



Buncombe County Government

Fire District Tax Rate Requests

5/8/2018



Agenda

- Fire District Overview
- Tax Rate Request Presentations

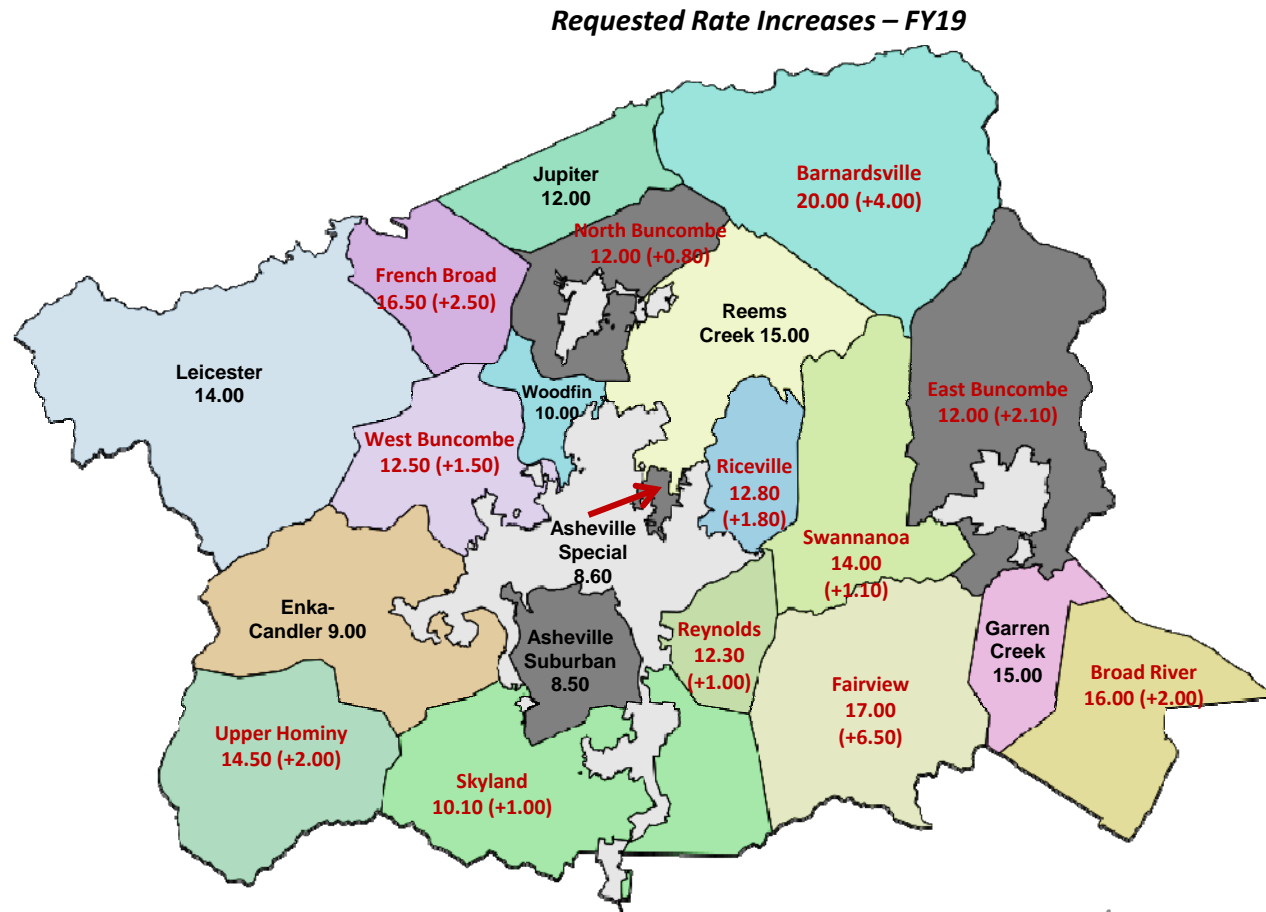


Fire District Overview



Fire District Overview (FY19)

- 12 of 20 fire districts requesting rate increases.
- Requested rate increases range from 0.80 to 6.50 cents.
- +\$2.7 million total increase based on requested tax rates.
- Risks exists with Fire District cash flows, long term capital planning, and financial/budget evaluation.

