

Emergency Services Districts And Your Fire/EMS Agency

This document is produced by Fred C. Windisch, Fire Chief of the Ponderosa Volunteer Fire Association, Inc. It is intended to explain Emergency Services Districts, the Ponderosa Volunteer Fire Association, Inc., the Ponderosa Fire Department, administration and operations. The author bases this document on extensive experience, facts, figures and some opinions. Further discussion may occur by contacting the author at 281-444-8465.

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Definitions & Acronyms

CCEMS – Cypress Creek Emergency Medical Services Association, Inc

Commcenter – Regional emergency (911) dispatch center owned and operated by CCEMS

EMS – Emergency Medical Services

ESD – Emergency Services District

ESD28 – The ESD that funds the PVFA

FTE – full time equivalent employees without the burden of benefits

ISO – Insurance Services Office related to PPC

LPA – Limited Purpose Annexation

MUD – Municipal Water District, provides water and sewer to specific areas (can be various other similar designations)

PFD – Ponderosa Fire Department

PVFA – Ponderosa Volunteer Fire Association, Inc.

RFPD – Rural Fire Prevention District – passed into law in the early 60's

PPC – Public Protection Classification for insurance property rating purposes

Texas State Sales Tax – A maximum rate of 8.25%

Emergency Services District

Texas has a unique funding opportunity to allow for local control of non-municipal fire and emergency medical services (EMS). An Emergency Services District (ESD) is a political subdivision of Texas. ESD's are similar to Municipal Water Districts (MUD) in that local control and local taxes are used to fund the services.

In Harris County, there are many ESDs and each of these has five ESD commissioners who are elected for four year terms on a rotating basis (bi-annually – two on one cycle, three on the next cycle), and they each must reside in their respective ESD. All of the rules governing the taxing authority and operation of these ESDs are listed under the state's Local Government Code Chapter 775. There have been various modifications to the law over the past four or more decades that provided more definition and requirements since an ESD is a property taxing authority. Commissioners must meet a minimum of monthly with a posted agenda and adhere to that agenda. Tax rates are set annually with various required public notifications, and an annual outside CPA firm audit is required.

ESD's began as Rural Fire Prevention Districts (RFPD) with a three cents per hundred dollars of assessed evaluation maximum tax rate. A \$100,000 property would pay \$30 per year. The RFPD law was designed to provide a stable funding source for volunteer agencies to provide fire protection only. It was never intended to be for urban areas such as ours – however that was the only stable funding method available for all of the unincorporated areas of our state.

About ten years ago RFPD's were converted to ESD's by the legislature. With that came further refinements of the statute and the tax cap modified during several legislative sessions from three, to five, to six and then ten cents. Each time an ESD needed to raise the tax cap a local election was held. There are various rules that have evolved with truth in taxation laws to assure all requirements are met every year – from tax postings, notifications, newspaper legal notices (very expensive), etc. Elections meet the federal justice department rules and are also very expensive to hold. It behooves ESD's to NOT have multiple elections due to the cost and potential confusion.

ESD's fund fire and/or EMS services - It is clearly local citizens with local control, and the commissioners focus on service delivery within the financial resources available. It is a fair system where all properties are assessed at the same rate. Many years ago when unincorporated Harris County was "rural", fire and EMS agencies existed on donations and fund drives. There are exemptions available for ESD's citizens such as over 65, veterans, disabled and homestead (there are several more). The ESD determines the specific exemption and amount based on the financial needs of the service agency.

ESD's are able to operate their own fire and/or EMS agency, or they can contract with a service provider. The common model in Harris County is to utilize a non-profit agency to provide the services. Again, this is similar to MUD's utilizing a service company with the assets being owned by the MUD – wells, storage, treatment, distribution. There are some ESD's in Harris County that have opted to provide the services themselves. While this is an option it does create some issues since governmental rules can have the negative effects of not being as nimble as a non-profit.

ESD boundaries were set decades ago before the explosive growth, and related to that is the various residential, commercial development and the resultant roadway improvements and additions. To change an ESD boundary is very difficult under the law, so ESD's and their service providers have adopted extensive automatic mutual aid and mutual aid agreements to minimize the boundary line impact. People can find out who their local Fire/EMS agency by going to the Harris County's website <http://www.harriscountytexas.gov/itc/gis/ais/>.

