



FY23 Funding Option for Volunteer Fire Districts (VFD)

BOCC Briefing – March 22, 2022

Presentation Outline

- Statute Information and Limitations
- Funding history of VFDs
- Tax Rate Calculation
- VFD Requests
- Recommended Option



NC Statute Restriction

County Fire Service Districts (G.S. Ch. 153A, Art. 16)

Once a service district is created, the county board of commissioners may, but is not required to, levy an annual property tax within the district in addition to the property tax or taxes it levies throughout the county (service district tax). [G.S. 153A-307](#).

Unlike the rural fire protection district tax, generally there is no specific maximum tax rate limitation for service district taxes. **Such taxes are subject to the general aggregate property tax limit of \$1.50 per \$100 valuation. That means that the district tax, when combined with the county's general property tax rate(s) and any other service district tax rates, may not exceed \$1.50 per \$100 valuation**, unless the district's voters have approved the portion of the rate in excess of this limitation. (Under certain circumstances, a county board of commissioners may restrict itself to a lower maximum allowable service district tax rate.)



BOCC Adopted Resolution

MECKLENBURG COUNTY BOARD OF COMMISSIONERS
RESOLUTION
ESTABLISHING A FIRE PROTECTION SERVICE DISTRICT
IN THE
EXTRATERRITORIAL JURISDICTION
OF THE
CITY OF CHARLOTTE

Whereas, N.C.G.S.153A-301 authorizes counties in North Carolina to define service districts in order to finance, provide, or maintain for the service districts fire protection services in addition to or to a greater extent than those financed, provided or maintained for the entire county; and

Whereas, on February 21, 2012 the Board of Commissioners adopted a resolution setting a fifteen cent property tax rate limitation for five (5) proposed fire protection service districts and calling a public hearing for April 3, 2012 on the proposed establishment of the five (5) fire protection service districts, one of them being for extraterritorial jurisdiction of the City of Charlotte and a small area south of Pineville into which Pineville could exercise its extraterritorial jurisdiction rights, but has failed to, to be called the Charlotte Extraterritorial Jurisdiction (“Charlotte ETJ”); and



VFD Funding History

- Pre-FY2012 – Each VFD granted \$80k
- FY2012-13 – Fire Protection Service Districts (FPSD) established, and tax rates introduced
- FY2013-17 – Grant amounts established based on requests and service areas
- FY2018 – Standardized staffing requirements and contractual agreements
- FY2019 – Adjusted Steele Creek VFD contract amount (increase of \$100k)
- FY2020– Contract amounts adjusted to increase hourly rate from \$13 to \$15 per hour and \$50k per station capital funding
- FY2022 – Increased capital to \$85k per station, funding for 3FF per station and capital funding for Steele Creek Station 3



Tax Values & Revenue Estimates Formula

Total Tax Value = Estimated Value of Real Estate +
Estimated Tax Value of Personal Property
(includes cars, boats etc.,)

Tax Rate (¢) = $\frac{[\text{Required Revenue} * 100 / (\text{Total Tax Value} * \text{Collection Percentage})] * 100}$

Note: Estimated value includes Real Estate and Personal Property such as cars etc.



Historical and Potential Tax Rates

| ETJ | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|--------------|------|------|------|------|------|-------|-------|-------|
| Charlotte | 6¢ | 6¢ | 7¢ | 8¢ | 8¢ | 6.67¢ | 7.5¢ | 8.0¢ |
| Cornelius | 5¢ | 5¢ | 5.7¢ | 5.7¢ | 5.7¢ | 3.62¢ | 6.12¢ | 6.12¢ |
| Davidson | 6¢ | 6¢ | 5.5¢ | 8.5¢ | 8.5¢ | 6.50¢ | 8.90¢ | 8.90¢ |
| Huntersville | 5¢ | 5¢ | 5¢ | 5¢ | 5¢ | 4.10¢ | 4.56¢ | 5.80¢ |
| Mint Hill | 7¢ | 7¢ | 8¢ | 8¢ | 8¢ | 7.00¢ | 7.00¢ | 7.50¢ |



Tax Values & Revenue Estimates – FY23

| FPSD | FY 2023 Estimated Value | FY22 Tax Rate | Collection Rate | 2023 Estimate Revenue |
|------------------|-------------------------------|------------------|--------------------|--------------------------|
| Charlotte | \$9,052,693,486 | 8.00 | 98% | \$7,097,312 |
| Cornelius | \$58,183,136 | 6.12 | 98% | \$34,896 |
| Davidson | \$331,709,917 | 8.90 | 99% | \$289,317 |
| Huntersville | \$2,177,071,133 | 5.80 | 98% | \$1,237,447 |
| Mint Hill | \$574,726,349 | 7.50 | 97% | \$422,424 |

Note: Estimated value includes Real Estate and Personal Property such as cars etc.



