



HoseLine

SPRING 2018

**SPECIAL
REFERENDUM
ISSUE**

Dear Resident and Taxpayer,

For the past few years, we have been using this newsletter to tell you about the fire protection district's operations, effort, needs and plans. We have detailed how and when we made major purchases, what we've done to improve service delivery, and how we've kept costs down. Unlike a retail business, we must be prepared at any time for a surge in demand caused by a fire or other emergency.

The workload at the PHFPD continues to rise. 2017 was the busiest year in the history of the PHFPD with 2,140 calls answered. Over the past 25 years, the number of emergencies has grown by over 400 percent! This necessitated a switch from volunteers on call to paid firefighters in the firehouses.

During this time, income has not kept pace and two major cost-cutting initiatives took place. First, the vehicle replacement plan has not been funded since 2009. We have been using reserve funds to make vehicle purchases, but that fund will soon run dry. Fire trucks and ambulances experience extreme use with quick starts and stops. Reliability is a must. Firefighters and paramedics are of little use if they cannot get to the emergency.

Secondly, we have decreased the number of personnel, resulting in fewer firefighters on duty and a significantly smaller administrative staff. As calls go up, we are doing more with less but that cannot continue without additional cuts.

We have been getting by, but not without a small decrease in our effectiveness. If we continue on our present pace, further cuts will be necessary unless voters approve a small tax increase. Below is the question that will be on the March 20 primary election ballot. It asks voters whether or not a 4 percent increase in the fire district's portion of your property tax bill should be granted.

Shall the extension limitation under the Property Tax Extension Limitation Law for the Prospect Heights Fire Protection District be increased from the lesser of 5% or the percentage increase in the Consumer Price Index over the prior levy year to 4% for the 2017 levy year?	YES <input type="checkbox"/>
For the 2017 Levy Year the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$11.49.	NO <input type="checkbox"/>

Homeowner Exemption and Senior Exemption will reduce the \$11.49 figure by about \$1 to \$3.

For the owner of a single-family house the average cost would be about \$34. If approved, about \$155,000 additional revenue would be gained. Asking any more of the taxpayer was ruled out by our Board of Trustees. The last tax increase referendum was in 2004 and was passed by the voters. In the 74 year history of the PHFPD, this is only the fifth time voters have been asked to raise taxes, with the past four approved by voters. The PHFPD is not part of the city. By state law, property tax is the only substantial means of income available to a fire protection district. The goal here is simple: maintain the service level taxpayers have come to expect.

In the rest of this newsletter is additional information about the "Why" and the "What." I ask that you read it and contact me if you have any questions or want to discuss anything about this or anything related to the PHFPD.

**My phone number is 224-318-1720 • My email is firechief@phfire.com
My office is open from 9:00 a.m. until 4:30 p.m. – feel free to stop in!**

Sincerely,

Drew Smith, Fire Chief

PLEASE VOTE — WE WANT TO HEAR FROM YOU!



Why it's needed?

- Need to return daily staffing to full level
- Need to fund apparatus (vehicle and equipment) replacements
Tax cap law requires voter approval to raise levy

Besides daily operations, funding for major purchases such as pumpers, aerial ladder, and ambulances has been lacking.

- A capital equipment replacement plan has been in place since 2000.
- In 2009, funding that plan stalled due to the recession. Since then we haven't had the money to set aside.

We have used reserve funds to make needed purchases.

- Recent purchase of ambulance and tanker depleted \$420,000 from reserves
- Planned future expenses exceed current reserves by 3-fold.
Aerial ladder truck in 2018
Pumper fire engine in 2019
Ambulance in 2020
Station maintenance (paint, roof, heat and air conditioning replacement)

What caused this?

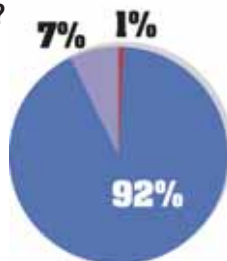
By state law, property tax is the only substantial means of income available to a fire protection district. A \$200,000,000 (40%) decrease in assessed property value between 2008 and 2017. When property values fell, so did the fire district's tax income.

When was the last tax referendum?

- 14 years ago
 - 4 voter-approved tax increases in 74 years:
 - 1973 bond issue* to buy a fire truck and build an addition to the original one-room firehouse
 - 1985 add paramedic ambulance service
 - 1991 bond issue* to buy a fire truck and build an addition for living space
 - 2004 tax increase to hire additional firefighters
- *when the bond was paid off the associated tax increase was deleted
The property tax cap law of 1994 has resulted in savings to homeowners of more than \$12 million.

Where does the PHFPD get its revenue from?

- 92% from property taxes
 - 7% from ambulance transportation fees
 - 1% from other miscellaneous sources (totals less than \$60,000 annually)
- State law prohibits the PHFPD from creating or imposing other fees*
9.5% of average tax bill goes to the PHFPD



Since 2013, over \$500,000 in personnel cuts were made to balance the budget.

- Each year these same cuts continue
 - Daily staffing cuts leaves 1 pumper with only 2 firefighters
 - 70% of firefighters work part time saving benefits and pension
 - Eliminated nine people:
 - 6 part-time firefighter paramedics
 - 1 full-time deputy chief, saving salary and benefits
 - 1 full-time administrative assistant, saving salary and benefits
 - 1 part-time records clerk
- Administrative staff cut from 5 to only the fire chief and deputy chief.*



Consequences of Decreased Revenue

What will happen if the PHFPD has to cut one more firefighter position each day?

