

Fire Budget Committee Recommendation for Fiscal Year 2012

Revenues

The Budget Committee recommends maintaining the current tax rate of 8.0 cents in FY 2012 and accepts the Fire Tax District Base estimate of \$25,359,965,248 provided by the Wake County Revenue Department. After considering tax proceeds, delinquencies, late payments, and collection costs, the tax collection estimate is \$20,248,000. The recommended budget assumes that the current distribution of revenues will not change and shall be 84.0% to operating and 16% to capital and debt services (see table one).

Table One: Distribution of Fire Tax Operating Revenues

	Dollar Amount	Distribution Assignment	Percent of Dollar Total
Operating	\$ 17,008,000	Operating	84.0%
Operating – Debt Service	361,000	Capital	1.9%
Capital	2,879,000	Capital	14.1%
TOTAL	20,248,000	---	100.0%

In addition, the FY 2012 budget assumes \$5,000 in interest revenue for a **total revenue budget of \$20,253,000** (see table two or Attachment One). However, if a merit adjustment is not included in FY 2012, the budgeting of interest revenue will not be included. The Fire Tax District does not assume any other revenues in the operating budget for FY 2012.

Table Two: Total Fire Tax Revenues for FY 2012

	FY 2012 Recommended (no merit)	FY 2012 Recommended (2.0% merit)
Revenues – Fire Tax		
Operating	\$ 17,008,000	\$ 17,008,000
Operating – Pre-existing Debt Service	361,000	361,000
Capital	2,879,000	2,879,000
Subtotal, Taxes	\$ 20,248,000	\$ 20,248,000
Interest Earnings	---	5,000
Total Revenues	\$ 20,248,000	\$ 20,253,000

Department Appropriations

The Budget Committee recommends maintaining each department's appropriation for personnel and operating budget at the rate funded in FY 2011 (see table 3 or Attachment Two). In FY 2012, department appropriations are to be adjusted for the following:

- Annualization of new staff approved during FY 2011 (column C);
- Change in department revenues other than County and/or municipal distributions (column D);
- Change in Department-owned debt service (column E);
- Decrease to the contract for Cary Suburban Fire District (column F);
- Decrease Falls Fire Department by 5.0% due to the implementation of a consolidation plan between Wake Forest and Falls Fire Departments (column F); and
- A merit adjustment equal to the percent provided to County employees (column H).

Table Three: FY 2012 Recommended Department Appropriations

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I
Department	FY 2011 AMENDED Budget	Prior Year New Staffing (Annual)	Change in Off-setting Revenues	Change in Pre-existing Debt Service	Reductions (Staff Recomm'd)	FY 2012 Department Appropriation (NO MERIT)	FY 2012 MERIT (2.0%)	FY 2012 Department Appropriation (2.0% MERIT)
Bay Leaf	1,389,200	74,022	(2,718)	-	-	1,460,504	15,898	1,476,402
Durham Highway	716,050	-	(2,550)	-	-	713,510	8,484	721,994
Eastern Wake	1,550,840	-	5,665	-	-	1,556,505	21,427	1,577,932
Fairview	1,053,908	56,873	5,423	-	-	1,116,204	8,448	1,124,652
Falls	322,215	-	-	-	(16,861)	305,354	-	305,354
Garner	1,570,319	-	1,000	(3,653)	-	1,567,666	18,406	1,586,072
Hopkins	676,828	-	(3,100)	-	-	673,728	9,596	683,324
Rolesville	529,590	-	-	-	-	529,590	5,693	535,283
Stony Hill	969,721	-	1,100	-	-	970,821	8,466	979,287
Swift Creek	479,055	-	4,500	-	-	483,565	-	483,565
Wake Forest	392,404	-	-	-	-	392,404	5,301	397,705
Wake-New Hope	1,014,939	30,767	-	-	-	1,045,706	11,777	1,057,483
Wendell	1,379,407	-	-	-	-	1,379,407	18,724	1,398,131
Western Wake	577,635	-	(619)	(13,278)	-	563,738	1,150	564,888
Subtotal	12,622,131	161,662	8,701	(16,931)	(16,861)	12,758,702	133,370	12,892,072
Apex	663,964	-	-	-	-	663,964	9,825	673,789
Cary	55,205	-	-	-	(809)	54,396	-	54,396
Fuquay-Varina	1,310,302	-	-	-	-	1,310,302	18,426	1,328,728
Holly Springs	388,074	-	-	-	-	388,074	5,603	393,677
Morrisville	750,214	-	-	-	-	750,214	12,025	762,239
Zebulon	434,363	-	-	-	-	434,363	6,051	440,414
Subtotal	3,602,122	-	-	-	(809)	3,601,313	51,930	3,653,243
Totals	16,224,253	161,662	8,701	(16,931)	(17,670)	16,360,015	185,300	16,545,315

