



# **Mecklenburg County Fire Protection Service Districts Report**

February 21, 2012

# Part 1: Overview

## Background and Justification

The County proposes a new funding vehicle for delivery of fire protection services throughout the unincorporated area of Mecklenburg County, which area includes the remaining extraterritorial jurisdiction areas (“ETJs”) of the Towns and of the City of Charlotte. Currently 15 Volunteer Fire Departments (VFDs) provide fire protection services outside the City of Charlotte’s corporate limits, funded by a mix of County contract payments, citizen contributions, and in the case of VFDs that provide fire protection within the Towns, contributions by those local governments. County staff suggests that as urban growth in the County continues, and VFD expenses rise, the current funding strategy is unsustainable.

In 2008 the County retained an independent consultant to assess fire protection services in Mecklenburg County. That consultant’s report specifically noted fire protection service districts as an effective solution to address both immediate and long term VFD budget needs. Fire protection service districts are used in almost all other North Carolina counties, and appear to be widely recognized as an appropriate method for funding fire protection services in unincorporated areas. This strategy builds on that recommendation.

Under the authority granted to the Board of County Commissioners (“BOCC”) under N.C.G.S. 153A-301 et seq., County staff proposes that the BOCC create Fire Protection Service Districts in Mecklenburg County as follows:

- Four Town Extraterritorial jurisdiction (“ETJ”) service districts – one each for the ETJs of the following Towns: Cornelius, Davidson, Huntersville and Mint Hill.
- A fifth service district for the City of Charlotte’s ETJ and the small area south of Pineville into which Pineville could exercise its ETJ rights, but has failed to, to be called the “City ETJ Fire District”.

These districts would be created to fund the full cost of providing fire protection service to all residents of the service district, with the cost burden carried by all service district property owners, through the fire protection service district tax. The County would use the funds raised by the Fire Protection Service District property taxes to contract with the City of Charlotte, or the Towns, or in some instances, directly with the Volunteer Fire Department(s) related to a specific Fire Protection Service District, to provide fire protection services for that area.

This proposal has many benefits for Mecklenburg County citizens and the BOCC.

- It creates an effective vehicle for supporting fire protection service as VFD service providers change.
- As VFDs transition to greater use of full time or part time staff, to support fire protection ISO grading, this strategy provides a strong budget foundation to deal with the related expenses.
- As the ETJs build out, each service district has greater ability to plan service demand response needs.

- It equitably allocates service costs across the entire service areas.

## **Fire Protection Service District**

A Service District (North Carolina General Statute 153A-301) is a geographic area defined by a board of county commissioners to finance, provide, or maintain a number of services, facilities and functions to service district residents. Fire protection is recognized as a service that can be financed, provided and maintained within a service district. Territory within the corporate limits of a municipality is exempt from inclusion in a county service district unless the governing board of the municipality agrees by resolution to include the corporate limits in the service district. After establishing a service district, a county must provide the services for which the tax is levied.

## **Financing Fire Protection**

### **Contracts**

- In the City ETJ; the County would contract directly with the VFDs serving that area and with the City of Charlotte for the Charlotte Fire Department to provide fire protection services for a portion of the City ETJ Fire District.
- In the Towns' ETJs; The service districts would be limited to the Towns' ETJs only, in which case the County plans to contract directly with the VFDs or the Town at a "full funding rate" estimated as allocable to the ETJ.

### **The budget process**

Establishing service district tax rates would be part of the City, Towns and County annual budget processes. County staff anticipates tax rates will vary among the districts, based on varying fire protection service costs and service district aggregate property values.

- In each Town's ETJ, each Town Manager or Fire Chief would review their service district area Fire Department or VFD budgets, proposing an aggregate cost and tax rate to the Mecklenburg County Fire Marshal ("MCFM").
- In the City's ETJ, where the County plans to contract with the City of Charlotte for the services of the Charlotte Fire Department ("CFD") and VFDs in the City's ETJ, each of those will propose a fire protection service budget in their service area for the next fiscal year, to the MCFM. The Fire Commission and the MCFM will review budgets and the MCFM will calculate a City ETJ aggregate fire protection service cost and proposed tax rate.
- The MCFM will assemble a comprehensive package of all five Fire Protection Service Districts tax rate proposals for the County Manager's and BOCC's review.
- The BOCC will take action in June of each year, setting five service district tax rates for the following fiscal year.

