

INTRODUCTIONS

Fire Chiefs: Jeff Angel, Ryan Cole, Steve Jones, Jeff Justice, Anthony Penland, Randy Ratcliff, John Wilson

Intro

Financial
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Firefighter
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Cost of Fire
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FINANCIAL OVERVIEW

Timothy Flora, Buncombe County Finance Director

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Agenda

Our Goals for this Presentation

Financial Position

- 1 Explain the role of Buncombe County in relation to Fire Department finances
- 2 Explain major components of Fire Department finances
- 3 Give analysis of Fire Department financial condition

Revenue Distribution

- 1 Explain how Fire Departments receive revenues
- 2 Explain issues with this system
- 3 Discuss options for how Buncombe County can help with revenue distribution

Other Considerations

- 1 Discuss other options for County support of Fire Departments



FINANCIAL POSITION

Analysis of Fire Departments



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Buncombe County and Fire Departments

Financial Roles



Fire Departments submit their budgets to the County for Review



All Fire Departments are required to submit an annual audit



The County approves different tax rates for each individual Fire Departments



The County Finance Department has tracked Fire Department financial information for decades based on audited financial statements



County distributes revenues to fire departments such as property taxes and sales taxes



Many different analytical ratios are used to assess the financial condition of the Fire Departments



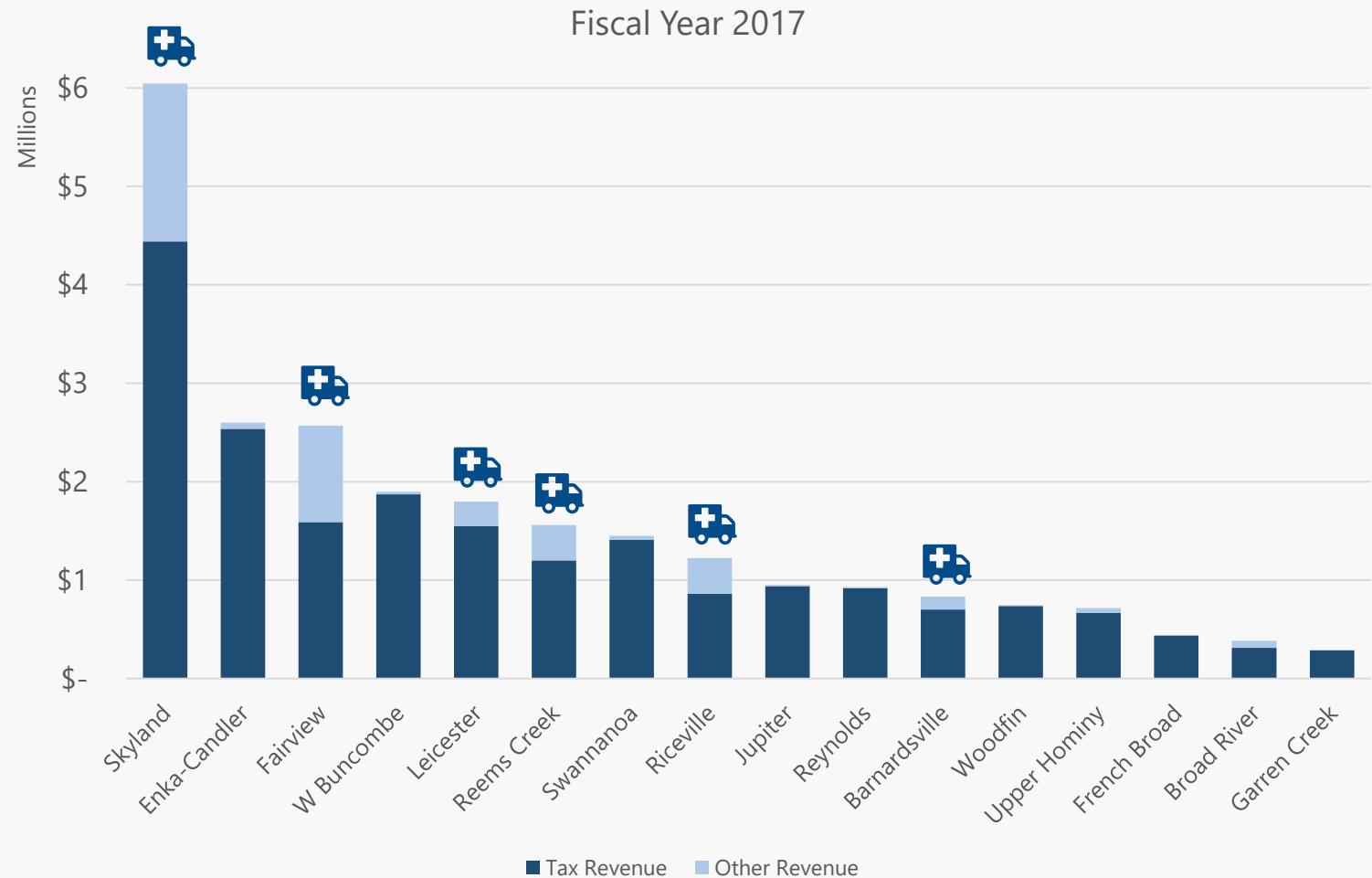
Total Revenues

Fiscal Year 2017

Fire Department tax revenues are about **70% Property Taxes** and **20% Sales Tax**. Some Fire Departments also receive **EMS revenue**.

French Broad: 2%	Reems Creek: 6%
Broad River: 2%	Reynolds: 4%
Barnardsville: 3%	Riceville: 5%
Enka-Candler: 11%	Skyland: 25%
Fairview: 11%	Swannanoa: 6%
Garren Creek: 1%	Upper Hominy: 3%
Jupiter: 4%	W. Buncombe: 8%
Leicester: 7%	Woodfin: 3%

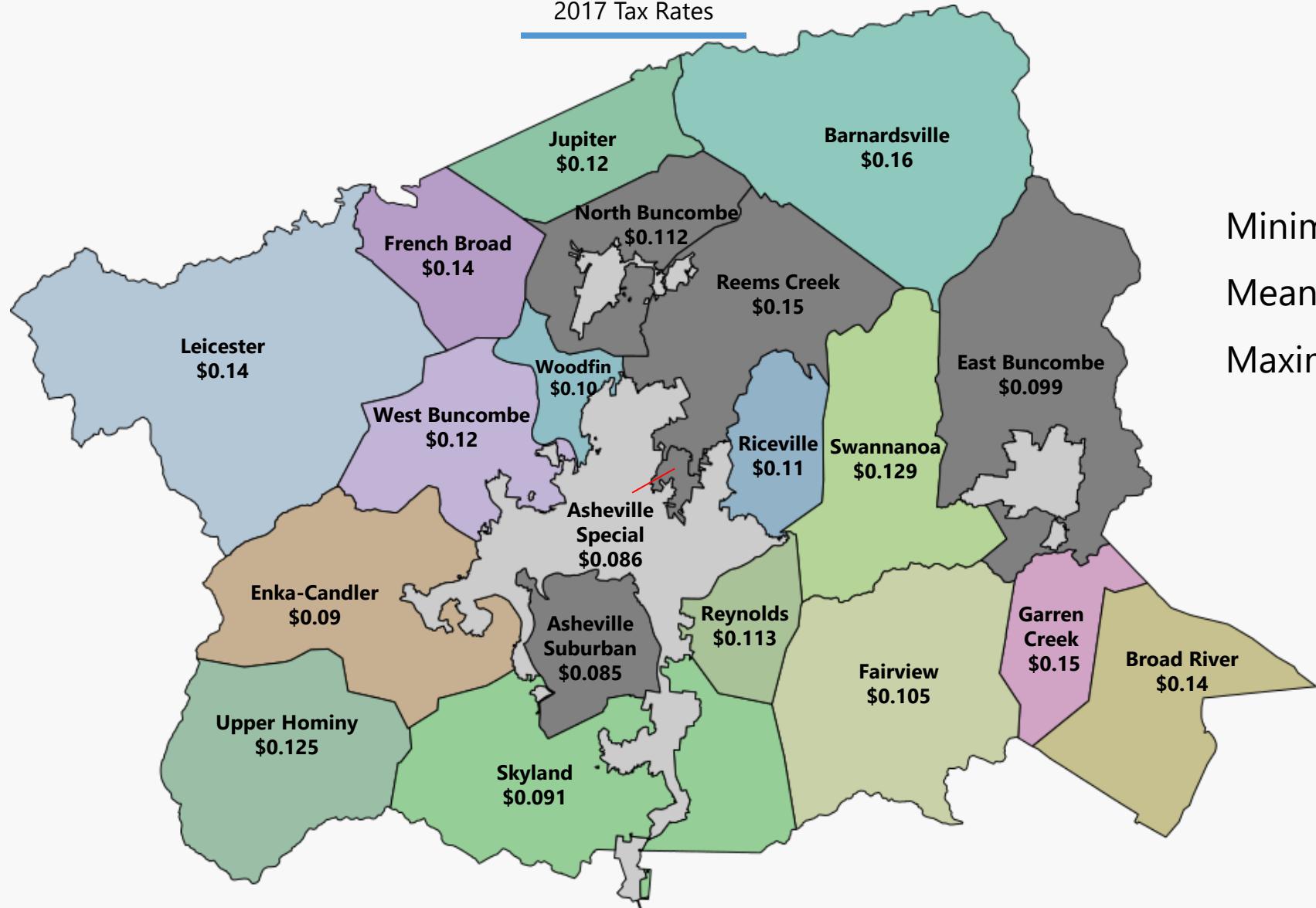
Total 2017 Revenues
\$24.4 Million



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Buncombe County Fire Service Districts

