City of Evans local government. Because a primary

condition of the City in establishing a fire district is close cooperation between the City and Fire District, there also are specific conditions in the Service Plan and IGA that establish this formal cooperation between the new Fire District, Evans City Council and senior City staff in the Fire District transition and long-term operations.

The specific advantages the conversion to a fire district brings to the Evans Community are:

- Dedicated and mostly stable revenue through the dedicated property tax.
- Single issue governance through the elected Board of Directors.
- Foundation for future service improvements through a direct connection to citizens.
- Foundation for intergovernmental cooperation with neighboring fire districts.
- Less competition for future City revenue.

The specific advantages the conversion to a fire district brings to the City of Evans local government are:

- Provides adequate fire and emergency services within a new environment.
- Provides sustainable funding without diminishing other City services.
- Removes fire and emergency services from competition for future City resources.
- Caps City fire and emergency services costs at inflation.
- Provides partnerships between the City and the Fire District to serve citizens and businesses of Evans.

The specific elements of City and Fire District cooperation are evidenced by sections in the Service Plan and IGA requiring:

- City approval of the Service Plan and IGA.
- City approval of material modifications to the Service Plan.
- Inclusion into the Evans Fire Protection District of all properties annexed into the City.
- City approval of inclusions of areas outside the Evans municipal boundaries.
- City IGA funding contribution.

- The Fire District's annual reporting to, and meeting with, the City Council.
- The Fire District's fire chief participating in meetings and communications with senior City Staff on issues that related to fire and emergency services.
- Transition continuity built into the Service Plan and IGA.
- Transparency in the Service Plan.

Section VI: Taskforce Recommendations

The Fire District Taskforce has made recommendations in three areas. First, it recommends that the proposed Fire District continue to provide the fire and emergency services, and service levels, currently provided by the Evans Fire Rescue Department. These services are funded by the City of Evans at a projected cost of \$1.44 million in the 2012 City long-range budget plan. If the Fire District is organized the resources providing these services and budget commitment of the City will be transferred to the Fire District through the Service Plan and IGA.

Second, the Taskforce recommends that the electors of the proposed Fire District be asked to approve the Fire District assessing a property tax of 5.5 mills (which would be in addition to the City's current property tax of 13.536 mills) to fund several critical improvements that would provide service levels consistent with a city of 20,000 residents. In 2012 the 5.5 mills would generate an estimated \$596,008. The recommended improvements are:

Addition of nine part-time firefighters in the second half of 2012: These new part-time positions would supplement the current full-time paid and volunteer firefighters to raise the level of on-duty two-unit availability from 60% to 90%. In addition to increasing the number on on-duty firefighters for initial structure fire attack, it would also cover two concurrent calls for service close to 100%. The annual cost of this improvement is \$168,500.

Creation of a major fire truck replacement fund: This fund would allow the replacement of the three primary pumpers using a 15 year lifecycle. The first fire truck replaced would be the 1986 pumper with a 75' combination pumper/ladder. This replacement truck was originally included in the 2010 budget but dropped in late 2009 when the overall 2010 City budget would not support any major capital purchases. The average annual cost of the program is \$118,000.

Supplies and services and asset management plan: The increases in these areas would partially restore reductions in the replacement of critical equipment, such as self-contained breathing apparatus (SCBAs), firefighting tools and equipment, maintenance, training and light vehicles. This annual increase would be \$123,401.

Administrative costs: In recent years all administrative and full-time fire prevention positions in the Fire Rescue Department have been eliminated. This increase would restore a half-time administrative position and fund the unique administrative costs of operating the Fire District. Many administrative services such as human resources, finance, and information technology would continue to be provided by the City under the IGA. This annual cost is \$186,107.

Third, the Taskforce recommends that the Fire District be organized and funded in two steps. The period of time during which the two steps are implemented is called the "Transition Period" in the Service Plan and IGA. Because the financing structure being proposed is critical to the initial and long-term sustainability of the Fire District, the Taskforce recommends conditioning the Fire District's organization on the voters also approving the 5.5 mills property tax, authorizing the Fire District "de-Brucing", and authorizing the multi-fiscal year obligations of the City and the Fire District set forth in the Service Plan and the IGA.