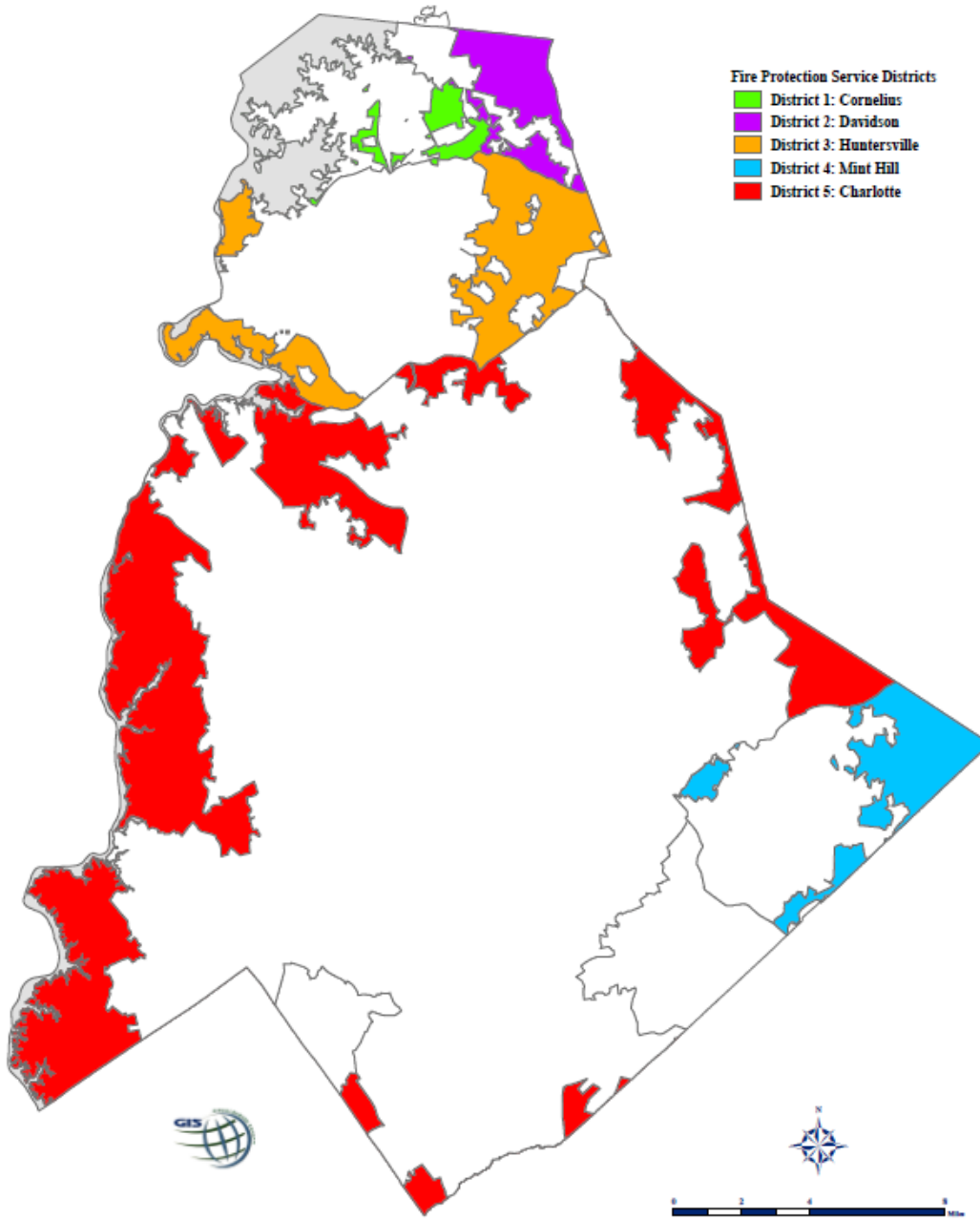
Each entity contracting with the County for fire protection service would be required to provide a full accounting in compliance with Local Government Budget and Fiscal Control Act.

**Establishing the tax rate**

The tax rate for each Town's ETJ service district would be recommended by the Town, but set by the BOCC.

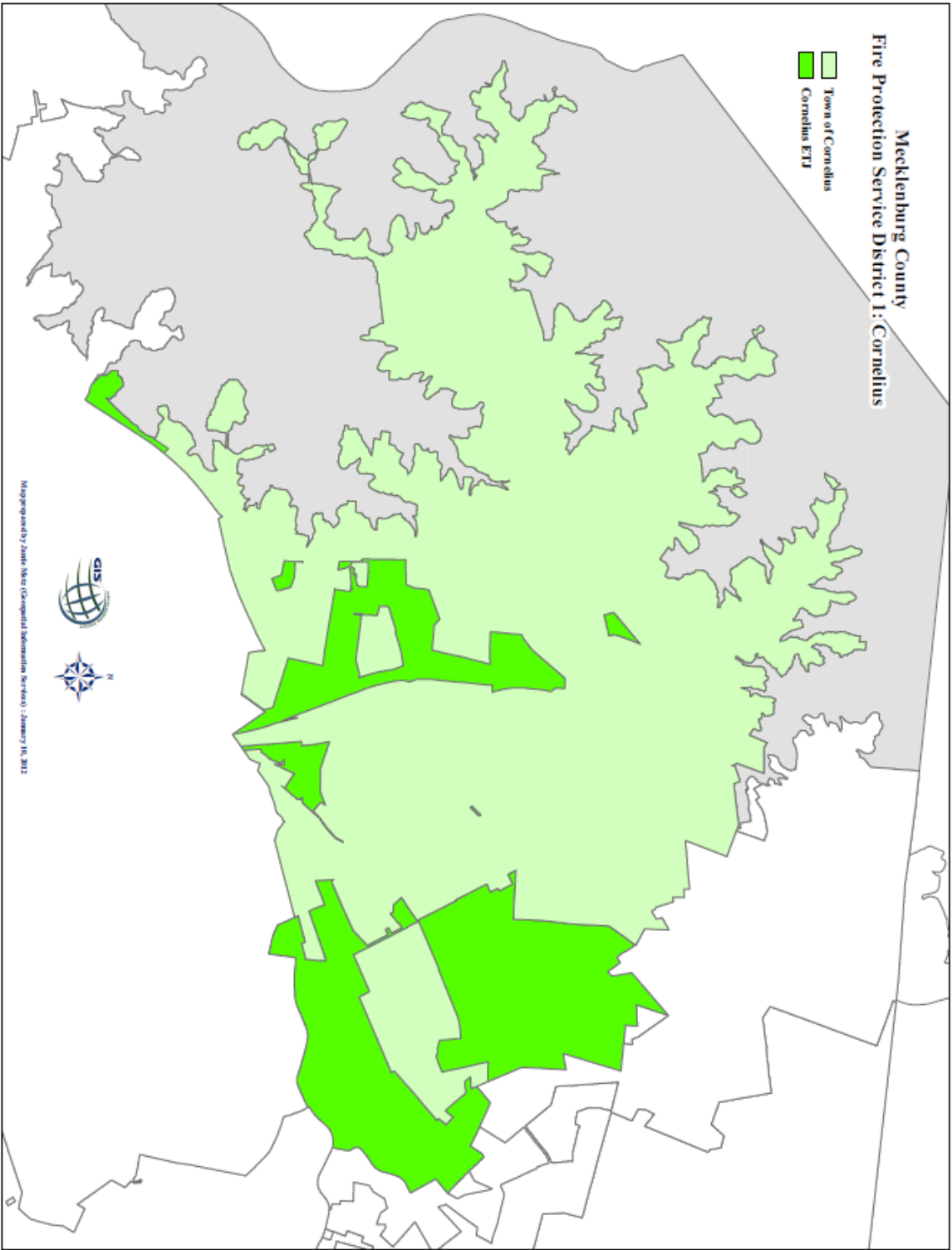
The tax rate for the Charlotte ETJ service district would be set by the BOCC based on the property values (based on County Tax Assessor's most recent estimate) and the cost of services to be provided.

