Introduction

South Metro Fire Rescue Fire Protection District serves 285 square miles and 540,000 residents in Arapahoe, Douglas, and Jefferson counties. From its 30 fire stations and nearly 750 employees, South Metro Fire is a world-class organization that serves the public by protecting lives and property through our dedication to training, prevention, mitigation, and response.

This report is to provide South Metro Fire Rescue Board, staff, and community with a comprehensive guide to the various revenue sources. Within this manual, readers will find the revenues categorized by fund, a description of each revenue source and related data. This document will also go into revenue usage, collection, and methods of forecasting. For more information on revenue data and long-term planning efforts, please see the annual adopted budget.
Sources of Revenue

The major revenue sources of the District are property taxes, specific ownership taxes, and charges for services. Property tax collection is typically budgeted using information provided by the County Assessor’s offices beginning with preliminary information in August and final information available in December of the preceding budget year. Although there can be slight variations in collections, the District feels confident that using the County Assessor’s valuations provides us with an accurate budget for property tax revenue.

Specific ownership taxes are related to the taxes collected from vehicle registrations within the counties. Fees are assessed and collected at the county level based on the vehicles weight, and the funds are then distributed to the applicable governments based on a funding formula. This revenue source varies greatly with economic conditions and needs of District residents.

Charges for service revenues are made up of Ambulance Transport Services and Plan Review/Permit Fees. Ambulance Transport service revenue is based on the projected number of transports and the averages for mileage. Plan review fees are a charge by the District for the review of building and development plans. Building permit fees are associated with the administration of the District’s system for permitting commercial and industrial construction for new and existing structures within the District.

Medical Premiums revenue is collected in the Self-Insured Medical Fund from employees and the District to provide health care benefits to the District’s employees.

Other revenue sources budgeted in 2022 include Medicaid supplemental fee, net investment earnings, rents received from tenant space rental, reimbursements, excise tax, dispatch fees, grants, stop loss refunds/reimbursements, and miscellaneous revenue.

- Net investment earnings were budgeted using historical data as well as market forecasts prepared by outside sources.
- Rental income was budgeted using a combination of tenant agreements for rental space and cell tower rental agreements.
- Reimbursement revenue includes reimbursable expenses related to items such as Urban Search and Rescue (USAR) deployments, wildland firefighting deployments, and the Special Weapons and Tactics (SWAT) medic program.
- Excise tax revenue is collected per the agreement with the Town of Parker for the newly constructed residential and nonresidential buildings.
- Dispatch fee revenue is related to contracted dispatch services with other local governments resulting in income to the District.
- Grants revenue is related to a state reimbursement for the Colorado Firefighter Heart and Cancer Trust benefits coverage. Additionally, grants received in 2020 of approximately $1 million are related to the CARES act funding that was available to subsidize various COVID related costs.
- Stop loss refunds & reimbursements revenue is collected when single health care claims exceed $500,000.
- Medicaid Supplemental Fee is collected from State of Colorado’s program to offset the reimbursement rate for Medicaid transport patients.
GENERAL FUND

The General Fund is the District's operating fund. The general fund accounts for most of the expenses in the District. The sources of revenue for this fund come from property tax, specific ownership tax, ambulance transport services, permit fees, and other revenue sources.
General Fund Sources of Revenue

- Property Tax, 78.0%
- Ownership Tax, 6.4%
- Ambulance Transport Fees, 8.0%
- Medicaid Supplemental Fee, 4.2%
- Permit/Plan Review Fees, 1.2%
- Other Income, 2.2%

$147M

*2021 Year End Total
**General Fund: Property Taxes**

**Description**
Property tax is a tax assessed against all real residential and commercial property. Assessed values are set by the County Assessor’s Office and values are re-assessed every odd year.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
Forecasting is based on data provided by the County Assessor’s offices beginning with preliminary figures in August and final information available in December of the preceding budget year. For near term forecast, the State Legislative Council’s December Assessed Value Forecast is used. For long term planning, the District assumes a 2% and 5% growth in assessed value every other assessment year.

**Rate**
- 9.25 mills, plus any refunds and abatements from the prior year.

**Source(s)**
- Property owners

**Collecting Agency**
County Treasurer
- Remitted monthly upon collection with most of this revenue received in the second quarter of the year

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**Budget Snapshot**

**Property Tax Revenue: $115M**

**Revenue History: Property Tax**

General Fund Total: $146.9M

- 2019: $96.96
- 2020: $113.19
- 2021: $114.60
- 2022 Budget: $125.72

- Property Tax 78%
General Fund: Specific Ownership Taxes

**Description**
Specific ownership taxes are levied by the Colorado General Assembly on all motor vehicles, wheeled trailers, semi-trailers, trailer coaches, mobile homes, and self-propelled construction equipment. The tax rate is based on the year of manufacture, class and original taxable value of each vehicle as defined by state statutory authority.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
Fees are assessed and collected at the county level based on the vehicles weight, and the funds are then distributed to the applicable governments based on a funding formula. This revenue source varies greatly with economic conditions and needs of District residents. For long term planning purposes, this is forecasted at 8.5% of property taxes.