Tax Values & Revenue Estimates

| Rate (cents) | Collection Rate | Revenue |
|--------------|-----------------|--------------|
| 8.00 | 98% | \$7,097,312 |
| 8.50 | 98% | \$7,540,894 |
| 9.00 | 98% | \$7,984,476 |
| 9.50 | 98% | \$8,428,058 |
| 10.00 | 98% | \$8,871,640 |
| 10.50 | 98% | \$9,315,222 |
| 11.00 | 98% | \$9,758,804 |
| 11.50 | 98% | \$10,202,386 |

**Charlotte ETJ
Tax Value** **\$ 9,052,693,486**

1 cent = \$887,164

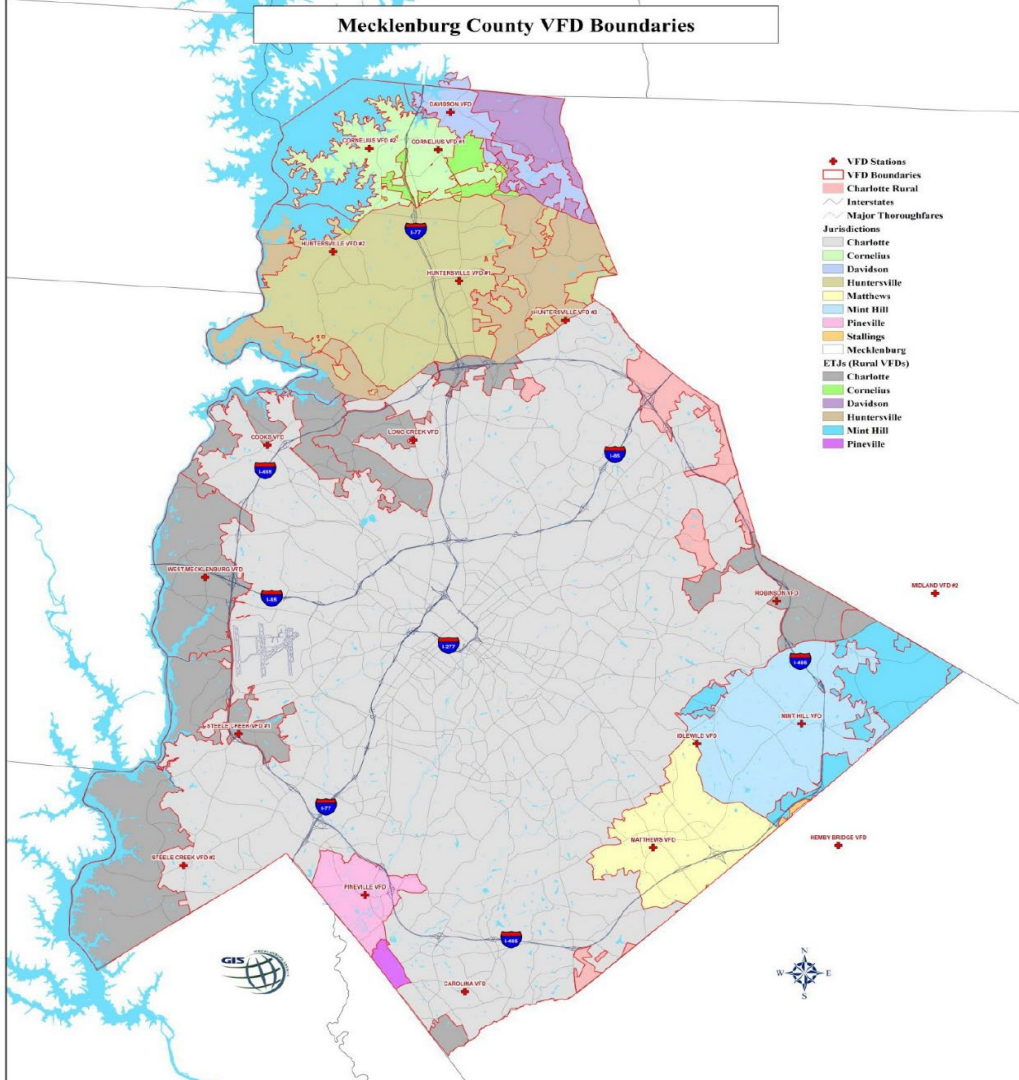


Charlotte District VFDs

- Carolina Volunteer Fire Department – 1 Station
- Cooks Volunteer Fire Department – 1 Station
- Charlotte Rural (City of Charlotte)
- Huntersville Volunteer Fire Department
- Long Creek Volunteer Fire Department – 1 Station
- Robinson Volunteer Fire Department – 1 Station
- Steele Creek Volunteer Fire Department – 2 Stations
- West Mecklenburg Volunteer Fire Department – 2 Units



Mecklenburg County VFD Boundaries



Looking ahead...

- Development continues to advance
- ETJ areas are evolving
- Operational model is changing
- Capital Needs are increasing
- Infrastructure needs updating



FY23 VFD Request



Charlotte District

FY23 Requests – Salaries, Operational & Capital

| | <i>FY22 Contract Amounts</i> | <i>FY23 Operational Budget Request</i> | <i>FY23 Capital Request</i> | <i>Total FY23 Request</i> | <i>Difference from FY22</i> |
|----------------------|------------------------------|--|-----------------------------|---------------------------|-----------------------------|
| Carolina VFD | \$697,876 | \$696,300 | \$108,000 | \$804,300 | \$106,424 |
| Charlotte Rural | \$700,000 | \$750,000 | 0 | \$750,000 | \$50,000 |
| Cook's VFD | \$654,759 | \$758,159 | \$50,000 | \$808,159 | \$153,400 |
| Huntersville FD | \$200,000 | \$225,000 | \$0 | \$225,000 | \$25,000 |
| Long Creek VFD | \$692,871 | \$909,900 | \$500,000 | \$1,409,900 | \$717,029 |
| Robinson VFD | \$575,663 | \$724,500 | \$59,000 | \$783,500 | \$207,837 |