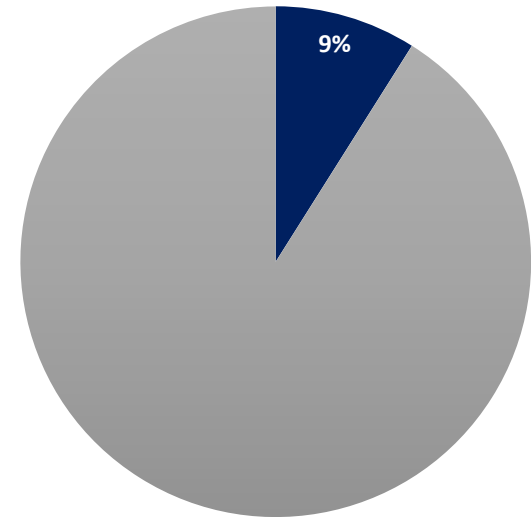




Fire District Funds

	FY18	FY19
Fire District Operating Budget	\$28,000,000	\$31,000,000
Buncombe County General Fund Budget	\$330,000,000	\$315,000,000
Fire District as % of County General Fund Budget	8%	9%

FY19 Budget



■ Fire Districts ■ BC General Fund

Fire Districts provide mission critical services and as public funds require accountability to ensure a financially sustainable model and maximize use of funds for public safety.