The non-profit service providers operate under a contract. The contract is variable among ESD's but generally defines significant transparency, cost controls, operational goals and responsible actions being required. Contracts can be year to year, self-renewing with annual reviews, or longer term. The self-renewal and longer term contracts allow for long range planning and execution with performance benchmarks.

In the recent past there have been some concerns about how and why ESD's operate the way they do. Reference the above information related to being in unincorporated portions of the county. Generally the concerns are based on not understanding ESD's, where they come from, and how they operate. There is also a direct relationship of the concerns based on the current state of affairs where our citizens distrust government; local, state and federal.

ESD28's website is <http://www.esd28.com>

ESD28 Property Tax Collections

ESD28's ad valorem tax rates started at 3 cents, then 6 cents and (based on financial need) was incrementally adjusted over years to the tax cap of 10 cents where it remains today. The following table shows total collections less exemptions as per annual audit for the past few years. The major exemption is for citizens over 65 that reduce the individual assessed evaluation by \$30,000 per property which is about \$45,000 per year in net revenue reduction for ESD28. Another approved exemption is the disability exemption of \$75,000 per year; there are other exemptions required by state law. The chart below includes annual taxable valuations beginning with the 2009 tax year benchmark.

Year	Assessed Evaluation in Billions	Revenue Net Loss/Gain per Year Based on 10 cents tax rate with no exemptions	Revenue Loss Per Year Since 2010
2009	\$2.5968		
2010	\$2.3172	-\$279,600	\$279,600
2011	\$2.2951	-\$22,100	\$301,700
2012	\$2.3097	+\$14,600	\$287,100
2013	\$2.4339	+\$124,200	\$162,900
		Total Revenue Loss	\$1,031,300

Sales Tax Option

During the economic downturn the annual revenue loss is shown in the table above and does not include the exemption amounts. Emergency service costs and service demands continued to increase during the time period and it became necessary to have a sales tax election or reduce services. Reducing service levels was not the correct approach so ESD 28 decided to move forward with a sales tax election during May of 2011. The vote passed with a margin of 4 to 1 with a very low voter turnout even after public education.

Texas state sales tax is 6.25%. In our area the Metropolitan Transit Authority receives 1%. The remaining 1% is variable among cities and special applications including Limited Purpose Annexations (LPA). A 1% sales tax is only in unincorporated areas of Harris County that do not have LPA between the local MUD and the City of Houston (COH). The current sales tax rate was at 7.25% of each MUD in our fire district and the 1% made the sales tax increase to 8.25% the maximum allowed in Texas. MUD's did not have to have an election; these local officials made the decision to offset their operating costs and

to pay for special projects (parks is one project our local MUD's chose for the most case). The MUD receives 0.5 cents and the COH receives the other 0.5 cents of the one cent/%. The COH cannot annex the specific MUD for 30 years beginning at the onset of the LPA.

One of the positive effects of the LPA is that fireworks cannot be sold within LPA's related to the COH fireworks ban; even pass through citizens pay the sales tax for services provided to them that our citizens pay for via property taxes. The LPA's do NOT include residential population because that would allow those residents to vote in COH elections. LPA's follow specific boundaries that include commercial properties only, and they exclude single and multi-family residences. These boundaries meander throughout our fire district and led ESD28 to move forward with the sales tax election to offset the revenue losses that were accumulating over the years. The end result is that the sales tax allowed ESD28 to continue in its efforts continuing the quest to provide excellent fire and rescue services.

During the second year of sales tax collections, ESD28 decided to implement the communications sales tax option available to ESD's via a vote of ESD28 commissioners. This added sales tax to telephone, cell phone and television cable. During calendar year 2012, sales tax collections were \$784,000, and in 2013 the total amount collected was \$1,045,000. Year to date 2014 sales tax collections have leveled out to the 2013 amount. The sales tax revenue replaced the lost revenue due to property devaluations and placed the ESD in a position to retire debt earlier than scheduled. The PVFA held the line on their budget during this time period.

During 2013, ESD28 approved the payoff of the ladder truck in the amount of \$211,000, and also approved the \$430,000 payoff of Station 63. This resulted in a reduction of interest payments of over \$148,000. In addition, ESD28 approved for the cash payment of a replacement fire engine valued (replacing a 2004 model with a trade in value of \$135,000) at over \$550,000. This resulted in cost avoidance by utilizing the full prepay discount of \$15,000 from the manufacturer and interest savings of about \$80,000 that would otherwise have been paid on a five year loan. Business decisions are making their mark in value added improvements within the fire district.