The first step would organize the Fire District and authorize the Fire District to assess an initial property tax of 5.5 mills. Once the Fire District is organized and authorized to assess its initial property tax, step one will conclude and step two will begin. During step two, the City would adopt an ordinance formally committing to reduce its property tax by 10 mills, if the Fire District's voters approve increasing the Fire District's property tax by 10 mills, for a total property tax of 15.5 mills. These actions would be coordinated so one could not occur without the other.

The second step will be completed, and the Transition Period will end, when (1) the Fire District's voters authorize the Fire District to assess an additional 10 mills of property tax; (2) the City's property tax is reduced by 10 mills; and (3) the Fire District's begins to receive sufficient revenue from the combined 15.5 mills property tax to fund its administrative and operating obligations, with a reduced annual financial contribution by the City. While the property tax transfer in step two is scheduled to happen in 2012, there are provisions in the Service Plan and IGA to extend the Transition Period, if necessary.

During the Transition Period, the District would lease all fire stations, administrative office space, training facility, equipment and personnel from the City. Once the Transition Period ends, the City will convey title to all fire stations, fire apparatus, the training facility and props, and equipment to the District. The City will lease the administrative office space and training land to the Fire District for 99 years at an annual rent of \$1.00. All of the City's paid and volunteer fire and emergency services personnel will be transferred to the Fire District.

During and after the Transition Period, the City's annual financial contribution will continue under the IGA; however, the City's annual financial contribution will be limited to the difference between the Fire District's annual approved budget and the amount of revenue generated from the Fire District's property tax, but in no event will the City's annual financial contribution exceed the applicable rate of inflation without the City's prior consent.

Two-Step Organizational Process

Step 1	Step 2
<p>Establish the Evans Fire Protection District</p> <ul style="list-style-type: none"> ⌘ Develop district policies ⌘ Seat and train board of directors 	<ul style="list-style-type: none"> ⌘ Reduce City Mill by 10 ⌘ Increase Fire District Mill by 10 <p style="text-align: center;">NO Net Increase in Taxes</p>
<p>Funding</p> <ul style="list-style-type: none"> ⌘ 5.5 Mill Levy \$578,946 ⌘ City IGA \$1,443,225 	<p>Funding</p> <ul style="list-style-type: none"> ⌘ District 15.5 Mills ⌘ City IGA
<p>Fire District will Contract w/ City</p> <ul style="list-style-type: none"> ⌘ Personnel ⌘ Equipment ⌘ Facilities 	<p>Transfer all Assets from City to District</p> <ul style="list-style-type: none"> ⌘ Personnel ⌘ Equipment ⌘ Facilities
<p>Improvements</p> <ul style="list-style-type: none"> ⌘ Purchase new fire truck ⌘ Hire nine part -time firefighters 	<p>Fully Operational Evans Fire Protection District</p>

Section VII: Property Owner Exclusions

When a new special district is organized, State law provides property owners the opportunity to apply to the governmental body responsible for approving the Service Plan (in this case the Evans City Council) to exclude their property from the new special district. The governing body must consider these requests and rule on them before or at the time of approving the Service Plan. This issue was specifically discussed in the legal notice sent to all property owners in February 2011. Requests for exclusion must be submitted in writing 10 days before the governing body considers the Service Plan. Fifteen written requests for exclusion were received by the statutory deadline. These are shown in Attachment B. The actual written requests are also attached.

Staff recommends that City Council deny all the exclusion requests for the following reasons:

- Fire and emergency services are common public goods that must be provided to and supported by all citizens within the community. Providing these services on a piecemeal basis endangers adjacent properties and the community at large if the fire and emergency services are not provided uniformly to all.
- All of the exclusion requests are within the developed part of the City and proposed Fire District. If fire and emergency services are transferred to the new Fire District, the excluded properties would not have fire and emergency services

and it is unlikely they would be able to secure timely fire and emergency services from other jurisdictions.

- When fire and emergency services are transferred to the Fire District, the fire code would be enforced by the Fire District; however, excluded properties would not be subject to that enforcement, creating a real potential for fire hazards to exist on the excluded properties that would not be detected and corrected, further endangering adjacent properties and the larger community.
- Due to the risk to adjacent properties the Fire District, and to some extent the City as the general government approving the Service Plan, would be in a position of providing some level of last resort service to protect other properties. This presents serious service and cost recovery problems for the Fire District and the City.
- Excluding individual parcels of property from the Fire District's boundaries will undermine the continued identity and relationship between the Fire District and the City that is established by the Service Plan and IGA.