Currently, the merit assumption is 2.0%. If a merit adjustment is approved for County employees in FY 2012, department appropriations will be equal to the amount in column I of table three. If no merit adjustment is included, department appropriations will be equal to the

amount in column G and the funds made available shall be placed in reserve. The Budget Committee will reconvene if approved merit is any percentage other than 2.0% to determine if any further action is needed. One possible action may be the use of the reserve for one-time allocations to departments.

The Budget Committee makes no other recommendations for compensation rates, expansion requests, and/or benefits. Departments are given flexibility to manage their department budgets to address any mandatory increase including, but not limited to: North Carolina Local Government Retirement System (LGRS) rates, health and dental premiums, workers compensation rates, fuel, utilities, and vehicle maintenance.

System-wide Appropriations

The Fire Tax budget includes expenses that are coordinated centrally by Wake County staff and known as “system-wide” expenses. The Budget Committee recommends funding system-wide expenses as detailed in the table four. The FY 2012 recommended system-wide budget is slightly less than FY 2011.

Table Four: FY 2012 Recommended System-wide Appropriations

	FY 2012 Recommended (no merit)	FY 2012 Recommended (2.0% merit)
System-wide Appropriations		
800 mHz Fire Costs	\$ 126,520	\$ 126,520
CAD Fire Costs	8,916	8,916
County-owned Station Utilities	12,000	12,000
Fire Service Training	317,345	317,345
HAZMAT Program	86,380	86,380
NC Forestry – Wildfire Prevention	64,940	64,940
Pager & Radio Maintenance	40,573	40,573
RWCC Dispatch	165,711	165,711
Food for Fire Commission	2,300	2,300
Contingency	180,300	-
Total System-wide Appropriations	\$ 1,004,985	\$ 824,685

Debt Service

The Budget Committee recommends a transfer of \$1.14 million to the Wake County Debt Service for the payment of County-owned debt service issued in prior years for the replacement of fire apparatus. The amount is no change from FY 2011 since the County/Fire Tax District has not created new debt service funded projects in FY 2010 or FY 2011.

The Budget Committee recommends the payment of \$357,195 in department-owned (or pre-existing) debt service payments. Departments receiving payments are outlined in table five. Department-owned debt service payments are included in the department's operating appropriation and not in addition to any amount on table three.

Table Four: FY 2012 Department-owned (Pre-existing) Debt Service

	FY 2011 Amended	FY 2012 Recommended	Change in Pre- existing
Pre-existing Debt Service			
Eastern Wake	\$ 109,361	\$ 109,361	--
Garner	85,682	82,029	(3,653)
Stony Hill	24,803	24,803	--
Wake Forest	16,612	16,612	--
Wendell	78,807	78,807	--
Western Wake	58,860	45,583	(13,278)
Total Pre-existing Debt Service	\$ 374,125	\$ 357,195	\$ (16,931)

Fire Tax Capital Improvement Plan

The Fire Budget Committee recommends a seven year capital improvement plan that totals \$24.34 million (see Attachment Three) and maintains priorities identified in the Fire Tax District Long-range Business Plan. More specifically, the plan maintains the apparatus replacement schedule based on policies adopted by the Fire Commission (i.e. 15-year cycle for engines, 100,000 mile administrative vehicle replacement, no cost share for tankers or brush trucks); includes the proposed construction of a new co-located Fire/EMS station in the Wendell Falls community, and funding for planned facility repairs.

