



Future of Fire Service in the Fire Tax District



Sustainable Fire Service Delivery

Agenda

- Background
- Fire Tax District Financial Summaries
- Expectations and Assumptions
- Conclusions and Next Steps



Background

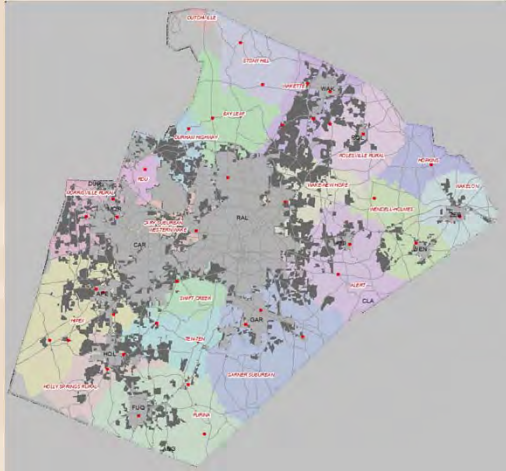


Wake County's Fire Tax District provides funding for fire protection in the unincorporated areas of Wake County and in the Town of Wendell through 13 contracts with not-for-profit corporations and 6 contracts with municipal fire departments.

Not-for-Profit Corporations		Municipal Fire Departments	
Fire Insurance District	Not-for-Profit Corporation Providing fire protection	Fire Insurance District	Municipal Fire Department Providing Fire Protection
BAY LEAF	Bay Leaf Volunteer FD	HIPEX	Town of Apex FD
DURHAM HIGHWAY	Durham Highway Fire Protection Association	FURINA	Town of Fuquay-Varina FD
ALERT	Eastern Wake Fire-Rescue	HOLLY SPRINGS RURAL	Town of Holly Springs FD
TEN-TEN	Fairview Rural FD	MORRISVILLE RURAL	Town of Morrisville FD
GARNER SUBURBAN	Garner Volunteer Fire-Rescue, INC.	WAKELON	Town of Zebulon FD
HOPKINS	Hopkins FD	CARY SUBURBAN	Town of Cary FD
ROLESVILLE RURAL	Rolesville Rural FD		
STONY HILL	Stony Hill Rural FD		
SWIFT CREEK	Swift Creek Volunteer FD		
WAKETTE	Wake Forest FD		
WAKE NEW-HOPE	Wake New Hope Volunteer FD		
WENDELL-HOLMES	Wendell-Holmes Rural FD		
WESTERN WAKE	Western Wake Fire Rescue FD		



Municipal boundaries have expanded, and the service area for the Fire tax District has decreased. In the year 2000, there were 615 square miles in the unincorporated areas, in 2012, there are 550 square miles. Several not-for-profit fire department insurance districts have been steadily decreasing in size over the years.

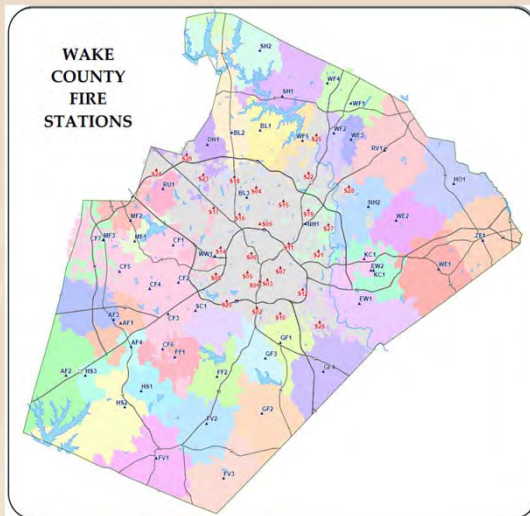


Wake County = 857 Square Miles		
Year	Unincorporated Area	Percent of Whole
1990	691 Square Miles	81%
2000	615 Square Miles	72%
2012	550 Square Miles	64%

- Land Mass changes from 1990 – 2012 show a 17% reduction.
- The dark grey shaded areas represents the reduction in area served by the Fire Tax District since 1990.



During the same period, municipal fire departments have constructed 10 new stations in Wake County as they have expanded municipal boundaries and the municipal fire departments are often the first responding stations to many areas served by not-for-profit departments.