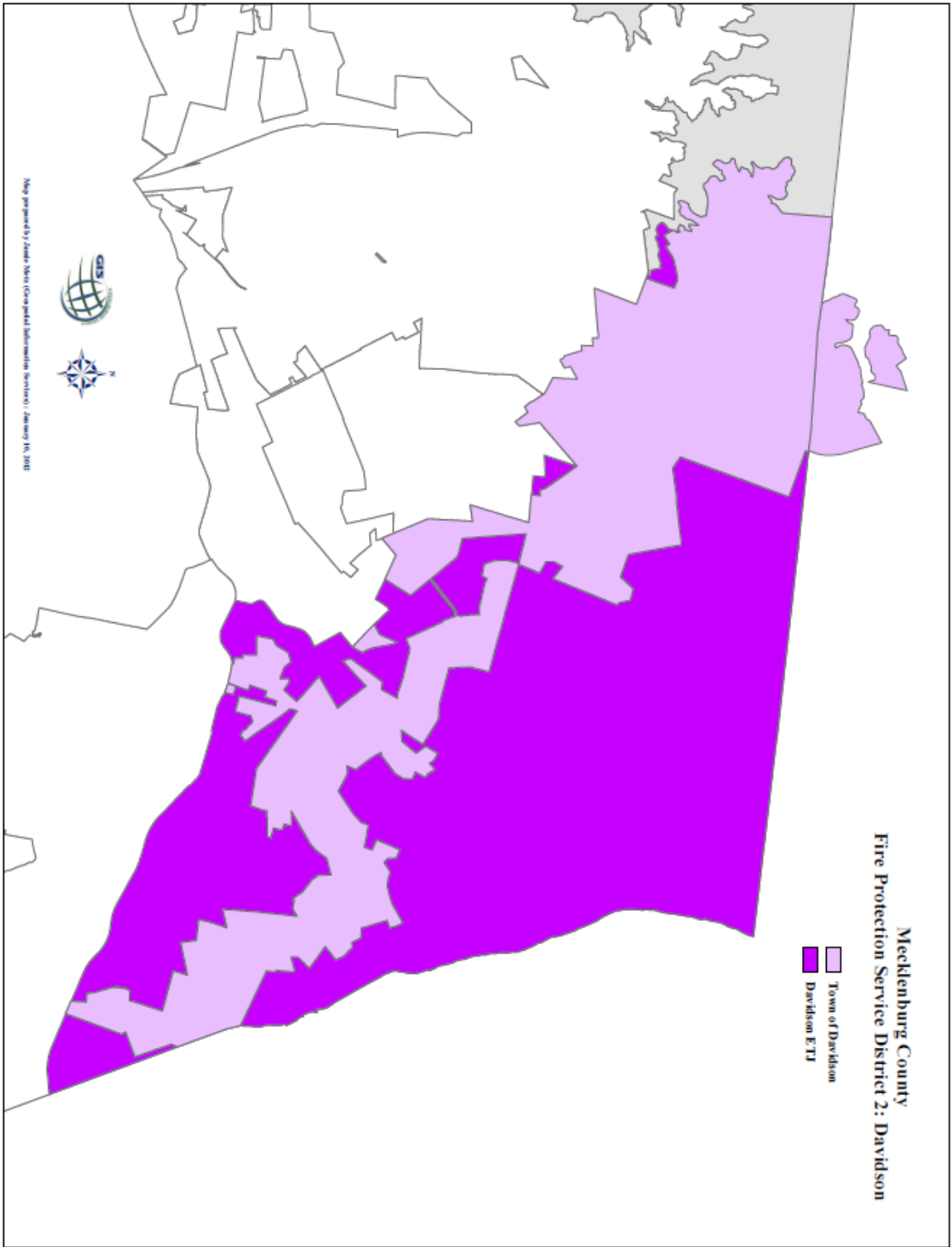
# Mecklenburg County Fire Protection Service Districts

