



**Park County Fire Protection District No. 2 1125**  
11<sup>th</sup> Street • Cody, Wyoming 82414 Phone: 527-8550  
[www.parkcountyfiredistrict2.com](http://www.parkcountyfiredistrict2.com)

So what does it cost a home owner in Fire District 2 for fire protection? Attached is information available from the Park County MapServer. The property is 1867 square feet on the main floor. It has three bedrooms and 2 bathes. It has a two car garage and is located on a lot within the city limits. The county determined its fair market value to be \$517,461.

The following contains the latest tax breakdown. A total of 75.5 mils were assessed, and 3 of those, in other words 5.5% of the total tax bill, are for fire protection. PCFD2 received a total of \$147.48 to provide fire protection for this property for one year.

PCFD2 did budget for and collect the maximum of 3 mils. The budget included all the funds needed to pay for a year's operations and a substantial contribution to the depreciation reserve fund.

Let's suppose that PCFD2 reduced their budget request somehow so that only 2 mils were needed. How would that affect this taxpayer?

Since this property is located within the city limits and since 3 mils are collected for fire protection within incorporated cities every year whether they are needed by a local fire district or not, the taxpayer would still pay 3 mils for fire protection. The only difference is PCFD2 would have received \$98.32 and the City of Cody would have received \$49.16. While the City of Cody might appreciate the extra funds, the taxpayer would have received no break.

If the same property was located outside the city limits the property owner would have seen a \$49.16 reduction in their total tax bill. Of course since most rural property owners are paying about 70 mils, this reduction would be 1/70th of their total tax bill. Now obviously there are property owners outside the city limits with substantially higher tax bills and their savings would be greater. But still it would only be 1/70th of their total.

So what is the potential impact to PCFD2 and the people it serves if the depreciation reserve is not funded?

The depreciation reserve fund provides a plan to replace every large cost piece of equipment at the end of its projected life. The plan provides replacement before the equipment becomes unreliable. Of course whether the plan exists or not, at some point the equipment must be replaced. Without the depreciation reserve fund the most likely funding mechanism would be a bond issue. Of course the cost of the equipment purchased is higher because the district must pay fees and interest to the bonding company. In order to satisfy this bond issue the mil levy can and most likely will be set at over the normal 3 mil maximum for a number of years, until the debt is paid. So in this scenario some of the taxpayers would pay less than 3 mils for a few years and then all taxpayers would pay more than 3 mils until the bonds were paid off. Now there could also be the possibility of purchasing the equipment by using grant funding or 1% sales tax revenues. But both of these options would most likely compete directly with the city or the county in their quest for funding needed projects.

Each year the district's board of directors reviews the depreciation reserve and many years they have discussed the possibility of reducing the amount of funds committed. However based on the previously stated facts they feel that funding the depreciation reserve is the best option available for ensuring the financial viability of the district in future years.