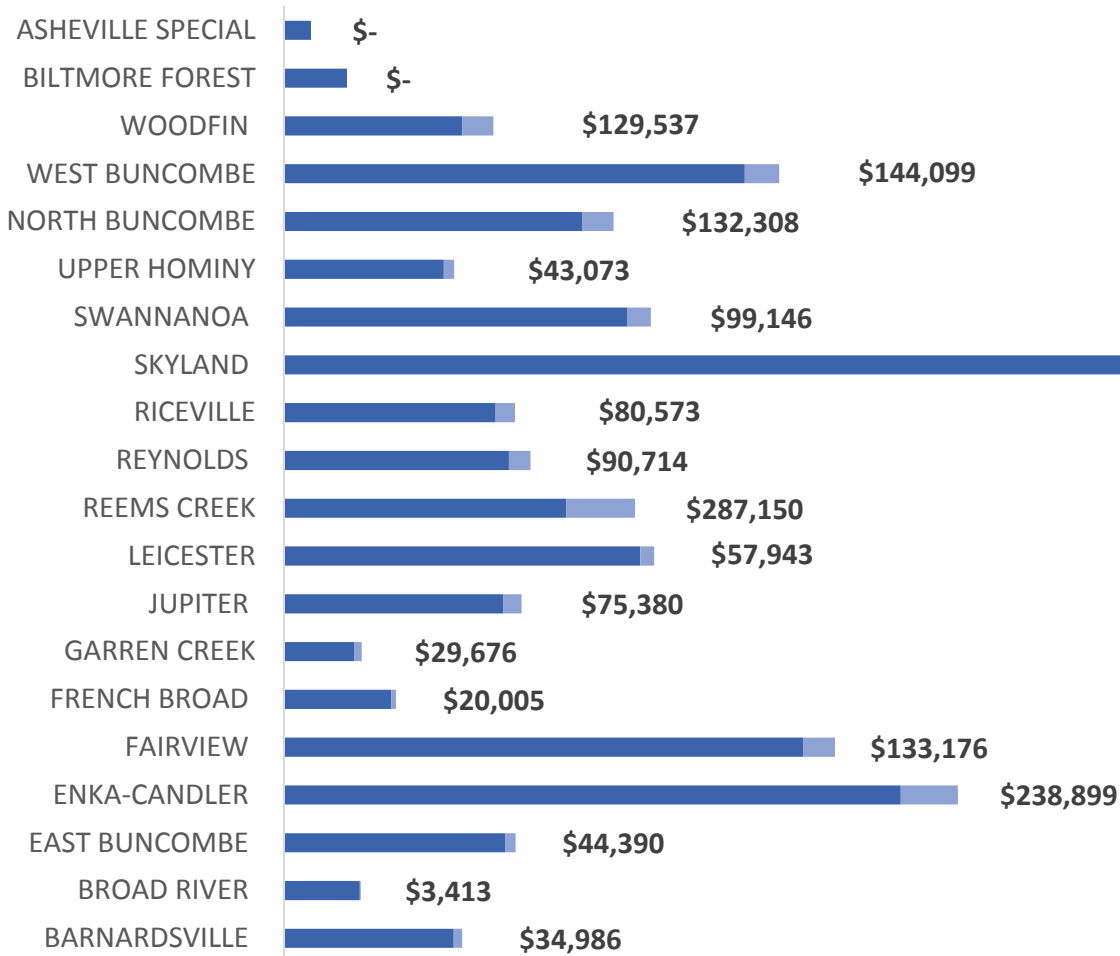


Fire District Tax Rate Requests

DISTRICT	FY2017 Tax Rate	FY2018 Tax Rate	FY2019 Request	Tax Rate Increase	FY2019 Requested Increase (\$)
ASHEVILLE SPECIAL	9.70	8.60	8.60	-	\$-
BARNARDSVILLE	15.00	16.00	20.00	4.00	\$144,942
BROAD RIVER FIRE	14.00	14.00	16.00	2.00	\$35,577
EAST BUNCOMBE	9.90	9.90	12.00	2.10	\$162,821
ENKA	9.00	9.00	9.00	-	\$-
FAIRVIEW	10.50	10.50	17.00	6.50	\$1,123,880
FRENCH BROAD	14.00	14.00	16.50	2.50	\$67,874
GARREN CREEK	15.00	15.00	15.00	-	\$-
JUPITER	12.00	12.00	12.00	-	\$-
LEICESTER	14.00	14.00	14.00	-	\$-
NORTH BUNCOMBE	11.20	11.20	12.00	0.80	\$78,099
REEMS CREEK/BEAVERDAM	13.00	15.00	15.00	-	\$-
REYNOLDS	11.30	11.30	12.30	1.00	\$71,733
RICEVILLE	11.00	11.00	12.80	1.80	\$127,037
SKYLAND	9.10	9.10	10.10	1.00	\$440,139
BILTMORE FOREST	8.50	8.50	8.50	-	\$-
SWANNANOVA	12.90	12.90	14.00	1.10	\$103,360
UPPER HOMINY	12.50	12.50	14.50	2.00	\$89,635
WEST BUNCOMBE	12.00	12.00	13.50	1.50	\$205,346
WOODFIN	10.00	10.00	10.00	-	\$-

12 Fire Districts are requesting tax rate increases. This equates to nearly \$2.7M.

Estimated Revenue Increase by Adopting Above Revenue Neutral Tax Rate (FY2018)



The total increase in revenues for all Fire Districts is estimated to be \$2,189,567 in FY2018.

This graph depicts the **increase/decrease** in total estimated revenues for each fire district for FY2018 due to adopting tax rates above Revenue Neutral.