**BUDGET SNAPSHOT**

Ownership Tax Revenue: $9.4M

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Revenue History: Ownership Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$8.65</td>
</tr>
<tr>
<td>2020</td>
<td>$8.91</td>
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<tr>
<td>2021</td>
<td>$9.40</td>
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<tr>
<td>2022</td>
<td>$10.69</td>
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</table>

General Fund Total: $146.9M
General Fund: Ambulance Transport Services

**Description**
Ambulance Transport service revenue is generated from transporting patients to area hospitals. A fee study was conducted in 2020 which resulted in an increase in the base transport fee. The fee can be increased at a rate not to exceed the CPI from the preceding year.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
Forecasting is based on historical trend for the number of transports and averages for mileage. For long term planning, the District assumes a 2% annual growth in transports.

**RATE**
- Assumed transports per year based on trend with a base billing rate of $1,270/per transport and $15/per mile

**SOURCE(S)**
- Patient
- Insurance

**COLLECTING AGENCY**
South Metro Fire Rescue District
- Invoices patient or insurance

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**BUDGET SNAPSHOT**

**Ambulance Transport Fees: $11.7M**

**Revenue History: Ambulance Transport**

![Graph showing revenue history for Ambulance Transport from 2019 to 2022 Budget with data points at $9.98, $9.70, $11.69, and $12.37].

General Fund Total: $146.9M
General Fund: Medicaid Supplemental Fee

**Description**
Medicaid Supplemental fee is revenue generated as a result of the State reimbursing the District for the full cost of transporting Medicaid patients to area hospitals.

**Restrictions**
Reimbursement for actual costs directly related to transporting Medicaid patients to area hospitals.

**Forecasting Method**
Forecasting is based on historical information. For long term planning, the District assumes an increase of 3% annually.

**Rate**
- Reimbursed based on actual cost of transport for Medicaid patients

**Source(s)**
- State

**Collecting Agency**
- South Metro Fire Rescue District
  - State submits reimbursement in September of each year

**Budget Snapshot**

**Medicaid Supplemental Fee: $6.2M**

**Revenue History: Medicaid Supplemental Fee**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.35</td>
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<tr>
<td>2020</td>
<td>5.08</td>
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<tr>
<td>2021</td>
<td>6.19</td>
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<tr>
<td>2022 (Budget)</td>
<td>6.38</td>
</tr>
</tbody>
</table>

General Fund Total: $146.9M
**General Fund: Other Revenue**

**Description**
Other forms of revenue the District receives includes investment earnings, grants, and dispatch fee revenue.

**Restrictions**
All reimbursable income must have a corresponding related expense.

**Forecasting Method**
Reimbursable, dispatch fee, and grant revenue is budgeted based on the forecasted expenses and the contracted reimbursable agreement. Net investment earnings are budgeted using historical data as well as market forecasts prepared by outside sources.

**RATE**
- Grant, dispatch, and reimbursable expenses are based upon agreement with reimbursing Agency
- Investment income is based on the market

**SOURCE(S)**
- Local, State, Federal Government
- Investment Market

**COLLECTING AGENCY**
South Metro Fire Rescue District
- Invoices various government agencies for reimbursement

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**BUDGET SNAPSHOT**

**Other Revenue: $3.2M**

**Revenue History: Other Revenue**

- General Fund Total: $146.9M
**General Fund: Plan Review/Permit Fees**

**Description**
Building plan review fees are a charge by the District for the review of building and development plans. Building permit fees are associated with the administration of the District’s system for permitting commercial and industrial construction for new and existing structures within the District.

In 2020, the District conducted a fee study to update the District’s fee schedule. Fees can be increased annually at a rate consistent with the District's increases in salaries and benefits.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
Revenues are based on historical trends and information on new commercial construction planned within the District. Currently, for long term planning, it is forecasted to grow 3% annually.

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**BUDGET SNAPSHOT**

**Permit/Plan Review Revenue:**
$1.8M

**Revenue History: Permit Plan Review Fee**

- 2019: $2.54
- 2020: $1.81
- 2021: $1.82

**General Fund Total:** $146.9M
CHERRY HILLS VILLAGE PENSION FUND

Cherry Hills Village Pension Fund accounts for the activity of retirement benefits for the former employees of Cherry Hills Village Fire Protection District and is administered by the Fire and Police Pension Association (FPPA) of Colorado. The sources of revenue include property tax, specific ownership tax, and interest income.
Cherry Hills Village Pension Fund:
Taxes

Description
The Cherry Hills Property Tax Fund is used to collect the property tax receipts from the former Cherry Hills Fire Protection District in order to fund the Cherry Hills Old Hire Pension Plan. As part of the inclusion of the Cherry Hills Fire Protection District into South Metro Fire Rescue, the District is allowed to assess a mill levy to provide for the pension.

