

# FIRE AND RESCUE FUNDING

- The Board of County Commissioners instructed staff to explore options for funding fire and rescue services for consideration by the Board
- The Board of Commissioners received a presentation by Kara Millonzi from the University of North Carolina School of Government
- At the direction of the Board of Commissioners, staff and Commissioner Lemel held public presentation and public input meetings in each of the 8 fire service districts
- The recordings of each meeting and presentation have been placed on the County Special Project site for citizens to access
- Staff provided a summary of the meetings for the Board of Commissioners

# SUMMARY OF PUBLIC INPUT MEETINGS

- Commissioner Lemel and Staff presented fire and rescue funding options available to the Board of Commissioners including a countywide fire service district tax rate
- It was emphasized that the Board was currently considering funding option only, not changes to the operational method of providing fire and rescue services
- For the most part, meetings were amicable and cordial. There were discussions and comments that demonstrated a passion and support of fire and rescue services
- In large part Citizens support and are proud of their individual Fire Departments
- A small number of citizens expressed concerns with services provided to staff
- Most citizens were supportive of their fire department and do not want a decision that would harm the department operationally
- Staff received input from citizens in opposition to implementation of a Countywide fire service district tax for funding fire departments
- The Little River meeting and the Quebec Community Center Meeting had the most comments in opposition to a countywide fire service district tax
- Citizen input in the Balsam Grove, North Transylvania, Cedar Mountain, Dunns Rock, and Rosman districts favored a change of funding method

# SUMMARY OF PUBLIC INPUT MEETINGS

- At the Quebec Community Center meeting, staff received comments from citizens concerned that they pay a larger proportion of the total Ad Valorem Tax but do not receive commensurate services
- At the Williamson Creek Community Center, staff received comments in support of a sub-station to support services in areas currently rated 9E or 10
- In general, staff received comments in opposition and in support of an alternative funding method
- Staff's general impression when evaluating the 8 meetings is that citizens in the eight districts support some type of funding alternative for fire and rescue services but does not support anything that will harm their fire department operationally
- The summary is based on input received by staff in the meetings, prior to the meetings, following each meeting and on the phone and/or email set up to receive input.
- Staff estimates that between 200 and 250 citizens attended one of the 8 meetings (Fire Department members made up a large percentage of the total attendance)
- Staff included letters from each Fire Department Chief in the Board of Commissioners agenda package (City Manager responded for City of Brevard)

# OPTIONS TO CONSIDER MOVING FORWARD

1. Fund Fire Protection in FY2021 consistent with the FY2020 Budget (Combination of service district tax rates and Fund Balance) Use of unassigned Fund Balance not recommended by staff
2. Return to funding fire and rescue services solely from the individual fire tax rates
3. Implement a countywide fire tax rate for fire and rescue services
4. Fund fire and rescue services through Ad Valorem Tax
5. Combination of individual service district tax rates and implementation of countywide district overlay service district to support/supplement fire and rescue services
6. Combination of individual service district tax rates and Ad Valorem tax to support/supplement fire and rescue services
7. Consider re-districting (merger) of fire districts and/or contracting with alternative providers

## **FUND FIRE PROTECTION IN FY2021 CONSISTENT WITH THE FY2020 BUDGET TO ALLOW MORE TIME FOR BOARD OF COMMISSIONERS TO EVALUATE OPTIONS (COMBINATION OF SERVICE DISTRICT TAX RATES AND FUND BALANCE (STAFF DOES NOT RECOMMEND UNASSIGNED FUND BALANCE))**

- This option provides opportunity for Board of Commissioners to instruct staff to continue working with Fire Chiefs to identify a funding method that is acceptable to the departments and County
- Staff concern with using the unassigned fund balance, this is not recommended again this year. BOC may consider using assigned fund balance from FY 2020 two cent capital tax for one year
- Opportunity to engage a consultant with experience negotiating and developing a strategic and sustainable fire and rescue funding plan
- Consider freezing FY2021 fire department budgets at FY2020 approved amount excluding capital while staff continues to work with fire chiefs to develop a funding method acceptable to the Chiefs and the County
- Provides Board of Commissioners, staff and fire department chiefs opportunity to evaluate citizen input in developing a fire and rescue service funding program
- Opportunity to evaluate budget process, standardized funding, low wealth department supplement, grant program and capital replacement program
- Could consider utilizing existing individual district reserves to supplement FY2021 budget
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

# FUND FIRE PROTECTION IN FY2021 CONSISTENT WITH THE FY2020 BUDGET – CONT.

Service District	1 Cent	5.0 cent FT	District Reserve	*FY21 Budget	Alt. Revenue
Sylvan Valley II	88,860	444,300	*289,663	423,384	(20,916)
Rosman	46,457	232,335	80,277	636,925	324,313
Little River	51,394	256,970	43,942	479,110	163,198
Connestee	95,669	478,345	60,476	784,350	245,529
Cedar Mtn.	14,069	70,345	(-1,508)	193,100	122,755
Lake Toxaway	165,912	829,560	24,583	864,609	10,466
Balsam Grove	9,010	45,550	30,239	100,207	24,418
North Transyl.	12,675	63,375	30,771	221,151	<u>101,426</u>
					*992,105

