

UFSA Frequently Asked Questions for tax increase

Why is this needed or why now?

- The Unified Fire Service Area (UFSA), a local district with taxing authority that represents 12 cities and townships pays Unified Fire Authority (UFA) for services through property taxes. In fact, 91 percent of the funding collected and passed through to UFA originates as property tax. Despite those taxes not being indexed to inflation, UFSA has not sought an increase since 2009. To keep up with inflation and normal increases in UFA operating costs, UFSA is drawing down its financial resources through its fund balance (similar to a savings account), something that is not sustainable. To make the budget whole again and preserve its bond rating, UFSA is seeking to increase the amount it collects from resident and business property tax by 9.56 percent.

How much will I have to pay?

- The increase would mean a \$23.78 annual increase on the property tax for a \$250,000 home and an increase of \$43.24 on a business of the same value.

Does this add more firefighters (or build more fire stations)?

- No. This allows the UFA to continue delivering the service at the level it currently provides.
- The tax will maintain current service levels, help fund apparatus and equipment replacement, help ensure a competitive wage for the Firefighters, and maintain the UFSA bond rating.

UFA recently closed two stations, why do they now need more money?

- The UFA recognized the importance of four-person engines that are about a four-minute drive time from the areas we serve, and made changes to effectively serve targeted areas.
- The Riverton station 120 was flanked by two stations that covered the area within four minutes.
- The Kearns station 107 was actually in the West Jordan City limits due to progressive annexations.
- Staff from those stations were reallocated nearby to create more four-person companies.
- No reductions in firefighter positions occurred due to those station closures.
- Today, 18 of the 24 engine and ladder crews are four-handed.

Why is having four-handed crews important?

- A four-handed crew can accomplish critical tasks faster than a three-handed crew.
- On a fire with no victim inside the house, a three-person crew will have to wait for another crew before they can enter the building. They can attempt to knock down the fire from outside, but OSHA rules requires that two trained, equipped, and available firefighters are outside before a team of two can enter a building on fire.
- When there is a victim inside, a three-person crew can enter the hazardous atmosphere to make the rescue, but they are doing this at greater personal risk without having two people outside to rescue them in the event of a problem.

Isn't there already a plan to purchase new apparatus and equipment?

- The UFA has purchased some new apparatus and equipment over the last ten years, however, the purchases were not captured in a long-range plan.
- This year, a long-range Capital Replacement Plan has been developed that identifies every piece of apparatus and equipment, how many of each we have, its anticipated life span, and the current cost.
 - For example; UFA has 19 Fire Engines. Each one costs \$650,000 and has a life span of 10-12 years, depending upon the amount of use and the conditions for any given area.
 - We have 11 Aerial Trucks. Each one costs \$1,250,000 and also has a life span of 10 - 12 years.
- Over the next 10 years, the UFA is forecasting the need to replace apparatus and equipment totaling approximately \$50 million.

Aren't the UFA Firefighters paid at a competitive rate now?

- After several years of effort by the UFA Board and the IAFF Local, many of the positions are closer to a competitive wage today.
- The UFA rarely loses staff to other agencies, however, that requires the agency to maintain a decent wage for the work they do.
- As the largest fire agency in the state of Utah, the Board adopted a goal of maintaining wages in the top third in comparison to other area fire agencies.
- Most positions are between 3-8 percent below that target. However, for the past few years the UFA Board has gradually increased their wage over the normal cost of living adjustment to work towards meeting that goal.

What about new stations? Many appear grandiose. Could the UFA build something more economical?

- This tax increase would not be used to build new fire stations, however we can and will build more economical fire stations in the future.
- New designs will focus on durability, reasonable accommodations for the firefighters, provide a flow that allows the firefighters to get out the door quickly to solve problems, and provide for future growth since the facility should last up to 50 years.
- The new design will fit in with the community, but will not have the fancier design features that are not critical for efficiency of use.
- These stations must be "essential facilities," which means they will remain standing in the event of an expected earthquake here in Utah. This can add a significant cost to the facility that is not applied to the typical home.

What happens if the UFA board decides not to increase taxes?

- The UFA would have to find a way to reduce costs. With 85 percent of the UFA budget allocated to personnel, almost all of the reduction will have to be borne by reducing staffing and potentially laying off personnel.
- We would begin reducing our staff in the support assignments and then reduce the number of four-handed engines in the system until we find the balance between revenue and expenses.

