

Salem Village/Town Fire Protection

October 27, 2008

To the Village of Salem Taxpayers and Salem Town Taxpayers who live in the Salem Fire Protection District:

For many years, the Salem Volunteer Fire Department was operated as an independent fire company. A Board of Directors oversaw its operation and management. About five years ago, it was discovered that if a volunteer fire department was located within the limits of a village, it is a village fire department. The Village of Salem now oversees the management of the Fire Department and bears all responsibility and liability for its operation.

Geographically, two-thirds of the area covered by the Salem Fire Department is in the town, one-third in the village. Financially, two thirds of the assessed property value is in the town, one-third in the village. On average, over the past five years, the Fire Department has answered twice as many calls in the town as in the village. In January 2008, the Village Board opened up a discussion with the Town Board about the formation of a Fire District. The primary reasons were:

- To ensure equitable financial support: In a district, there would no longer be a division into village or town. All property owners would pay the same fire tax based on the assessed value of their property.
- To prepare for the future: The town's contract for fire and emergency services is up for renewal each year. The Village Board was facing having to make very difficult decisions about committing to borrowing the money necessary for replacement of vehicles when there is no guarantee that the amount received from the town in the future will be enough to meet those payments.
- To give town residents representation: The Salem Volunteer Fire Department provides fire and emergency services to a large portion of the Town of Salem. However, the Fire Department is a village entity, with no provision for input from the town.

The Town Board did not approve the Fire District, but the long-range planning and financial issues still needed to be addressed. The Village Board went to work with the Fire Council developing long-term, long-range goals for the Salem Volunteer Fire Department. A time-line for acquisition of apparatus and equipment was started as well as the identification of annual expenses for replacement of gear and other items. This plan ensured that when an emergency in our community occurred, the fire fighters would have up-to-date equipment and proper training.

The Village Board felt and continues to feel a great responsibility to the village and town taxpayers. We wanted to come up with a plan that maintained the current services and allowed for future growth and replacement of equipment. It was also necessary to make sure that all fire fighters were supplied with personal protection gear and equipment that

meets state and federal guidelines and mandates. This protects both the fire fighters and the Village. Everything in the Fire Department must bear scrutiny; the training, the apparatus, and the gear used by every fire fighter, if there were to be an inspection or line-of duty injury or death. As part of our long-range planning, the Village Board is also pursuing the creation of Capital Reserve Funds to help with long-term, high-cost acquisitions.

In the past, the amount requested from the town for emergency services was based on a percentage increase from the previous year, not assessed property value. Since January, the village has indicated to the town that additional funds would be necessary to support the level of emergency services that were currently being provided and that it would be necessary to use assessed property values to equitably share the expense. This adjustment was necessary because the village taxpayers were bearing a disproportional amount of the cost. Under the current contract, the town taxpayers paid at the rate of \$0.73 per thousand of assessed property value. Village taxpayers paid \$1.38 per thousand, and Town of Jackson taxpayer's rate was \$1.15 per thousand. The town and village of Salem share the same equalization rate so it is a direct comparison. The Town of Jackson has a different equalization rate.

In the village's current budget, \$130,950 is earmarked to support fire and emergency services for the fire protection district. In July, as part of the Fire District discussions, we indicated to the Town Board that, based on our current budget, the town's share would be approximately \$76,000. Since that time, the Village has determined that the town's share of the emergency services to be \$70,490. The Village Board understands the impact of this decision. The economy is terrible, but the need for this service is real and it takes real dollars to support it. The board also decided it was important to make the adjustment in how the fire and emergency services were supported over a three-year period. We based this year's request for \$70,490 on only a portion of the identified department expenses.

This does increase the rate for town taxpayers to \$1.13 per thousand. The town has said that a 55% increase is too much, but the current rate was so low, the proposed increase, in real dollars, works out to \$0.40 per thousand dollars of assessed value. The increase brings the rate for the town taxpayers closer to the rate of village taxpayers. Under the proposed contract, distributing the costs over just the Fire Protection District, the village taxpayers will pay \$1.93 per thousand. The Town of Jackson, which is not in the fire protection district, does contract with the Village of Salem for fire and emergency services for part of their township. The money from that contract will be applied to the village expenses, which will bring the rate for village taxpayers to \$1.49 per thousand.

There have been questions asked about the money raised or collected by the Fire Company. They have used that money to maintain the building on Main Street where two village trucks are housed. The money is also used to provide additional insurance to the fire fighters if they were to be injured or killed while responding to an emergency. This support supplements the services offered through the Village budget. These services are not included in the money raised by taxes.

- On September 17, 2008, the Village Board presented the Town Board with its request for funds. There was village representation at the budget meeting to answer any questions.
- On September 28, 2008, the Mayor presented further clarification as to how the funds would be spent. The Town Board decided to budget \$60,000 for the service.
- On October 8, 2008, during the Public Comment section of the regular Town Board meeting, Village Board presented the contract outlining the services and explained that the requested amount was critical. We tried to stress that the financial support needed to be more equitable. Later the Town Board increased their budget to \$62,000.

The Village Board has determined that the Town's 2009 share for the fire and emergency service to be \$70,490.

For many years, the Salem Volunteer Fire Department has offered a high level of dedicated service to the residents of the Village and town of Salem. The village wants to continue that commitment. The only way for us to do that is to share the costs equitably.

The town, just as the village, bears the responsibility to provide adequate fire protection services to their taxpayers. They can contract with other fire departments or contract with the Village of Salem for the services. The Village hopes that they decide to contract the Village and the Salem Volunteer Fire Department.

The town's public hearing to discuss the budget is November 5, 2008 at 7:00 p.m.; please join us there to see what they decide.

Anne M. Dunigan, Mayor
Joseph Childs, Trustee
Paul Kobyluch, Trustee
Carol Rives, Trustee
Joseph Wever Trustee