

**MEDIA RELEASE
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Fire District No. 1 Increase Millage by One Mill

During its monthly Board of Commissioner's meeting last Tuesday evening, the 5-person panel voted 4 to 1 to support a one mill increase to assist in funding the fire department's 2010 operating budget. The result of this very modest adjustment is approximately \$12 per year on a home with a value of \$200,000. Commissioner Shannon Davis was the dissenting vote.

Last year the same board rolled back its millage from the voter approved 35 mill maximum to 30 mills. This resulted in a difference of \$1.6 million that would have been realized had the Board of Commissioners rolled forward the millage.

This year, Fire District No. 1, Fire Chief, Larry Hess, recommended to the Board of Commissioners that they support a millage rate of 32.92. During his 40-minute presentation Chief Hess said the 2.92 mill increase would be used to cover an unfunded mandate required by the Louisiana Firefighter's Retirement System to recover losses they incurred during the recent national economic turndown.

State law allows the retirement system to recover its losses by increasing the employer's contribution percentage. Currently, the fire district is required to pay 14% of salaries to the retirement system. The fire district has been advised to be prepared to pay approximately 26% to 28% next year. This increase will result in a burden of nearly \$1 million for the fire department's 2010 budget.

The decision by the Board of Commissioners will result in unrecognized revenues for 2010 of nearly \$1.7 million. Recognizing the loss of \$1 million for the retirement system mandate and the loss of \$1.6 million from last year's millage roll back, the fire department will not recognize about \$4.3 million of revenues over the past two years.

There were 24 residents in attendance for the meeting. Board Chairman Bud Kline opened the floor for public comments prior to the board considering the Fire Chief's recommendation.

Parish Council members Gene Bellisario and Steve Stefancik addressed the audience and board both saying they could not support any level of millage increase.

City Councilman Jim Devereux of District F stated that he was in favor of supporting the recommendation if it maintained current service levels. Currently it is the fire station in his district that is intermittently closed to avoid overtime. Station 13 located at Robert Boulevard and March has overlapping coverage from other stations in close proximity, so when a station must be closed that is the station of choice.

State Representative Kevin Pearson, while not taking a position, did discuss the general financial dilemma and the hardships his constituents are feeling.

One member of the public questioned how the Firefighter's Retirement System was empowered to make unfunded demands of this nature. She concluded by observing that perhaps the energy needs to be focused on changing legislation and not being critical of the firefighters. Of note, this increased contribution results in no added benefit to the firefighters when they retire.

Two members of the public voiced opinions that the fire department needs to make the necessary changes in operations to accommodate the losses in revenue. Recognizing that this could result in homeowner's insurance premiums that may be higher than the taxes paid to the fire department, one resident stated that he'd be okay with paying the insurance companies more if it meant reduced taxes. The other speaker stated that his salary had been reduced by 25% and his company had suffered hundreds of layoffs and it was time that the firefighters understood that.

During his presentation Hess said the Fire District is studying a ballot proposition for 2010 that would redesign the way Fire District No. 1 generates revenue.

Hess said that it's always the same people who get stuck paying higher taxes. He continued by saying the fire district recognizes the fundamental unfairness of property taxes to support required services as provided by the fire department. His proposal is based on lowering the millage rate and increasing the parcel fee increment. Hess said he would also ask for enabling legislation that would allow any future increased property assessments to be calculated against the parcel fee not the fire district's portion of the property taxes.

The way the plan, called the “Fire Service Revenue Fairness Initiative”, would work today is, a home owner paying \$300.00 per year in property taxes to the fire district and the \$39 per year parcel fee would pay \$330 per year in property taxes if the Tax Assessor reassess that property by an increased 10%. Under the plan being developed by the fire district the 10% increase would go against the parcel fee not the property tax. So, instead of paying \$330 on property taxes the parcel fee would increase \$3.90.

Since the details of the plan are not yet completed Hess stressed that these numbers are not to be accepted as “gospel”, but the idea is to spread out the impact on a larger population.

Hess noted that there has been much debate and anger regarding property taxes however none of the local taxing bodies have forwarded a plan to respond to that. This plan if approved by the voters and supported by enabling legislation is a significant step in addressing this issue.