Section VIII: Service Plan

As discussed above, every newly formed special district is required to prepare a service plan, which must include certain information regarding how the special district will be organized and operated. The proposed Service Plan prepared by the Taskforce has been developed in accordance with the requirements of State law and is intended to provide for the smooth transfer of fire and emergency services from the City's Fire Rescue Department to the Fire District once it is organized. The Service Plan also provides a foundation upon which a close working relationship between the City and the Fire District can be established and maintained.

Among other things, the proposed Service Plan addresses:

- The services to be provided by the Fire District;
- The structure of the Fire District's personnel system and provision of administrative services;
- The Fire District's continued connection to the City of Evans;
- The transition from City- to Fire District-provided services;
- The Fire District's boundaries, including future inclusions, exclusions, and power of dominant eminent domain;
- The Fire District's five-year financial plan, major sources of revenue, and major expenditures related to the Fire District's organization and initial operation;

- The Fire District's arrangements with other political subdivisions, including the City; and
- The City's need for, and the Fire District's ability to provide, fire and emergency services through a fire protection district.

Similar to the City's Home Rule Charter, the Fire District's Service Plan is intended to prescribe the general outline of the Fire District's governance and long-term operations. Other documents, such as the attached IGA with the City (discussed below), mutual and automatic aid agreements, other agreements entered into by the Fire District, motions and resolutions of the Fire District Board, employee and volunteer handbooks, and standard operating guidelines, will implement the general provisions of the Service Plan and establish the day-to-day operations and specific rules governing the Fire District. The Fire District cannot take any action that would constitute a material modification of its Service Plan, unless it goes through the process of formally amending its Service Plan and obtaining City Council approval.

Section IX: Intergovernmental Agreement (IGA)

The IGA between the City and the Fire District provides a great level of specificity regarding the transfer of fire and emergency services to the Fire District after it is organized and the continued relationship between the Fire District and the City. The IGA is incorporated into and attached to the Service Plan, and the Service Plan cannot be approved by the City Council unless the IGA also is approved. The IGA also will be incorporated into, and become a part of, the Weld County District Court's Order organizing the Fire District.

If the Service Plan is approved by the City Council and the Fire District ultimately is organized, the Fire District and the City will sign the IGA within 30 days of the Fire District's organization.

The IGA addresses many of the same issues as the Service Plan, for example, the Fire District's continued connection to the City of Evans and the transition from City- to Fire District-provided services; however, the IGA includes many of the details as to how the parties are to perform within each of these areas. For example, the IGA not only provides that the City will pay an annual contribution to the Fire District, but also provides that the payments will be made quarterly in equal installments and that they will be made by wire transfer. In this way, the IGA implements the Service Plan by establishing the specific mechanisms through which the terms of the Service Plan will be performed.

The specific topical areas addressed in the IGA include:

- The Fire District's jurisdiction and service area, including conforming the parties' boundaries;

- The procedures and timing for transferring the fire and emergency services to the Fire District, including the provision of fire and emergency services during and after the transition period;
- The City's financial obligations, including the annual contribution, TABOR reserve payment, and emergency contingency fund payment;
- Provision of administrative services by the City, including the services to be provided, the creation of an administrative services contract, and payment under and termination of the administrative services contract;
- The Fire District's lease of the City's paid emergency services personnel during the transition period, and hiring of the same after the transition period;
- The Fire District's lease of the City's volunteer emergency services personnel during the transition period, and acceptance of the same into the Fire District's volunteer program after the transition period;
- The acquisition of new emergency services apparatus and equipment during the transition period;
- The transfer or lease of the City's emergency services real and personal property to the Fire District after the transition period;
- The specific areas of continued collaboration between the City and the Fire District; and
- Fire Code adoption and enforcement within the City's boundaries.

Because the terms of the IGA are incorporated into and are integral to the implementation of the Service Plan, the IGA provides that it can be terminated only if the Fire District goes through the process of formally amending its Service Plan to remove the IGA-related provisions and obtaining the City Council's approval.

