

Comparison of Fire Service Funding Methods- 2-25-18

Option	Funding Method Description	Tax Impact based on FY 18 figures	Pros	Cons	Amount a Citizen Pays for a Home Value of \$250,000
A	Fire Service District Tax (CURRENT METHOD)	4.79-13.78 cents	<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>	\$119.75- \$344.50 annually, depending on the district the citizen resides in
B	Rural Fire Protection District	4.79-13.78 cents	<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>	\$119.75- \$344.50 annually, depending on the district the citizen resides in

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C	Fund Fire and Rescue from General Fund	6 cent tax for all residents in Transylvania County	<p>Tax rate can be adjusted annually to meet budget needs as approved by Commissioners based on the fire department's budget requests</p> <p>Board of Commissioners are statutorily responsible for setting tax rate and authorizing distribution of funds based on the fire department's budget requests</p> <p>Every property owner in the County pays the same rate for fire and rescue services</p> <p>Funding method is consistent with fire departments dependence on mutual aid from other fire departments in the County. When an incident occurs requiring fire service dispatch, in many cases more than one department responds but the property owner's taxes only go to one of the departments</p> <p>Removes the money factor/tax valuation limitation when determining the best response plans for emergencies 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 and allows the county to address deficiencies or gaps in coverage areas with a goal of equity to all citizens</p> <p>A citizen may be in an incident/accident in an area outside his/her home district but the responding district will be the location of the incident</p> <p>Continue to contract with local fire departments to provide 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>	\$150 annually
D	Fund Fire and Rescue utilizing a Single County-Wide Service District and Tax Rate "Flat Tax"	7.23 cents for all residents except those in the City of Brevard who pay city taxes to fund fire service	<p>Tax rate can be adjusted annually to meet budget needs based on approved fire department's budget requests</p> <p>Board of Commissioners are statutorily responsible for setting service district tax rate and authorizing distribution of funds</p> <p>Every property owner in the County pays the same rate for fire and rescue services</p> <p>Funding method represents fire departments dependence on mutual aid from other fire departments in the County. When an incident occurs requiring fire service dispatch, in many cases more than one department responds but the property owner's taxes only go to one of the departments</p> <p>Removes the tax valuation in a district as the limiting factor when determining the best response plans for emergencies so operations drive decisions <i>(Continues Next Page)</i></p>	<p>Perception of taking from "rich" to give to "poor" districts (2 tax district would have an increase in rate and 6 rates would decrease)</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. It does not change the authority Commissioners currently have to approve fire department budget requests</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>Perception that this is a 'new' tax when it is not</p>	\$180.75 annually

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			<p>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</p> <p>The single service district more easily allows for the County to make sure coverage is equitable and standardized and allows the county to address deficiencies or gaps in coverage areas</p> <p>Method recognizes that a citizen may require service outside of the district in which they live whereas current method has that same paying into a single district</p> <p>Simplify process for tax office and reduce workload</p> <p>Continue to contract with local fire departments to provide fire and rescue services</p> <p>City residents do not pay both city and county for fire services under this funding methods</p>		
E	Combining Methods	Vary (Some layer a countywide tax on top of existing ranges)	Vary	Vary	Variable (Could cause a higher tax rate if a county tax rate is layered on top of existing district rates)