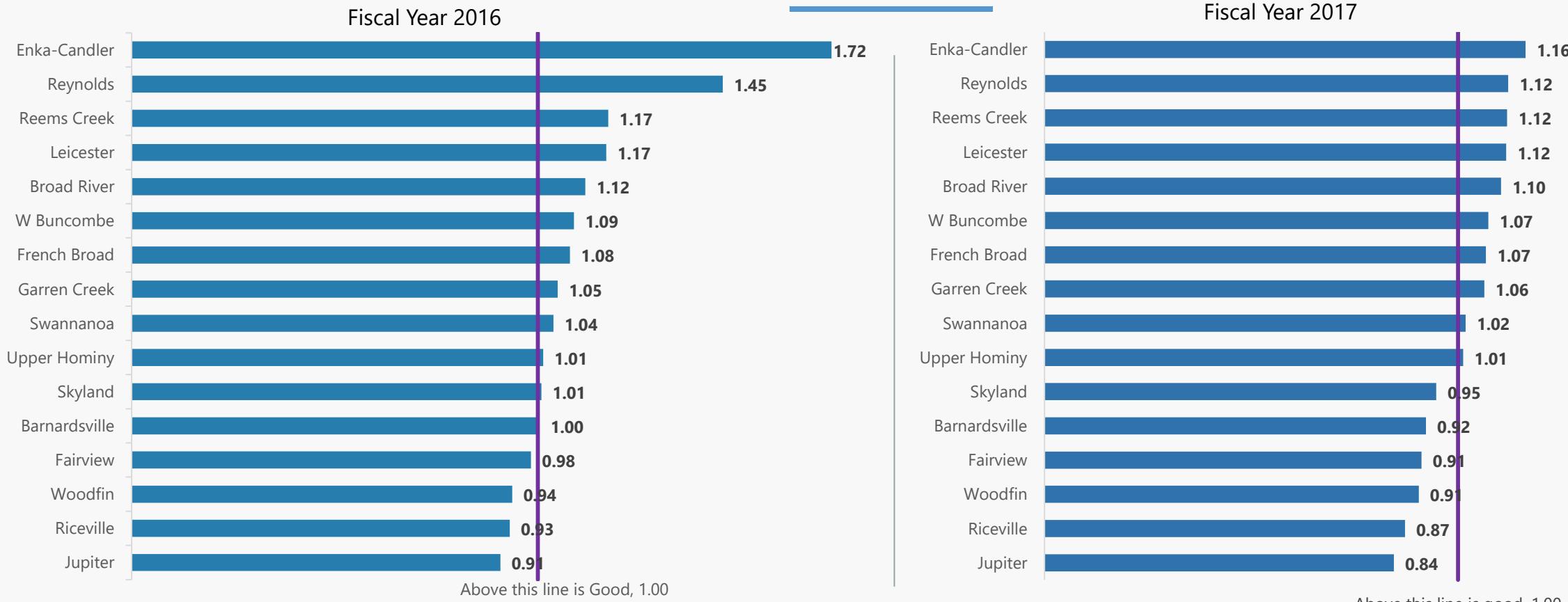
2017 Tax Rates



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Operations Ratio

Fiscal Analysis Ratio #1: Measuring Net Change



What is it?

(Total Revenues / Total Expenses)

Used to analyze the financial dimension of service obligations, which determines whether or not annual revenues were sufficient to pay for annual operations.



Why is it important?

This ratio can be used to determine if there are revenue shortfalls. **1.0 or higher is good.** This means revenues are at or exceeding expenses.

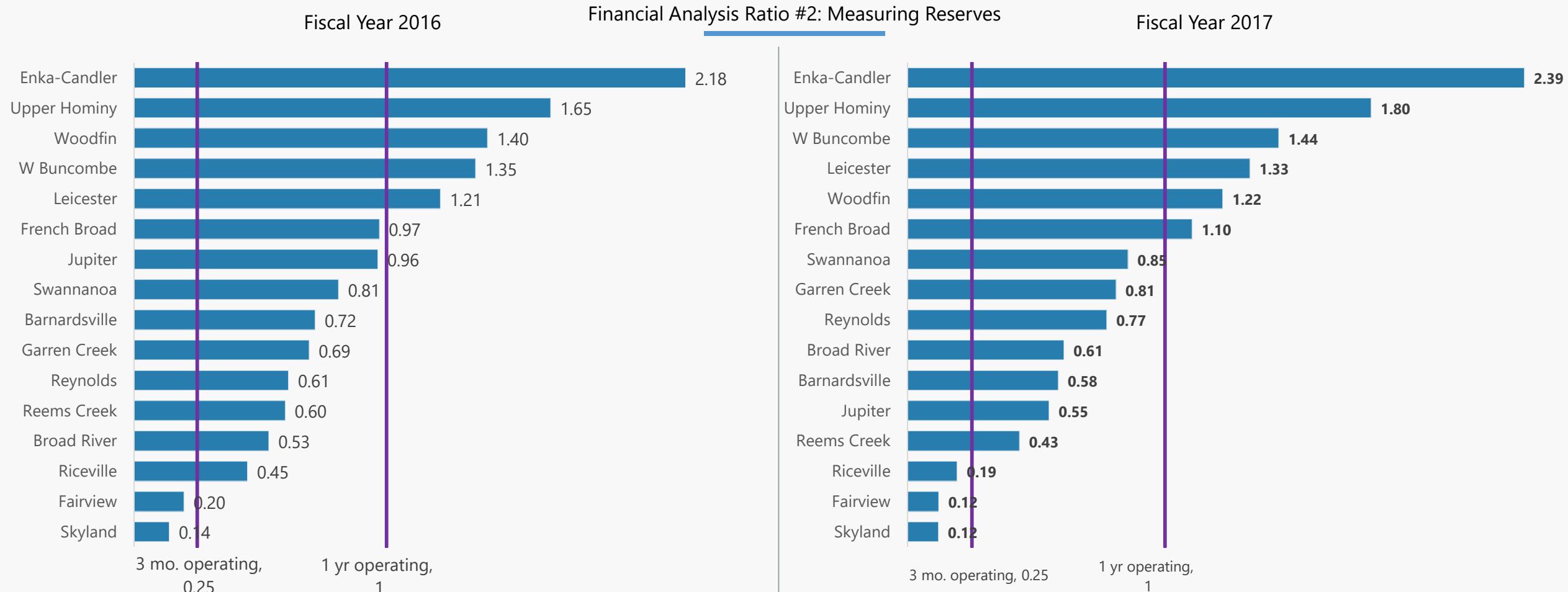
Reserve Levels

Driving Factors and Ideal Levels

- Important to strike balance between having enough reserves on hand to manage cash flow and contingency needs and not gathering unnecessary tax revenues
- There are **several factors** that influence what an appropriate reserve level is:
 - Size of the organization
 - Volatility of revenues
 - Tax burden on constituents
 - Environmental factors
 - Contingency options
- Based on these factors, our recommended ideal reserve level for Fire Departments would be a **Current Assets to Total Operating Expenses** ratio of between **0.25** and **1.00**



Current Assets to Operating Expenses



What is it?

(Current Assets / Total Operating Expenses)
 Used to analyze the financial dimension of solvency, which represents the fire department's ability to address long-term obligations.