Section X: Mill Levy Increase

As described previously, the Taskforce recommends that eligible voters within the proposed Fire District authorize it to assess a 5.5 mills property tax at the organization election in November 2011. This would generate an estimated \$590,008 and fund the specific improvements described above. Because this initial property tax authorization is essential to the initial and long-term sustainability of the Fire District, the Taskforce recommends that organization of the Fire District be contingent on the voters approving the 5.5 mills property tax during the same election.

Property tax in Colorado funds almost all county and special district budgets and portions of municipal and schools district budgets. In Evans, property tax constitutes 15% of the

City general fund. In calculating property tax, the estimated market value of real property is converted to “assessed value” using formulas established by State law. Property is assessed at different rates for residential, commercial/industrial, agricultural and vacant land. Commercial and industrial property is assessed at a higher rate than residential. In Evans, the current actual value of property according to the Weld County Assessor is \$883,872,282. The major categories of taxable properties are shown below:

	Actual value	Percentage
Residential	\$649,943,508	76%
Commercial and Industrial	\$108,972,614	12.7%
Oil and Gas	\$21,305,597	2.4%
Vacant Residential and Commercial land	\$18,830,037	2.2%

A "mill" is a unit of taxation. 1 mill equals \$0.001 of tax, which is then multiplied against the assessed value of the property being taxed. As an example, a home in Evans with an actual value of \$150,000 has an assessed value of \$11,940. When the assessed value is multiplied by 1 mill (.001), the tax is \$11.94. Since the City of Evans assesses 13.536 mills of property tax, the property tax paid to the City is \$161.62 (*i.e.*, \$11,940 assessed value x .013536 = \$161.62). This example home would pay an additional \$5.47 per month if the 5.5 mills property tax for the Fire District is approved.

The tables below show the estimated monthly property tax increase if 5.5 mills are assessed against the sample properties and vacant land. It should be noted that a significant amount of vacant residential and commercial property is assessed at agricultural rates. This causes the assessed value and estimated property tax increase to be very low as compared to other vacant lots valued at standard residential and commercial values.

Residential Mill Levy Chart

Market Value	Assessed Value	5.5 Mills Monthly Increase
Avg. Mobile Home		
\$39,200	\$3,120	\$1.43
Single Family Home		
\$75,000	\$5,970	\$2.74
\$100,000	\$7,960	\$3.65
\$125,000	\$9,950	\$4.56
\$150,000	\$11,940	\$5.47
\$175,000	\$13,930	\$6.39
\$200,000	\$15,920	\$7.29
\$225,000	\$17,910	\$8.20
\$250,000	\$19,900	\$9.12

Improved commercial examples

	Assessed Value	5.5 Mills Monthly Increase
Retail Store: 4,135 sq. ft.	\$167,818	\$76.91
Mobile Home Community: 112 lots	\$174,909	\$80.16
Industrial: 13,760 sq. ft.	\$259,272	\$188.83
Strip Mall: 26,782 sq. ft.	\$427,090	\$195.75
Apartment Complex: 13 Buildings	\$840,640	\$385.25