Municipal Stations Constructed Since 2000		
Municipality	Total # stations	# of Stations Since 2000
Raleigh	29	6
Cary	7	2
Apex*	4	2
Wake Forest	4	2
Total	44	12

*Apex Plans to construct a fifth station in FY 2014

County Stations Constructed Since 2000	
	3



Over the same period (2000-2010) the population of Wake County increased by 43.5%; however the population increase in the unincorporated area was only 9.5%.

- Population Changes 1970 - 2010

Jurisdiction	Year	Population	Percent of Whole
Wake County	1970	229,006	100.00%
Wake County	1980	301,429	100.00%
Wake County	1990	426,301	100.00%
Wake County	2000	627,846	100.00%
Wake County	2010	900,993	100.00%
All Municipalities	1970	150,419	65.68%
All Municipalities	1980	298,410	65.82%
All Municipalities	1990	296,396	69.53%
All Municipalities	2000	458,673	73.06%
All Municipalities	2010	715,818	79.45%
Unincorporated	1970	78,587	34.32%
Unincorporated	1980	103,019	34.18%
Unincorporated	1990	129,905	30.47%
Unincorporated	2000	169,173	26.94%
Unincorporated	2010	185,175	20.55%



From 2000 to 2010 there were 238,292 incidents. During this period 144,926 or 61% of those calls were Rescue and Medical Service Incidents. An average of 14,493 annually.

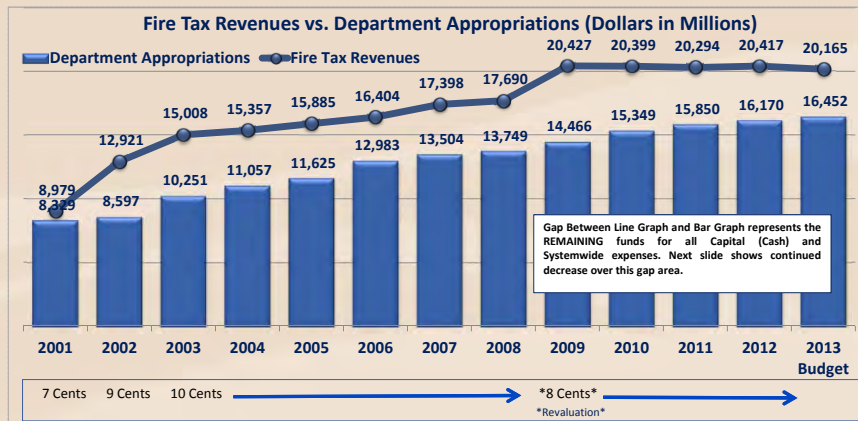
Year	Total Incidents	Rescue / Medical Incidents	% of Total Incidents
2000	6,812	3,460	50.79%
2001	16,726	8,947	53.49%
2002	17,929	10,279	57.33%
2003	19,103	11,658	61.03%
2004	20,465	12,768	62.39%
2005	24,000	15,023	62.60%
2006	24,365	14,978	61.47%
2007	27,153	16,289	59.99%
2008	27,174	17,222	63.38%
2009	26,616	16,989	63.83%
2010	<u>27,949</u>	<u>17,313</u>	<u>61.94%</u>
	238,292	144,926	61%



Fire Tax District Financial Summaries



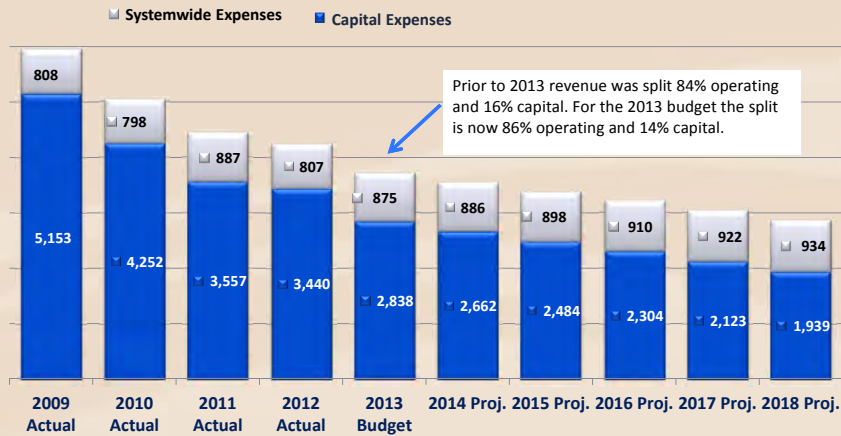
The cost of fire service is far outpacing population growth and does not reflect the reduction in service area. In fiscal year 2000 the Fire tax District budget was \$7,485,421. The total Fiscal Year 2013 Budget for the Fire Tax District is \$20,170,000. This represents a 170% increase in the cost of fire service since 2000. About 82% of the expenditures are for personnel expenses.