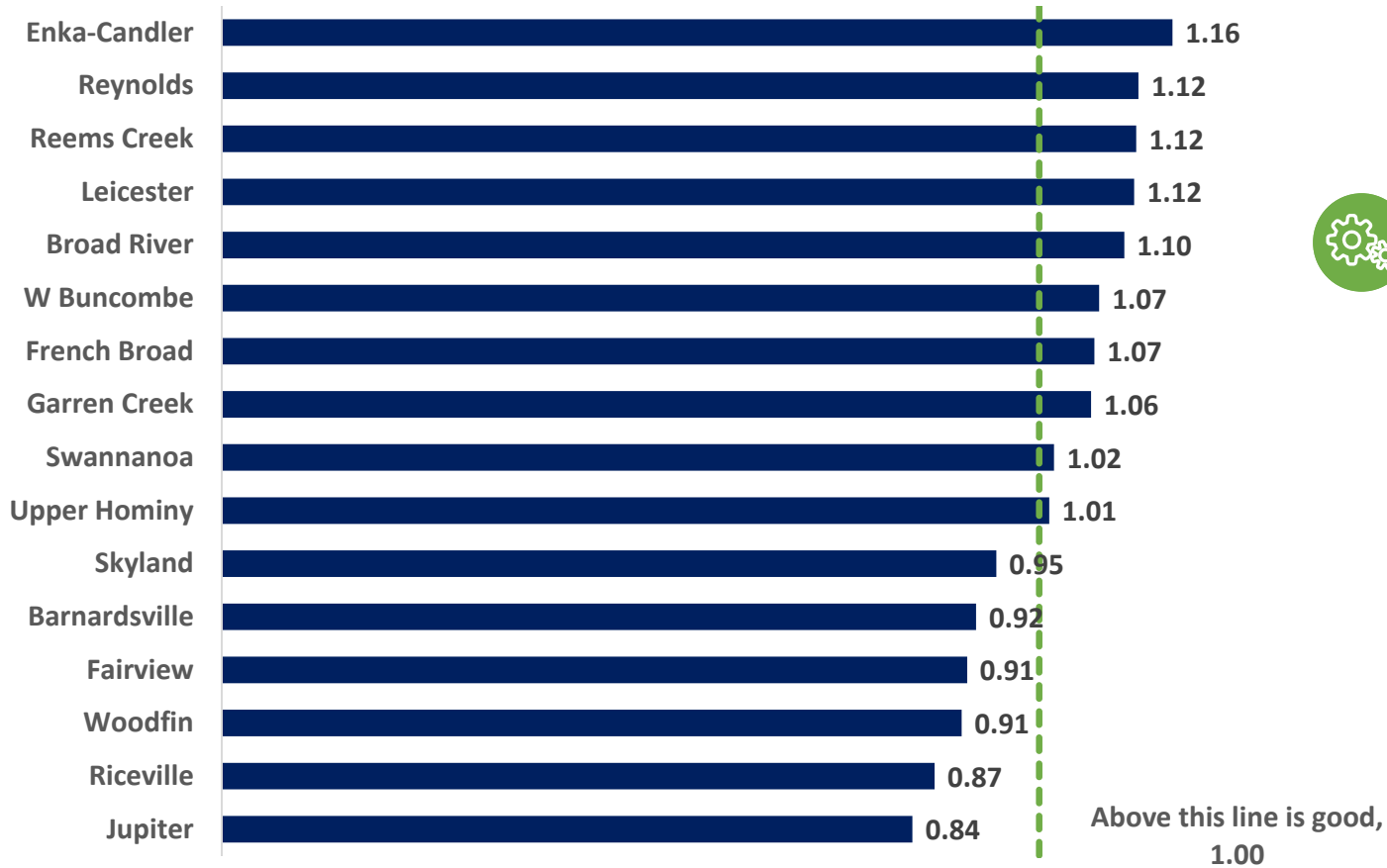
Note: These are estimated figures.

■ Revenue Neutral



Operations Ratio

Fiscal Year 2017



What is the Operations Ratio?

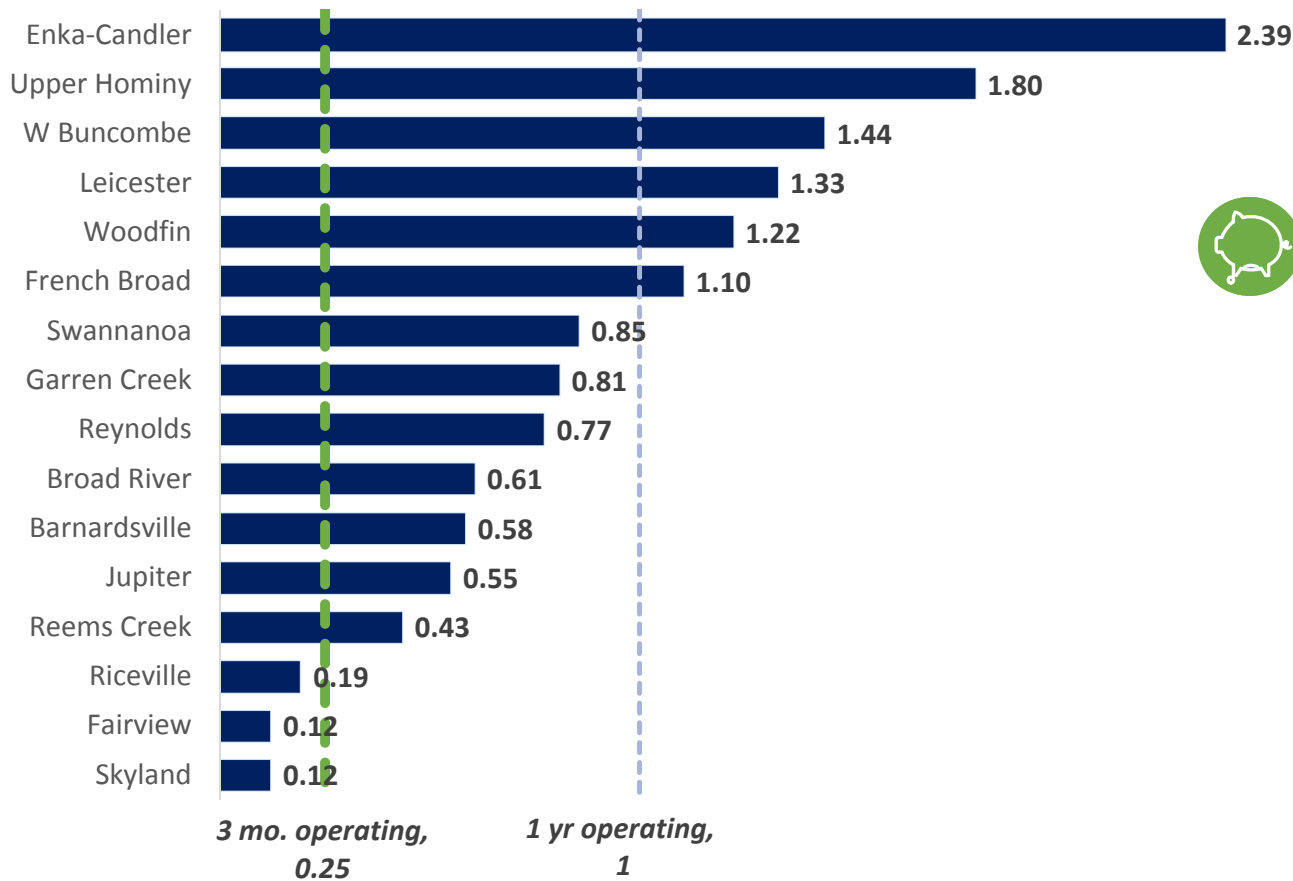
Compares revenues to expenditures.