2013 also allowed ESD28 to pay cash to totally remodel headquarters including the replacement of HVAC systems, and an additional generator. Personnel living at headquarters were taking its toll (HQ was fully occupied in 1999) and the remodel was sorely needed. This project cost \$675,000 including significant electrical repairs and we are back to state-of-the-art.

ESD28 is starting to plan for replacing fire station 63 in the Northview Subdivision area. We hope to start architectural work in 2015 and build reserve funds to minimize loan costs for the eventual build.

Staffing

Staffing emergency services is always a challenge since we must be available every second of every day when people are having the worst day of their lives. From fires and rescues, to smoke investigations, to EMS responses, to cats in trees – emergency services react from the 9-1-1 call for service. It is difficult to compare emergency services to a widget factory. Factories are designed with specific profit motives based on the widget production and the necessary people to produce and distribute the widget.

In Harris County, fire/EMS agencies use what is referred to as the combination system consisting of volunteers, part time and full time employees depending on the local community's needs and expectations. The next part of this article will explain how the Ponderosa Fire Department and ESD#28 work hand in hand to provide these necessary services, and other agencies operate in a similar fashion.

Ponderosa Volunteer Fire Association, Inc.

The Ponderosa FD (PFD) is governed by the Ponderosa Volunteer Fire Association, Inc., (PVFA) a 501c-3 organization the consists of five elected citizens, the non-voting fire chief and a fire fighter representing and elected by the fire department membership. The PVFA meets monthly with a posted agenda and conducts an annual audit through an independent CPA firm. There has never been a contested audit. The PVFA contracts with ESD28 and runs the PFD. The fire chief is a full time employee, has a command staff of volunteers, and a full time office manager who assists with the daily business. The details are many, but generally we are a full service fire department that assists Cypress Creek EMS with first responder medically trained personnel as necessary.

The 2014 PVFA Budget

An annual budget is developed by the PVFA and agreed to by ESD28. This budget philosophy is designed to allow for flexibility, be transparent and focused on service delivery. Monthly reports are provided to ESD28, and the PVFA submits a bi-monthly draw from ESD28 based on expenditures and projections. Each draw is balanced bi-monthly to maintain \$100,000 of contingency funds that allows for unforeseen expenses during the next time period and meeting schedules.

The PVFA/PFD website is <http://www.ponderosavfd.org> .

This is the 2013 final expenditures and the 2014 budget. Note the 2014 budget includes additional full time personnel and related benefits.

ITEM	2013	2013	2013	2014
	Budget	Actual	Per Cent	
	x000	x000	Budget	
			Expended	
			+ =over - =under	
Motor Fuels	38.0	33.8	-11.0%	37,000
Equipment Expense	125.0	64.9	-48.1%	121,000
Radio Maintenance	5.0	2.0	-60.3%	5,000
Equipment Maint.	89.0	71.8	-19.3%	96,000
Dispatching	28.0	26.1	-6.8%	28,000
Training	33.0	21.6	-34.5%	35,000
Training Facility/Recruit	20.5	18.1	-11.8%	22,500
Station 61 Maint.	86.0	73.1	-15.0%	27,000
Station 62 Maint.	5.0	3.7	-26.6%	5,500
Station 63 Maint.	9.5	8.7	-8.0%	9,500
Insurance	161.0	150.0	-6.8%	188,000
Station 61 Utilities	25.0	25.5	1.9%	25,000
Station 62 Utilities	12.5	12.4	-0.6%	12,500
Station 63 Utilities	10.5	9.4	-10.1%	10,000
Operations	57.0	52.3	-8.3%	67,000
Office Operations	41.5	44.4	6.9%	53,000
Public Education	7.0	13.9	98.8%	13,000
Payroll/Stipends	912.0	872.9	-4.3%	1,149,000
PVFA Expenses	29.0	22.4	-22.7%	32,000
Interest Expense	100.0	96.8	-3.2%	51,000
Personal Savings Accounts	34.0	33.6	-1.2%	35,000
PVIP	115.0	80.2	-30.3%	100,000
TOTAL OPERATING	1943.5	1737.6	89.4%	2,122,000
Programmed Debt Retirement	365.0	365.3	100.1%	110,000
SCBA Fund	30.0	30.0	100.0%	30,000
Add'l approved out of budget				
Payoff T61 incl interest		130.7		
Station 63 payoff incl interest		403.1		
CAPITAL				
Firefighting	8.0	0.0	0.0%	8,000
Communications	0.0	0.0	100.0%	45,000
Other Assets	15.0	16.1	107.2%	15,000
TOTAL CAPITAL	23.0	16.1		68,000
TOTAL BUDGET	2361.5	2149.0	91.0%	2,330,000
Revenue				
Training Facility/Recruit	15.0	10.3		15,000
ESD#28	2444.0	2450.0		2,330,000
Interest Income	1.2	0.0		1,000
Barbecue Competition	7.0	10.9		10,000
Camper 63	0.5	0.2		300
Service Fees	4.0	2.5		0
Donations	4.0	3.4		2,500
Revenue Total	2,475,700	2,471,260		2,358,800