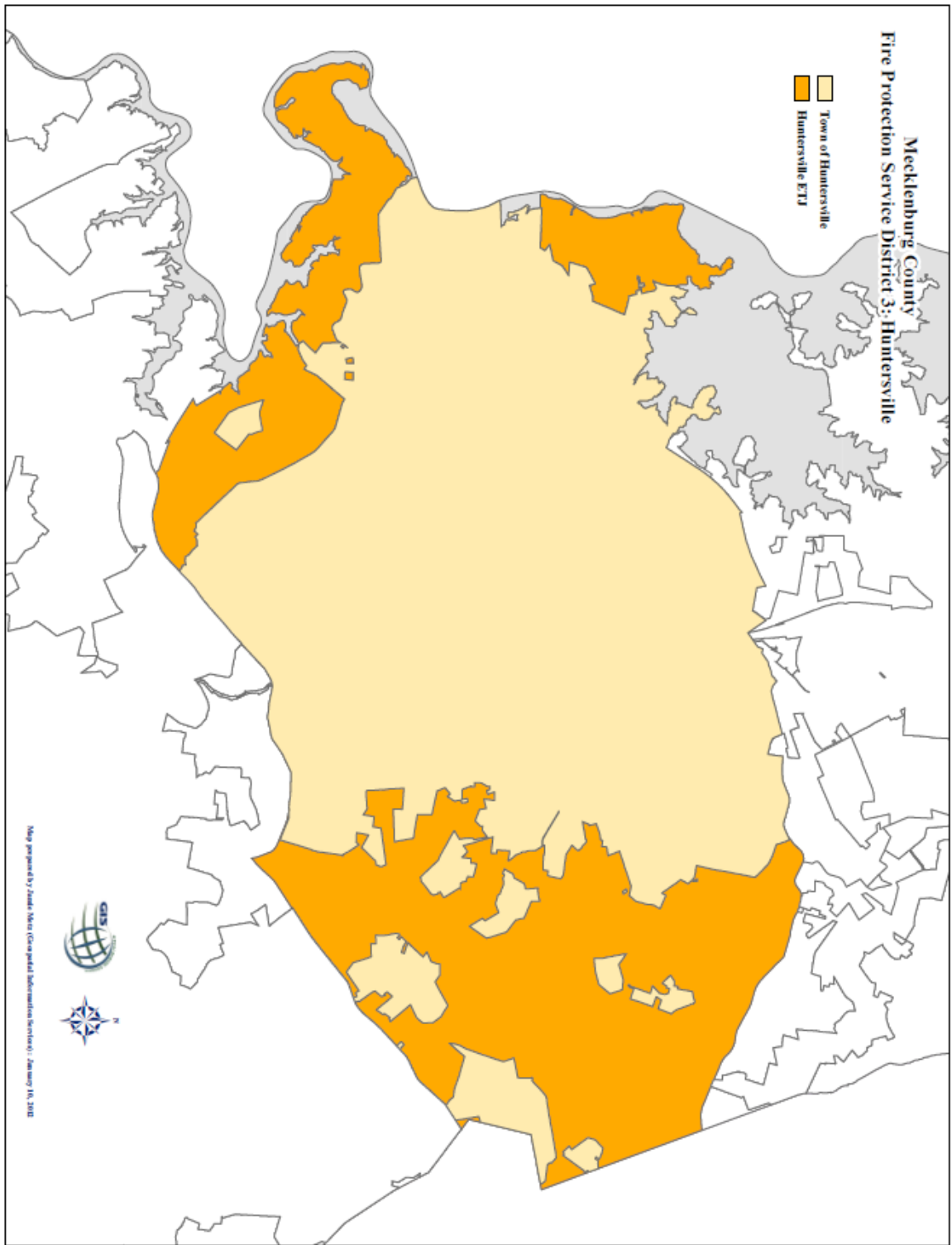


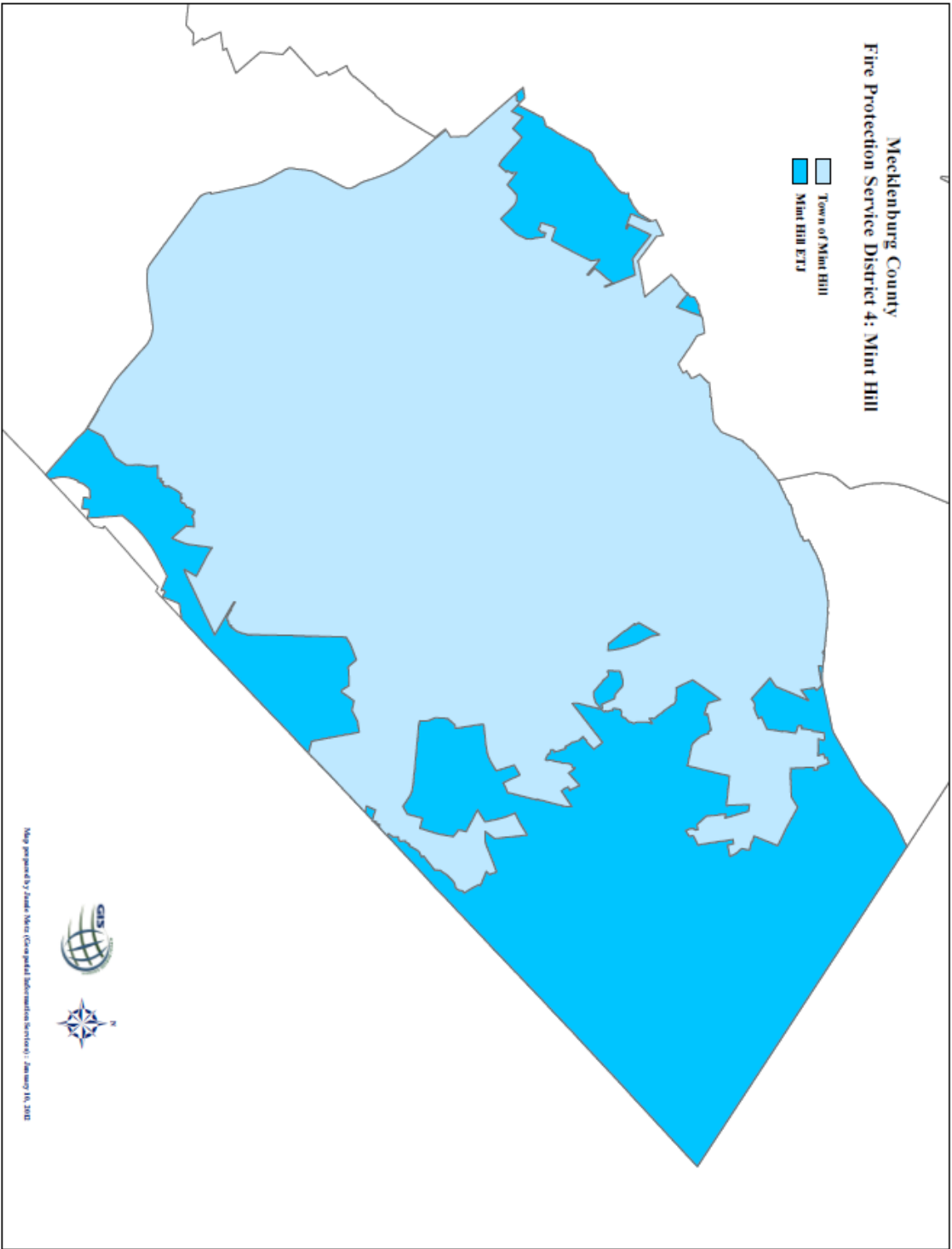
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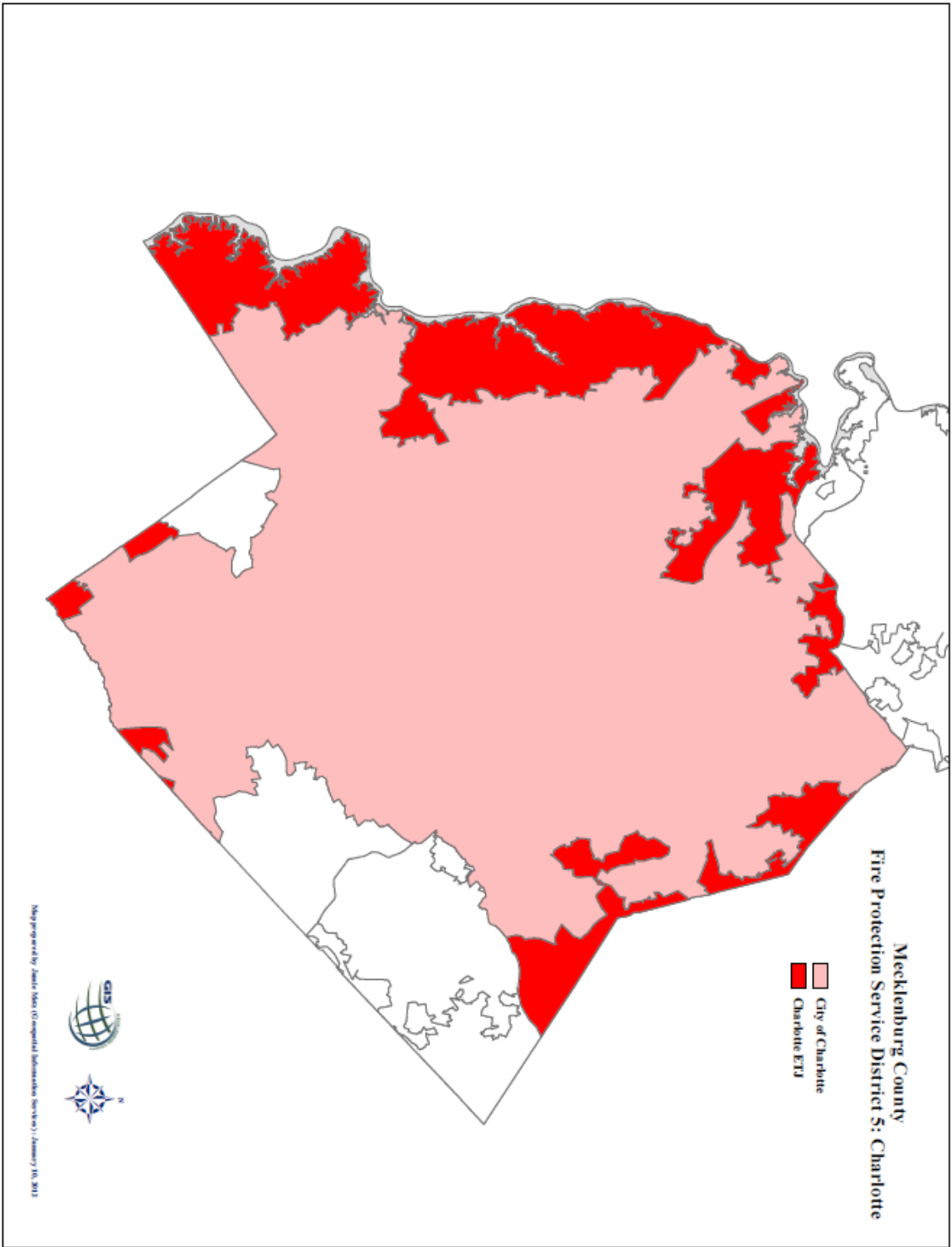
Map prepared by Jamie Metz (Geospatial Information Services) : January 10, 2012











**G.S. 153A-302(a) requires the county commissioners, in determining whether to establish a service district, to consider:**

1. The resident or seasonal population and population density of the proposed district.

<b>ETJ</b>	<b>2010 Population</b>	<b>Square Miles</b>
District 1: Cornelius	215	3.20
District 2: Davidson	1,128	8.12
District 3: Huntersville	2,623	20.50
District 4: Mint Hill	6,017	11.91
District 5: Charlotte (+Pineville)	36,149	73.79
<b>Total:</b>	<b>46,132</b>	<b>117.52</b>

2. The appraised value of property in the districts.

District 1: Cornelius:	\$100,005,852
District 2: Davidson:	\$249,692,692
District 3: Huntersville:	\$793,080,949
District 4: Mint Hill:	\$635,268,612
District 5: Charlotte:	\$5,387,098,307

3. The current tax rates of the county and any cities or special districts in which the district will be located.

Mecklenburg County	81.66¢
Mecklenburg County Law Enforcement Service District	18.66¢

4. The ability of the proposed district to sustain the additional taxes.

Currently the residents in unincorporated Mecklenburg County pay less than .02 cent for fire protection services while the residents of the municipalities pay a significantly higher rate for the same service. The initial estimated tax rates for the fire protection service districts range from approximately 4.5¢ to 7¢. The 15¢ limitation on each one hundred dollars (\$100.00) of property subject to taxation will help to make sure that there is never excessive taxation within the fire districts.