The Budget Committee's recommendation includes funding for \$2.09 million in projects during FY 2012. The revenue source for all proposed projects in FY 2012 include the transfer of \$1.74 million in tax revenues, \$319,000 in prior year revenues, and \$30,000 in municipal reimbursements (Garner Station #4 Interlocal Agreement). A summary of each capital program is listed below:

- **Fire Apparatus** – The FY 2012 capital budget include \$95,000 for the replacement of one (1) brush truck at Bay Leaf Fire Department; \$607,000 for three (3) engine cost-shared replacements at Fuquay-Varina, Garner, and Rolesville; \$67,000 for the replacement of three (3) small vehicles at Garner, Wake Forest, and Wake-New Hope; and \$11,000 for general apparatus expenses such as radio transfers, light(s) replacement, tax, and tag fees. All apparatus projects will utilize cash funding resources and the district will not incur new debt for the above replacements.
- **Fire Equipment** – In FY 2012, the equipment capital improvement plan includes \$20,000 for the replacement of 27 air bottles; \$41,000 for the replacement of 12 defibrillators, \$110,000 for the replacement of 13 Thermal Imaging Cameras; and \$234,000 for an undetermined amount of turnout gear. Each of the above projects are distributed based on a replacement schedule maintained by the Equipment Committee.

A new project in FY 2012 is \$300,000 for the replacement of an estimated 50 Self-contained Breathing Apparatus (or SCBA's). Specific departments that may receive funds were not identified and will be based on information collected by the Equipment Committee. Also, the Budget Committee recommends that departments explore all available revenue sources for SCBA replacement include grants, the sale of existing SCBA equipment, the use of excess department fund balances, and others.

Finally, the equipment budget includes the appropriation of \$259,000 for an omnalink upgrade of existing radios and \$150,000 for small capital. Small capital appropriations are divided equally among all departments and equates to \$7,895 and is intended for the replacement of necessary equipment (i.e. hoses, nozzles, tools).

- **Fire Facilities** – The Budget Committee includes \$100,000 for implementation of the planned facilities repair program for projects requests submitted during the FY 2012 budget process. Specific projects were not identified and will be subject to the review and recommendation from the Fire Facilities Committee. Also included is \$68,000 for continued implementation of the Stony Hill Remediation Project as a result of a leaking underground fuel storage tank.

- **Fire Reserves** – In FY 2012, the recommended budget include the first payment from the Town of Garner for the municipal portion of Garner Station #4 based on an Interlocal Agreement approved by the Wake County Board of Commissioners and the Garner Town Council. The repayment is approximately \$30,000 for the next ten years (or FY 2012 through FY 2021). Proceeds from the repayment will be placed in reserve for future projects.
- **Projects Not Funded** – The Fire Budget Committee considered other projects that did not were not included in the final recommendation. Some of the significant projects that were not recommended include: \$3.75 million for the replacement of Bay Leaf Station #1, \$400,000 for the new Zebulon Station #2; and \$631,000 for the ongoing replacement of Morrisville Station #1.

Other Recommendations

The Budget Committee recommends to the Fire Commission that the following policies and/or directives be considered in FY 2012.

- **Cost Share Assumptions:** The Fire Commission has not reviewed the cost-share assumptions used for departments that receive significant municipal funding. Those departments that may be impacted by changes in cost-share assumptions include Apex, Fuquay-Varina, Garner, Holly Springs, Morrisville, Rolesville, Wake Forest, and Zebulon. A review of cost-share assumptions should include representatives from the impacted fire departments, the municipalities, Wake County, and other representatives from the Fire Tax District. The review may include the following: 1) what criteria should be considered in the development of a cost-share assumption, 2) to what projects/expenses shall a cost-share assumption apply, and 3) the frequency of future reviews. The Budget Committee recommends that the Fire Commission appoint a committee to review cost-share assumptions and that staff coordinate a review process timeline with all representatives to be completed by January 2012.



