

F. Funding Options for Fire and Rescue Services

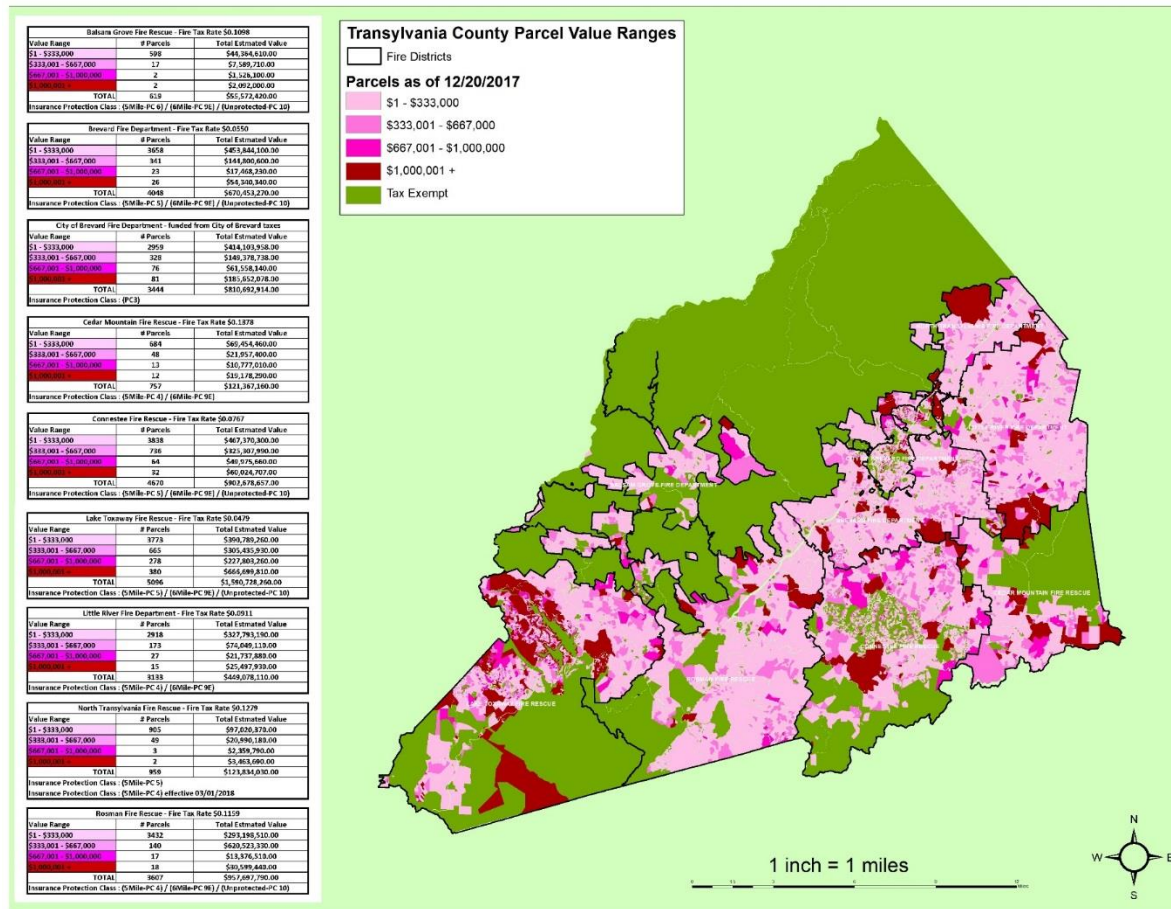
- ❑ County funds fire and rescue services utilizing 8 service districts with separate fire tax rates approved annually to meet the approved budget of each fire department
- ❑ This method of funding results in fire tax rate disparity
 - Lowest tax rate is \$0.0479/\$100 valuation
 - Highest tax rate is \$0.1378/\$100 valuation
- ❑ Commissioners tasked staff with determining options for funding fire and rescue services equitably countywide
- ❑ Next slides will review options and the pros and cons of each
- ❑ Following the presentation, staff will seek permission to engage stakeholders and citizens for input