Ponderosa Fire Department

The Ponderosa Volunteer Fire Department (PVFD) was formed in 1972 by a group of concerned citizens. They organized under the auspices of the Spring Volunteer Fire Department and eventually formed the PVFD in 1976. At that time there were 550 homes, 35 businesses and one apartment complex within the same 13 square mile served today. The PVFD hired its first part time employee in about 1985, and the area experienced significant growth placing a lot of burden on the volunteers. During the next several years full time equivalents (FTE) were hired, the fire chief was hired full time in 2004, and full time firefighter/EMT's were added. As the area grew and revenue increased, those revenues were plowed back into service delivery.

The PFD operates three fire stations within its 13 square mile area with a population of about 48,000 people. We currently have 15 full time firefighters, 4 full time equivalents of part time fire fighters and 60 volunteers. Station #2 & 3 are all volunteer with respond from home capabilities. Headquarters is staffed 24/7 with both paid and volunteers; volunteers staff every night at headquarters. For 2014 we hired three more full time firefighters (the 15 referenced above is inclusive). The volunteer pool is decreasing in this urban area and training requirements that are established to have qualified personnel can be a burden to potential volunteers. We must have qualified firefighters.

Our volunteers have an incentive program designed around basic performance criteria. They receive a nightly staffing stipend of \$45 for a 12 hour time block, training hours and responses are also paid to "reduce the pain". All volunteers have the required taxes deducted from their bi-monthly incentive payment referred to as the Ponderosa Volunteer Incentive Program. Volunteers also qualify annually based on performance criteria for a length of service awards program – a 457b plan.

There are several fire apparatus and vehicles necessary to provide our level of service. There are four fire engines, a ladder truck, a heavy rescue truck, a mini-fire engine; a light rescue truck and grass fire type pickup truck. There are three staff vehicles, all pickup trucks; fire chief, assistant fire chief and what we refer to as Squad 60. Squad 60 is used 24/7 for various chores and response. Every night from 7 pm to 7 am qualified volunteers staff Squad 60 as the on duty chief for \$40 per night. All vehicles and equipment are as state of the art as possible with the goal of being dependable and operationally efficient. There are no extras. Most of our operations are driven by national standards and we attempt to meet or exceed these standards within our resources.

Annual Response Statistics

The following table identifies the types of emergency responses during the past few years:

Type	2009	2010	2011	2012	2013
Building Fires	109	101	129	110	74
Vehicle Fires	32	30	38	44	40
Other Fires	104	122	192	119	140
Entrapments	23	33	21	12	30
EMS Assists	374	388	469	620	597
Hazardous Conditions	128	129	128	164	113
Other	629	593	521	587	570
Total	1409	1396	1498	1656	1564

Insurance Public Protection Class (PPC)

Based on various performance standards weighted as 10% communications, 40% water supplies, and 50% fire department capabilities, we are rated as a PPC 3 that is within the top 6% of the nation. This rating is from the national Insurance Services Office system and various other agencies in our area are rated the same – some are not as good. We have worked diligently over the years to share resources and improve our own district's capabilities to reduce property insurance policy costs. A PPC 3 rating saves a homeowner/business approximately 13% per year compared to a PPC 5 rating (a 10 PPC is no fire department). These savings are huge compared to the ad valorem taxes paid for services. All property owners should contact their respective insurance agent to assure they have the PPC 3 rating properly applied.

Cypress Creek EMS Commcenter

It all starts with the 9-1-1 call. Cypress Creek EMS operates a regional emergency dispatch center. As of April 30, 2014 over 18,500 emergencies were dispatched. Extrapolate that to the end of the year and number is over 55,500 calls for help. All fire and EMS agencies pay a user fee to assist in operating the Commcenter. High technology computer aided dispatching, mapping, GPS, 9-1-1 call locating, and a host of other technology services operate within the Commcenter. Most of the incident information is sent to responding vehicles in a real time environment using mobile computers with internet access. Vehicles have mapping systems that show the exact address, recommended routes of travel, hydrant locations, pre-fire plans, and other information. We can actually see responding apparatus on the map which allows for improved incident management.