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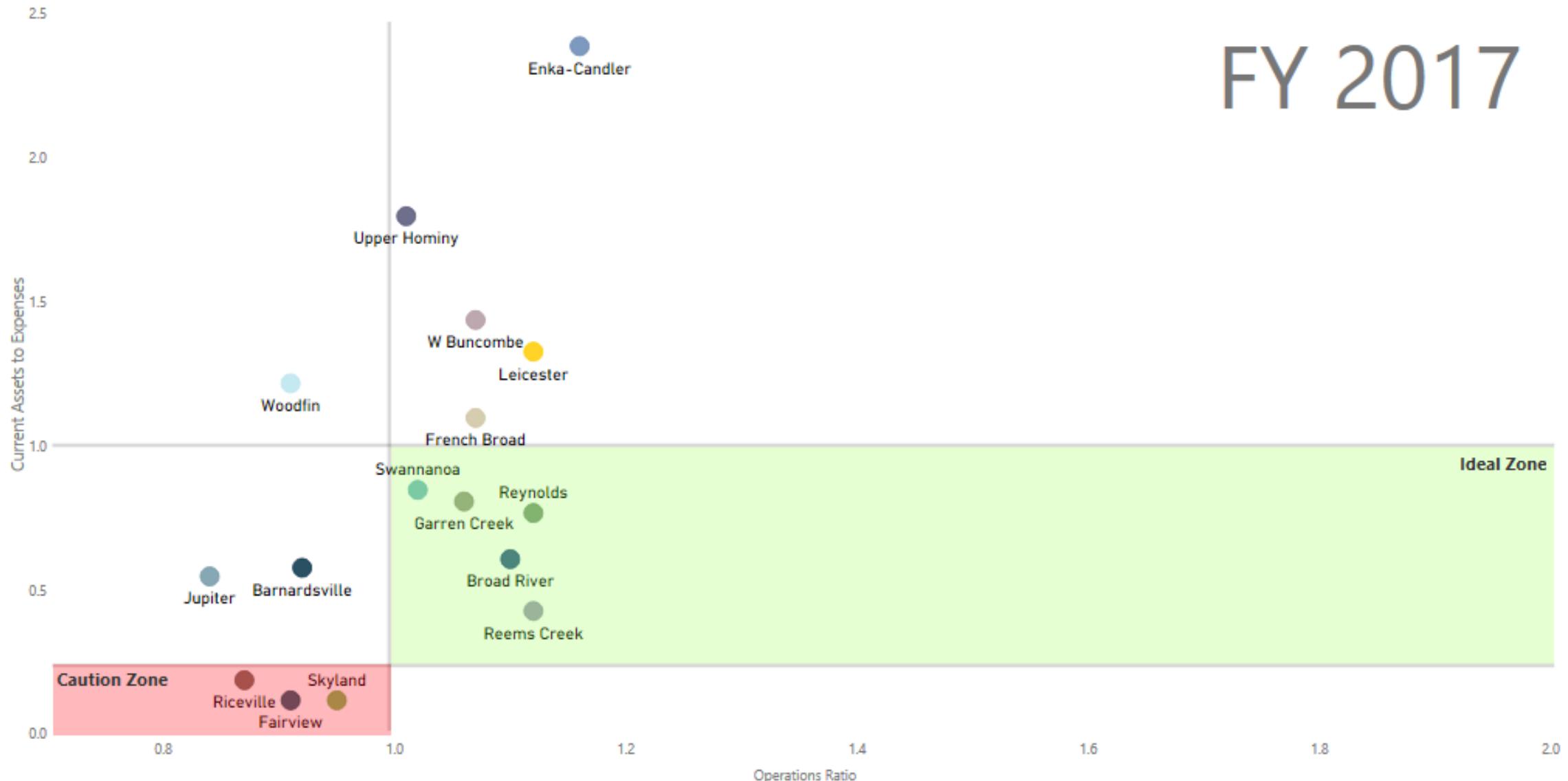


Why is it important?

It shows whether or not a department has enough resources available to withstand a financial hardship and how long they can withstand it.

Fire Departments 2006-2017

Changing Financial Positions Over Time



REVENUE DISTRIBUTION

Challenges and Options



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Current Revenue Distribution Method

How Buncombe Distributes Tax Revenues to Fire Departments



Revenues Distributed Monthly

Property Taxes:

- Collected Daily by the County
- Distributed Once a Month

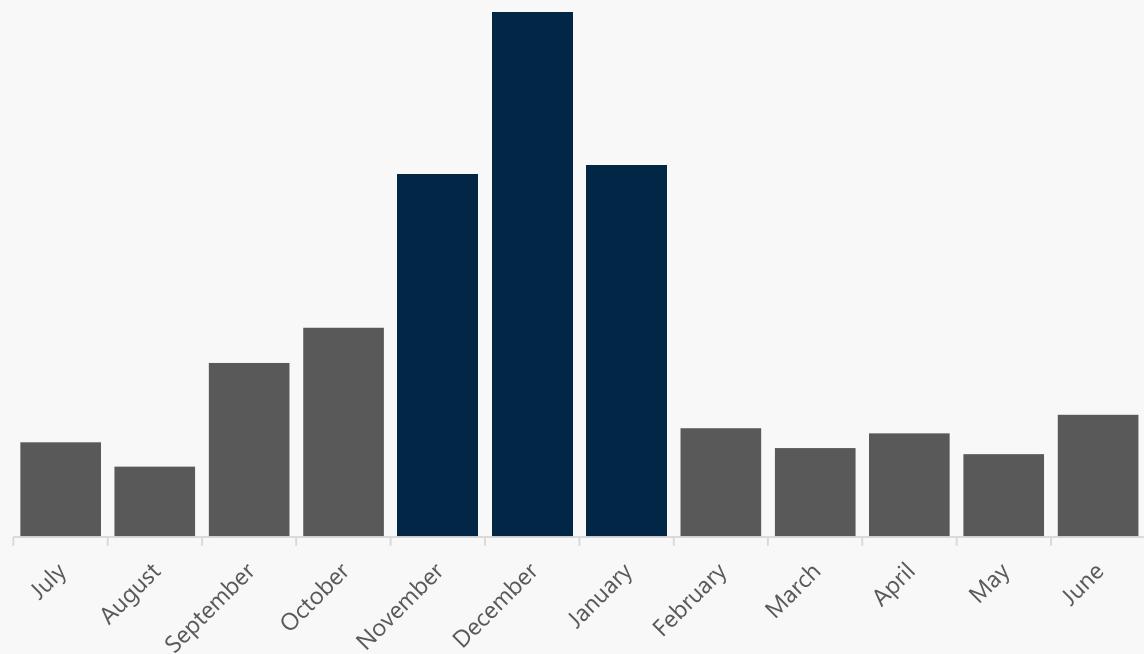
Sales Tax:

- Collected by the State
- Received from State by County Once a Month
- Distributed Once a Month to Fire Departments



Majority of Annual Revenues Received in 3 Months

(Property Taxes Due First Week of January)



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Revenue Distribution Options

Potential Changes Buncombe County Can Make to Help Fire Departments



Level Distribution: Distribution of budgeted property tax revenues evenly throughout the year. Any investment earnings would be distributed to fire departments.



Variable Distribution Frequency: During low-revenue months, increasing number of distributions to weekly instead of monthly.



Flexible Contingency Funding: In the case of a major catastrophic event or unusual circumstance determined by the County, the county could advance revenue distributions to Fire Departments.



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Revenue Distribution: Options Analysis

Options Analysis

Options	Pros	Cons
Monthly Distribution (Current Method)	Easiest to execute	Cash flow unbalanced
Level Distribution	Balances cash flows	County must advance revenues early in year
Variable Distribution Frequency	Minor change to existing process; Receipt of revenues is slightly faster	Only a minor improvement to cash flow imbalances; Multiple payments per month
Flexible Contingency Funding	Helps maintain operations with less reserves required; Minimizes impact of unanticipated events	County advances funds; Determining a qualifying event



OTHER CONSIDERATIONS



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Other Considerations

- County-assisted training for Fire Department Board Members
- Update service agreements with fire districts to include:
 - Standardized financial reporting
 - Added requirements for by-laws
 - Adoption of an operating reserve policy
- Exploration of additional ways to collaborate with the County
 - (ex. Joint PR campaign to raise awareness for Volunteer Firefighter needs)



