



Chugiak Volunteer Fire
& Rescue Department

A Proposed Fire Service Area Mill Rate Increase

Protecting Our Community's Future: An
Official Public Information Document

A PROPOSED FIRE SERVICE AREA MILL RATE INCREASE

01. EXECUTIVE OVERVIEW

Introduction

The Chugiak Volunteer Fire and Rescue Department is proposing an increase in the fire service mill rate from a 1.0 mill to a 1.5 mill rate. The mill rate is applied per \$1,000 of taxable value. This proposal is intended to address increasing operational costs, aging emergency apparatus, and the long-term financial sustainability of fire and EMS services within our community.

On a property assessed at \$250,000, our current 1.0 mill rate results in an annual Chugiak fire tax of \$250.00. The proposed adjustment to a 1.5 mill rate would increase the annual Chugiak fire tax to \$375.00. This is a \$125.00 increase per year.

By comparison, residents in the Anchorage Fire Service Area pay a mill rate of 2.27, which is a annual Anchorage fire tax of \$567.00 annually for a property assessed at \$250,000.

Below is a breakdown representing these numbers

Service Area/Prposal	Mill Rate	Annual Property Tax (\$250k Home)
Current CVFRD Rate	1.0	\$250.00
Proposed CVFRD Rate	1.5	\$375.00
Anchorage Fire Department Current Rate	2.27	\$567.00

Why This Discussion Is Necessary

The current mill rate was established in 2005 and has remained unchanged for more than twenty years. During that same period, inflation has increased the cost of nearly every aspect of emergency services. The cost of fire apparatus has risen dramatically. The purchasing power of the current mill rate has declined while emergency equipment, fuel, facility utilities, maintenance, repairs, technology, and training costs have continued to rise.

Raising Community Demands: Along with monetary inflation, emergency call volume has grown significantly. Annual emergency response runs increased from 822 in 2011 to 1,046 calls in 2025. This is a 27% increase in community service demand while our operating mill rate remained unchanged.

02. APPARATUS REPLACEMENT CHALLENGES

The National Fire Protection Association (NFPA) recommends evaluating frontline fire apparatus for replacement after approximately 15 years of service. Currently, several department vehicles have exceeded that benchmark.

EMERGENCY UNIT	PURCHASE YEAR	CURRENT VEHICLE AGE
Heavy Rescue	2003	23 Years Old
Fire Engine	2003	23 Years Old
Fire Engine	2005	21 Years Old
Tender (Tanker)	1999	27 Years Old
Tender (Tanker)	2008	18 Years Old
Brush Truck	2003	23 Years Old
Brush Truck	2005	21 Years Old
Brush Truck	2005	21 Years Old

As apparatus cross the two-decade mark, specialized replacement parts become increasingly difficult to obtain, routine maintenance requirements grow more frequent, and vehicle downtime climbs.

CAPITAL REPLACEMENT REALITIES

The cost of replacing a single modern fire engine right now is approximately **\$1.5 million**. Because ongoing budget constraints at the state level, we no longer anticipate receiving state capital grants, the department must transition to sustainable local funding structures.

03. REVENUE, STEWARDSHIP, & IMPACT

Current Revenue and Expenses

The fire service area generated approximately \$1.7 million in tax revenue during the previous fiscal year.

Operational Revenue Allocation Breakdown

Total Service Area Tax Revenue	\$1,700,000
Shared Municipal Infrastructure Support Includes 911 dispatch, IT systems, finance support, administration support, communications infrastructure, and fleet maintenance	-\$500,000
Direct Fire Department Operational Budget	\$1,200,000
Directly funds local fire suppression, EMS response, station utilities, protective safety gear, and training programs	

A History of Responsible Financial Management

Chugiak Volunteer Fire and Rescue Department has a long-standing history of strict fiscal stewardship. Equipment acquisitions and operational budgets have historically been managed through careful long-term planning and volunteer community support.

- **The Volunteer Cost Advantage:** More than 100 volunteer firefighters and EMS personnel donate thousands of hours annually without compensation. This model allows our service area to receive premier 24/7 coverage at a fraction of the cost of a fully paid department.
- **Administrative Efficiency:** By leveraging shared municipal services for dispatch, IT, and maintenance, we ensure that administrative bloat is eliminated and maximum funding reaches frontline operations.

PROJECTED PROPOSAL IMPACT SUMMARY

An adjustment in the baseline rate from 1.0 to 1.5 mills translates to an expected annual increase of \$175.00 on property assessed at \$250,000.

- Establishes a predictable, long-term capital vehicle replacement fund.
- Reduces the risk of deferred safety apparatus replacements.
- Maintains highly dependable emergency response capabilities that allows for continued high quality dependable fire and EMS services.

04. CONCLUSION & CONTACT INFO

Conclusion

The proposed mill rate increase is not intended to expand services or create new programs. Rather, it is intended to preserve the level of fire and EMS protection that our community currently expects while ensuring that future generations inherit a department that remains financially stable, operationally ready, and equipped to respond when emergencies occur.

COMMITMENT TO TRANSPARENCY

The Chugiak Volunteer Fire and Rescue Department remains committed to responsible financial stewardship, absolute operational transparency, and the safety of the citizens we proudly serve.



Chugiak Volunteer Fire & Rescue Department

COMMITMENT TO TRANSPARENCY

We value open dialogue and complete transparency with our community. If you have questions, feedback, or would like additional information regarding the proposed mill rate adjustment, please reach out directly to:

Public Information Email: Chiefs@CVFRD.com

Chugiak Volunteer Fire and Rescue Department
Answering the Call Since 1952