Currently, the following agencies are dispatched by the Commcenter:

- Ponderosa FD
- Klein FD
- Champions ESD FD
- Cypress Creek FD
- Little York FD
- Spring FD
- Cypress Creek EMS
- West I-10 FD
- Westlake FD
- Cloverleaf FD
- North Channel EMS
- Harris County Fire Marshal (investigators, inspections and staff)
- Harris County Hazardous Materials Response Team

Other dispatch agencies that operate in Harris County include the Harris County Emergency Corps serving agencies in north and east Harris County, Northwest EMS serving the Tomball area, and the CyFair FD. This county is so large and diverse that it would be inefficient to have one dispatch center for all of unincorporated county.

Focusing on the FM1960 area, all fire departments and Cypress Creek EMS operate seamlessly. The citizen does not care about the name or color of the truck, only that they need help and they need it now. That mission centric operative has been a constant for decades in this area, with closest response as the norm, not the exception. Boundaries do come into play on how the computer aided dispatch sends out the responders but generally it is all about getting there as quickly as possible.

The PFD operates its own training facility. We also operate a regional fire fighter recruit academy where volunteers are sent from other agencies to become state of Texas certified fire fighters. Cypress Creek EMS operates its own emergency medical training school. It is the ONLY accredited EMS school in the state that is not associated with a community college or other state school. This is another example of local control focusing on our citizens' needs.

Comparing Costs

The following information is gleaned from Firehouse Magazine's® 2013 Annual Run Survey. All agencies have different attributes and this chart shows cost per capita compared to the Ponderosa FD area and similar population sized agencies.

Survey of Combination FD's Firehouse Magazine March 2013					
Town/City	State	Response Area sq mi	Population	Operating Budget \$	Cost per Capita \$
Apple Valley FD	MN	18	49,000	1,478,000	30.16
Chicago Heights	IL	13	33,000	6,900,000	209.09
Manassas	VA	10	39,000	7,000,000	179.49
Colleton County	SC	1182	40,000	7,200,000	180.00
Durango	CO	325	40,000	9,800,000	245.00
East Jefferson	WA	82	33,000	5,900,000	178.79
Grand Blanc	MI	36	47,000	1,300,000	27.66
Henrietta	NY	44	46,000	7,500,000	163.04
Howell	MI	150	50,000	2,200,000	44.00
Lake Conroe	TX	62	40,000	3,300,000	82.50
Lincoln County / Troy	MO	163	35,000	2,000,000	57.14
Lancaster	PA	24	40,000	2,000,000	50.00
Menomonnee	WI	33	37,000	2,800,000	75.68
Pawley's Island/Georgetown Cnty	SC	72	35,000	4,600,000	131.43
Porter	TX	52	32,000	3,500,000	109.38
Mt. Lebanon	PA	6	33,000	3,300,000	100.00
Plainfield Twshp	MI	37	32,000	2,400,000	75.00
Santa Paula	CA	5	30,000	2,100,000	70.00
Shenandoa County	VA	512	42,000	3,900,000	92.86
Southington	CT	37	45,000	3,750,000	83.33
Sun Prairie	WI	94	39,000	490,000	12.56
Washington Township	NJ	23	52,000	5,800,000	111.54
Greenwood-Johnson County	IN	26	34,000	7,000,000	205.88
Ponderosa FD	TX	13	48,000	1,940,000	40.42

Conclusion

All of the information in this document is only a portion of what happens every second of every day. Our organizations strive for excellence in everything we do. But, it all comes down to two business acumens: Effectiveness and Efficiency.

We work hard to be effective even under trying circumstances that our professionals respond to every day. Fires, rescues, violence and “smells and bells” are a daily challenge because every response is different. We educate and train our members, our management team meets or exceeds professional qualifications, and our relationship with our neighboring emergency response agencies remain as the best it can be. We need each other.

Management addresses efficiencies on a consistent basis. Whether it is electricity, fuel prices, selecting the best personal protective equipment and insurance for our members, or simple things like office supplies; or, even the big one called salaries! Efficiency is in everything we do because we are an integral part of our community and we care about you. Our business model works to your benefit.