Fire Department Fiscal Analysis Tool

Change in Net Assets

Fixed Assets Conditions

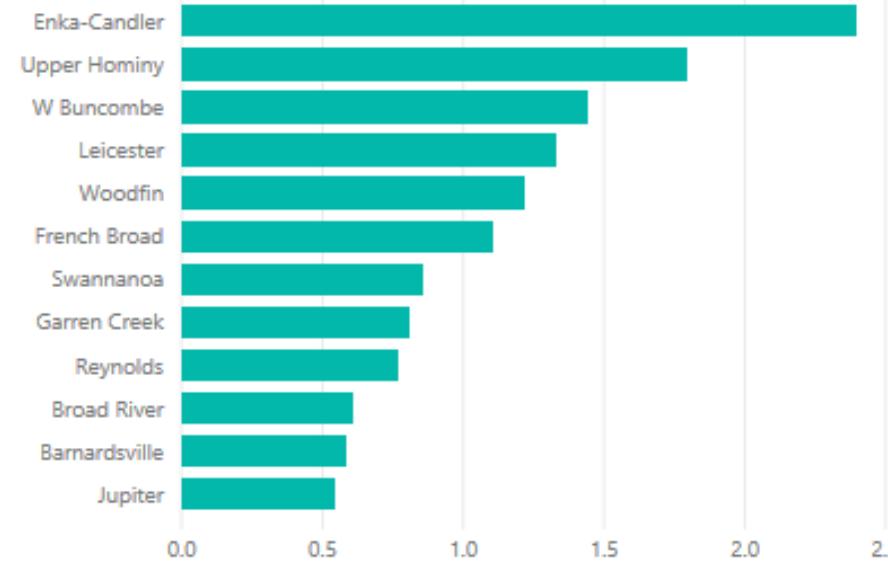
Quick Ratio

Current Assets to Expenses

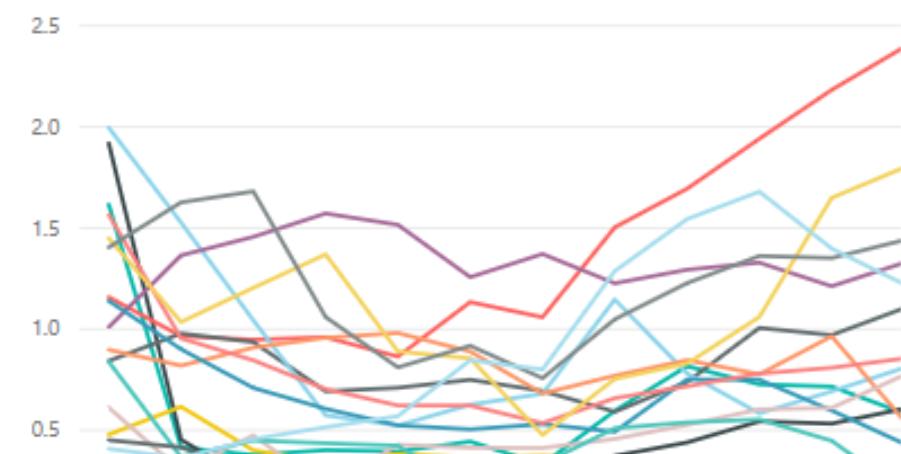
Operations Ratio

Salary to Revenue

Debt Ratio



Total Value by Fiscal Year and Fire Department



FIREFIGHTER PAY

Ryan Cole

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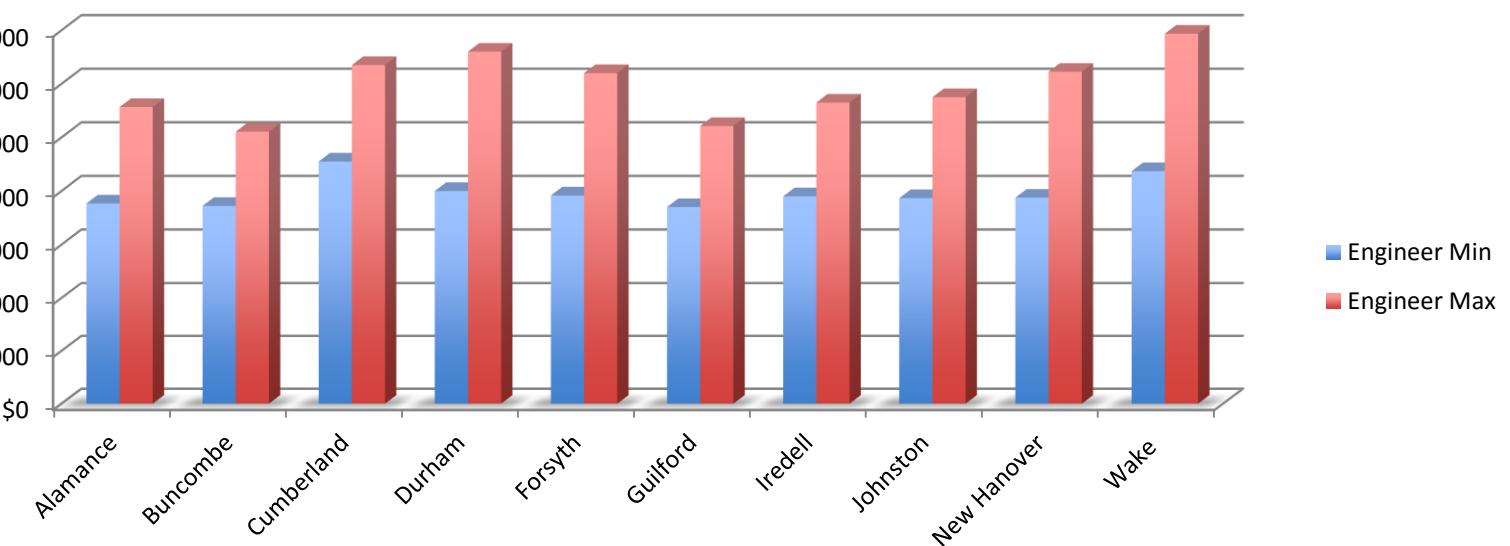
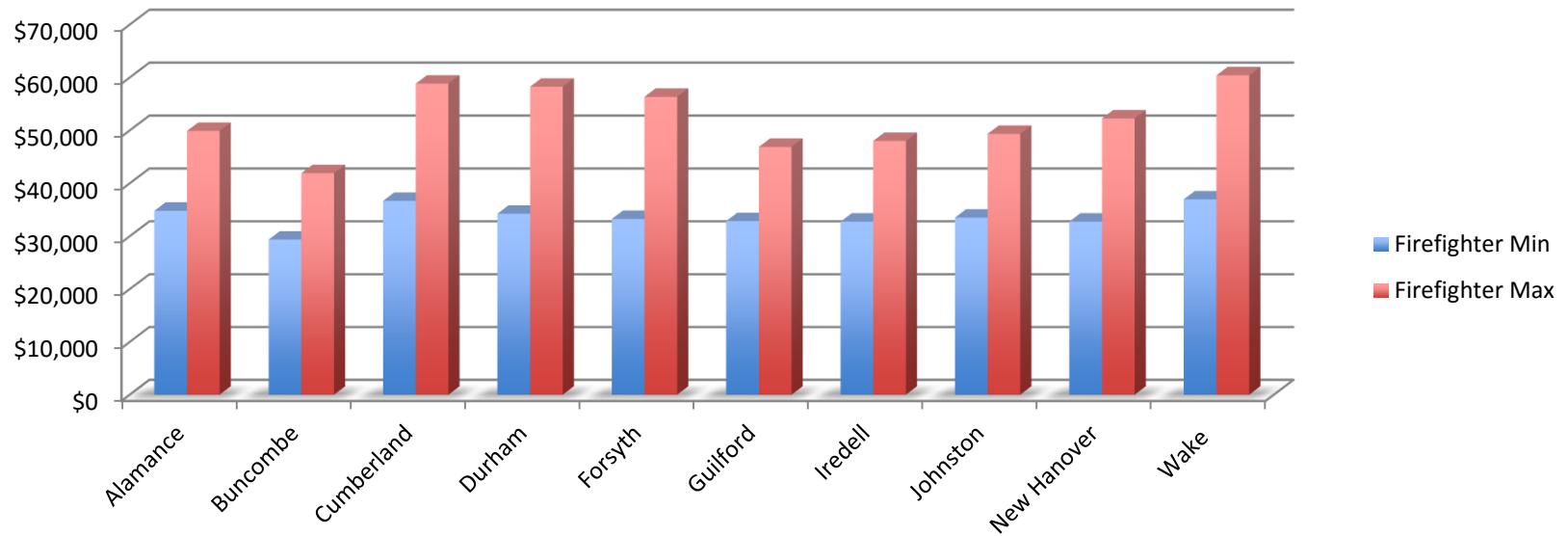
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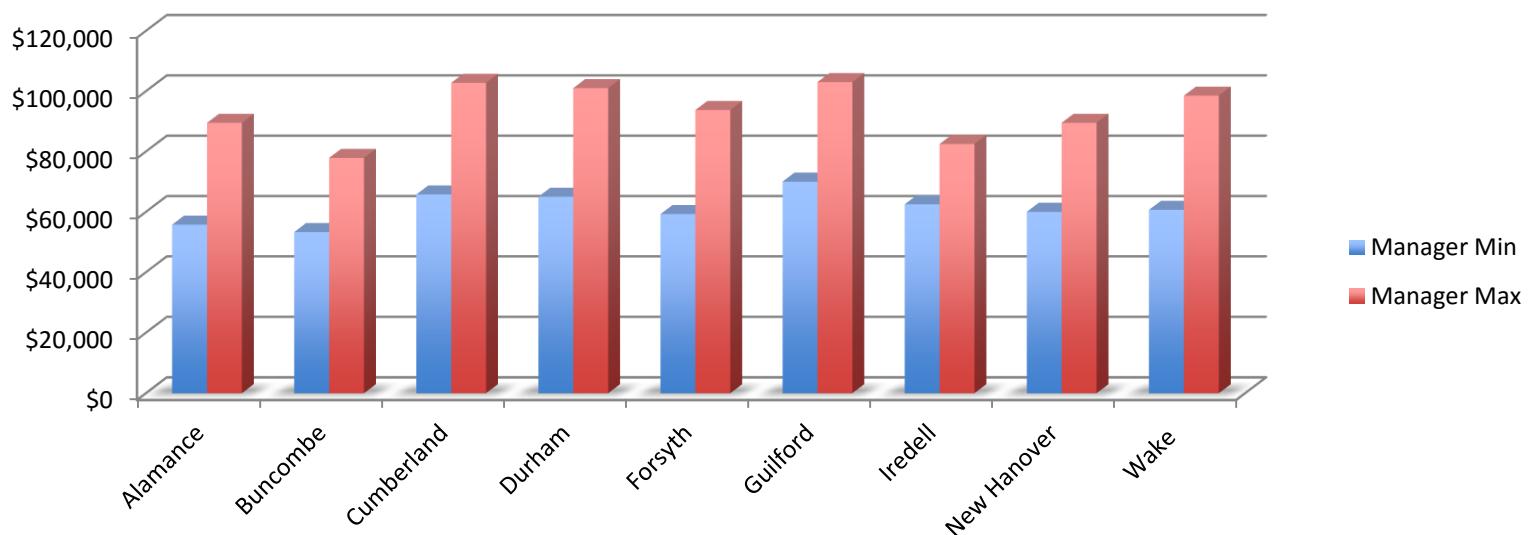
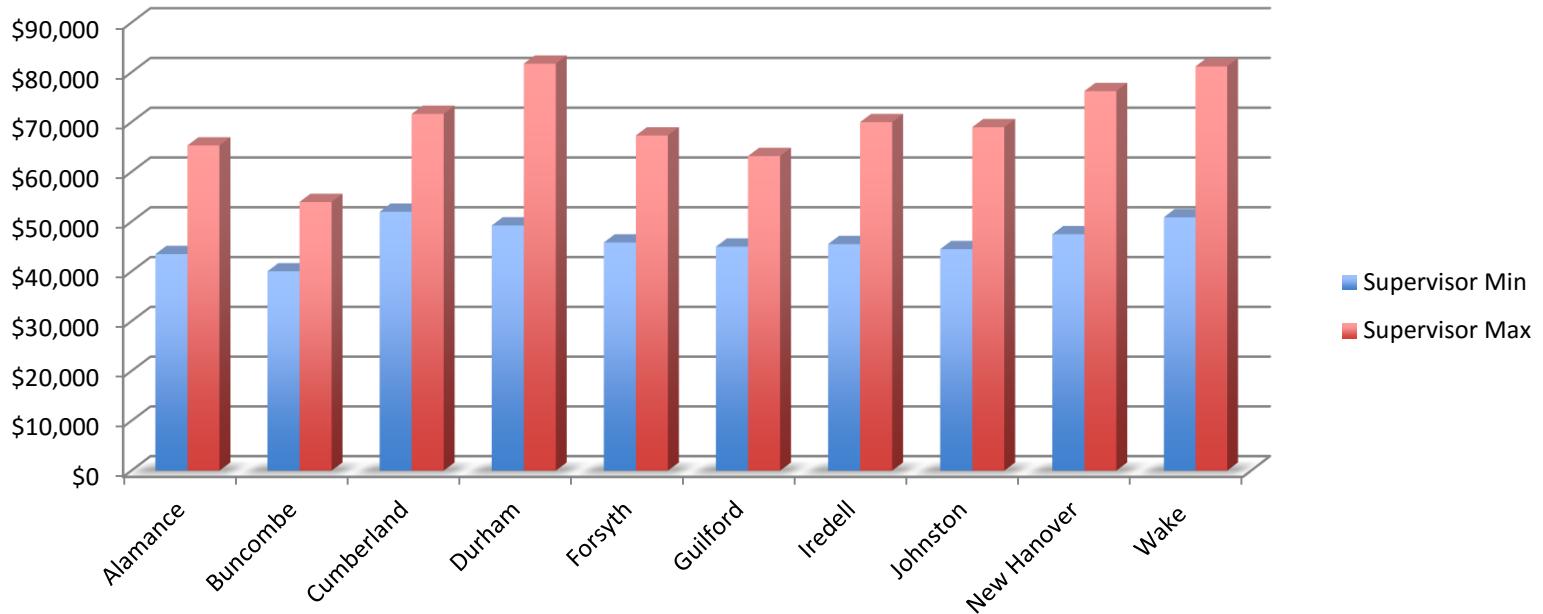
Pay Study Information