| Steel Creek #1&2 VFD | \$2,147,686 | \$2,279,811 | \$631,154 | \$2,910,965 | \$763,279 |
| West Mecklenburg VFD | \$1,025,170 | \$925,680 | \$140,000 | \$1,065,680 | \$40,510 |
| Total | \$6,694,025 | \$7,269,350 | \$1,488,154 | \$8,757,504 | \$2,063,479 |



Summary of Options

Option 1: Status Quo with 3rd Fire Fighter
(with increased hourly rate - \$15/hr to \$17/hr)

Option 2: Addition of 4th Fire Fighter and
standardization



Status Quo Option (3FF)

**Standard Staffing & Capital
Hourly rate from \$15/hr to \$17/hr**



Considerations for Status Quo

- Continue staffing at three (3) personnel per station
- Continue advance for the construction of Steele Creek Station 3
- Increase of hourly rate from \$15/hr to \$17/hr
- Standard operating expenses of \$230k per station
- Fuel cost increase allowance of \$20k per station
- Capital of \$85k per station



Charlotte District

FY23 Funding Proposal – Status Quo*

| | <i>FY22 Contract Amounts</i> | <i>FY 23 Requests</i> | <i>Status Quo</i> | <i>Difference</i> | <i>Increase from FY22</i> |
|-----------------------|------------------------------|-----------------------|---------------------|---------------------|---------------------------|
| Carolina VFD | \$ 697,876 | \$ 804,300 | \$ 781,760 | \$ (22,540) | \$ 83,884 |
| Charlotte Rural | \$ 700,000 | \$ 750,000 | \$ 750,000 | \$ - | \$ 50,000 |
| Cook's VFD | \$ 654,759 | \$ 808,159 | \$ 781,760 | \$ (26,399) | \$ 127,001 |
| Huntersville FD | \$ 200,000 | \$ 225,000 | \$ 225,000 | \$ - | \$ 25,000 |
| Long Creek VFD | \$ 692,871 | \$ 1,409,900 | \$ 781,760 | \$ (628,140) | \$ 88,889 |
| Robinson VFD | \$ 575,663 | \$ 783,500 | \$ 781,760 | \$ (1,740) | \$ 206,097 |
| Steel Creek #1& 2 VFD | \$ 2,147,686 | \$ 2,910,965 | \$ 2,463,520 | \$ (447,445) | \$ 315,834 |
| West Mecklenburg VFD | \$ 1,025,170 | \$ 1,065,680 | \$ 1,363,520 | \$ 297,840 | \$ 338,350 |
| Total | \$ 6,694,025 | \$ 8,757,504 | \$ 7,929,080 | \$ (828,424) | \$ 1,235,055 |