Note: Appropriations include only department funding for regular operating and personnel expenses and does not include capital and debt.



Cash Funding Remaining for Capital and Systemwide Expenses (Dollars in Millions)



Adjusted Revenue

- Revenue and Expenditure assumptions were adjusted because of trend of negative growth.
- FY 2012 showed first growth in several years, but still not enough to outpace growth of expenditures.

<u>Revenue Assumptions</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax Revenue	-0.1%	-0.5%	0.6%	-0.4%	0%	0%

<u>Expenditure Assumptions</u>	<u>2010</u>	<u>2011</u>	<u>2012 Actual</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Department Appropriations	6.1%	3.3%	2.0%	2.0%	1.0%	1.0%



Projected Operating Deficits

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	<u>Actual</u>	<u>Adopted Budget</u>	<u>Projection *</u>	<u>Projection*</u>
Operating Distribution of Fire Tax Revenues (incl. 2% shift)	17,219,186	17,341,900	17,341,900	17,341,900
Total Tax Revenue	17,219,186	17,341,900	17,341,900	17,341,900
Department Appropriations	16,165,479	16,452,411	16,616,936	16,783,105
Systemwide Appropriations	806,619	874,697	886,227	897,956
Total Operating Expenditures	16,972,098	17,327,109	17,503,163	17,681,061
Projected Deficit	247,088	14,791	(161,263)	(339,161)

* Current Projections Based on the Financial Model as of 10/26/12.

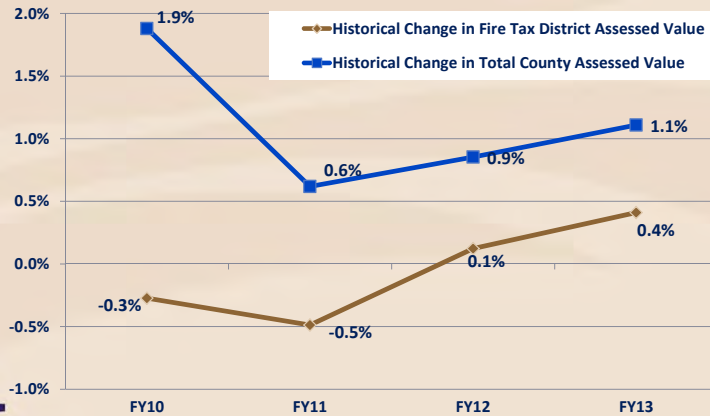


Expectations and Assumptions



The change in assessed value in the Fire Tax District is expected to be flat to very little growth over the next several years based on the last 4 years. The Fire Tax District value (shown by the brown line) is compared to the County's Total Change in assessed value. The Fire Tax District Historical Change has not been consistent with the County's Total Change in assessed value.

Historical Fire District Assessed Value Compared to Total County Assessed Value



The Fire Tax District Budget is not sustainable in its current form. The County believes that savings will be achieved through strategies such as consolidations and mergers, realignment of stations, and shared use of resources.

Strategies implemented to date:

- In Fiscal Year 2008 the County contracted with the Town of Cary to close a Western Wake not for profit fire station which was surrounded by the Town of Cary. Savings achieved through this closure amounted to \$584,389 due to the elimination of Heery Study renovation project (\$125,689) for Station #2, and apparatus replacements (\$458,700) based on the CIP schedule.
- In 2012 Wake Forest Fire Department and Falls Fire Department consolidated into one department. Initial savings resulting from the merger amounted to \$15,000.



QUESTIONS ?



Future of Fire Service in the Fire Tax District 19 1/10/2013