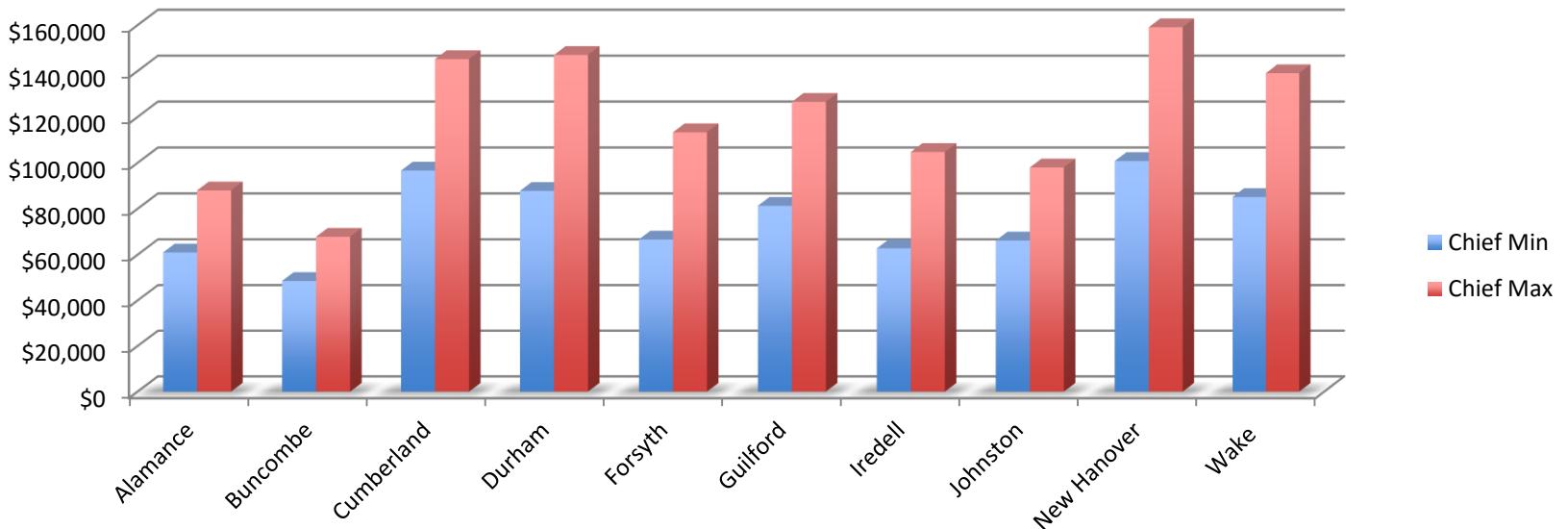
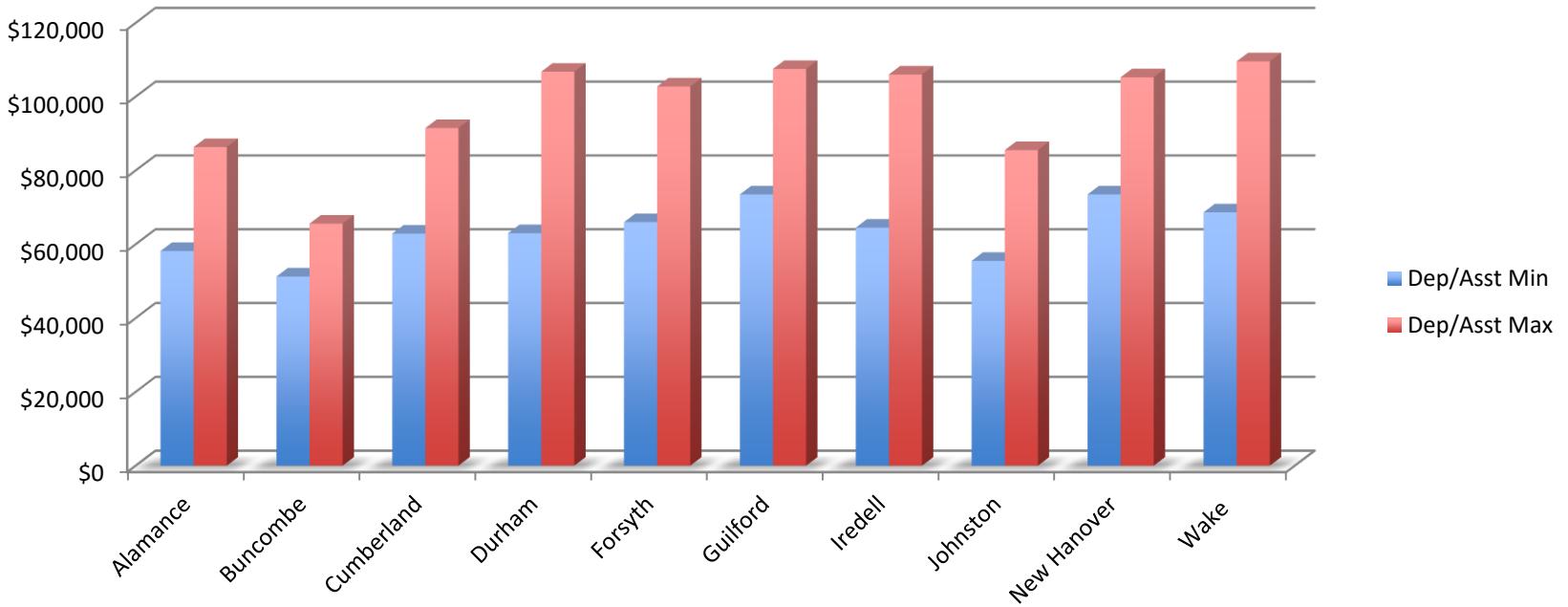
- Pay Study Information From North Carolina Association of Fire Chief's
- The NCAFC Study had over a 10% participation of departments in NC
- Approximately 30% of Departments in NC have Paid Staff
- All Counties utilized had one or more similarities with demographics of Buncombe County