Restriction
Collected mill levy can only be used for contributions to this pension plan.

Forecasting Method
Forecasting is done based on the known mill rate and information provided by the County Assessor’s offices beginning with preliminary information in August and final information available in December of the preceding budget year.

RATE
- 0.500 mills, plus any refunds and abatements from the prior year

SOURCE(S)
- Property owners

COLLECTING AGENCY
Arapahoe County Treasurer
- Remitted to the District upon collection

BUDGET SNAPSHOT

Cherry Hills Pension Fund: Property Tax $0.27M

Revenue History: Property Tax

- 2019: $0.25
- 2020: $0.27
- 2021: $0.29
- 2022 Budget:

Arapahoe County Property Taxes 93.3%

Cherry Hills Pension Fund: $0.3M
Cherry Hills Village Pension Fund: Specific Ownership Taxes

Description
Specific ownership taxes are levied by the Colorado General Assembly on all motor vehicles, wheeled trailers, semi-trailers, trailer coaches, mobile homes, and self-propelled construction equipment. The tax rate is based on the year of manufacture, class and original taxable value of each vehicle as defined by state statutory authority.

Restriction
Collected mill levy can only be used for contributions to this pension plan.

Forecasting Method
Revenues are based on historical trends.

RATE
- Revenues received from the County are based on the age and class of each registered vehicle.

SOURCE(S)
- Consumers
- Motor vehicle owners

COLLECTING AGENCY
Arapahoe County Treasurer
- Remitted to the District upon collection

BUDGET SNAPSHOT

Cherry Hills Pension Fund: Specific Ownership Tax $0.02M

Revenue History: Specific Ownership Tax

Cherry Hills Pension Fund: $0.3M
Cherry Hills Village Pension Fund: Interest Income

Description
Taxes are deposited into an interesting bearing account. The interest on this account makes up the interest income.

Restriction
All interest income related to the mill levy can only be used for contributions to this pension plan.

Forecasting Method
Revenues are based on historical trends.

BUDGET SNAPSHOT

Cherry Hills Pension Fund: Interest Income $0.002M

Revenue History: Interest Income
- $0.01
- $0.00
- $0.01
- $0.02

CHVP INTEREST INCOME
CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, infrastructure, apparatuses, vehicles, and equipment. The sources of revenue include a transfer from the general fund, excise taxes, and other revenue.
Capital Project Fund: General Fund Transfer

**Description**
Per Board policy, the General Fund transfers $15 million annually to the Capital Projects fund.

**Restrictions**
Revenue in the capital fund can only be used towards capital projects.

**Forecasting Method**
Forecasting assumes an annual transfer of $15 million.

### BUDGET SNAPSHOT

**General Fund Transfer: $15.3M**

**Revenue History: General Fund Transfer**

- **2019**: 2.84
- **2020**: 7.75
- **2021**: 15.36
- **2022 Budget**: 15.00

- **General Fund Transfer**: $15.3M
- **Capital Project Fund Total**: $15.9M

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**RATE**
- $15 million annually

**SOURCE(S)**
- General Fund Revenue

**COLLECTING AGENCY**
- South Metro Fire Rescue District
  - Transfer of funds are made annually
Capital Project Fund: Miscellaneous Revenue

Description
Other forms of revenue the Capital Project fund receives includes reimbursements and proceeds from the sale of assets. The District is reimbursed for the use of its vehicles, apparatuses, and equipment when deployed to other jurisdictions’ emergencies.

Restrictions
All reimbursable income must have a corresponding related expense. The revenue is to be used for capital expenditures.

Forecasting Method
The revenue streams are based on known activity for the near-term forecast.

BUDGET SNAPSHOT

Other Revenue Tax: $0M

Revenue History: Other Revenue Tax

Capital Project Fund Total: $15.9M
Capital Project Fund: Excise Tax

Description
Excise tax is levied by the Town of Parker and collected on newly constructed residential and nonresidential buildings.

Restrictions
Revenue collected can only be used towards construction projects and/or for the provision of public safety solely for the Town of Parker.

Forecasting Method
Revenue is based on historical trends and in consultation with the Town of Parker’s development plan.

