

# West Lake Limestone VFD Emergency Services District #2

e-NEWSLETTER – 1<sup>ST</sup> QTR. FEBRUARY 2021

## STRATEGIC PLAN 2020-25: The Needs

Through last fall's strategic planning effort, several needs were identified and prioritized for improving and sustaining the emergency services in our district. (See: "Strategic Plan 2020-2025.")

We need:

- A **tender** to shuttle firefighting water from our stations to fire scenes. A tender is a water tanker truck specifically designed for the fire service. (See Notes: "*Tender use in rural water supply.*")
- To address construction of a **training facility** near Station #3 on FM 3371 to attend to the need for enhanced rescue and interior attack operations in structure fires. (See "Station #3 improvements.")
- To add a **laundry facility** to Station #1, the main fire station, on FM 937 to address health and safety requirements for firefighters. (See "*Cancer-causing, combustion products in personal protective gear.*")
- To establish and fund a **vehicle replacement/acquisition fund** to ensure that the WLLVFD always has a certified fleet of emergency response vehicles. (See "*Service life of fire apparatus.*")
- To establish and fund a major **equipment replacement fund** to ensure that proper protective gear is always available and in use. (See "*Service life of firefighting equipment.*")
- To create and fund a **recruitment and retention program** to sustain the level of professional response in the district. (See "*Maintaining the 'people piece' in VFDs.*")

## TIMELY OPPORTUNITY:

### Capture Sales Tax Revenue Collected by the State

The strategic planning committee and the ESD#2 commissioners considered ways to fund these needs and elected to not seek an increase in property taxes in the district. Instead, we became aware of a timely opportunity and identified a viable solution.

The opportunity arose because of actions at the federal and state levels.

- In 2018 the U.S. Supreme Court ruled that states could require that businesses engaged in online commerce collect and remit sales taxes. (See "*South Dakota v. Wayfair.*")

- In 2019 the Texas legislature passed two laws that cover online, remote sales tax issues and established a uniform sales tax for both parts, state and local. (See "*Texas and online sales tax revenue.*")

After careful study, the ESD commissioners concluded that sales taxes are frequently being collected on many online purchases at rates that exceed 6.25% and, that in the future, many, if not most, online businesses will be moving toward the new uniform rate of 8.00% (6.25% state plus 1.75% local.) Approval of this voter initiative means that the local portion would be included on allowable purchases, at 1.75% or 2.0%.

We understand that store-front sales in the district are considerably less than online sales because residents routinely do not "shop" here. Nonfood sales at the store or food eaten at district restaurants and items purchased at our marina would include an increase with the 2.0% local portion. This represents an opportunity for visitors and vacationers to contribute to emergency services as well. We see this as a "**fairness factor**," sharing the burden as the WLLVFD responds to every emergency call!

***Our district has the opportunity to request that the local portion of sales tax revenue collected by the state be returned for our local use to improve and sustain emergency services.***

To address the question of capturing a portion of tax revenues going to the state, citizens in our district are called upon to vote in a special election on Saturday, **May 1, 2021** on the following proposition.

## BALLOT PROPOSITION

***"The adoption of a local sales and use tax in Limestone County Emergency Services District#2 at the rate of two percent."***

## QUESTIONS AND ANSWERS

**Q: Who provides our fire and rescue protection and emergency medical response?**

**A:** The ESD#2 is the organization responsible for fire protection and emergency medical response as well as safe operations in this large district. The **ESD#2** partners with **WLLVFD** as the service provider.

**Q: Where does our local ESD currently get its money and how much do they receive?**

**A:** The ESD#2 receives funds generated by a **property tax** of 4.0 cents per \$100. A home with a taxable value of \$100,000 pays \$40.00 a year – a little over \$3 a month. Last year, the county tax office provided revenues of approximately \$110,000.

**Q: How much will the sales tax provide?**

**A:** The ESD estimates this as **\$70,000**, from around \$20,000 on-ground sales plus \$50,000 online sales.

**Q: Will my household be paying more taxes?**

**A:** If you rarely purchase nonfood items at the store, only occasionally get a BBQ dinner, and don't purchase a motorcycle or ATV locally, then you will contribute very little new, on-ground, local sales taxes.

What you will pay in online sales taxes **depends** on how much shopping you do on the internet. Remember that a portion of increased online sales taxes results from the new optional uniform rate established by the legislature in 2019. That option is selected by the online businesses themselves.

**Q: With this increase, will we be taxed at 10% when we shop at Walmart in Mexia'?**

**A: No**, the maximum sales tax is 8.25% throughout Texas. The local portion there is designated to go to the city to pay for city services, to include the Mexia Fire Department. Our intent is to **capture the local portion** of sales taxes collected within our district **to support our fire department**.

**Q: Could this reduce homeowner insurance premiums?**

**A:** In Texas, many insurance companies use an independent rating organization – ISO – to establish an area's risk for fire damage. Overall, the lower the risk, the lower the premiums. We have been **committed to lowering homeowner insurance** premiums for ESD#2 residents. New revenues should allow us to **continue improving our ISO rating**.

**Q: What is the intent of this voter initiative?**

**A:** Primarily, the intent is to **improve and sustain emergency response** by capturing the unassigned, local sales tax portion of revenue being collected by the state.

## *Deciding the Future*

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## **Emergency Services Improvement Opportunity**

The WLLVFD needs additional funds to meet the demands of providing emergency services to the citizens in the district and safeguarding our neighbors in growing communities.

