

Sustainable Fire Tax Model - What Does It Include?

	Sustainable Fire Tax Model	Ad Hoc Committee Revisions <i>(changes are in bold italics)</i>
Revenues		
Tax Rate	8.0 cents for all future years	8.0 cents for all future years
Revenue Distribution Ratio	In FY 2008-09, the ratio is 81.0% operating and 19.0% capital. In FY 2009-10, the ratio changes to 82.0% operating and 18.0% capital.	In FY 2008-09, the ratio is 81.0% operating and 19.0% capital. In FY 2009-10, the ratio changes to 82.0% operating and 18.0% capital.
Revenue Growth Assumptions	See model assumptions handout. The FY 2009-10 estimated growth is 1.0% and is supported by active permit data received by the county's Revenue Department. The model assumes a slow recovery and caps at 1.7%.	See model assumptions handout. The FY 2009-10 estimated growth is 1.0% and is supported by active permit data received by the county's Revenue Department. The model assumes a slow recovery and caps at 1.7%.
Operating		
Department Appropriations	<p>The percent growth must be budgeted at a sustainable level in the model. This percentage includes personnel (with merit) and operating costs.</p> <p>The applicable growth percentage will be determined by a number of scenarios including the outcome of the current station closure study. If all four stations remain in operation, department appropriations may not exceed 2.0% for all future years to remain sustainable. If the four stations are closed, current savings estimates are accurate, department appropriations may not exceed 3.5% for all future years to remain sustainable.</p>	<p>The percent growth must be budgeted at a sustainable level in the model. This percentage includes personnel (with merit) and operating costs.</p> <p><i>The Ad Hoc Committee recommends including estimates for two undetermined station closures and maintaining department appropriations at an amount that will not exceed 4.0% each fiscal year.</i></p>
New Staffing	Includes hiring up to 18 firefighters after January 1, 2009 to be assigned at undetermined locations.	Includes hiring up to 12 firefighters after January 1, 2009 to be assigned at undetermined locations.
Retirement	Includes standardized retirement benefit payments for all eligible participants at 9.87%.	Includes standardized retirement benefit payments for all eligible participants at 9.87%.
System-wide Expenses	The model includes continued operations of Fire Service training, HAZMAT participation, and North Carolina Wildfire Prevention programs in all future years.	The model includes continued operations of Fire Service training, HAZMAT participation, and North Carolina Wildfire Prevention programs in all future years.
Capital Operating Impacts	Includes funding approximately four firefighters at the new Garner #3 Fire Station (southeast Wake County) beginning July 1, 2010.	Includes funding approximately four firefighters at the new Garner #3 Fire Station (southeast Wake County) beginning July 1, 2010.
Capital		

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Apparatus	The model assumes for fire apparatus costs to escalate at 3.5% each fiscal year except in FY 2009-10 when costs increase 13.5%.	The model assumes for fire apparatus costs to escalate at 3.5% each fiscal year except in FY 2009-10 when costs increase 13.5%. The Ad hoc Committee recommends identifying additional reductions and/or delays in the apparatus replacement plan. Specific replacements were not identified and estimated savings are not included in the committee's recommendation.
Equipment	The capital model includes continuation of the following projects: small capital funds for departments, the turnout gear program, and the air bottle program (costs significantly increase beginning FY 2009-10).	The capital model includes continuation of the following projects: small capital funds for departments, the turnout gear program, and the air bottle program (costs significantly increase beginning FY 2009-10).
Facilities	The capital model includes continuation of the following projects: dormitory improvements including stations on the closure study list and those unlikely to receive full-time staffing in the immediate to near future and the Bay Leaf Replacement Station (\$4.785 million).	The capital model includes continuation of the following projects: dormitory improvements including stations on the closure study list and those unlikely to receive full-time staffing in the immediate to near future and a cost reduction, or possible elimination, of the \$4.785 million Bay Leaf Replacement Station.
Other Major Assumptions		
Interest Rates	Rates were revised in late September/early October to reflect more recent market conditions. The planned interest rates for capital debt increased over 1% in some cases.	Rates were revised in late September/early October to reflect more recent market conditions. The planned interest rates for capital debt increased over 1% in some cases.
Municipal Cost Shares	These assumptions are unchanged. See model assumptions for details.	These assumptions are unchanged. See model assumptions for details.