Any ratio greater than “1” means that revenues are exceeding expenditures (i.e., bringing in more than you spend).



“Reserve” Ratio (Current Assets / Operating Expenses)

Fiscal Year 2017



What is the right reserve amount?

Important to **strike balance** between having enough reserves on hand to manage cash flow and not gather unnecessary tax revenues.

Several factors influence appropriate reserve levels:

- Size of the organization
- Volatility of revenues
- Tax burden on constituents
- Capital planning financing strategy



Fire District Tax Requests and Operating Ratios

DISTRICT	FY2019 Request	Tax Rate Increase	FY2019 Requested Increase (\$)	Revenue / Expenditure Ratio (FY17)
BARNARDSVILLE	20.00	4.00	\$144,942	0.92 ●
BROAD RIVER FIRE	16.00	2.00	\$35,577	1.10 ●
EAST BUNCOMBE	12.00	2.10	\$162,821	TBD ●
FAIRVIEW	17.00	6.50	\$1,123,880	0.91 ●
FRENCH BROAD	16.50	2.50	\$67,874	1.07 ●
NORTH BUNCOMBE	12.00	0.80	\$78,099	TBD ●
REYNOLDS	12.30	1.00	\$71,733	1.12 ●
RICEVILLE	12.80	1.80	\$127,037	0.87 ●
SKYLAND	10.10	1.00	\$440,139	0.95 ●
SWANNANOA	14.00	1.10	\$103,360	1.02 ●
UPPER HOMINY	14.50	2.00	\$89,635	1.01 ●
WEST BUNCOMBE	13.50	1.50	\$205,346	1.07 ●

6 out of 12 Fire Districts requesting tax rate increases had revenues exceeding expenses in FY17.