Vacant residential land examples

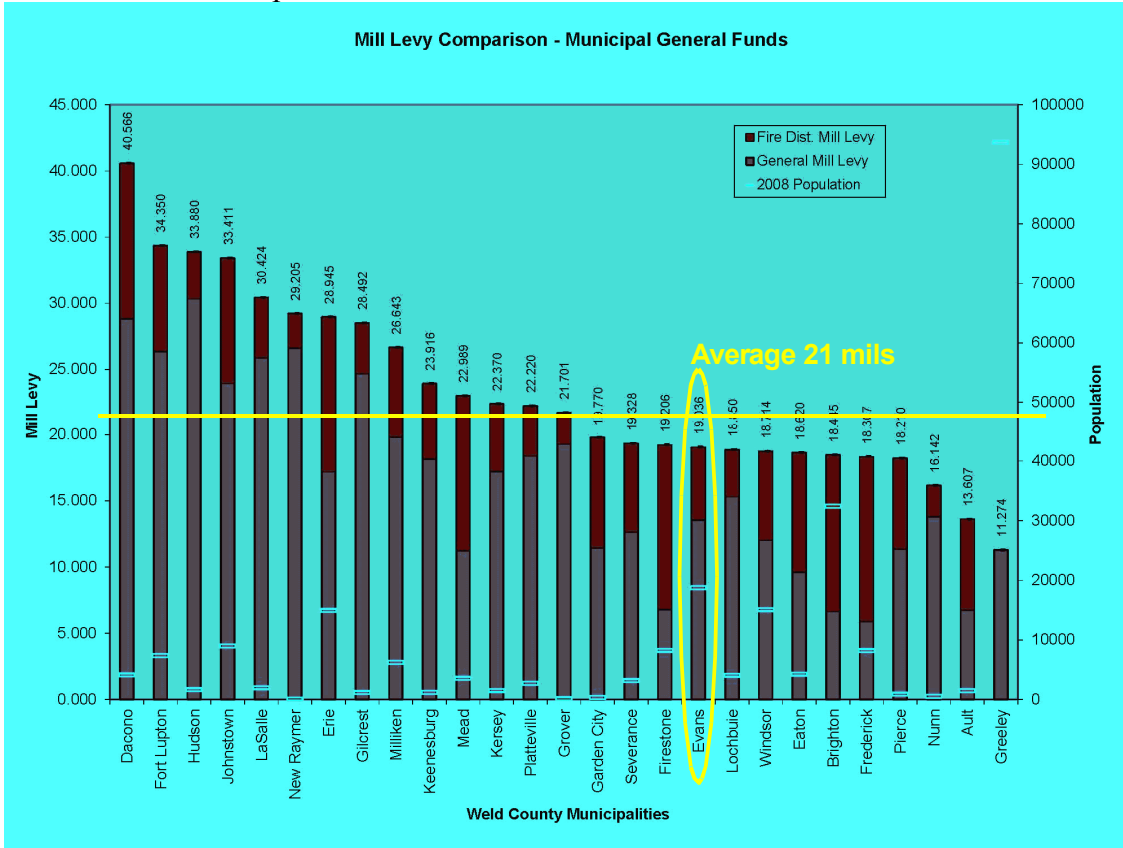
Subdivision	Assessed Value	5.5 Mills Monthly Increase
North Point	\$780	\$.35
Ashcroft	\$2,570	\$1.17
Tuscany	\$5,860	\$2.68
Grapevine Hollow	\$7,520	\$3.44
Nevilles Crossing	\$14,300	\$6.55

Vacant commercial land examples

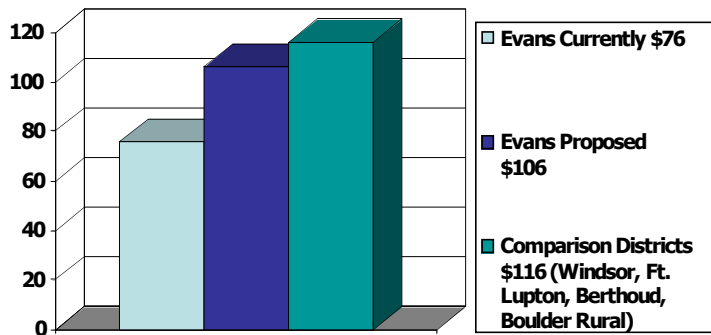
North of 37 th Ave, 23 rd and 35 th Ave corridors	Assessed value	5.5 Mills Monthly Increase
12 acres	\$34,800	\$15.91
14.9 acres	\$43,280	\$19.17
1 acre	\$78,520	\$35.98
9.9 acres	\$131,410	\$60.22
South of 37 th Ave, industrial parks		
1.2 acres	\$80	\$.03
4.3 acres	\$320	\$.14
4.5 acres	\$1,840	\$.85
.5 acre	\$4,930	\$2.25
2.6 acres	\$20,960	\$9.60

If the Fire District is organized, the combined property tax rate in the City of Evans and the Fire District will be 19.036. As shown in the chart below, the combined tax rate will still be less than the average of 21 in cities and towns in Weld County served by fire

districts. The cost per citizen will be \$106, still less than the average of the comparison fire districts of \$116 per citizen.



Cost Per Capita w/ New Funding



Attachment A

CITY OF EVANS, COLORADO

RESOLUTION NO. 24-2010

A RESOLUTION ESTABLISHING PROJECT TO ORGANIZE A
TITLE 32 FIRE PROTECTION DISTRICT WITHIN THE MUNICIPAL
BOUNDARIES OF THE CITY OF EVANS.