5. The extent to which the services will be self-supporting if water, sewer, or solid waste collection services are to be furnished.

N/A

6. Any other matters the commissioners believe have a bearing on whether the district should be established.

The fire protection service district allows an equitable tax for all residents that receive the service.

### **Other Issues and Details of the Proposed Program**

- The Mecklenburg County Fire Marshal's Office would serve as a resource to the Towns in their budget review process, on an as needed basis.
- The Volunteer Fire Departments would submit their annual budget proposals for review to either the Town soliciting their contract service, or, in the City ETJ Fire District, to the Mecklenburg County Fire Marshal's Office. Budget submittal format would be as stipulated by the reviewing entity.
- Participating Volunteer Fire Departments would account for their annual expenditures in a report format acceptable to the County.
- The Towns would review the VFD budgets and recommend a tax rate to the BOCC in each of their respective districts. The Mecklenburg County Fire Marshal and the Fire Commission would review all VFD budgets for the City ETJ Fire District, and the costs to be charged by the City of Charlotte for Charlotte Fire Department services, summarize and advise the County Manager so that he may make a recommendation to the BOCC for a tax rate in the City ETJ district.
- Funds raised from the tax in each district would be used exclusively to fund Fire Protection Service District activities in that district.
- The County's costs in connection with the establishment or maintenance of the service districts, including workers compensation insurance, radio/dispatch maintenance, would be allocated and charged to each district on a unit basis established by the County.
- Part time or full time staff would be employees of the VFD or Town fire department, or City of Charlotte Fire Department.
- No other expenses unrelated to the provision of fire or emergency service, as included in the district service description, would be included in the VFD or Towns' or City's estimates of cost.
- A separate fund would be maintained by the County for funds collected in each service district. Any fund excess would be available in that district for the defraying of the subsequent year District budget and tax level request.

## **Fire Protection Service District: Frequently Asked Questions**

### *"What is the Fire Protection Service District?"*

The Fire Protection Service Tax District is a Service Tax District created to finance fire protection to district residents.

### *What areas are included in the Fire Protection Service Tax Districts?"*

Every property located in the unincorporated area of Mecklenburg County would be included in one of the five (5) proposed fire protection service districts. The Five Service Tax Districts would include four Towns' extraterritorial jurisdiction areas (Cornelius, Davidson, Huntersville, Mint Hill). A fifth service district would be the City of Charlotte's ETJ and the small area south of Pineville into which Pineville could exercise its ETJ rights, but has failed to, to be called the "City ETJ Fire District".

### *How will the money collected from each Fire Protection Service District be distributed to individual contracting fire departments?"*

In the four Towns ETJ fire protection service districts, the VFDs serving those districts would submit budget requests to their respective Town Boards, except in Davidson where fire services are to be provided by the Town of Davidson's Fire Department. In the City ETJ Fire District, the VFDs would submit budget requests to the Mecklenburg County Fire Commission and County Fire Marshal. The Town Boards would review all operating and capital improvement project budget requests and make formal recommendations to the Board of Commissioners for the requisite tax level in each of their ETJ fire service districts. Similarly, in the City ETJ Fire District, the Mecklenburg County Fire Commission and County Fire Marshal would review all VFD budgets, and charges negotiated with the City of Charlotte for Charlotte Fire Department services, summarize and advise the County Manager so a recommendation can be made to the BOCC for a tax rate in the City ETJ Fire District.

### *When will the Service Tax District become effective?"*

If the Board of Commissioners adopts a resolution creating five Service Districts, County staff proposes that they would become effective July 1, 2012.

### *How will this change affect the Volunteer Fire Departments?"*

The most significant change for the VFDs that currently contract with the County would be the manner in which the VFDs receive funding. It is proposed that VFDs would submit budget requests for funds necessary to provide a level of service to the Towns for the Town fire service districts, and to the County Fire Marshal for the City ETJ Fire District. Budgets for some VFDs could increase and other VFD budgets could decrease.

In addition, budget requests will be forwarded to either the Town Boards or the Mecklenburg County Fire Commission and County Fire Marshal for Fiscal Year 2013. The Town Boards would review all operating and capital improvement project budget requests and make formal recommendations to the County Board of Commissioners for funding tax rates in each of their respective districts. The County Manager would make a recommendation to the BOCC for the tax rate for the City ETJ Fire District.

*Why would the Service Tax Districts be created?*

The fire protection service tax districts would create an adequate and equitable funding mechanism that would provide immediate and long term funding for the Volunteer Fire Departments that provide fire protection services in the unincorporated areas of Mecklenburg County.

*How does the Fire Protection Service District affect volunteer firefighters in Mecklenburg County?*

County Government fully recognizes, needs and values the services of the volunteer firefighters. One of the primary roles of the Fire Commission is to develop and implement firefighter and volunteer incentive, retention and recruitment programs. Funding for these programs can come from the Fire Protection Service Tax District. The purpose of implementing these programs is to recognize and reward the hard work and dedication of our County's volunteer firefighters.