Our volunteer first responders are dedicated, well qualified individuals. We want to give them the tools to respond to your needs. We want to keep everyone safe and healthy.

**We want to keep this highly respected, well-functioning organization funded for future generations.**

### **NOTE**

#### **Strategic Plan 2020-2025**

The strategic planning process for 2020-2025 started by forming a committee with members from the ESD and VFD. It began with a critical review of the 2015-2020 Strategic Plan, characterized by "improvement and growth." The 2020-2025 Strategic Plan, "**improvement and sustainability**," confronts the challenges of both the "equipment piece" and the "people piece" necessary to enhance and maintain the professional level of response expected by our citizens.

#### **Tender use in rural water supply**

Rural areas do not have fire hydrants so their VFDs must establish water supply. Our goal has been to create a rural firefighting water distribution system and a tender shuttle operation with our mutual aid partners so the WLLVFD's **fire suppression capabilities are significantly improved**. We have installed water plants at our three fire stations totaling of **48,000**-gallons. To effectively use that water, we need to efficiently transport it to a fire. This requires a tender! A new tender costs almost **\$400,000**; a good, preowned tender costs around **\$200,000** to get several decades of reliable service.

#### **Station #3 improvements**

Station #3 on FM 3371 was built to house an ISO fire engine. Another building was added for a brush/rescue truck to address grass fire and medical services requirements. We also need a training facility to provide **realistic structure fire experience and victim rescue training** in smoke filled environments. This is when firefighters wear full bunker gear and SCBA breathing apparatus. Because air in their air packs will be consumed during training exercises, the facility will also need to include an adjacent tank refill unit. The facility will be available for use countywide as our mutual aid partner VFD's are essential to us during large emergencies. Estimated cost: **\$100,000**.

#### **Cancer-causing, combustion products in personal protective gear**

A well-documented concern is the **elevated cancer rate in firefighters** attributed to cancer-causing residue on their firefighting gear. Procedures and national standards have been established to clean protective clothing after each use. This requires a specific room for use of the "extractor" and for air drying. Estimated laundry equipment cost: **\$30,000**.

### **Service life of fire apparatus**

The recommended useful life of a fire truck is 20-years although volunteer fire departments routinely keep them for 30-years. To replace a “worn-out” fire truck with a “used” one costs around **\$150,000**. If a present truck has only 10-years of useful life, then saving **\$15,000/year** is necessary for debt-free replacement. WLLVFD has three front-line fire engines, three brush trucks, and a duty truck that will need to be replaced. Estimated ongoing cost: **\$40,000/year**.

### **Service life of firefighting equipment**

Equipment used by firefighters similarly has finite lifetimes, 10-years for personal protective gear and 15-years for air packs. A set of PPE costs around \$2,600 and an air pack \$5,000. WLLVFD has twelve sets of PPE and fourteen air packs subject to regular replacement requirements. This is about **firefighter safety**. Estimated additional cost: **\$5,000/year**.

### **Maintaining the “people piece” in VFDs**

Another equally important and challenging problem for **volunteer** fire departments is recruiting and retaining individuals from younger generations. What has been shown to work is **recognition and incentives** that offset the costs of volunteering that impacts **family life and income**. This is critical today as training standards for and certification expectations of first responders have increased. Implementing an incentive program to sustain the current level of professionalism at WLLVFD will require an investment. Estimated cost: **\$25,000/year**.



### **South Dakota v. Wayfair**

In 2018 the U.S. Supreme court ruling in South Dakota v. Wayfair had a dramatic effect on tax laws concerning online commerce. **Six** states had laws governing online sales in 2018; **today only two states do NOT!** In 2000, **1.0%** of all retail sales were online; in 2019 that became **12%**. Who can guess what it is now? This year legislators have seen state revenue shortfalls of 5% to 30%. States collecting

sales taxes on online commerce throughout their states did much better. As a result, **state, like Texas, have been responding to recover this “lost revenue.”**

### **Texas and online sales tax revenue**

In 2019, the 86th Texas Legislature passed **laws requiring collection and remittal of online sales taxes** and offered an optional 8.00% uniform sales tax to include a 1.75% single local tax rate for online, remote sales to “simplify” data collection and reporting for businesses since Texas has over 1600 local taxing jurisdictions. HB1525 created new tax responsibilities for market place sellers and buyers, and HB2153 created a single local tax rate for remote sellers. These laws were effective on October 19, 2019.

The ESD Commissioners suggest that our legislators are correct; many online businesses will elect this uniform sales tax option. These new online tax revenues will be collected by Austin and will go into the state coffers. We concluded that the ESD#2 should try to capture this new 1.75%. **We should NOT leave this money in the state’s general fund.**

### **TOWN HALL MEETINGS**

There will be two Town Hall Meetings held at the main fire station at 6614 FM937 on March 6th and April 10th at 2:00. These will also be available on Facebook Live (<https://facebook.com/wllvfd>) for alternate viewing. The Town Halls will begin with a brief introduction then a period for questions/ answers and conversation. Please join us.

### **ADDITIONAL INFORMATION**

For additional information concerning the activities of the ESD Board and the fire department in general and about this election in particular, please visit our website and Facebook page.

Web Address: <https://wllvfdesd2.org>

Facebook Page: <https://facebook.com/wllvfd>

### **CONTACT INFORMATION**

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