F. Fire Service Funding Options

- ❑ Emergency Services Study Commissioned in 2015
 - ❑ Varying service levels (equipment, manpower, resources)
 - ❑ Varying rates that citizens are paying for fire service (currently 4.79-13.78 cents)
- ❑ Contract terminated due to inability of contractor to complete the work to scope, but some valuable information was gleaned
- ❑ In January, staff presented options to explore to work on addressing key issues for fire service by looking at how the county funds fire departments
- ❑ Fire Departments are contracted with the county to provide fire services. They submit a budget request annually and that is reviewed by staff and commissioners. Commissioners approve a budget each year. Currently, at that point the budget is funded by looking at the property valuation by district and setting a rate for that district that will fund the budget as approved. Each district then has a separate tax for fire only that is on top of the General Fund County tax.
- ❑ Commissioners determine funding method by state law. Changing the funding method will only affect that last step. Note: Rescue Squad is currently funded out of the General Fund Tax

Fire Service Funding- Current

The map depicts property tax values throughout the county with fire districts. The fact that property values are not evenly distributed through districts with a valuation range of \$55.5 million-\$1.6 billion. This contributes to the variance in tax rates citizens pay.



F. Fire Service Funding Options

Option A: Fire Service District Tax (CURRENT METHOD) ~8 Counties in NC

Pros	Cons	Bill for \$250k
<p>Relatively easy to establish a service district (already established in Transylvania County)</p> <p>Districts can be modified by Board of Commissioners (must meet statutory requirements)</p> <p>Tax rate can be adjusted annually by Commissioners based on approved fire department budget requests</p> <p>Board of Commissioners are statutorily responsible for setting tax rate and authorizing distribution of funds based on each fire department's approved budget request</p> <p>Districts with high property valuations able to access better equipment and resources including ability to fund staffing while maintaining relatively low tax rate</p>	<p>Variations in property valuations within each service district resulting in inequitable tax rates (Currently 4.79-13.78 cents)</p> <p>Potential variations in level of service and services provided within each individual service district</p> <p>Limited ability to address needs in districts with lower property valuations due to revenue shortage without significantly higher tax rates</p> <p>Unable to utilize fire district funds derived from one district (area within the county) to support needs in areas with lower property valuations (departments are interdependent for mutual aid so if one department can't sustain due to funding it impacts others)</p> <p>Tax office required to parcel out properties based on respective fire districts and questions on tax bill related to fire district the property lies within</p> <p>Funding is tied to operational response lines even though mutual aid also applies</p>	<p>\$119.75- \$344.50 annually, depending on the district the citizen resides in</p> <p>FY 18 Tax Rate Range (4.79- 13.78 cents)</p>

F. Fire Service Funding Options

Option B: Rural Fire Protection District ~31 Counties in NC

Pros	Cons	Bill for \$250k
<p>Tax rate can be adjusted annually by Commissioners based on approved fire department budget requests</p> <p>Board of Commissioners is statutorily responsible for setting tax rate and authorizing distribution of funds</p> <p>Districts with high property valuations able to access better equipment and resources including ability to fund staffing while maintaining relatively low tax rate</p>	<p>Variations in property valuations within each district resulting in inequitable tax rates</p> <p>Potential variations in level of service and services provided within each individual service district</p> <p>Limited ability to address needs in districts with lower property valuations due to revenue shortage without significantly higher tax rates</p> <p>Unable to utilize funds derived from one district (area within the county) to support needs in areas with lower property valuations (departments are interdependent for mutual aid)</p> <p>Methods to establish the district requires a petition and referendum that can be costly</p> <p>More difficult to alter district lines to serve the citizens (improve insurance rates or response areas related to changes in resource / stations in neighboring districts) The money factor impacts best response plans for emergencies</p> <p>Process for changes to service district lines is more complicated</p> <p>35% of residents to get referendum is a high bar to achieve</p>	<p>\$119.75- \$344.50 annually, depending on the district the citizen resides in</p> <p>FY 18 Tax Rate Range (4.79- 13.78 cents)</p>

