

The Sales Tax Election Frequently Asked Questions

DEFINITIONS

Emergency Services District #28 – ESD28 is the political subdivision operating under Texas Health & Safety Code Chapter 775 with the primary responsibility of funding fire and rescue services via five elected officials who live within the district.

Ponderosa Volunteer Fire Association, Inc. – PVFA was formed in 1976 after the Ponderosa Volunteer Fire Department seceded from the Spring Volunteer Fire Association, Inc. It is the non-profit tax exempt corporation that contracts with ESD28 for fire and rescue services. The PVFA board of directors is elected by the citizens of the district, has one firefighter representative and the fire chief (non-voting).

Ponderosa Fire Department – PFD is the operations arm of the PVFA. The PFD operates three fire stations and have a full time fire chief, a full time office manager, nine full time firefighters, a cadre of part time firefighters and 55 volunteers.

General Service Area – The district is generally bounded by Welcome Lane on the west, FM 1960 east to Kuykendahl on the west, Louetta on the north, Ella on the east to Cypress Creek, Cypress Creek to the Hardy Toll Road, Toll Road to Old Bammel Road, to Imperial Valley, to north of Richey Road, to IH45, to Richey Road, to Ella, to Harrel-Dwyer Road, to Kuykendahl, to Welcome Lane. The district has about 47,000 citizens and about 1,000 businesses.

What is the sales tax?

There are areas within the fire district that have not been subjected to Strategic Partnership Agreements (SPA) between water districts and the City of Houston. These 30 year partnerships allow for 1% sales tax to be a 50/50 share between the water district and Houston and cannot be annexed for 30 years. The small areas that are not in SPA's are dispersed throughout the fire district and are generally not in large commercial areas. One larger shopping center that would be subject to the ESD28 sales tax is at Kuykendahl and Louetta.

Is a sales tax election legal?

Chapter 775 allows for emergency services districts to call for a sales tax election. The limitation is to not exceed the maximum of 8.25% in Texas. Some areas in the fire district are currently at 7.25%; therefore a 1% increase would have to be approved by a general election within the district. All registered voters in the fire district can vote. Only those businesses that are currently at 7.25% will be subject to the 1% increase.

When/where is the sales tax election?

Early voting will be held May 2-6, 2011, 9 am to 5 pm, May 7, 9 am to noon, and May 9-10 9 am to 5 pm at 17061 Rolling Creek in the Ponderosa subdivision. This is the headquarters for the Ponderosa FD and office of Emergency Services District #28. The general election will be held on May 14, 2011 at all three fire stations from 7 am to 7 pm; HQ, Station 2 at 18200 Mantana in the Cypressdale Subdivision, and Station 3 at 21455 Imperial Valley in the Northview Subdivision.

Why is there a need additional funding?

This year total revenue for ESD#28 dropped about \$280,000 (12%). Early predictions show an additional revenue reduction of about \$160,000 (7%) next year. 99% of all revenue is raised via the ad valorem property tax of 10 cents per hundred dollars of evaluation, the maximum allowed in Texas for emergency services districts.

Is there really a need the additional funding?

ESD#28 and the PVFA have always developed a straightforward and efficient budget every year. The long term funding projections were based on a conservative 1% annual revenue increase, but the impact of the significant reductions in 2011 and 2012 cannot sustain current service levels. ESD#28 has always been conservative to the point of increasing the tax rate slowly over several years as the response system and infrastructure was being built and improved; financial reserves were not begun until after 2007 and those reserves are being used now.

How much will this sales tax affect you?

The impact on our citizens is minimal. With the few remaining businesses collecting the additional 1% sales tax, most people within the district will not recognize the increase.

How much revenue will the sales tax produce?

Unfortunately, there is no way to estimate the revenue and the Texas Comptroller cannot predict the revenue due to various rules until sometime after the election. The PFD is surveying now to attempt an estimate and the best that can be predicted at this time is about \$125,000 per year.

What if the sales tax election fails?

There will have to be service reductions. Some of those may be; no response to automatic alarms, no response to minor motor vehicle incidents unless confirmed injury, reduced staffing (we have full time, part time and volunteers), extended response times and a host of other issues to be determined. The bottom line is there are basic costs needed such as insurance, utilities, salaries (that have already been addressed), fuel, maintenance, indebtedness and many other costs to “keep the doors open”. Other revenue sources will need to be addressed including donations and fees for service.

Why do we need “so much” money?

Our current budget is \$2,000,000 and that includes all capital outlays and all operational costs. One new fire engine costs about \$500,000, a ladder truck is about \$1,000,000, a set of firefighter protective clothing is about \$2,500, insurance is \$135,000; there are infrastructure indebtedness payments on the training facility, headquarters and apparatus. There are utility bills and payroll with benefits for our full time, part time and volunteer members.

Why are you building a new fire station?

The new replacement fire station was planned for and deemed necessary years ago. Commitments to the project were made and the significant revenue reduction was not predicted. The location of the old fire station is not conducive to quality services (response time and risk) since it is deep within the Cypressdale Subdivision. The new fire station was designed and engineered to the best value attainable and to last decades including a CAT 4 Hurricane wind rating. The total project is expected to cost \$2.5 million.

What else?

The fire department fully understands when our citizens dial 9-1-1 they are having the worst day of their lives! We are your safety net – peace of mind. We simply cannot continue our high performance service with the current amount of revenue. Today, our citizens enjoy that service and insurance cost reductions because we are highly rated by the insurance industry and you save money every year when you purchase your home/business insurance. We are a Public Protection Class 3, within the top 5% of the nation. We would not call the sales tax election unless it was absolutely necessary.