How do the local cities influence the services and costs incurred by the UFA?

- Every city has a position on the governing body. The city and metro township councils appoint an elected official to represent their interests on the UFA Board of Directors
- That Board establishes the budget, policy, and strategic plan as well as hires and supervises the Fire Chief/CEO.

How would we engage with the Board about our thoughts on this tax increase?

- This topic is on the agenda for two separate public meetings:
 - October 17 at 9:30 a.m. at UFA fire station 126 (607 East 7200 South Midvale, Utah 84047).
 - December 12 at 6 p.m. at UFA fire station 126 (607 East 7200 South Midvale, Utah 84047)

Where can I go for more information?

- We will have information about the tax increase and UFA's budget posted soon on the website.



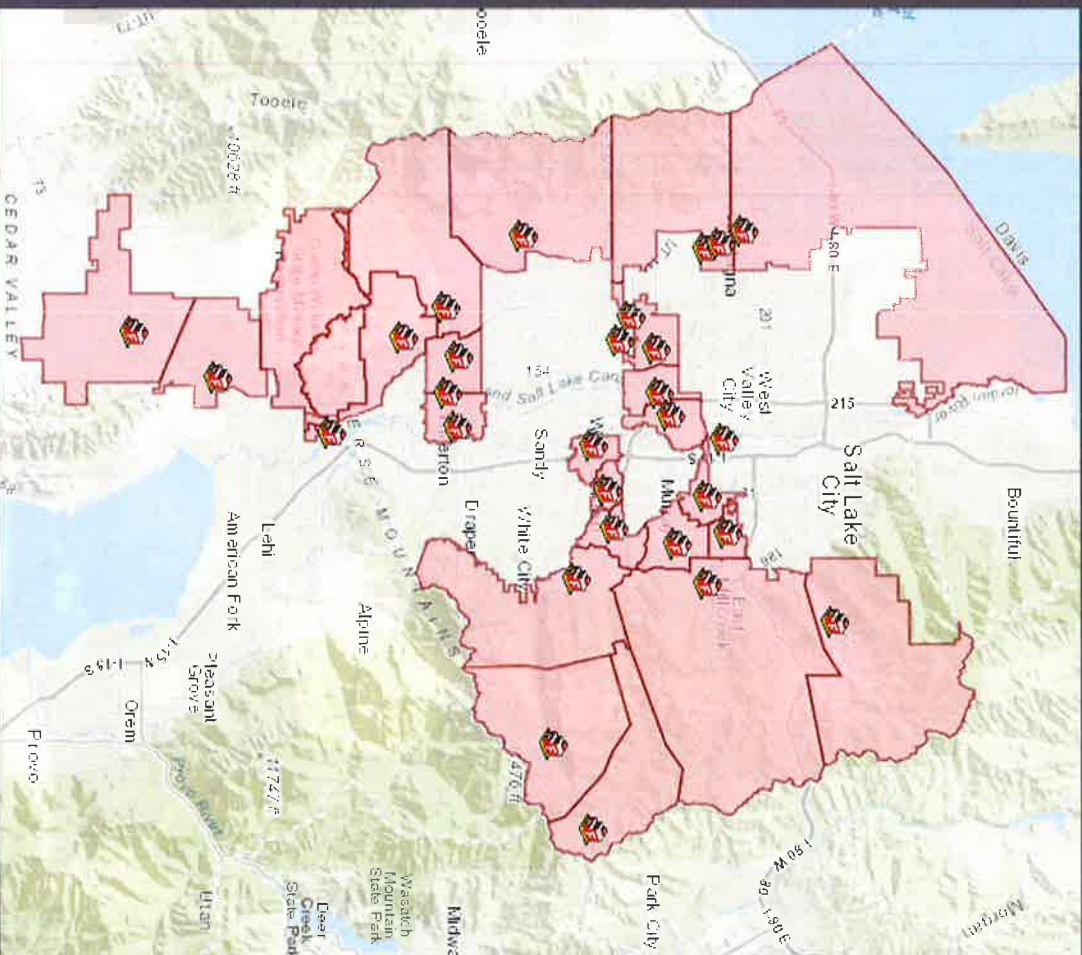
UNIFIED FIRE SERVICE AREA





UNIFIED FIRE SERVICE AREA

- A local district with taxing authority
- 12 cities and townships
- Unincorporated Salt Lake County