Similarities with Counties Selected

- Alamance
 - Living Wage
- Cumberland
 - Fire Service/Living Wage
- Durham
 - Population
- Forsyth
 - Fire Service
- Guilford
 - Fire Service/Cost of Living
- Iredell
 - Fire Service
- Johnston
 - Population
- New Hanover
 - Cost of Living
- Wake
 - Fire Service/Cost of Living

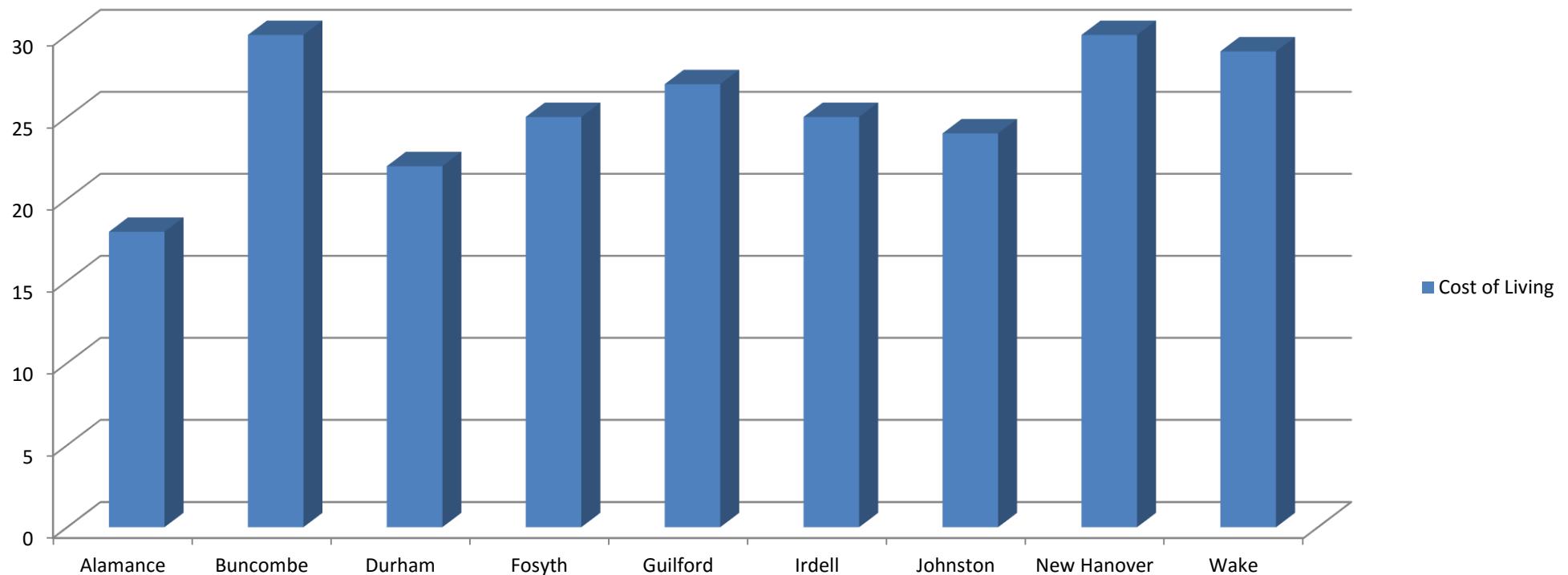






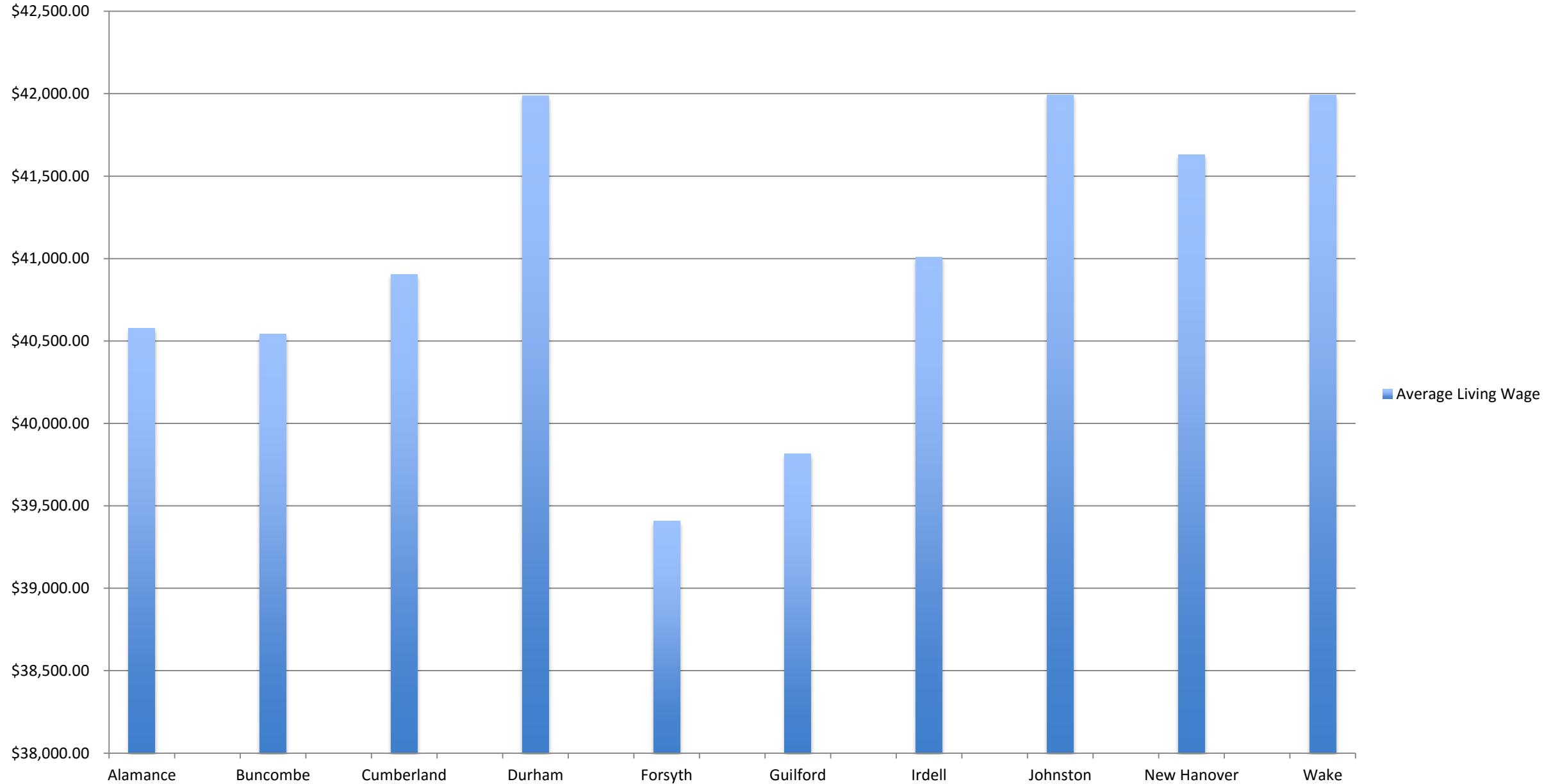
Position	Buncombe County Average Pay	Average With Buncombe County	Average Without Buncombe County
Firefighter Min Difference	\$29,358	\$33,713 (\$4,355)	\$34,197 (\$4,839)
Firefighter Max Difference	\$41,906	\$52,208 (\$10,301)	\$53,353 (\$11,447)
Engineer Min Difference	\$37,214	\$39,666 (\$2,452)	\$39,939 (\$2,725)
Engineer Max Difference	\$51,071	\$59,596 (\$8,524)	\$60,544 (\$9,472)
Supervisor Min Difference	\$40,038	\$46,402 (\$6,363)	\$47,109 (\$7,071)
Supervisor Max Difference	\$53,962	\$61,355 (\$16,007)	\$71,748 (\$17,787)
Manager Min Difference	\$77,875	\$61,355 (\$8,054)	\$62,362 (\$9,062)
Manager Max Difference	\$77,875	\$93,153 (\$15,277)	\$95,063 (\$17,188)
Dep/Ast Chief Min Difference	\$51,250	\$63,693 (\$12,443)	\$65,076 (\$13,826)
Dep/Ast Chief Max Difference	\$65,583	\$96,674 (\$31,090)	\$100,128 (\$34,545)
Chief Min Difference	\$48,516	\$75,665 (\$27,149)	\$78,682 (\$30,167)
Chief Max Difference	\$67,798	\$118,870 (\$51,071)	\$124,545 (\$56,746)