County Support Moving Forward



County Support Moving Forward – Cash Flow

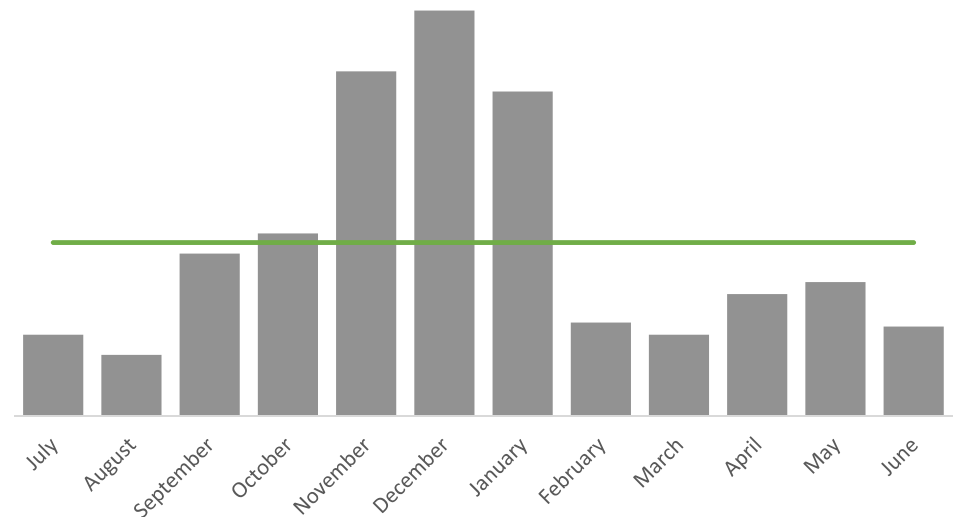
- **Cash Flow Support**

- **Level Distribution:** Distribution of property **tax revenues evenly throughout the year.** Investment earnings would be distributed to fire departments.
- **BOC Approved Advance Funding:** In the case of a **major event or unusual circumstance**, the county could advance revenue distributions to Fire Departments.



Currently, the majority of Annual Revenues are received over 3 Months.

Cash flow leveling can provide equal payments and limit low months.





County Support Moving Forward

Back Office Support:

- Centralized EMS Billing/Processing Support
- Explore options for back-office support (e.g., payroll)

Assessment:

- District-wide salary study
- Health insurance pool

Training/Tools:

- County-assisted Training for Fire District Staff
- Training for Board Members
- Capital Planning
- Financial reporting and dashboarding



Update Service Agreements (\$27-28M in public funds)

Update Service Agreements to include requirements for:

- **Budgeting:**

- Budget amendments
- Monthly budget to actual report

- **Financials:**

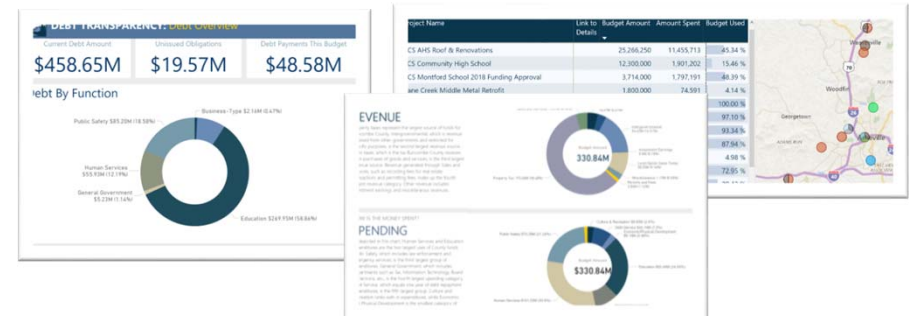
- Monthly Trial Balance
- Debt Reporting (current & projected)
- Year-end Audited Financial Statements
- Standardized basis of accounting

- **Capital Planning:**

- 5 year Capital Plan
- Equipment inventory and detail
- Equipment replacement schedule

- **Personnel:**

- Classification structure
- Salary and benefits



Example Reports, Tools, and Dashboards



Fire District Presentations



Fire District Presentation Order

- *ASHEVILLE SPECIAL*
- **BARNARDSVILLE**
- **BROAD RIVER FIRE**
- **EAST BUNCOMBE**
- *ENKA*
- **FAIRVIEW**
- **FRENCH BROAD**
- *GARREN CREEK*
- *JUPITER*
- *LEICESTER*
- **NORTH BUNCOMBE**
- *REEMS CREEK/BEAVERDAM*
- **REYNOLDS**
- **RICEVILLE**
- **SKYLAND**
- *BILTMORE FOREST*
- **SWANNANOA**
- **UPPER HOMINY**
- **WEST BUNCOMBE**
- *WOODFIN*

**Denotes District not requesting an increase.*



Tax Rate Request Forms

Fire Districts provided a summarized Budget Request form with this year's budgets submission. The forms are available online and in the BOC packets.

Budget Request and Justification	
Entity	
Budget Request	
Purpose of Request	
Key Drivers for the Request	
Communication	