

## Bristol Fire Department Financial Report

Over the last few years it has become clear that the budget for the fire department was not keeping pace with costs. During this period we have done a renewal for the EMS service, which comes up again in 2017, and a 1 mill temporary equipment levy to fill the shortfall. These have helped to maintain the status quo but have not improved the long term solvency of the department. The Trustees believe we have come to a crossroads for Bristol Township. The simple question is whether the residents want to have an independent functioning department which is based within the township or would rather be part of some type of larger geographical protection district that may allow the Fire Department to operate at current tax levels. The remainder of this document has been prepared in an attempt to understand the current situation and the options available.

### FD Options

1. Keep independent Bristol fire department.

#### Option 1 Detail

The FD would continue to operate as it does now with 2 firefighter/medics on staff at all times. Tax from Bristol residents, EMS billing, and EMS contracts would fund the department. The Fire Department would serve the Township of Bristol and any other departments (Bloomfield EMS) that would help to fund the service by entering into financial contracts with Bristol Township to run calls from the Bristol Fire station, both EMS and Fire. This option requires changes to the current levy structure including a permanent increase.

2. Contract EMS service with another agency

#### Option 2 detail

This option would contract with another service (private or public) to run EMS service in Bristol. The fire personnel (any remaining volunteers and part time paid officers) would be maintained to run fire calls but would only be a supporting role for EMS calls. This option will require levy changes as the EMS renewal does not allow for contract funds. Depending on cost the EMS contract, this may be too expensive to make this option viable. Additionally these types of contracts will most likely mean that an ambulance will not always be stationed in Bristol and may respond from a nearby area.

3. Participate in and form a Fire/EMS joint district

#### Option 3 detail

This option would consolidate 2 or more fire departments through a ballot referendum. This option would reset all levies for the effected departments which means tax costs could be reduced, stay the same, or increase. The fire district would place manpower and equipment in the most strategic geographic location. Crews may or may not be stationed at the fire department on S.R. 88 either part or full time. At this time we are not sure an equal, viable partner is available to execute this option.

### Financial concerns-why are we here?

Over the last five years we have been unable to take steps to replace the aging fire apparatus. Additionally we have only managed to replace aging ambulances with pre-owned units. Much like a lease on a personal vehicle, a budget line item must be maintained yearly to properly plan the management of EMS and Fire vehicle fleet. Below are the price breakdowns of plan to manage the fleet to assure that there is always reliable vehicles in service that do not require major maintenance investments.

Fire apparatus cost estimate is \$400,000 per truck. The reliable life expectancy of a fire apparatus is about 15 years, then this unit would be able to be retained as a second reserve truck for 15 additional years, or sold if second truck is not needed.

The \$400,000, 15 year life span of fire apparatus, represents a \$26,666 per year payment.

Ambulance cost is \$120,000. The reliable life expectancy of an ambulance is about 8 years, then this unit would be able to be retained as a second or reserve ambulance for the next 8 years.

The \$120,000, 8 year life span, represents a \$15,000 per year payment.

Other apparatus to be included in a yearly vehicle payment plan are brush unit, pickup truck, chief vehicle.

### Vehicle total breakdown

Fire Truck \$400,000 divided by 15 years = \$26,666 per year

Ambulance \$120,000 divided by 8 years = \$15,000 per year

Brush unit \$10,000 divided by 10 years = \$1,000 per year

Pickup Truck \$22,000 divided by 15 years = \$1,500 per year

Chief vehicle (used) \$8,000 divided by 8 years = \$1,000 per year

Total Annual vehicle payments needed to be included into the Fire budget is \$45,166.

What this means is the budget must contain appropriations of \$45,166 annually to maintain and properly replace the fleet. This has not been possible in recent years with the current financial situation.

As seen on the financials page at the end of this document, beginning in 2017 we will experience a shortfall of \$12,304. Beginning in 2018 this shortfall is expected to climb to around \$62,304. This doesn't include addressing the annual vehicle payment needs, so combined, by 2018 with the inclusion of an annual vehicle payment allowance, the shortfall will be \$107,470. If this is not remedied we will have to continue to postpone equipment replacement and most likely begin to leave scheduling holes

where the department is not staffed and rely on mutual aid. This will further reduce the funding from billing, thereby making the situation worse.

#### Levy proposal detail

Implement a permanent levy for 5.8 mills. This would generate a total of around \$300,000. Passage of this levy would mean that all other fire and EMS levies seen below would be cancelled:

The 2002 2 mill EMS

The 1978 ½ mill fire

The 1983 ½ mill fire

The 1984 2.5 mill fire

The 2015 1 mill equipment-final year

#### 6.5 Mill total reduction

The end result would be .7 mill reduction from the current 2016 millage.