Cost of Living



County	Cost of Living Compared to Buncombe
Alamance	-12%
Buncombe	0%
Durham	-8%
Forsyth	-5%
Guilford	-3%
Iredell	-5%
Johnston	-6%
New Hanover	0%
Wake	-1%

Average Living Wage



Department	Part Time	FF Min	FF Max	Eng Min	Eng Max	C/O Min	C/O Max	D/S Min	D/S Max
Skyland	-\$1.00	-\$6,697	-\$7,353	-\$8,339	-\$8,544	-\$11,109	\$1,252	-\$18,362	-\$9,063
French Broad	-\$1.00	-\$7,989	-\$17,353			-\$12,109	-\$31,748		
Weaverville	\$1.00	\$803	-\$853	\$1,661	-\$44	\$391	-\$1,248		
Swannanoa	-\$2.25	-\$6,970	-\$13,353			-\$10,609	-\$29,248		
Asheville		-\$2,197	-\$2,353	\$3,661	\$1,456	\$3,891	\$252	\$4,138	-\$12,563
Leicester	-\$1.25	-\$6,197	-\$21,353			-\$12,109	-\$33,248		
Riceville	\$0.00	-\$8,697	-\$21,353	-\$9,339	-\$25,544	-\$11,609	-\$31,748		
Barnardsville	-\$2.00	-\$8,697	-\$53,353						
Enka Candler	-\$1.50	-\$2,197	-\$7,353	\$3,161	-\$5,544	-\$2,109	-\$10,248	-\$1,362	
West Buncombe	-\$1.00	-\$8,697	-\$14,853			-\$12,109	-\$26,248	-\$20,362	-\$31,063
Reynolds	-\$1.00	-\$4,197	-\$13,353	-\$1,339	-\$15,544	-\$4,109	-\$16,748		
Reems Creek	\$0.50	-\$697	\$7,647						
Fairview	\$1.00	-\$5,197	-\$15,853	-\$4,339	-\$12,544	-\$5,609	-\$13,748	-\$9,362	-\$16,063
Jupiter	-\$2.00	-\$7,197	-\$53,353						
Woodfin	-\$1.50	-\$2,197	-\$7,853			-\$7,109	-\$21,248		
Garren Creek	\$0.00								
Upper Hominy	-\$1.50	-\$4,197	-\$17,853						
Black Mountain	-\$1.00	-\$197	-\$10,853			-\$7,609	-\$17,248		
Broad River	-\$1.50	-\$5,697	-\$18,853						

Department	S/S Min	S/S Max	Trng Min	Trng Max	D/A Min	D/A Max	Chief Min	Chief Max
Skyland	-\$9,865	\$1,870			-\$14,076	-\$3,628	-\$19,878	-\$6,424
French Broad							-\$43,682	-\$80,545
Weaverville	-\$4,365	-\$8,130			-\$7,076	-\$14,628	-\$8,309	-\$21,660
Swannanoa	-\$13,865	-\$31,630			-\$15,076	-\$34,128		
Asheville	\$16,135	\$1,370	\$6,176	-\$6,361	\$10,424	-\$10,128		
Leicester							-\$37,909	-\$84,772
Riceville	-\$21,365		-\$18,324	-\$28,361	-\$11,076	-\$34,628	-\$20,682	
Barnardsville		-\$37,630					-\$53,182	-\$75,545
Enka Candler	\$4,135	-\$24,630	\$10,676	-\$18,361	\$2,924	-\$32,128	-\$5,682	-\$52,545
West Buncombe			-\$7,324	-\$9,861			-\$26,882	-\$42,745
Reynolds			-\$8,324	-\$22,361	-\$15,076	-\$35,128	-\$23,682	-\$50,545
Reems Creek					-\$21,076	-\$55,128	-\$34,682	-\$81,545
Fairview	-\$3,865	-\$6,630	-\$324	-\$3,361			-\$15,182	-\$23,945
Jupiter								
Woodfin	-\$21,865	-\$40,130			-\$27,076	-\$48,128	-\$23,682	
Garren Creek							-\$43,682	
Upper Hominy					-\$27,076	-\$55,128	-\$66,182	-\$113,045
Black Mountain	-\$10,865	-\$28,130			-\$14,576	-\$36,628	-\$19,682	-\$51,845
Broad River					-\$27,076	-\$55,128	-\$39,682	-\$65,545

Department	Average	Firefighter	Status
Skyland	(\$12,618)	(\$6,697)	Significant
French Broad	(\$21,260)	(\$7,989)	Significant
Weaverville	(\$2,815.83)	\$803	Minor
Swannanoa	(\$11,630)	(\$6,970)	Significant
Asheville	\$6,032.57	(\$2,197)	Minor
Leicester	(\$18,738.33)	(\$6,197)	Significant
Riceville	(\$14,441.71)	(\$8,697)	Significant
Barnardsville	(\$30,939.50)	(\$8,697)	Significant
Enka Candler	\$1,193.25	(\$2,197)	Minor
West Buncombe	(\$15,074.80)	(\$8,697)	Significant
Reynolds	(\$9,454.50)	(\$4,197)	Significant
Reems Creek	(\$18,818.33)	(\$697)	Significant
Fairview	(\$6,268.29)	(\$5,197)	Significant
Jupiter	(\$7,197)	(\$7,197)	Significant
Woodfin	(\$16,385.80)	(\$2,197)	Significant
Garren Creek	(\$43,682)	\$0	Significant
Upper Hominy	(\$32,485)	(\$4,197)	Significant
Black Mountain	(\$10,585.80)	(\$197)	Significant
Broad River	(\$24,151.67)	(\$5,697)	Significant

Benefits

- All departments offer some form of Health Insurance.
- The percentage the department pays toward family varies between 0%-100%.
- 11 of 19 Departments offer some type of Supplemental or Accidental Insurance
- 12 of 19 Departments offer Life Insurance
- Only 5 Departments on/eligible State Retirement
- 2 of 14 Departments offer Other Retirement
- 11 of 19 departments have 401-k

Summary

- Buncombe County Fire Departments on Average are between \$2,452 and \$51,071 below the average pay scale of fire departments in NC
- 16 Departments need Significant adjustment to Pay Scale and/or Starting Pay of positions.
- 3 Departments need Minor Adjustments

COST OF MAINTAINING FIRE SERVICE

Randy Ratcliff, Jeff Angel

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The Cost of 1 Full Set of Wildland Gear

2007

Nomex Pants \$42.00
Nomex Coat \$ 65.00
Boots \$ 200.00
Helmet \$ 50.00
Goggles \$ 12.00
Gloves \$ 15.00
Fire Shelter \$ 45.00
Wildland Mask \$ n/a
Pack \$ 65.00
Radio \$ 600.00
Total \$ 1,079.00



2017

Nomex Pants \$160.00
Nomex Coat \$ 180.00
Boots \$ 300.00
Helmet \$ 65.00
Goggles \$ 35.00
Gloves \$ 25.00
Fire Shelter \$ 400.00
Wildland Mask \$ 90.00
Pack \$ 85.00
Radio \$ 5,000.00
Total \$ 6,340.00

The Cost of 1 Full Set of Structural Gear

2007

Turnout Pants \$1,090.00
Turnout Coat \$ 880.00
Structural Boots \$ 90.00
Flash Hood \$ 35.00
Helmet \$ 125.00
Gloves \$40.00
Radio \$600.00
Self Contained Breathing Apparatus \$4,270.00

Total \$ 7,130.00



2017

Turnout Pants \$1,800.00
Turnout Coat \$ 1,400.00
Structural Boots \$ 400.00
Flash Hood \$ 50.00
Helmet \$ 300.00
Gloves \$90.00
Radio \$5,000.00
Self Contained Breathing Apparatus \$ 7,100.00

Total \$ 14,654.00

Note that All Gear must be replaced every 10 Years regardless of use.