WHEREAS, the City Council and the City's employees and volunteers are committed to providing reliable and cost-effective fire protection and emergency services to the citizens, businesses and property within the City; and

WHEREAS, the Colorado Special District Act set forth in Title 32, Article 1 of the Colorado Revised Statutes authorizes the organization of a fire protection district, a separate quasi-municipal corporation and political subdivision of the State of Colorado, to provide fire protection and emergency services to the citizens, businesses and property within its jurisdiction and boundaries; and

WHEREAS, the City Council has determined that establishing a fire protection district with jurisdiction and boundaries that are the same as the corporate boundaries of the City of Evans provides the best opportunity to provide a stable and sustainable revenue source for fire protection and emergency services; and

WHEREAS, the City Council has determined that establishing a fire protection district serving the City of Evans provides the best opportunity to match the fire protection and emergency service needs of the residents and businesses with the level of funding support the citizens and businesses desire; and

WHEREAS, the City Council has determined that establishing a fire protection district provides enhanced capacity to allow fire protection resources to match increased population and urban level development; and

WHEREAS, the City Council has determined that establishing a fire protection district provides increased opportunity to form cooperative relationships with neighboring fire districts, enhancing the fire protection and emergency services provided to the citizens, businesses and property within the City; and

WHEREAS, the City Council recognizes that the interests of the City, residents, businesses, current employees and volunteers of the City Fire Department, and taxpayers must be represented in the fire protection district formation process, and that these interests can best be addressed through the formation of a Fire District Taskforce; and

WHEREAS, the City Council desires the formation and operation of a fire protection district to be a partnership between the City and the fire protection district for the benefit of the citizens, businesses and property they serve; and

WHEREAS, the City Council recognizes that the formation and ongoing operation of a fire protection district will require adequate funding, which may be accomplished through various cooperative funding mechanisms, including but not limited to, a voter-authorized real property tax assessed by the fire protection district and matching reduction in City property taxes, shared funding with the fire protection district through an Intergovernmental Agreement, or other cooperative funding mechanisms.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO, THAT:

1. There is hereby established a project to organize a fire protection district pursuant to the Colorado Special District Act, which fire protection district's jurisdiction and boundaries will be the same as the corporate boundaries of the City of Evans.

2. Effective August 1, 2010 there is hereby established a Fire District Taskforce comprised of those individuals identified on **Attachment A**. The Fire District Taskforce shall continue until the City Council has taken final action to approve a Service Plan for the fire protection district. At the date and time that the City Council takes final action to approve a Service Plan for the fire protection district, the Fire District Taskforce shall automatically dissolve for all purposes with no further action required by the City Council.

3. The Fire District Taskforce shall have the purposes and objectives, and shall be subject to the restrictions, expressly stated in **Attachment B**. The Fire District Taskforce shall have only the implied authority inherently necessary to carry out the purposes and objectives expressly stated in Attachment B.

4. The City Council hereby appropriates and irrevocably pledges funds in the amounts and for the purposes set forth in **Attachment C** for the costs and expenses associated with organization of the fire protection district from the Fire Impact Fund.

5. To maintain a close identity with the City of Evans, the fire protection district shall be named the Evans Fire Protection District.

6. The City of Evans staff, in coordination with the Fire District Taskforce, shall take such actions as are necessary and appropriate to submit the proposed organization of the Evans Fire Protection District to the City's voters during the November 2011 election.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Evans on this 20th day of July, 2010.

CITY OF EVANS,
COLORADO

By: _____

Mayor

ATTEST:

City Clerk

Attachment B

Evans Fire District Proposal Property Owner Exclusion Requests

Single Family Dwellings

1825 42nd Street

4022 Denver Street

3400 Harbor Lane

506 35th Street Court

3222 Grenache Street

3501 Carson Street

Modular or Mobile Homes

2200 37th Street, Number 17

2200 37th Street, Number 116

Business

800 31st Street, Amercias Best Value Inn

3705 West Service Road, 85 Liquors

3625 23rd Avenue, JSPERGM Inc., Village Center

3455 West Service Road, Clayton Homes

3705 West Service Road, RW Industries

Unspecified properties

TEBO Development Co., Unspecified property owned within the proposed district and city owned by the applicant.

M. Timm Development, Inc., Unspecified properties including Crescent Cove apartment complex.