*Note: Hourly Rate increased to \$17/hr



Tax Rate for Status Quo

| ETJ | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|------------------|-----------|-----------|-----------|-----------|-----------|--------------|-------------|-------------|--------------|
| Charlotte | 6¢ | 6¢ | 7¢ | 8¢ | 8¢ | 6.67¢ | 7.5¢ | 8.0¢ | 8.94¢ |
| Cornelius | 5¢ | 5¢ | 5.7¢ | 5.7¢ | 5.7¢ | 3.62¢ | 6.12¢ | 6.12¢ | TBD |
| Davidson | 6¢ | 6¢ | 5.5¢ | 8.5¢ | 8.5¢ | 6.50¢ | 8.90¢ | 8.90¢ | TBD |
| Huntersville | 5¢ | 5¢ | 5¢ | 5¢ | 5¢ | 4.10¢ | 4.56¢ | 5.80¢ | TBD |
| Mint Hill | 7¢ | 7¢ | 8¢ | 8¢ | 8¢ | 7.00¢ | 7.00¢ | 7.50¢ | TBD |



Recommended Option

**Standard Staffing & Capital
Increased hourly rate**



Considerations for FY23

- Increase staffing from **three (3) to four (4)** personnel per station
- Continue advance for the construction of Steele Creek Station 3
- Increase of hourly rate for three (3) FF from \$15/hr to \$17/hr
- Addition of the fourth team member – Captain at \$20/hr
- Standard operating expenses of \$230k per station
- Fuel cost increase allowance of \$20k per station



Charlotte District

FY23 Funding Proposal – Standardized Enhancement

| | <i>FY22 Contract Amounts</i> | <i>FY 23 Requests</i> | <i>Recommended</i> | <i>Difference</i> | <i>Increase from FY22</i> |
|----------------------|------------------------------|-----------------------|---------------------|-------------------|---------------------------|
| Carolina VFD | \$ 697,876 | \$ 804,300 | \$ 956,960 | \$ 152,660 | \$ 259,084 |
| Charlotte Rural | \$ 700,000 | \$ 750,000 | \$ 750,000 | \$ 0 | \$ 50,000 |
| Cook's VFD | \$ 654,759 | \$ 808,159 | \$ 956,960 | \$ 148,801 | \$ 302,201 |
| Huntersville FD | \$ 200,000 | \$ 225,000 | \$ 250,000 | \$ 25,000 | \$ 50,000 |
| Long Creek VFD | \$ 692,871 | \$ 1,409,900 | \$ 956,960 | \$ (452,940) | \$ 264,089 |
| Robinson VFD | \$ 575,663 | \$ 783,500 | \$ 956,960 | \$ 173,460 | \$ 381,297 |
| Steel Creek 1&2 VFD | \$ 2,147,686 | \$ 2,910,965 | \$ 2,813,920 | \$ (97,045) | \$ 666,234 |
| West Mecklenburg VFD | \$ 1,025,170 | \$ 1,065,680 | \$ 1,363,920 | \$ 298,240 | \$ 338,750 |
| Total | \$ 6,694,025 | \$ 8,757,504 | \$ 9,005,680 | \$ 248,176 | \$ 2,311,655 |



Historical and Potential Tax Rates

| ETJ | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|--------------|------|------|------|------|-------|-------|-------|--------|
| Charlotte | 6¢ | 7¢ | 8¢ | 8¢ | 6.67¢ | 7.5¢ | 8.0¢ | 10.15¢ |
| Cornelius | 5¢ | 5.7¢ | 5.7¢ | 5.7¢ | 3.62¢ | 6.12¢ | 6.12¢ | TBD |
| Davidson | 6¢ | 5.5¢ | 8.5¢ | 8.5¢ | 6.50¢ | 8.90¢ | 8.90¢ | TBD |
| Huntersville | 5¢ | 5¢ | 5¢ | 5¢ | 4.10¢ | 4.56¢ | 5.80¢ | TBD |
| Mint Hill | 7¢ | 8¢ | 8¢ | 8¢ | 7.00¢ | 7.00¢ | 7.50¢ | TBD |



Questions?