BUDGET SNAPSHOT

Excise Tax: $0.6M

Revenue History: Excise Tax

Capital Project Fund Total: $15.9M
BUILDING RENTAL FUND

The Building Rental Fund provides for the maintenance related to the headquarters building which is also rented or leased to outside governments on both the state and federal level. The sources of revenue include rental fees, and interest income.
**Building Rental Fund: Rental Fees**

**Description**
The revenue source for the Building Rental Fund is rental fees from the associated tenants of the buildings.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
Rental income is budgeted using tenant agreements for rental space. The District has not renewed the last several leases in order to utilize the space in the building for expanding programs.

**BUDGET SNAPSHOT**

**Rental Fees: $0.8M**

**Revenue History: Rental Fee**

- **Rental Fees: 100.0%**
- **Buildings Rental Fund: $0.8M**
- **Rate**
  - Based on rental agreements
- **Source(s)**
  - Tenants
- **Collecting Agency**
  - South Metro Fire Rescue District
- **Tenants are invoiced monthly**

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (Millions)</th>
</tr>
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<tbody>
<tr>
<td>2019</td>
<td>$0.78</td>
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<tr>
<td>2020</td>
<td>$0.78</td>
</tr>
<tr>
<td>2021</td>
<td>$0.76</td>
</tr>
<tr>
<td>2022</td>
<td>$0.78</td>
</tr>
</tbody>
</table>
Building Rental Fund: Interest Income

**Description**
Rental income is deposited into an interesting bearing account. The interest on that account makes up the interest income.

**Restrictions**
All revenue in excess of TABOR limitations can be used for any governmental purpose.

**Forecasting Method**
As this revenue stream is immaterial and variable, it is not currently included in forecast.

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**BUDGET SNAPSHOT**

**Interest Income: $0.0M**

**Revenue History: Interest Income**

- 2019: $0.05
- 2020: $0.04
- 2021: $0.00
- 2022 Budget: $0.00
Self-Insured Medical Fund

The SMFR Medical Self-Insured Medical Fund collects the District and employee medical premiums. The funds are used to pay for the Stop Loss Insurance, administration fees to the third-party administrator, and medical claims of the insured. The sources of revenue include medical premiums, interest income, refunds, and miscellaneous income.
**Self-Insured Medical Fund:**

**Employer/Employee Medical Premiums**

**Description**
Revenue is collected from employer and employees to pay for the Stop Loss Insurance, administration fees to the third-party administrator, and to pay medical claims of the insured. Eighty five percent of the revenue is paid by the employer from the general fund, while the other fifteen percent is collected from the District’s employees on a bi-weekly basis via payroll.

**Restrictions**
Collected funds can only be use for related medical cost including planned administrative expenses, claims, and stop loss insurance.

**Forecasting Method**
Forecasting is based on projected FTEs, anticipated plan costs, and applied allocated percentage.

**BUDGET SNAPSHOT**

**Medical Premiums: $13.3M**

**Revenue History: Medical Premiums**

- **2019**: $10.11
- **2020**: $12.18
- **2021**: $13.27
- **2022 Budget**: $14.15

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**SOURCE(S)**
- Employees
- South Metro Fire Rescue District General Fund

**COLLECTING AGENCY**
South Metro Fire Rescue District
- Collected with the issuance of payroll biweekly

**RATE**
- Based on selected employee medical plan
Self-Insured Medical Fund:
Miscellaneous Revenue

**Description**
Stop Loss and administrative refunds are issued if a single claim exceeds the District’s stop loss threshold which is currently set at $500,000. Other Miscellaneous income is derived from pharmacy rebates and transfers from the General Fund if the need arises.

**Restrictions**
Collected funds can only be used for related medical cost including planned administrative expenses, claims, and stop loss insurance.

**Forecasting Method**
Revenues are based on historical trends.

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**BUDGET SNAPSHOT**

**Refunds/Miscellaneous Income: $1.6M**

**Revenue History:**
Refunds/Miscellaneous Income

- 2019: $0.32
- 2020: $0.02
- 2021: $1.57
- 2022 Budget: $0.65

Self-Insured Medical Fund: $14.8M
Interest Income

Self-Insured Medical Fund: Interest Income

Description
Medical premiums are deposited into an interesting bearing account. The interest on this account makes up the interest income.

Restrictions
Revenue can only be use for related medical cost including planned administrative expenses, claims, and stop loss insurance.

Forecasting Method
Revenues are based on historical trends.

RATE
• Based on market conditions

SOURCE(S)
• Investment Market

COLLECTING AGENCY
South Metro Fire Rescue District
• Remitted to the District monthly

BUDGET SNAPSHOT

Interest Income: $0.0M

Revenue History: Interest Income

Self Insured Medical Fund: $14.8M

2019 $0.01
2020 $0.01
2021 $0.00
2022 Budget $0.00