\* FY 2020 Budget minus capital

\*289,663 BOC have been setting aside funds for sub-station in Sylvan Valley II

\* One Cent Ad Valorem equals approximate 590,000 so approximately 1.68cent Ad Valorem to collect 992,105

# RETURN TO FUNDING FIRE AND RESCUE SERVICES SOLELY FROM THE INDIVIDUAL FIRE TAX RATE

- Lack of sustainability of method for service districts with low property valuations
- Input from citizens at various meetings requesting consideration of alternative funding options
- Input included opposition to countywide fire service district tax rate
- Return to wide range in fire service district tax rates countywide (Using FY2020 data, rates range from 5.38 cents/100 to 21.39 cents/100)
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings
- Significant fire service district tax rate increases in most districts (6 of 8 fire service districts will see a fire tax rate increase ranging from 2.82 cents to 15.89 cents based on FY2020 budget and property evaluation)

# FY2020 FIRE BUDGET DATA

District	Budget	Tax Rate	Rate Change	Revenue from Fire Tax	\$Fund Balance	Rate W/O FB Grant
Sylvan 2	\$488,730	5.5cents	0.00cent	\$488,730	\$0.0	5.5cents
Rosman	\$664,925	5.5cents	8.81cents	\$255,566	\$409,359	14.31cents
Little River	\$532,110	5.5cents	4.56cents	\$282,666	\$249,444	10.06cents
Connestee	\$796,350	5.5cents	2.82cents	\$526,181	\$270,169	8.32cents
Cedar Mtn.	\$193,100	5.5cents	8.22cents	\$77,381	\$115,719	13.72cents
Lake Tox.	\$892,609	5.5cents	0.12cent	\$892,609	\$0.0	5.38cents
Balsam Gr.	\$100,207	5.5cents	5.70cents	\$49,554	\$50,653	11.12cents
North Trans.	\$271,151	5.5cents	15.89cents	\$69,714	\$201,437	21.39cents

# FIRE TAX RATE COMPARISON

District A

Fire tax rate = 21.39 cents/\$100\*



Valuation = \$200,000  
Fire tax bill = \$427.80

District B

Fire tax rate = 5.38 cents/\$100\*



Valuation = \$200,000  
Fire tax bill = \$107.60

**\*Based on 2020 valuation, budgets, and collection rate**

# IMPLEMENT A COUNTYWIDE FIRE TAX RATE FOR FIRE AND RESCUE SERVICES

- Input from citizens both in favor and opposed to a countywide service district
- Time required to meet statutory requirements for establishing a new countywide service district
- Sustainability by addressing funding consistent with other County funded services
- Separates revenue and operational efficiency, contract for response district instead of service district
- Reduced workload on tax office and finance department
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

# FIRE TAX RATE COMPARISON

District A

Fire tax rate = 8.14 cents/\$100\*



Valuation = \$200,000

Fire tax bill = \$162.80

District B

Fire tax rate = 8.14 cents/\$100\*



Valuation = \$200,000

Fire tax bill = \$162.80

**\*Estimate based on 2020 valuation, budgets, and collection rate**

# FUND FIRE AND RESCUE SERVICES THROUGH AD VALOREM TAX

- Input from citizens recommended this option
- Citizens in the City limits pay City taxes that support fire protection in the City, however, the rescue squad provides medical first response (majority of the calls for service) and specialized rescue that is funded by the County
- Current method for funding medical first response in the City limits and Sylvan Valley 2
- Transparency (Consider a fund balance for fire rescue services)
- Reduced workload on tax office and finance department
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings
- Ad Valorem tax option provides more flexibility annually (funds designated can be changed by Board of Commissioners)
- Separates revenue and operational efficiency, contract for response district instead of service district
- Using the FY 2020 Budgets, Property Valuations and Collection Rate, An Ad Valorem rate increase of 6.85 cents/100 valuation (Provided by Finance Office)

## **COMBINATION OF INDIVIDUAL SERVICE DISTRICT TAX RATES AND IMPLEMENTATION OF COUNTYWIDE OVERLAY SERVICE DISTRICT TO SUPPORT/SUPPLEMENT FIRE AND RESCUE SERVICES**

- Time required to meet statutory requirements for establishing a new countywide overlay service district
- Input from citizens recommended this option
- Ability to support supplement service districts with low property valuations
- Consistent cost for fire and rescue services countywide while maintaining established individual districts
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings
- Overlay Service District Rate (excluding City of Brevard) using FY 2020 fire budgets, property valuation, collection rate and 5.5 cents individual fire tax rates would be approximately 2.25 cents/100

