

Information regarding Public Hearing concerning Johnson County Fire District No. 2

As a result of concerns brought to the attention of the Board of County Commissioners (BOCC) regarding governance, personnel and financial issues of Johnson County Fire District No. 2 (District), the BOCC, at their March 15, 2018 Business Session, directed county staff to conduct a review of the District in regards to its short and long term financial viability, stability of operations and strength of service.

The results of that review identified several threats to the ongoing viability of the District and are summarized as follows.

The current financial situation:

1. The District made a transition from Kansas Public Employees Retirement System (KPERS) to Kansas Police and Fire (KPF) for its employees with an additional cost of \$330,735 in 2018 and ongoing. This additional expense is not an immediate threat, but it creates an increase in expenses while the District faces impending losses in revenue.
2. The District has a contract to service parts of Overland Park which will terminate at the end of 2022, with a corresponding revenue loss of \$770,000, resulting in a projected District deficit of approximately \$400,000 in 2022 and over \$500,000 in 2023.
3. The District also has contracts with the City of Spring Hill and Miami County. With the loss of the Overland Park contract, retaining the Spring Hill and Miami County contracts are vital to the sustainability of the district. The loss of the Spring Hill contract would result in an 8-10% net revenue loss. Without this contract the District would be unable to serve the Miami County contract area.

The conclusion is that without a mill levy increase or a reduction in service levels, the district will not be financially viable beyond 2021.

The BOCC, in directing County staff to conduct this review, emphasized their concern as to the long-term financial feasibility of the District, and its desire to address and mitigate any future disruptions to the patrons of the District.

Upon receipt and consideration, and conversations with the District Board regarding this review, the BOCC has scheduled a Public Hearing, (notice provided in this mailing) to consider a change of governance of the District to allow for the efficient and cost-effective fire service to the residents of the District.

For additional information you may access the complete review, Executive Summary: Review of Johnson County Fire District No.2 at <https://www.jocogov.org/board-issues>.