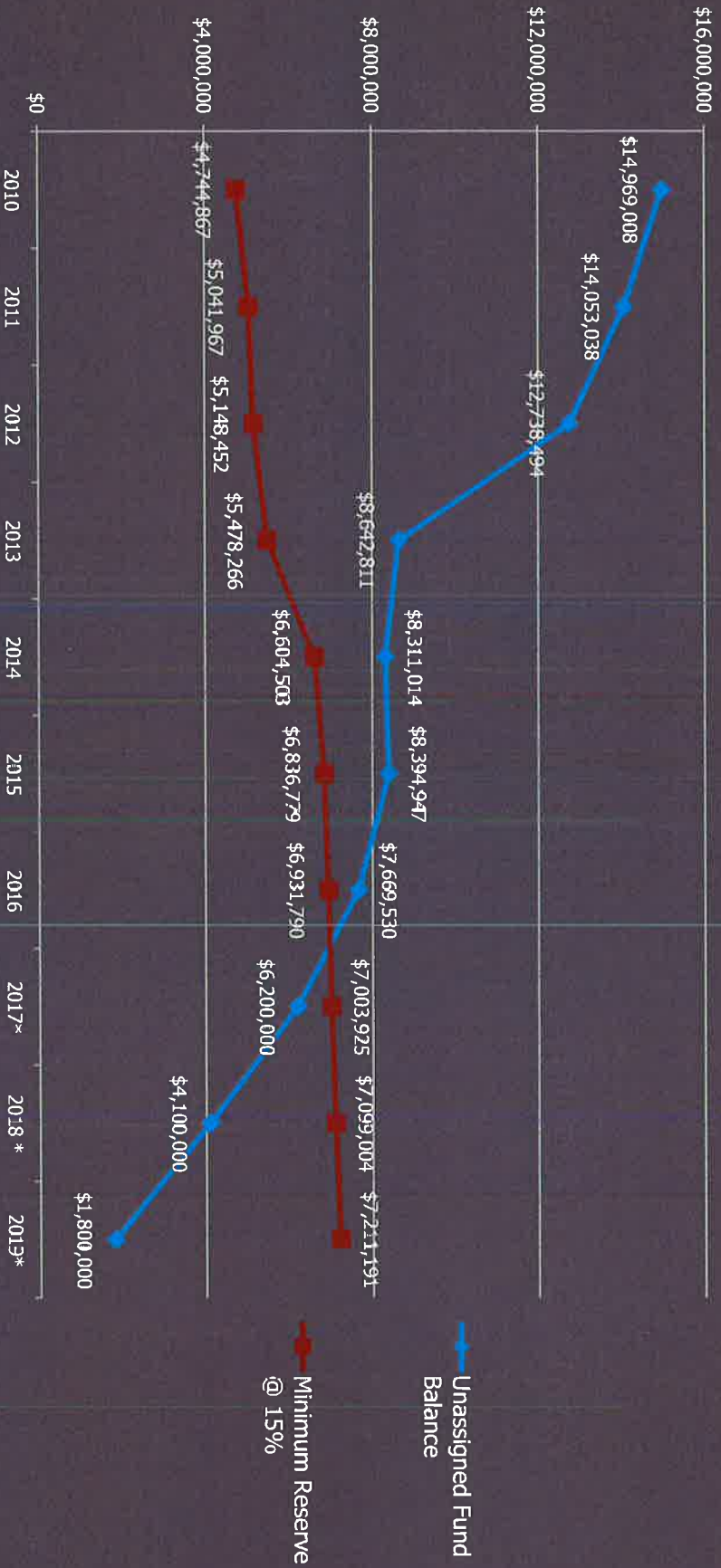


Funding Gap

- Eight years since last tax increase
- Tax is not tied or indexed to inflation
- UFSA is having to utilize its fund balance (or bank account)
- Using that account is not sustainable at current levels