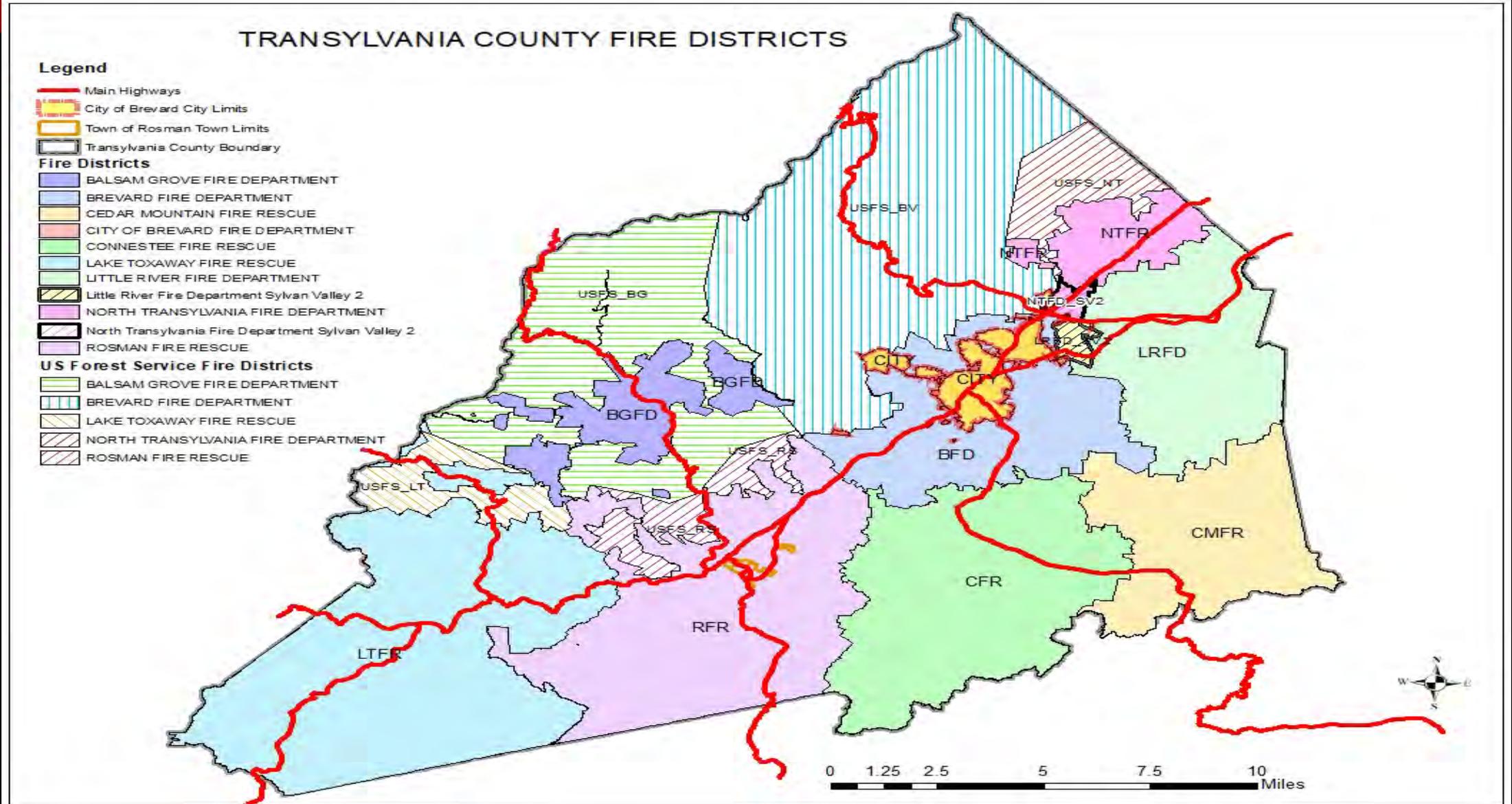
# COMBINATION OF INDIVIDUAL SERVICE DISTRICT TAX RATES AND AD VALOREM TAX TO SUPPORT/SUPPLEMENT FIRE AND RESCUE SERVICES

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- Ability to support supplement service districts with low property valuations
- Citizens in the City limits pay City taxes that support fire protection in the City, however, the rescue squad provides medical first response (majority of the calls for service) and specialized rescue that is funded by the County
- Current method for funding medical first response in the City limits and Sylvan Valley 2
- Consider a fund balance for fire rescue services
- Consistent cost for fire and rescue services countywide while maintaining established individual districts
- Ad Valorem tax option provides more flexibility annually (funds designated can be changed by Board of Commissioners)
- Using FY 2020 fire budgets, property valuation, collection rate and 5.5 cents individual fire tax rates in each district, the Ad Valorem tax rate would increase approximately 2 cents/100

# CONSIDER RE-DISTRICTING(MERGER) OF SERVICE/FIRE DISTRICTS AND/OR CONTRACTING WITH ALTERNATIVE PROVIDERS

- Input from citizens was consistently in support of current fire departments within each district
- Evaluating possible service district merger/realignment could improve operational efficiency (will require negotiations with existing providers and potential fire and rescue providers)
- Time required to meet statutory requirements
- Impact on existing fire departments in districts that are merged or contracted to another provider (ISO rates, existing equipment, volunteers in district)
- Potential for division among fire departments
- Could result in fewer larger districts with sub-station

# CURRENT FIRE SERVICE DISTRICTS



# QUESTIONS