



August 18, 2024

The Eagle River Fire Protection District is considering asking voters to approve a 0.79 percent sales tax to help fund the District's emergency services. The proposed sales tax, which must be approved by voters, would provide critical revenue to maintain the level of service currently provided by ERFPD and ensure that we are properly staffed with well-maintained equipment, while asking visitors and tourists to help pay for the emergency services they rely upon.

The District is primarily funded through property taxes. In accordance with the mill levy implemented by voters in 2012, the District's mill levy rate dropped this year to 6.618 from 9.32 in 2023 to account for the recent assessment increases in Eagle County. That amount of funding is being outpaced by large increases in service calls and the impact of inflation on personnel, equipment and maintenance costs. Over the past five years, service calls have risen by 24 percent as the District's population and visitation increases. ERFPD also faces challenges brought on by our aging population and increasing wildfire risk.

The District needs additional revenue to keep pace with these challenges. However, given recent increases in assessment rates, we do not want to ask homeowners and businesses for a property tax increase.

Without new revenue, the District would transition into a "diminish and suspend" strategy for its operations. That means diminishing engine company staffing, which could include periodic station closures with delayed intervention in fires and other emergencies, and suspending firefighting equipment and fire engine replacement even if required by age and condition.

Current budget projections show that the District would also need to utilize its emergency reserves starting in 2026 for general operations. The emergency reserve is intended to help pay for responses to major disasters like wildfires or floods and help the District continue operations during significant economic downturns (such as what happened in 2009). Current budget projections set the emergency reserve amount at approximately \$3.9 million, but because of increasing operating costs, these same projections also show the emergency reserve dropping below well below \$1 million by 2029, with no ability to replenish it. Using emergency reserves for general operations would not allow the District to ensure proper engine company staffing or replace firefighting equipment and fire engines when required.

That's where a sales tax can provide critical funding. The proposed sales tax, which would not apply to groceries or prescriptions, would ensure that tourists and visitors help fund emergency services and take some of the funding burden off local residents and businesses. Estimates show that approximately half of all sales taxes collected in Eagle County are paid by out-of-town visitors; it's only fair they help contribute to local emergency services.

If the ERFPD board decides to move forward—and voters approve—the sales tax would provide approximately \$6.8 million per year. Those funds would be dedicated to:

- Maintaining fire equipment to extend their useful life and replacing firefighting vehicles when necessary
- Investing in up-to-date firefighter safety gear to protect our emergency personnel and ensure they are prepared to respond to any type of emergency
- Upgrading wildland firefighting equipment
- Providing adequate staffing to address increasing emergency call volume
- Improving and equipping current and future fire stations to maintain prompt response times

This will ensure a fiscally stable agency, with appropriate staffing and equipment and facilities that are maintained and ready to respond when called upon.