

BUDGET/PUBLIC POLICY

CALL TO ORDER

The Board of Commissioners of Mecklenburg County, North Carolina, met for a Budget Public Policy meeting on Tuesday, January 14, 2020 at 2:36 p.m. in Conference Room 267 of the Charlotte-Mecklenburg Government Center with Chair George Dunlap presiding.

Present: Chair George Dunlap
 Commissioner Patricia "Pat" Cotham
 Commissioner Trevor M. Fuller
 Commissioner Susan Harden
 Commissioner Mark Jerrell
 Commissioner Vilma D. Leake
 Commissioner Elaine Powell
 Commissioner Susan Rodriguez-McDowell
 Commissioner Ella B. Scarborough

The meeting was called to order by Chair Dunlap, followed by introductions and the Pledge of Allegiance to the Flag.

Chair Dunlap said the purpose of the meeting was to receive a presentation regarding the Volunteer Fire Departments (VFDs) funding options and potential tax rates. He said the public would have an opportunity to weigh in on the recommendations at budget public hearings.

Ebenezer Gujjarlapudi, P.E., Director of the Land Use and Environmental Services Agency (LUESA), said in his presentation he would review the legislative history of VFDs, the tax rate calculation, tax rates and funding history of VFDs, the contractual history, the commitment for fiscal year 2021, and service delivery options. Mr. Gujjarlapudi listed the Charlotte District VFDS:

- Carolina Volunteer Fire Department (one station)
- Cooks Volunteer Fire Department (one station)
- Charlotte Rural (contract with the Charlotte Fire Department)
- Huntersville Volunteer Department
- Long Creek Volunteer Fire Department (one station)
- Mint Hill Volunteer Fire Department
- Robinson Volunteer Department (one station)
- Steele Creek Volunteer Fire Department (two stations)
- West Mecklenburg Volunteer Fire Department (two units)

Mr. Gujjarlapudi said that prior to 2012, each VFD was provided \$80,000 from the general fund. In 2020, the Board adopted a resolution setting a fifteen-cent property tax rate limitation for five proposed Fire Protection Service Districts (FPSD), one of them being for extraterritorial jurisdiction of the City of Charlotte. Available revenue was calculated based on tax values of FPSDs and the tax rate. He said in FY2013 through FY2017, grant amounts were established based on requests and service areas. In FY2018 staffing requirements and contractual agreements were standardized. In FY2019, the Steele Creek VFD's contract was adjusted to include an increase of \$100,000. In FY2020, contract amounts were further adjusted to increase the hourly pay rate of firefighters and to provide capital funding to each fire station.

Mr. Gujjarlapudi reviewed the contractual requirements that were established in FY2018. The agreements stipulated the continued use of volunteers, established a minimum of two personnel to be available on a 24-hour, seven day per week basis, provided funding to compensate the two personnel, standardized equipment replacement and maintained the mandate for an annual audit. He stated in FY2020 further enhancements were implemented. Enhancements included increasing the hourly rate of pay to \$15 per hour, providing \$50,000 in capital funds to each station, allowing for the transfer of unused operational funds to the capital fund balance, capping capital fund balances not to exceed \$1 million per VFD, and requiring capital fund expenses to be pre-approved by

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Mecklenburg County.

Mr. Gujjarlapudi reviewed the VFD funding history and trends. Mr. Gujjarlapudi said there was a need for a change to the current funding model due to the acceleration of development, the evolution of the operational model, the increase in capital needs and the need to update infrastructure. He said that Mecklenburg County's commitment for FY2021 was to evaluate operational needs during FY2020, explore collaboration/ partnership opportunities with the Charlotte Fire Department (CFD), evaluate mutual-aid performance and explore opportunities, make recommendations as part of the FY2021 budget, and provide potential strategies for FY2022 and beyond.