F. Fire Service Funding Options

Option C: Fund from General Fund ~36 Counties in NC

Pros	Cons	Bill for \$250k
<p>Tax rate can be adjusted annually to meet budget needs as approved by Commissioners based on fire dept's budget requests</p> <p>BOC are statutorily responsible for setting tax rate and authorizing distribution of funds based on the fire dept's budget requests</p> <p>Every property owner pays the same rate (like Rescue Squad)</p> <p>Funding method is consistent with fire depts dependence on mutual aid from other depts. in the County with funding going to more than a single dept.</p> <p>Removes the tax valuation limitation when determining the best response plans so operational needs drive decisions</p> <p>Funding fire and rescue from General Fund more easily allows for the County to make sure coverage is equitable and standardized with a goal of equity in price and coverage to all citizens</p> <p>A citizen may be in an incident/accident in an area outside his/her home district</p> <p>Cont. to contract with local fire depts for fire and rescue services</p> <p>Simplify process for tax office and reduce workload</p>	<p>Perception of taking from "rich" to give to "poor" districts</p> <p>City of Brevard citizens pay City taxes, some of which go to support fire protection in the City Limits. General Fund property taxes tax municipal residents too so this could create a claim of double taxation</p> <p>Changes creates anxiety and opposition. Perception that change in funding method represents attempt to change current contractual agreements with volunteer fire departments serving their respective communities or take control of operations (Funding method does not give additional authority)</p> <p>Perceived loss of local volunteer fire department serving its community/district status (although method of collecting funding does not impact that)</p> <p>A reserve fund is not guaranteed for fire services under this method</p>	<p>\$150 annually</p> <p>FY 18 Tax Rate (6 cents for all residents including city)</p>

F. Fire Service Funding Options

Option D: Fund from Single County Wide Service District/Tax Rate ~5 Counties in NC

Pros	Cons	Bill for \$250k
Tax rate can be adjusted annually to meet budget needs based on approved fire department's budget requests	Perception of taking from "rich" to give to "poor" districts (2 tax district would have an increase in rate and 6 rates would decrease)	\$180.75 annually
Every property owner in the County pays the same rate	Changes creates anxiety and opposition.	FY 18 Tax Rate (7.23 cents for all residents excluding city)
Funding method represents fire depts dependence on mutual aid from other fire departments in the County.	Perception that change in funding method represents attempt to change current contractual agreements with volunteer fire departments serving their respective communities. It does not change the authority Commissioners currently have to approve fire department budget requests	
Removes the tax valuation in a district as the limiting factor when determining the best response plans so operations drive decisions	Perceived loss of local volunteer fire department serving its community/district status (although method of collecting funding does not impact that)	
Reserve fund specifically for fire services would be required so that anything collected above approved budgets would be used for fire specifically and no other purpose	Perception that this is a 'new' tax when it is not	
The single service district more easily allows for equitable and standardized coverage and allows the county to address deficiencies or gaps in coverage areas		
Method recognizes that a citizen may require service outside of the district in which they live		
Simplify process for tax office and reduce workload		
Con't to contract with local fire depts for fire and rescue services		
City residents do not pay both city and county for fire services		

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Clarification

- ❑ Changing the method to collect funding does not change how the fire departments operate
 - ❑ No change to district/response lines
 - ❑ No decrease to current funding levels proposed
 - ❑ No decrease in volunteers
 - ❑ No change in contracting with existing fire departments
 - ❑ No change to fire department boards, officers, chain of command
 - ❑ No change to fire insurance ratings (State Fire Marshall does not prefer any legal funding method over another)
- ❑ There is not a new tax being proposed
 - ❑ Citizens currently pay a county wide general fund tax for county services
 - ❑ Citizens also currently pay a fire tax that varies by district
 - ❑ With general fund or flat tax options, most citizens would see a tax decrease, but some would see an increase who are now paying the lower range of fire district taxes.