- One less firefighter would force each station to operate only an ambulance or a fire truck
- The ability to simultaneously answer two serious calls would no longer exist
- The response of our tanker truck that carries 3000 gallons of water would be greatly reduced

With less staff:

- We'd bring fewer trucks (hose and water put out fires)
- Can't train as desired (preparation is everything - showing up isn't enough)
- Can't perform our water supply plan (70 percent of Prospect Heights lacks fire hydrants)

Will any cuts affect my fire insurance costs?

- Our current ISO Class is a 3
1 is best and 10 is worst
We are in top-ten percent of USA
We've improved from a 9 in 1986 to a 4 in 1996 and now a 3 since 2012

ISO class determines your fire insurance rates

- 14 of the 16 largest insurance providers use the ISO class to determine premiums
- Each class drop increases premium cost by about 4-8 percent
- Any increase in fire insurance costs are likely to be greater than a tax increase

Just how busy is the fire district?

Year	# of calls	Year	# of calls	Year	# of calls
1992	503	2001	1710	2010	1659
1993	512	2002	1810	2011	1768
1994	605	2003	1817	2012	1830
1995	1063	2004	1491	2013	1854
1996	1528	2005	1621	2014	2056
1997	1596	2006	1619	2015	1946
1998	1829	2007	1700	2016	2063
1999	1778	2008	1989	2017	2140
2000	1694	2009	1688		

2,140 calls in 2017 equals nearly six calls each day or one call every four hours. 71 percent of all calls are for the ambulance and nearly all of these last more than one hour. Fires in buildings can last hours with cleanup.

REFERENDUM ISSUE

How can I estimate my tax increase cost?

Find your last tax bill and locate the PHFPD as show below.
Multiply the tax show by 4% (0.04) to see what your cost would be.

TOTAL PAYMENT DUE		2016 Second Installment Property Tax Bill			
\$4,889.35		By 8/31/17 (on time)			
IF PAYING LATE, PLEASE PAY	08/02/17-09/01/17	09/02/17-10/01/17	10/02/17-11/01/17	LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW	
	\$4,962.69	\$5,036.03	\$5,109.37		
TAXING DISTRICT BREAKDOWN					
Taxing District	2016 Tax	2016 Rate	2016 %	Pension	2016 Tax
MISCELLANEOUS TAXES					
Northwest Mosq Abatement Dist Wheeling	10.04	0.010	0.185		0.09
Metro Water Reclamation Dist of Chicago	407.83	0.406	3.983	46.18	351.87
Prospect Heights Fire Protection Dist	982.84	0.979	9.555	149.59	848.23
Prospect Heights Public Library District	947.19	0.945	9.325	28.11	912.89
Prospect Heights Park District	779.10	0.776	7.515	76.30	703.29
Miscellaneous Taxes Total	3,720.80	3.710	36.445		2,576.41
SCHOOL TAXES					

How Has the PHFPD Saved \$\$\$?

- Rather than purchase two new ambulances, we reused the “box” and replaced the chassis. This saved taxpayers about half the cost of new ambulances, or roughly \$300,000.
- When our 23-year-old 3000-gallon water tanker truck was condemned due to safety issues, we purchased a stock truck that was the manufacturer’s demonstrator unit rather than order a custom truck like we had done previously. This saved taxpayers more than \$100,000.
- We continue to use part-time firefighters who possess the same training, certifications, and licenses as full-time firefighters. 70 percent of the workforce is part-time, saving taxpayers more than \$1,000,000 annually in benefits.
- The current union contract for full-time firefighters keeps personnel costs fixed through 2021.
- The current budget pays the annual installment on the fire station mortgage balance of \$571,015.
- The PHFPD operates two fire stations, each around one-third the size of the fire stations at similar fire departments. This greatly reduces operating expenses.

Since 2001, the PHFPD has received grants totaling nearly \$2,000,000:

- Between 2002 and 2014 the Federal Emergency Management Agency awarded nearly \$1,000,000 for protective gear, breathing apparatus (air tanks with masks), thermal imaging camera, two-way radios, heart monitor/defibrillators, fire sprinklers and emergency generators for the fire stations, and vehicle exhaust extraction systems for the fire stations.
- In 2007 the Federal Emergency Management Agency awarded \$288,000 that was used to pay the wages of three additional firefighters over a five year period.
- State Sen. Sullivan awarded \$55,000 in 2001 for a command van.
- State Rep. Carolyn Krause awarded \$375,000 in 2001 for a fire truck.
- State Rep. Elaine Nekritz awarded \$50,000 for payment on the mortgage on the Wolf Road fire station.
- State Fire Marshall awarded \$26,000 in 2013 for Jaws of Life rescue tools and a \$230,000 no-interest loan used to purchase a rescue truck.



PROSPECT HEIGHTS CAMP MCDONALD ROAD FIRE STATION



PROSPECT HEIGHTS WOLF ROAD FIRE STATION

- Firemen’s Fund Insurance awarded \$27,000 in 2010 for a rescue boat.
- Between 2010 and 2017 Illinois American Water has awarded \$7,000 for the purchase of hydrant marker flags, protective gloves, helmets, and boots, and a hose washer.
- Between 2010 and 2017 Illinois Public Risk Fund has awarded \$153,000 for the purchase of the outdoor message sign, ambulance stretchers, and safety equipment.
- Between 2010 and 2017 Department of Commerce and Economic Opportunity awarded \$44,820 for the replacement and upgrading of lighting at both stations.
- In 2016, Grandbrier Assisted Living donated nearly \$100,000 for three new heart monitor/defibrillator units, one for each ambulance.

PLEASE VOTE — WE WANT TO HEAR FROM YOU!



Prospect Heights Fire District

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FOR MORE INFO: KAREN SCHULTHEIS – DEPUTY CLERK – CITY OF PROSPECT HEIGHTS # 847-398-6070 (EXT. 251)

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