Fire Tax District Fund Summary (Budget Book Insert)

Fire Tax District Summary				NOTES:
	FY 2011 Projected Year End	FY 2012 Recomm (No Merit)	FY 2012 Recomm (w/ Merit)	
Revenues				
Fire Tax Revenue				
Operating	16,964,000	17,008,000	17,008,000	
Operating -- Debt Service	430,000	357,000	357,000	
Capital	2,801,000	2,883,000	2,883,000	
Subtotal, Taxes	20,195,000	20,248,000	20,248,000	
Apparatus Sales	9,000	-	-	
Appropriated Fund Balance	42,000	-	-	> Encumbrance rollover in FY11 to recalibrate existing radios due to a three year delay in the 800 MHz radio CIP project.
Interest	-	-	5,000	
Total Revenues	20,246,000	20,248,000	20,253,000	
Expenditures				
Department Appropriations	15,850,127	15,850,127	15,850,127	
<i>Recommended Adjustments</i>				
<i>Merit Adjustment for Full-time</i>	-	-	185,300	> Assumes a 2.0% merit allocation
<i>Annualize New Staffing in FY11</i>	-	161,662	161,662	
<i>Decrease in Off-setting Revenues</i>	-	8,701	8,701	
<i>Consolidation of WF/Falls</i>	-	(16,861)	(16,861)	
<i>Cary Contract Reduction</i>	-	(809)	(809)	
Department Debt Service	374,126	357,195	357,195	
Subtotal, Department Appropriations	16,224,253	16,360,015	16,545,315	
System-wide Appropriations				
800 MHz Fire Costs	137,739	126,520	126,520	
CAD Fire Costs	7,548	8,916	8,916	
County-owned Station Utilities	12,000	12,000	12,000	
Fire Service Training	317,345	317,345	317,345	
HAZMAT Program	78,406	86,380	86,380	> Increase due to increased City of Raleigh personnel costs
NC Forestry -- Wildfire Prevention	64,940	64,940	64,940	
Pager & Radio Maintenance	72,000	40,573	40,573	> Encumbrance rollover in FY11 to recalibrate existing radios due to a three year delay in the 800 MHz radio CIP project.
RWCC Dispatch	177,374	165,711	165,711	
Food for Fire Commission	-	2,300	2,300	> New system-wide object
Contingency	-	180,300	-	
Contribution to Fund Balance	343,395	-	-	
Subtotal, Systemwide	1,210,747	1,004,985	824,685	
Subtotal Operating	17,435,000	17,365,000	17,370,000	
Transfer to Capital (Current Revenues)	1,671,000	1,743,000	1,743,000	
Transfer to Debt Service Fund	1,140,000	1,140,000	1,140,000	
Subtotal Capital	2,811,000	2,883,000	2,883,000	
Total Expenditures	20,246,000	20,248,000	20,253,000	
VARIANCE	-	-	-	



Wake County Single Fire Tax District
Fire Commission Budget Committee

Department Appropriation Summary

NOTE: All Amounts are Adjusted to Cost Share Assumptions

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I
Department	FY 2011 AMENDED Budget	Prior Year New Staffing (Annual)	Change in Off-setting Revenues	Change in Pre-existing Debt Service	Reductions (Staff Recomm'd)	FY 2012 Department Appropriation (NO MERIT)	FY 2012 MERIT (2.0%)	FY 2012 Department Appropriation (2.0% MERIT)
Bay Leaf	1,389,200	74,022	(2,718)	-	-	1,460,504	15,898	1,476,402
Durham Highway	716,060	-	(2,550)	-	-	713,510	8,484	721,994
Eastern Wake	1,550,840	-	5,665	-	-	1,556,505	21,427	1,577,932
Fairview	1,053,908	56,873	5,423	-	-	1,116,204	8,448	1,124,652
Falls	322,215	-	-	-	(16,861)	305,354	-	305,354
Garner	1,570,319	-	1,000	(3,653)	-	1,567,666	18,406	1,586,072
Hopkins	676,828	-	(3,100)	-	-	673,728	9,596	683,324
Rolesville	529,590	-	-	-	-	529,590	5,693	535,283
Stony Hill	969,721	-	1,100	-	-	970,821	8,466	979,287
Swift Creek	479,065	-	4,500	-	-	483,565	-	483,565
Wake Forest	392,404	-	-	-	-	392,404	5,301	397,705
Wake-New Hope	1,014,939	30,767	-	-	-	1,045,706	11,777	1,057,483
Wendell	1,379,407	-	-	-	-	1,379,407	18,724	1,398,131
Western Wake	577,635	-	(619)	(13,278)	-	563,738	1,150	564,888
Subtotal	12,622,131	161,662	8,701	(16,931)	(16,861)	12,758,702	133,370	12,892,072
Apex	663,964	-	-	-	-	663,964	9,825	673,789
Cary	55,205	-	-	-	(809)	54,396	-	54,396
Fuquay-Varina	1,310,302	-	-	-	-	1,310,302	18,426	1,328,728
Holly Springs	388,074	-	-	-	-	388,074	5,603	393,677
Morrisville	750,214	-	-	-	-	750,214	12,025	762,239
Zebulon	434,363	-	-	-	-	434,363	6,051	440,414
Subtotal	3,602,122	-	-	-	(809)	3,601,313	51,930	3,653,243
Totals	16,224,253	161,662	8,701	(16,931)	(17,670)	16,360,015	185,300	16,545,315



