



FAIRMOUNT FIRE PROTECTION DISTRICT

4755 Isabell Street, Golden, CO 80403

Phone: (303) 279-2928

Dear Residents & Business Owners:

The Fairmount Fire Protection District (FFPD) Board of Directors and staff are extremely grateful to our local taxpayers for their continued support. FFPD has worked hard to be frugal and effective in allocating the local funding we receive. In November 2017 FFPD refinanced its General Obligation Bonds to a lower interest rate saving its taxpayers approximately \$190,000.

In November 2014, voters approved a property tax increase of 4.0 mills thereby increasing FFPD's total operating property tax to 10.908 mills. Approximately 65% of FFPD's operating revenue comes from property taxes. The property tax revenues generated by the mill levy increase have been critical in allowing FFPD to maintain response times, attract and retain seasoned emergency responders, replace outdated apparatus and equipment and maintain and enhance FFPD's buildings.

The FFPD Board wants to make sure the community it serves is aware of a constitutional provision that is impacting the property tax the voters have authorized FFPD to assess. The Gallagher Amendment to the Colorado Constitution requires that the percentage of property taxes paid by residential property owners in the State to be 45% of the total taxes paid. In every odd year, the Colorado Legislature is required to set the residential assessment rate at a level that will maintain the 45% tax share required by the Colorado Constitution. Due to the steady increase in residential property values across the State, since 1982 the residential assessment rate has been reduced from 21% to 7.96%. Then, in 2017, the Colorado Legislature further reduced the residential assessment rate to 7.2%. This approximate 9% decrease in the residential assessment rate resulted in FFPD losing \$140,000 in revenue in 2018. Preliminary projections indicate the Colorado Legislature will further reduce the residential assessment rate to 6.11% in 2019, which will result in another 15% decrease and another approximately \$220,000 loss in property tax revenue.

The FFPD Board wants to inform its community that the Board is evaluating whether to conduct an election in November 2018 to seek voter approval to increase its mill levy to keep property tax revenues it will otherwise lose as a result of the Gallagher Amendment forcing further reductions in the residential assessment rate. In addition, in order to avoid collecting too much tax revenue, FFPD would be required to reduce its mill levy should the Gallagher Amendment ever require the residential assessment rate to be increased. You may hear this concept called "de-Gallagherizing".

FFPD would not be asking to increase your taxes. FFPD desires to stabilize revenues so that future changes in the residential assessment rate allow FFPD to proportionally adjust its mill levy so that the equivalent amount of taxes will be collected each year. The revenue stabilization is critical to the District and its ability to maintain response times, attract and retain seasoned emergency responders, replace outdated apparatus and equipment and maintain and enhance FFPD's buildings.

The Board encourages your input on this important issue. Please call or email Fire Chief Alan Fletcher at:

Email: afletcher@fairmountfire.org

Phone: 303-279-2928

Sincerely,

FAIRMOUNT FIRE PROTECTION DISTRICT

Robert Wilson, II
Chairman, Board of Directors

Alan Fletcher
Fire Chief