

**GRAND JUNCTION CITY COUNCIL  
ADDITIONAL WORKSHOP AGENDA  
DECEMBER 19, 2005, 11:30 A.M.  
FIRE STATION #5 ANNEX  
2155 BROADWAY**

11:30 am     **FIRE DEPARTMENT UPDATE:** Chief Beaty will update the City Council on Fire Department activities. There will also be a discussion regarding the Rural Fire Protection District.     [Attach 1](#)

1:00 pm     **ADJOURN**

## **Attach 1**

### **Fire Department Update/RFPD Discussion**

## **CITY OF GRAND JUNCTION**

### **HIGHLIGHTS OF THE AGREEMENT WITH GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT**

**(Dated November 26, 2002)**

The relationship between the City of Grand Junction and the Grand Junction Rural Fire Protection District goes back forty or fifty years, and the two organizations have a good history of working together for the common good of the areas being served by fire and emergency medical services. The arrangement did change somewhat in the fall of 2002, but the services being delivered have improved in some areas with the building of station number five on the Redlands, with increased costs to that area by the election in November, 2002.

- Voters in the Redlands outside the City limits created a new sub-district in the GJRFPD, and approved an annual property tax increase of 4.904 mils; which brought the Redlands area property tax to 12.5 mils for the district. The remaining district outside the Redlands remained at 7.596 mils.
- Shortly after passage of the sub-district mil levy a ten year new agreement with the GJRFPD was signed on November 26, 2002. It expires December 31, 2012, with extension provisions.
- The agreement stipulates that all revenues collected on the Redlands by both the district and the sub-district be paid over to the City. This includes both the revenue generated by property tax and the Redlands proportionate share of specific ownership taxes.
- The remaining district outside the Redlands will continue to be supported by the 7.596 mils and its proportionate share of specific ownership taxes, interest income, other miscellaneous revenues and fund balances.
- While the City receives all the revenue on the Redlands as an inducement to build and operate a full service fire station number five; the district outside the Redlands pays the City annually based on their proportionate calls for service in that area.
- Even prior to the vote in November of 2002, it was recognized by the City and the district that the district outside the Redlands will eventually have to use fund balance to pay the City for its services; with a provision added to the agreement that provides for the City taking all the funds the district has available in payment for services even if it is less than the proportionate proper share.
- Payments to the City are made semi-annually on July 31<sup>st</sup> and January 31<sup>st</sup> of each year.
- The district and the sub-district contributed nothing toward the construction and equipping of the new station number five; which was mostly paid by the City of Grand Junction with some assistance from Mesa County and DOLA Energy Impact Funds.
- While the district has a five member board of directors, elected by residents of the district; the sole purpose of the board and the GJRFPD is to collect

appropriate funds, safeguard those funds and then pay them over to the City for the services rendered.

### **Current Issues**

- Revenues from the Redlands area in 2006 will approximate \$1.1 million, while revenues from the remaining district based on proportion of calls, and that percent of our operating budget outside the Redlands will also be approximately \$1.1 million, for a total on 2006 of \$2.2 million. With the current fund balance and the question of collect ability of certain investments, to achieve these amounts in 2006 and beyond may be a challenge for the district, and may invoke the provision to simply pay the City all they have in resources sooner than originally expected.
- Because of significant growth in property values and the application of the statutory 5.5% growth limitation on property taxes, the revenue generating capability of both the district and sub-district are being artificially restricted in 2006 for the first time ever. The district attorney has estimated this effect as approximately \$145,000.
- The contract overall seems to be working well, services to the entire district are very good with the addition of the fifth station as expected.