Fire Tax Model - FY 2011
Section 1 - Summaries and Balances

Fire Tax Capital Improvement Plan (CIP) Summary

Element Summary: Fire/Rescue	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	TOTAL FY 2012-18
Apparatus & Vehicles								
Brush Trucks	95,000	-	-	-	-	-	-	95,000
Large Apparatus, Cash (Municipal)	607,000	1,375,000	170,000	1,093,000	293,000	411,000	195,000	4,144,000
Large Apparatus, Debt (Rural)	-	1,436,000	860,000	1,164,000	803,000	2,140,000	-	6,403,000
Radio, Tax and Tags	11,000	33,000	25,000	34,000	24,000	31,000	5,000	163,000
Small Vehicles	67,000	109,000	234,000	256,000	179,000	260,000	105,000	1,210,000
Equipment								
800 MHz Radios	259,000	-	624,000	624,000	624,000	-	-	2,131,000
Air Bottle Replacement	20,000	46,000	46,000	85,000	44,000	11,000	69,000	321,000
Defibrillators	41,000	36,000	19,000	97,000	24,000	36,000	34,000	287,000
SCBA's	300,000	311,000	-	-	-	-	-	611,000
Small Capital	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Thermal Imaging Cameras (TIC)	110,000	82,000	55,000	57,000	59,000	58,000	104,000	525,000
Turnout Gear	234,000	234,000	234,000	234,000	234,000	234,000	234,000	1,638,000
Facilities								
Planned Facility Repairs & Renovations	100,000	100,000	100,000	100,000	100,000	100,000	100,000	700,000
New Stations								
Wendell Falls	-	-	-	297,000	2,671,000	-	-	2,968,000
Unassigned	-	-	-	-	-	-	-	-
Replacement Stations								
Bay Leaf #1	-	-	-	-	-	-	-	-
Stony Hill Remediation	68,000	68,000	11,000	45,000	-	-	-	192,000
Reserves								
Garner Station #4 Interlocal Agreement	30,000	30,000	30,000	30,000	30,000	30,000	30,000	210,000
Reserved for Future Projects	-	-	-	-	370,000	543,000	781,000	1,694,000
Total Uses	2,092,000	4,010,000	2,558,000	4,266,000	5,605,000	4,004,000	1,807,000	24,342,000
Debt Financing								
Debt Financing	-	1,436,000	860,000	1,164,000	3,474,000	2,140,000	-	9,074,000
Fire Tax District Revenues								
Fire Tax District Revenues	1,743,000	1,788,000	1,654,000	1,616,000	2,101,000	1,834,000	1,777,000	12,513,000
Municipal Reimbursements								
Municipal Reimbursements	30,000	30,000	30,000	30,000	30,000	30,000	30,000	210,000
Fire Capital Uncommitted Funds								
Fire Capital Uncommitted Funds	319,000	756,000	14,000	1,456,000	-	-	-	2,545,000
Total Sources	2,092,000	4,010,000	2,558,000	4,266,000	5,605,000	4,004,000	1,807,000	24,342,000
VARIANCE (Uses and Sources)	-	-	-	-	-	-	-	-