*If I live in a town, will the Fire Protection Service Tax District affect me?*

The County plans to contract with the Towns of Cornelius, Davidson, and Huntersville to provide fire protection service within their extraterritorial jurisdiction areas (ETJs) of those Towns. Davidson would provide that service to its ETJ using the Davidson Fire Department. The Towns of Cornelius and Huntersville would contract with their current VFDs to provide fire protection service. The County would contract with Mint Hill VFD to provide service to the ETJ of Mint Hill, but would be willing to contract with the Town of Mint Hill, just as it plans to contract with the Towns of Cornelius, Davidson and Huntersville, should the Town of Mint Hill desire to enter into such a contract.

# Part 2: Program Description

## PLAN INDEX

This plan is designed to meet and exceed the criteria as defined in NCGS 153A-300 et seq. (“The County Service District Act of 1973”) to establish a fire protection service district.

## SCOPE OF SERVICE

## PERFORMANCE STANDARDS

## GOVERNANCE

## OBJECTIVES

## IMPLEMENTATION TIMELINE

## APPENDIX

## SCOPE OF SERVICE OF THE DISTRICTS

The scope of services to be available in each Service District is as follows:

- Shall include fire protection service.
- Shall include rescue service.
- Shall include emergency medical transport service in Mint Hill only.
- May include additional fire department services, including hazardous materials control, response to vehicle accidents, water rescue, confined space rescue, or such other services which require immediate response and are of a public safety scope considered to be within the expertise of the responding fire department.

## PERFORMANCE STANDARDS

- The Mecklenburg County Fire Marshal (“MCFM”) would be available to all entities contracting with the County and Towns, and with the VFDs regarding application of

performance standards, capital equipment and facility planning and strategies, and other relevant standards.

- Entities contracting with the County and Towns for providing fire protection services would be required to maintain performance standards specified below:
  - The fire departments should respond to emergency incidents within the department's primary district (Standard of Response Cover) within six minutes of dispatch and be on scene with one piece of apparatus and four qualified personnel within twelve minutes of dispatch, eighty percent of the time.
  - Each fire department contracting to provide fire protection service must maintain a minimum ISO rating of 6/9.
  - The volunteer fire departments that contract to provide fire protection services must be incorporated under the laws of the State of North Carolina.
  - Each fire department must have a fire chief, a deputy/assistant fire chief/s, other necessary officers and a minimum number of firefighters and traffic control members as required by Office of the State Fire Marshal (OSFM).
  - Each fire department must operate under the guidelines of National Incident Management System (NIMS) Incident Command System (ICS).
  - Each fire department must maintain the required equipment specified by the Office of the State Fire Marshal (OSFM) State law or regulation.
  - Each fire department must maintain appropriate vehicle liability insurance or self-insurance (CFD) and other insurance which may be required by the County or OSFM.
  - Each fire department must maintain an organized fire and rescue training program. The training program must include Emergency Vehicle Drivers (EVD) as mandated by OSFM. Each department must comply with State training and meeting requirements.
  - Each department must comply with the National Fire Incident Reporting System (NFIRS) and submit reports as required by the Office of the State Fire Marshal (OSFM).

## **GOVERNANCE**

While funding levels would ultimately be set by the Mecklenburg County Board of Commissioners, Volunteer Fire Departments in each Fire Protection Service District would propose budgets annually to cover the full cost of service.

- Those budgets would be reviewed by the Mecklenburg County Fire Marshal's Office, and the Mecklenburg County Fire Commission.
- The Mecklenburg County Fire Marshal and Mecklenburg County Fire Commission collectively make final funding recommendations on the proposed budget for each service district to the County Manager's Office
- The County Manager's office would submit the funding request for each service district to the BOCC.

Citizens may direct requests or concerns regarding service in their Fire Protection service districts to the following entities.

- Directly to the Fire Department providing service; or
- To the Mecklenburg County Fire Marshal at [mark.auten@mecklenburgcountync.gov](mailto:mark.auten@mecklenburgcountync.gov) or 704 336-2154
- To members of the Fire Commission, Fire Chief and/or the Board of Directors as posted at this web address :  
<http://charmeck.org/mecklenburg/county/CodeEnforcement/FireMarshal>
- For Fire Protection Service Districts located within the extraterritorial jurisdiction of a Town (Cornelius, Davidson, Huntersville, Mint Hill), the citizen may also choose to contact their Town Manager or elected representative.

## OBJECTIVES OF THE SERVICE DISTRICT PROPOSAL

The objectives for implementing fire protection service districts in Mecklenburg County for FY 2013 are:

- Provide all volunteer fire departments with a funding level based on need.
- Initiate a funding system, which is flexible, expandable, and more capable of meeting the ever-increasing needs of the community.
- Reduce the imbalance of funding currently in place throughout the County.
- Within districts, equalize funding from all beneficiaries of the service.
- Integrate long range planning into capital purchases for the system.
- Align the funding mechanism with the future municipal geography in Mecklenburg County.

