

Fire Funding Discussion Options to Consider

In consideration of changes to the method for funding fire and rescue services, the Board of Commissioners instructed staff to hold eight public input meetings throughout the County. Staff, along with Commissioner Page Lemel, held these meetings and shared information outlining historic, current and potential options for funding fire protection, rescue and medical first response available for consideration by the Board of Commissioners.

The recordings of the meetings along with a summary has been provided to the Board of Commissioners. The Board of Commissioners also heard from Kara Millonzi from the University of North Carolina School of Government outlining the statutory options available to the Board of Commissioners for funding fire and rescue services.

The FY 2021 budget process is scheduled to begin soon. As we enter the budget process, staff is seeking direction from the Board of Commissioners. Some of the options available to the Board of Commissioners have statutory requirements that are time sensitive for consideration for the FY2021 budget process. Understanding this, staff is providing options for consideration by the Board of Commissioners. It is important to note that this is a complicated process. It is difficult to explain all the issues in a two-hour public meeting. This is exacerbated when input received comes from a personal connection to an individual department.

These options are not intended to sway the Board of Commissioners but to provide the board with options that may assist in implementing a fire and rescue service funding program that meets current and long-term needs while enhancing the opportunity to build consensus.

Options for consideration:

1. Fund Fire Protection in FY2021 consistent with the FY2020 Budget (Combination of service district tax rates and Fund Balance)
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 service district overlay 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 or merging fire districts and/or contracting with alternative providers

Items to consider with each option:

1. Fund Fire Protection in FY2021 consistent with the FY2020 Budget to allow more time for Board of Commissioners to evaluate options. This would be a combination of service district tax rates and a Fund Balance amount. **Staff does not recommend using Unassigned Fund Balance monies.**

- 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 to the 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 the FY2020 approved operational amounts. Capital expenditures would be suspended 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 an 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

2. 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
- 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 valuation)
- 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

3. 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. Contracts would be 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

4. Fund fire and rescue services through Ad Valorem Tax

- Input from citizens suggested this method at various meetings.
- Citizens within the City of Brevard pay City taxes that support fire protection in the City. However, the County funded rescue squad provides medical first response, which are the majority of the calls for service, and specialized rescue for the City of Brevard Fire Department
- Current method for funding medical first response in the City limits and Sylvan Valley 2
- Consider a fund balance for fire rescue services
- Transparency
- Reduced workload on tax office and finance department
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

5. Combination of individual service district tax rates and implementation of countywide district 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

6. Combination of individual service district tax rates and Ad Valorem tax to support/supplement fire and rescue services

- Input from citizens recommended this option
- Ability to support/supplement service districts with low property valuations
- Citizens within the City of Brevard pay City taxes that support fire protection in the City. However, the County funded rescue squad provides medical first response, which are the majority of the calls for service, and specialized rescue for the City of Brevard Fire Department
- 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)
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

7. Consider re-districting or merger of service/fire districts and/or contracting with alternative providers

- Input from citizens was consistently in support of the current fire departments within each district
- Evaluating possible service district mergers/realignments could improve operational efficiency (will require negotiations with existing providers and potential fire and rescue providers)
- Timing 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-stations