



Marathon City – Administrator

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Public Fire Protection Fee

Starting with the fourth quarter 2018 billing, property owners within the Village of Marathon City will start paying a direct fee for Public Fire Protection (PFP). The purpose of this letter is provide information on what the fee covers, why the fee has been implemented and to address initial questions property owners may have.

The Public Fire Protection Fee is required by the Wisconsin Public Service Commission and is sometimes referred to as a hydrant rental fee. The total fee is calculated by the Public Service Commission and pays for the extra capacity required in the water system to support public fire protection (i.e. wells, pumps, distribution, hydrants and storage). The total fee assessed to the Village of Marathon City and paid to the utility is \$146,460 annually.

There are two methods typically used to collect amount required. The first method is a direct fee billed to utility customers and/or property owners. The second method is through a transfer of general tax revenue.

The Village of Marathon City has historically used the second method and allocated \$146,460 annually from the general fund to the utility to cover the fees. The Public Fire Protection fee represented 10% of the annual budget. Additionally, tax exempt properties were not contributing to the costs for public fire protection through property taxes.

As part of the 2017 Annual Budget, the Village Board of Trustees pursued a change in the Public Fire Protection charge methodology authorized by changes to State Statute. The Board of Trustees determined that \$73,230 would be allocated from the general fund budget and that the remaining \$73,230 would be collected as a direct fee to all property owners within the Village. The board also selected the valuation method of establishing the Public Fire Protection fee. Under this method properties with a higher value pay a larger portion of the total fee. The quarterly PFP fee has been established at \$0.10951 per thousand dollars of assessed value. For example, a property with an assessed value of \$150,000 would have a \$16.43 Public Fire Protection Fee quarterly or \$65.72 annually.

The direct fee approach now allocates a portion of the annual public fire protection fee to tax exempt properties within the Village. Additionally, this change reduces pressures on the general fund budget caused by reductions in state aids, historic disparity in state aids compared to our western Marathon County peers, and state imposed levy limits by reducing the PFP expenses by 50%.

If there are additional questions, please contact the Village Offices at 715-443-2221.