The Cost of 1 full set of Duty Uniforms

2007

Uniform Pants \$ 34.00
Uniform Shirt \$ 28.50
Rain/ winter Coat \$ 115.00
Job Shirt \$ 38.00
Badge/brass \$35.00
Pager \$ 375.00
Gear Bag \$ 28.00
Station Hat \$ 12.00
Safety eyewear \$ 10.00
Radio \$ 600.00

Total \$ 1,275.50



2017

Uniform Pants \$ 45.00
Uniform Shirt \$ 34.00
Rain/ winter Coat \$ 200.00
Job Shirt \$ 51.00
Badge/brass \$50.00
Pager \$ 500.00
Gear Bag \$ 40.00
Station Hat \$ 12.00
Safety eyewear \$ 15.00
Radio \$ 5,000.00

Total \$ 5,947.00

Cost of Fire Engine

2007

Base Cost
\$ 440,000
Equipment Cost
\$ 85,000
To
\$ 110,000



2017

Base Cost
\$ 600,000
Equipment Cost
\$ 125,000
To
175,000

These figures do not include the annual testing, service and cost of fuel.
Life of an Engine is maxed at 20 years depending of service volume.

EMS EFFECTS ON FIRE SERVICE

Jeff Justice

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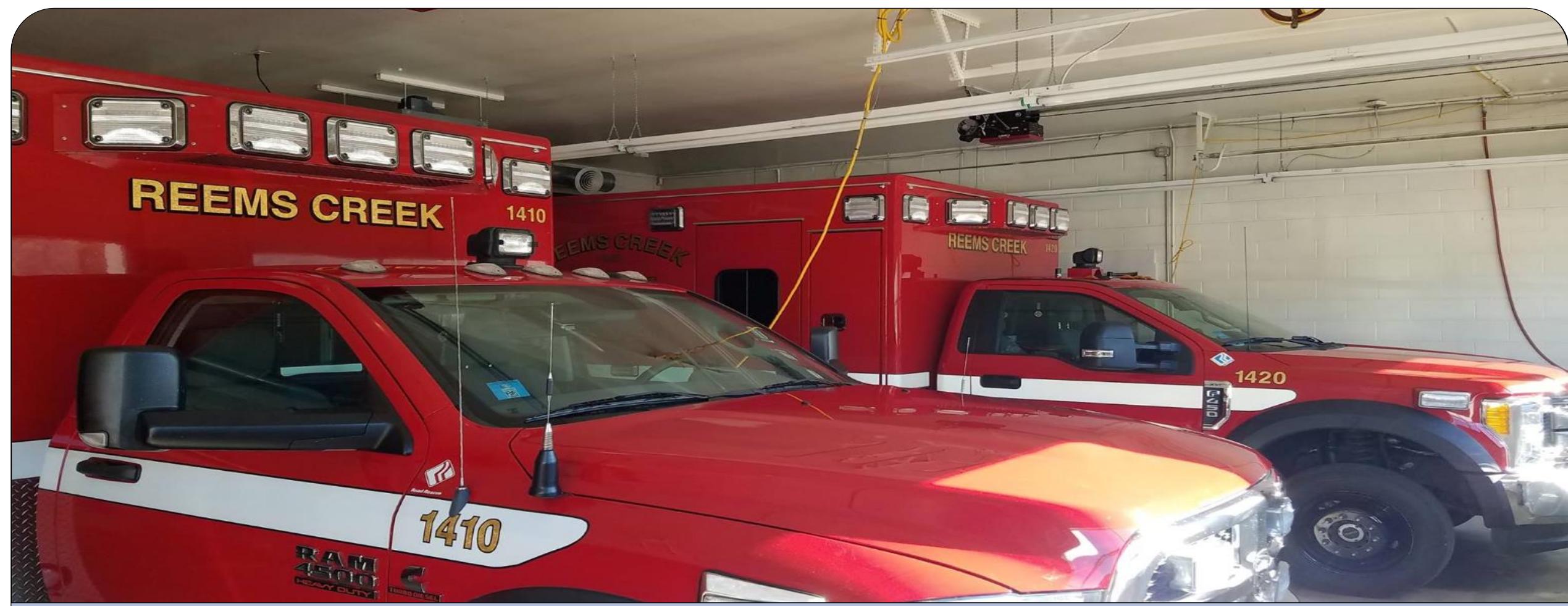
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Fire Department EMS services in Buncombe County

Typical usage of EMS by Fire Departments

- Fire service-based system using cross-trained/multi-role firefighters. Firefighters are all-hazards responders, prepared to handle any situation that may arise at a scene including patient care and transport.
- Fire-service based system using employees who are not cross-trained as fire suppression personnel. Single-role EMS-trained responders accompanying firefighter first responders on 9-1-1 emergency medical calls.

Buncombe County Fire Departments providing EMS.

- Reems Creek Fire Department (1970)
- Fairview Fire Department (1972)
- Riceville Fire Department (1964)
- Leicester Fire Department (1968)
- Barnardsville Fire Department (1964)
- Skyland Fire Department (1978)

Pay Issues Paramedic vs Firefighter

- Paramedics are paid on a 40 hour work week, with overtime paid after 40 hours.
- Most firefighters are paid on a 56 Hour Work week, with overtime paid after 212 hours in 28 days.
- Paramedic Firefighters are required to maintain extra education. Pay rates must be adjusted to fairly pay Paramedic Firefighters under the Fire Department umbrella.

Immediate issues affecting EMS

- Shortage of Paramedics to fill open slots.
- New Health Care limits payment, North Carolina refused Medicaid expansion so the most Medicaid patients average between \$60.00 - \$120.00.
- No Medicare increases for EMS in several years.
- Hospitals are at full capacity, turn around times just to get the patient off the bed are often lengthy.
- EMS equipment is costly, one example is a fire department Automated External Defibrillator (AED) is \$1500.00, compared to an EMS Truck which is \$40,000.

Immediate issues facing EMS

- Drug shortages have driven up prices.
- The Opioid epidemic has caused several problems. These include, increased cost of Narcan (an emergency treatment for opioid overdose), repeat trips for the same patient, and stress on the EMS workers.
- North Carolina Office of Emergency Medical Services (NC OEMS) is over all EMS Trucks in North Carolina. Many times the Office of Emergency Medical Services passes down unfunded mandates on equipment or training.

Requirements of EMS

- The Citizens of Buncombe County understand that they will get the closest EMS unit, that is equipped to handle the emergency.
- Medications used in Emergency situations must be climate controlled and restocked. Mission Hospital no longer restocks EMS units, so the units must return to base to be restocked.
- Over the past 10 years the cost of supplies have doubled, but reimbursement has remained the same.

UNFUNDED MANDATES AND SERVICES

Anthony Penland, John Wilson

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Unfunded Mandates and Services

- Understanding of National Fire Protection Association (NFPA) and Effects of NFPA
- Understanding of Department of Interior (DOI) and Effects of DOI
- Understanding Services Provided to Non-Taxed Properties
- Transient Populations
- Savings Provided to County Residents by Fire Departments
- Fire Insurance versus Fire Tax
- Properties Saved
- Group Purchasing
- Automatic Aid for Response and Training
- Cooperative and Collaborative Solutions of Fire Chiefs



POSSIBLE SOLUTIONS

Ryan Cole

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Possible Solutions

Revenue Options for Discussion

- Sales Tax
- Motor Vehicle Accident (MVA) Service Fees
- Permit Service Fees
- Non Tax Property Service Fees
- Fire Tax



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QUESTION & ANSWER

All

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