## IMPLEMENTATION TIMELINE FOR FIRE PROTECTION SERVICE DISTRICT

- By Jan 3, 2012: BOCC approves the 5 fire prevention service district concept for activation in FY13
- Feb 21, 2012: BOCC adopts a 15¢ rate limiting resolution, sets public hearing for April 3, 2012 and directs publication of notices [Pursuant to NCGS 153A-309.2].
  - Report complete, delivered to BOCC and posted for public review, including
    - a) Proposed FD service district maps
    - b) Statement on standard of compliance with NCGS 153A-302 (a)
    - c) Plan for providing service in each of the FD service districts

- Feb 24, 2012: first publication of notice of public hearing (more than 2 weeks before hearing). (Clerk normally publishes notice on Fridays) [Pursuant to NCGS 153A-309.2].
- March 16, 2012: second publication of notice (at least 2 weeks before hearing) [Pursuant to NCGS 153A-309.2].
- April 3, 2012: BOCC holds public hearing and adopts resolution(s) setting up districts
- By May 8, 2012:
  - Budget proposals complete and delivered to BOCC for each service district, including:
    - Proposed fire service budget from each respective fire protection service district Town, including a Board resolution requesting specific funding level.
    - Mecklenburg County Fire Marshal (“MCFM”) recommendation on aggregate funding in City ETJ, and funding levels for each Volunteer Fire Department under contract in the City’s ETJ Fire District.
      - City ETJ related VFDs will submit budget proposals to MCFM (in a format to be stipulated by MCFM) for review no later than March 31, 2012).
- June 5, 2012: BOCC votes on setting the tax rate of each fire protection service district to cover the full cost of service.

## APPENDIX A

### § 153A-302. Definition of service districts.

(a) Standards. -- In determining whether to establish a proposed service district, the board of commissioners shall consider all of the following:

(1) The resident or seasonal population and population density of the proposed district.

(2) The appraised value of property subject to taxation in the proposed district.

(3) The present tax rates of the county and any cities or special districts in which the district or any portion thereof is located.

(4) The ability of the proposed district to sustain the additional taxes necessary to provide the services planned for the district.

(5) If it is proposed to furnish water, sewer, or solid waste collection services in the district, the probable net revenues of the projects to be financed and the extent to which the services will be self-supporting.

(6) Any other matters that the commissioners believe to have a bearing on whether the district should be established.

(a1) Findings. -- The board of commissioners may establish a service district if, upon the information and evidence it receives, the board finds that all of the following apply:

(1) There is a demonstrable need for providing in the district one or more of the services listed in G.S. 153A-301.

(2) It is impossible or impracticable to provide those services on a countywide basis.

(3) It is economically feasible to provide the proposed services in the district without unreasonable or burdensome annual tax levies.

(4) There is a demonstrable demand for the proposed services by persons residing in the district.

Territory lying within the corporate limits of a city or sanitary district may not be included unless the governing body of the city or sanitary district agrees by resolution to such inclusion.

(b) Report. -- Before the public hearing required by subsection (c), the board of commissioners shall cause to be prepared a report containing:

(1) A map of the proposed district, showing its proposed boundaries;

(2) A statement showing that the proposed district meets the standards set out in subsection (a); and

(3) A plan for providing one or more of the services listed in G.S. 153A-301 to the district.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(c) Hearing and Notice. -- The board of commissioners shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing

by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(d) Effective Date. -- The resolution defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board of commissioners.

(e) Exceptions For Countywide District. -- The following requirements do not apply to a board of commissioners that proposes to create a law enforcement service district pursuant to G.S. 153A-301(a) (10) that covers the entire unincorporated area of the county:

(1) The requirement that the district cannot be created unless the board makes the finding in subdivision (a1) (2) of this section.

(2) The requirement in subsection (c) of this section to notify each property owner by mail, if the board publishes a notice of its proposal to establish the district, once a week for four successive weeks before the date of the hearing required by that subsection. (1973, c. 489, s. 1; c. 822, s. 2; 1981, c. 53, s. 1; 1995, c. 354, s. 2.)

**§ 153A-309.2. Rate limitation in certain districts – Alternative procedure for fire protection service districts.**

(a) In connection with the establishment of a service district for fire protection as provided by G.S. 153A-301(2) [G.S. 153A-301(a)(2)], if the board of commissioners adopts a resolution within 90 days prior to the public hearing required by G.S. 153A-302(c) but prior to the first publication of notice required by subsection (b) of this section, which resolution states that property taxes within a district may not be levied in excess of a rate of fifteen cents (15¢) on each one hundred dollars (\$100.00) of property subject to taxation, then property taxes may not be levied in that service district in excess of that rate.

(b) Whenever a service district is established under this section, instead of the procedures for hearing and notice under G.S. 153A-302(c), the board of commissioners shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by G.S. 153A-302(b) is available for public inspection in the office of the clerk to the board. The notice shall be published at least twice, with one publication not less than two weeks before the hearing, and the other publication on some other day not less than two weeks before the hearing. (1985, c. 724.)

## APPENDIX B

### Example of VFD budget submittal form

#### Department Name

Revenue Source Name	FY12 Budget	(Enter) FY' 2013 Request	FY 2013 Budget Request Justification ( Please detail major components)
County Stipend			
MEDIC			
Town			
Contributions			
	<b>\$0</b>	<b>\$0</b>	
Object Name	FY12 Budget	(Enter) FY' 2013 Request	FY 2013 Budget Request Justification ( Please detail major components)
Staffing / Salaries			
Volunteer Incentives			
<b>Salaries &amp; Benefits</b>	<b>\$0</b>	<b>\$0</b>	
Telecommunication / Technology			
Utilities			
Maint & Repairs - Building			
Maint & Repairs - Equipment			
Training & Related Exp			
Postage / Courier Charges			
Printing			
Professional Fees			
Insurance			
Workers Comp Charges			
Other Srvc-Incl Casual Labor			
<b>Contractual Services</b>	<b>\$0</b>	<b>\$0</b>	
Office Supplies			
Departmental Supplies			
Equipment			
Dues, Subscript, & Books			
Uniforms-Clothing			
Computers / Technology			
Gasoline & Oil			
<b>Commodities</b>	<b>\$0</b>	<b>\$0</b>	
Furniture & Fixtures			
Capital Outlay Equipment			
Capital Outlay Other			
<b>Capital Outlay</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total Fy 12 Budget</b>		<b>Total Fy 13 Requested</b>	
<b>\$0</b>		<b>\$0</b>	