However, passing the levy above would reset the mills to current appraised real estate values thus resulting in an increase of about \$7.47 per each \$10,000 valuation of your home (example: a home valued at \$100,000 will see an increase of \$74.47 per year) The \$7.47 number includes the loss of the Non Business Credit and the Owner Occupancy Credit which are removed with any new levies. However, the Homestead exemption is not impacted by this change.

The Board of Trustees propose this levy to addresses these issues and maintain an independent Bristol Fire Department. If rejected by the residents we would then understand that contract EMS or a Fire District, as described as option 2 or 3 on the first page, is the preferred direction and we can begin to move our efforts in that direction.

The Board of Trustees feel that an independent Fire Department is the best approach as the other options do not guarantee current services levels nor do they guarantee cost savings or avoidance of increases. However, the ballot issue is the only way we feel that we can poll the entire voting population of the township to understand what direction they feel the Board of Trustees should take.

Current Financial state with anticipated and needed events

Current FD Revenue	
Tax Levies(2015)	\$222,731.80
EMS billing(2015)	\$145,311.72
<b>Total Annual Revenue(2015)</b>	<b>\$368,043.52</b>
Labor Expenses	
Labor(2015)	
Salaries	<b>\$198,069.10</b>
Social Security - Medicare	<b>\$15,170.85</b>
Worker compensation	<b>\$4,352.61</b>
Worker compensation service fee	<b>\$1,154.00</b>
Bureau of Unemployment	<b>\$3,759.20</b>
<b>Total labor costs</b>	<b>\$222,505.76</b>
Utilities	
Natural Gas	<b>\$2,138.89</b>
Phone(cell and land), cable, internet	<b>\$7,043.83</b>
Electricity	<b>\$8,733.35</b>
Garbage	<b>\$540.00</b>
<b>Total Utility Costs</b>	<b>\$18,456.07</b>
Operating expenses	
Vehicle Fuel	<b>\$6,595.42</b>
Vehicle Repair/maintenance	<b>\$30,315.56</b>
Administrative-building supplies	<b>\$11,897.20</b>
EMS supplies	<b>\$3,947.62</b>
<b>Total Operating expenses</b>	<b>\$52,755.80</b>
Fees, insurance, and contracts	
All insurances	<b>\$10,741.00</b>
County Auditor	<b>\$3,717.64</b>
Yearly contracts and fees	<b>\$8,671.96</b>
<b>Total yearly contracts and fees</b>	<b>\$23,130.60</b>
<b>Overall expenses 2015</b>	<b>\$316,848.23</b>
Total Annual Revenue(2015)	\$368,043.52
2018 revenue reduction-expiration of 3 yr. levy	-\$50,000.00
2017 reduction of billing revenue to Farmington	-\$56,000.00
2018 expected revenue	<b>\$262,043.52</b>
Total Expenses	-\$316,848.23
additional vehicle payment annual commitment	-\$45,166.00
Additional labor cost inflation for 2016	-\$7,500.00
<b>Total available funds(anticipated shortfall jan-2018)</b>	<b>-\$107,470.71</b>

Proposed Levy impact	
Revenue	
Levy change tax revenue	\$300,000.00
EMS billing revenue estimate	\$90,000.00
Total estimated annual revenue with new levy structure	<b>\$390,000.00</b>
Expenses	
Total estimated annual expenses	-\$316,848.23
Additional vehicle payment annual commitment	-\$45,166.00
Additional labor cost inflation for 2016	-\$7,500.00
Annual balance surplus expected	
<b>Overall yearly inflation protection</b>	<b>\$20,485.77</b>

Current and new levy example: Home with \$160,000 valuation, assessed value of \$56,000

	Current Fire & EMS levies		New Fire & EMS levies
Voted rate	6.5		5.8
Effective Rate	4.180576		5.8
Assessed Value of Home	\$160,000		\$160,000
Tax Assessed Value of Home	\$56,000		\$56,000
		tax assessed times	
Tax due before credits	\$234.11	effective assessed value	\$324.80
Non Business Credit	\$23.41	time .1 assessed value	\$0.00
Owner Occupancy Credit	\$5.85	time .025	\$0.00
Tax due after credits	<u>\$204.85</u>		<u>\$324.80</u>

Increase to taxpayer if Township takes  
old levy off, tax abstract with new levy.

**\$119.50**

**Taxing District Breakdown**

County	11.920742
Bristol LSD	31.48899
JVS	2.194723
Bristol Twp	7.759236
Bristol Public Libray	0.965872
Bristol Twp - all levies	7.759236
Bristol Twp - fire & EMS levies	<u>4.180576</u>
twp levies only	3.57866