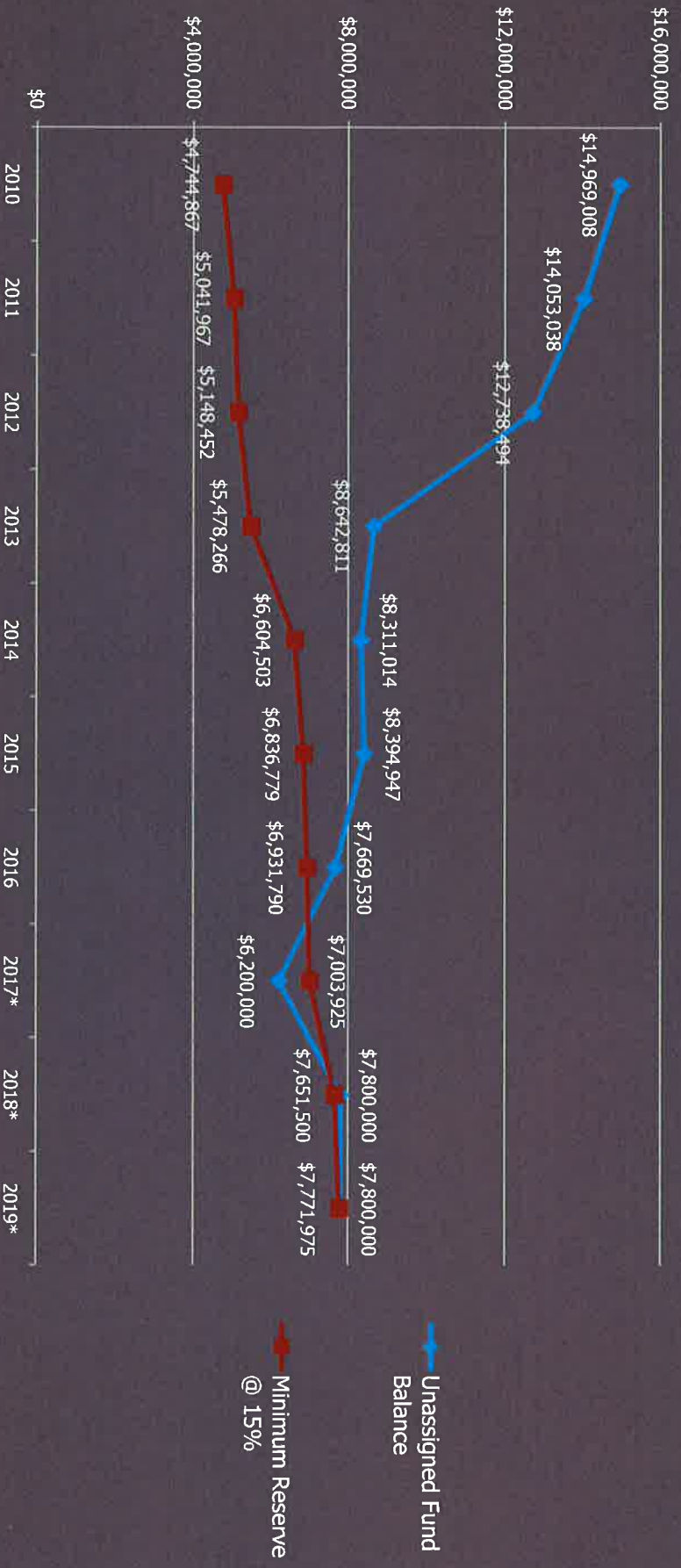
Fund balance without increase



* Projected



Fund balance with increase



* Projected



UNIFIED FIRE SERVICE AREA

What if there is no increase?

- Risk of lower bond rating
- Reduction in support services
- Reduction in number of 4-handed crews





Four-handed crews

Why are four-handed crews important?

- A four-handed crew accomplishes critical tasks faster.
- If no victim is inside the house, a three-person crew has to wait for another crew before they can enter the building. (OSHA Rules)
 - OSHA rules requires that two trained, equipped, and available firefighters are outside before a team of two can enter a building on fire.
- If a victim is inside, a three-person crew can enter the hazardous atmosphere to make the rescue, but they are doing this at greater personal risk without having two people outside to rescue them in the event of a problem.



Capital Replacement Plan

- Past new equipment was not captured in long-range plan.
- UFA now has a long-range Capital Replacement Plan to identify and plan for future needs.
- Over the next 10 years, UFA needs to replace approximately \$50 million in equipment.





Cost per average taxpayer

Avg. residential and commercial value of \$249,914

2017 UFSA tax = Residential: \$248.65
Commercial: \$452.09

Percent Increase	2018 UFSA Tax	*Change	Projected Fund Balance
6.18%	Residential \$264.05	\$15.39	13.4%
	Commercial \$480.08	\$27.99	
7.85%	Residential \$268.17	\$19.52	14.6%
	Commercial \$487.58	\$35.49	
9.56%	Residential \$272.43	\$23.78	15.8%
	Commercial \$495.33	\$43.24	

* Per Year



Questions?