

## Lebanon Fire District 'hemorrhaging'; will ask for new taxes

Alex Powers Jul 24, 2023 Updated Aug 29, 2023

The Lebanon Fire District is grappling with another kind of fire — floating a new property tax to correct a budget so hard hit that the city's de facto firefighting service could have to start parking emergency calls.

The district estimates it will need six firefighters and a lot of new revenue to grow with the increased calls that come with a growing city population.

“Just to keep the same model is a concern,” district Chief Joe Rodondi said by phone.

District officials have started the runup to the Oregon primary election in May, when they'll ask voters to approve a tax levy and close funding gaps.



*Lebanon Fire District trucks are stationed in a field after extinguishing a small field fire on Wednesday, July 20, 2022. Mid-Valley Media (File 2022)*

And timing could be crucial — firefighters' bid for a new property tax comes as [Lebanon's elected leaders consider doing the same](#) to avoid depleting the city's daily operating funds by 2026. The fire district is a separate agency from the city.

## **Tax caps**

Some on the district board questioned in June whether 2024 is the right time to ask voters to pay more taxes. The [district plans to open its new central firehouse](#) and administration building in February, a more than \$13.6 million replacement for [Station 31 that was demolished in October](#).

But the district is spending more than it gets paid, Rodondi said. He told the board members their tax district “will be in financial distress within a few years” if they don’t approve a levy now.

Lebanon’s fire service will overdraw its budget by about \$490,000 in 2024; and around \$1.4 million in 2026, staff estimated.

Staff are projecting that need based on 3 to 5% rises in costs each year since 2020. The district in 2023 approved a \$41.4 million budget, but \$13.5 million of that is set aside for Station 31. That covers the cost of firefighters, maintaining and replacing firetrucks, supplies, and other day to day costs.

Governments across Oregon are pressed for revenue as costs to pay employees and buy materials increase and money pulled from property taxes doesn’t keep pace.

Cities are adding fees to utility bills or pulling a percentage off of sports ticket sales to help stop budget shortfalls. Salem is about to implement a tax on all payroll in the city to help pay for police and firefighters.

“I don’t have that ability,” Rodondi said.

Oregon capped the fire district’s property tax at about \$2.59 per \$1,000 assessed value after voters passed restrictions in the 1990s, setting a hard limit on how much money local governments can collect.

At the same time, assessed value can grow at 3% each year under state law. That means the taxable value of a property grows relatively slowly even when the real market value skyrockets.

“It hog-ties us to some degree,” Rodondi said.

Linn County anticipated collecting \$6.3 million for the fire district in 2022. That’s on \$2.4 billion in assessed value for all property in the fire district. The district real-market value was closer to \$5.4 billion.

## **Compression**

And new taxes could drive down other taxes, meaning the various taxing entities overlapping on a property potentially compete for a finite amount of revenue.

As the assessed value closes with a property's real-market value, hard tax limits take hold.

Lebanon taxpayers paid anywhere between \$12.20 and \$21.20 per \$1,000. That's the total for all public entities levying taxes, like irrigation districts, revitalization districts, the fire district and city of Lebanon.

"Any time you go out for a levy, one of the concerns is compression to your partners," Rodondi said. "You want to be a good partner. You want to be respectful of that."

Rodondi said the district has a strong working relationship with the city, and both are aware of the other's funding requirements.

### **Burnout**

Fire districts seeking new local operating income can only pass a local option levy, an additional tax to pay for government operations that expires after five years.

Rodondi said the district needs six more firefighters to answer [anticipated call volumes in the next five years](#), and to take pressure off the career crews working in Lebanon.

Those positions would cost an additional \$705,000 each year. Ideally, Rodondi said, the district would hire nine firefighters — three each for three shifts, and an additional cost of \$1.1 million. Firefighters burn out, Rodondi said, and move to such departments as Clackamas Fire District that have more staff to take pressure off crews running to numerous fire or medical calls per shift.

That leads the district to turn over firefighter jobs while relatively new employees earn paramedic certificates, get two years of experience, and start looking elsewhere.

"You become a very valuable asset to the communities," Rodondi said.

In the mid-Willamette Valley, firefighters are spread thin. Firefighters respond in the summer to more crashes, wildland fires and rescues for exhausted and injured hikers.

Even in the wet season, ambulance crews are summoned to calls for medical emergencies or transferring patients between hospitals in the middle of literally putting out fires.

Fire agencies increasingly rely on mutual aid agreements to cover staff shortages.

"Albany is supplanting us, I'm supplanting them. Sweet Home is supplanting us, I'm supplanting them. And they need to be able to supplant their own communities," Rodondi said.

At the June meeting of the fire district's board, President Robert Taylor said putting a new tax to voters in May seemed to be the only option.

**Tax attitude**

District staff will question taxpayers whether they can tolerate another 75 cents per \$1,000 and what kind of response times voters are willing to endure.

That comes out to about \$112 on a house with a market value of \$377,000. That example house would have a \$2,662 bill on a taxable \$149,700.

Official estimates weren't immediately available, but a 75-cent-per-\$1,000 tax yields roughly \$1.8 million in revenue, before compression. Rodondi said he talked with former fire Chief Gordon Sletmoe who encouraged the district to hire a consultant who can research constituents' tax attitudes and organize communication with the public.

Sletmoe was at the helm when the district passed a bond measure in 2019 that funded the new fire station and five firetrucks, including two trucks built to fight brush fires off road. Bonds pay for new buildings and equipment; levies are used to pay for operational expenses like salaries.

Lebanon's voters historically have rejected tax increases, unless for fire.

Rodondi said the district will pursue a minimum 35-cent tax per \$1,000 value if those polled balk at the proposed \$0.75 rate.

Staff believe the lower rate won't fund the district to keep up with more, projected volumes of emergency calls. That means crews could delay response to those calling 911.

But that rate would keep the district running, Rodondi said.

"It will help us stop the hemorrhaging," he said.