

# Fire Tax District

## Fund Summary

		<b>FY 2003 Actual</b>	<b>FY 2004 Adopted Budget</b>	<b>FY 2005 Adopted Budget</b>
<b>Revenues</b>				
Fire Tax Revenue-Operating	\$	11,255,679	11,300,200	11,546,800
Fire Tax Revenue-Capital		3,751,893	3,652,900	3,735,200
Miscellaneous		92,532	-	-
Compensation Study Rollover		-	-	115,778
Fund Balance- for Equipment		-	328,479	200,000
Fund Balance- for Operating		-	-	507,659
<b>Revenue Total</b>	<b>\$</b>	<b>15,100,104</b>	<b>15,281,579</b>	<b>16,105,437</b>
<b>Expenditures</b>				
Department Operating Budgets	\$	10,245,343	11,056,829	11,624,851
Comp. Study Implementation		-	360,625	240,227
CAD Fire Costs		-	-	-
800 MHz Fire Costs		-	-	87,178
Toner and Voice Pager maint.		385	3,225	5,981
NC Forestry--Wildfire Prevention		-	58,000	62,000
Turnout Gear Program (New)		-	-	150,000
Defib. And TIC program		-	-	124,220
Small Capital		-	150,000	150,000
Emergency Capital Needs (New)		-	-	50,000
Other		542,744	-	-
<b>Operating Total</b>	<b>\$</b>	<b>10,788,472</b>	<b>11,628,679</b>	<b>12,494,457</b>
Transfer to Capital		3,519,000	3,652,900	3,610,980
<b>Fire Tax Total</b>		<b>14,307,472</b>	<b>15,281,579</b>	<b>16,105,437</b>

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## Description

The County contracts with 19 departments to provide fire suppression and emergency services in the fire tax district. Fourteen departments are nonprofit corporations and five are municipal fire departments. The fire tax district includes the unincorporated area of the County and the town of Wendell. The departments use a combination of full-time staff, part-time staff, and volunteers. Besides providing essential fire protection services, the departments also respond to a significant number of medical first responder calls, prepare for technical rescues, and provide fire prevention services in their districts. The 19 departments also strive to maintain high insurance ratings to save property owners on fire insurance premiums.

## Highlights

- No increase in tax rate.
- Funding for the Wake County Compensation Plan, which adjusts firefighter salaries to meet system-wide minimums.
- \$150,000 for “bulk purchasing” turnout gear.
- Approximately \$274,000 for small capital, defibrillators, and Thermal Imaging cameras.
- Funding to reimburse Wake County for the fire services use of the 800 MHz radio system.

## Overview of FY 2005 Budget

Wake County funds the departments through a special district tax, commonly known as the “fire tax.” For FY 2005, the fire tax is set at 10 cents. Limited growth in revenue sets the stage for the FY2005 budget. Next year, the County’s Revenue Department expects slower tax base growth and increased annexation in the fire tax district. Although the Budget Office estimates a higher collection rate than previous years, fire tax operating revenue will likely increase by just \$250,000 over the

FY2004 estimate. The limited revenue growth created many challenges in meeting the funding requests of the 19 departments, plus meeting prior obligations to implement a system-wide compensation plan, allocate funds for small capital purchases, and fund merit increases. To meet FY 2005 operating needs, fund balance is used to fund the purchase of small capital, as well as fund regular operating expenses.

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## Summary of Appropriations by Department

Non-profit Departments		FY 2003 Adopted Budget	FY 2004 Adopted Budget	FY 2004 Current Budget	FY 2005 Adopted Budget	% Over/Under FY 2004 Current
Bay Leaf	\$	946,866	1,002,636	1,010,902	1,110,154	9.8%
Durham Highway		702,125	712,141	718,078	734,153	2.2%
Eastern Wake		972,261	987,906	1,044,068	1,154,329	10.6%
Fairview		770,785	785,166	809,919	792,017	-2.2%
Falls		202,019	269,565	292,098	296,978	1.7%
Garner		817,631	854,636	860,328	843,668	-1.9%
Hopkins		261,202	374,091	390,429	399,225	2.3%
Rolesville		271,947	262,997	264,696	254,649	-3.8%
Stony Hill		392,877	499,261	523,694	562,773	7.5%
Swift Creek		333,491	365,561	376,622	384,009	2.0%
Wake Forest		237,427	241,740	250,350	259,007	3.5%
Wake-New Hope		737,999	837,064	842,898	829,323	-1.6%
Wendell		744,229	833,956	841,948	851,590	1.1%
Western Wake		559,276	582,851	611,036	622,728	1.9%
<b>Total- Nonprofit</b>	<b>\$</b>	<b>7,950,135</b>	<b>8,609,571</b>	<b>8,837,066</b>	<b>9,094,603</b>	<b>2.9%</b>
<b>Municipal Departments</b>						
Apex	\$	361,649	431,282	431,282	435,628	1.0%
Fuquay-Varina		955,788	960,010	960,010	990,154	3.1%
Holly Springs		228,342	267,415	267,415	272,586	1.9%
Morrisville		521,196	544,073	544,073	571,354	5.0%
Zebulon		234,091	244,478	244,478	260,526	6.6%
<b>Total- Municipal</b>	<b>\$</b>	<b>2,301,066</b>	<b>2,447,258</b>	<b>2,447,258</b>	<b>2,530,249</b>	<b>3.4%</b>
<b>TOTALS</b>	<b>\$</b>	<b>10,251,201</b>	<b>11,056,829</b>	<b>11,284,324</b>	<b>11,624,852</b>	<b>3.0%</b>

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## Horizon Issues

The Fire Services of Wake County face many challenges in the near future, including maintaining sufficient staff during an era of declining volunteerism, decisions on station location, and purchasing new apparatus. Each of these challenges will place a financial strain on the fire tax district. *The use of fund balance in FY 2005 is a short-term solution to a long-term problem.* This approach means that fund balance will not be available for operating expenses in FY 2006, and the fire tax fund will have less capacity for emergency requests. By using over \$700,000 from fund balance and capital monies to cover FY 2005 operating expenses and equipment, we may face an even more difficult budget process for FY 2006.

This budget is approved with the understanding that the Fire Commission will commit to having a long-range business plan adopted by January 2005 that addresses staffing, station location, and apparatus replacement. The business plan must also recognize the fiscal realities presented by the fire tax district, which include:

- Wake County has a self-imposed fire tax limit of 10 cents,
- Revenue will grow at a slow pace in future years,
- The service area (the county's unincorporated area) is shrinking,
- Population growth in the service area is growing at a very slow pace.

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