Mr. Gujjarlapudi provided a summary of five options. Option number one was to remain the status quo with a third firefighter. Option number two was to grant the VFD request for FY2020 and beyond. This request included increasing staffing from two to three personnel per station, advancing the construction of one station with the addition of three personnel for Steele Creek Station 3 in the future years, and providing additional capital funding of \$35,000 per station and miscellaneous expenses. Option number three was to partially transition one or two VFDs to CFD. Option number 4 was to partially transition more than two VFDs to CFD and option number five was a preliminary staff recommendation. Option number five recommendations included providing additional capital funding, as requested, excluding Robinson and Cooks VFDs, providing six-month funding to Robinson and Cooks VFDs with the remainder held in fund balance until discussions with the CFD were completed, holding \$150,000 in capital funds requested by Steele Creek VFD for Station 3 loan until strategy is finalized in collaboration with CFD, and planning for six-months of funding for CFD transferred areas. Mr. Gujjarlapudi concluded his presentation by providing a summary of options and estimated tax rates.

Comments

Commissioner Rodriguez-McDowell said the County was becoming more urban, only 5.5% of the County remains rural. She said the Fire Commission, that is inactive, could have been useful in this discussion and if revived could become a vehicle the County could use; firefighters know what is best for providing fire protection services.

Commissioner Fuller asked, absent involuntary annexations, if the County should rethink the entire structure? If the County did not transition everything to a partnership with the CFD, would the solution be a County Fire Department? Instead of adding a little money here and there, the County could look at capital needs holistically.

Commissioner Leake said that the County provides human services. She asked if the County had met with the communities to talk about this issue of increasing taxation for fire services. She said she had concerns about the community being involved.

Commissioner Powell asked if Cooks VFD was consulted, which was addressed. She said that she wanted to revive the Fire Commission and use them as an advisory body. She said she did not mind paying more for fire protection in taxes because improved fire services would drive down insurance rates.

Commissioner Scarborough said she wanted to see the option of being able to service every community and not pick certain communities.

Commissioner Cotham asked the VFD Fire Chiefs and Fire Marshal that were in the audience if they agreed with the staff recommendation in option number five.

VFD Fire Chiefs responded that they agreed with parts of the proposal but also had concerns.

Ted Panagiotopoulos, Chief Fire Marshal, said the County needed to provide more staffing to the fire stations one way or another; we all agree that the model has changed considerably.

Commissioner Cotham asked was \$15 per hour sufficient pay for firefighters. She said that

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the County must protect their investments and ensure the retention of firefighters.

Chair Dunlap said he used to be the Board liaison to the Fire Commission when there was one. He said the Fire Commission recommended the current tax structure. He said he was concerned that County residents would be paying more for three VFD firefighters than they would pay for CFD fire services that provide four firefighters per truck. He said he was also concerned about parity; if the County maintained the status quo there were residents in some districts that would be taxed at higher rates because they would be subsidizing other districts; this would create a system where you pay more based on where you live.

Commissioner Rodriguez-McDowell said the Board should go out in the community and explain the funding model.

Chair Dunlap said he suggested that the two district representatives hold Town Hall meetings where staff could provide a presentation to residents.

Commissioner Fuller asked what was the Charlotte Fire Department's position on consolidating provisional fire services?

Mr. Gujjarlapudi said the City already contracts with the County in some ETJs; this model would not be new, there would be additional areas. He said the CFD is reviewing data to understand if there are enough resources to provide services to the additional areas. He said the County would not transition any area to CFD if they could not provide equal or increased service to the entire proposed area.

Commissioner Cotham asked about fire prevention efforts, which was addressed by staff.

Chair Dunlap said the ultimate goal was to get our fire protection services to the same place our police protection services were, where the Charlotte-Mecklenburg Police Department polices all of Mecklenburg County, except those that have their own districts, and the same would be for fire services.

No action was taken or required of the Board at this time.

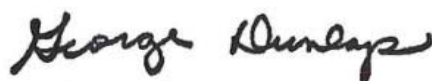
A copy of the presentation is on file with the Clerk to the Board.

ADJOURNMENT

With no further business to come before the Board, Chair Dunlap declared the meeting adjourned at 4:29 p.m.



Emily A. Kunze, Clerk



George Dunlap, Chair