

BOARD OF ALDERMEN

ITEM NO. C(2)

AGENDA ABSTRACT

MEETING DATE: December 4, 2012

TITLE: A Report from Fire-Rescue Department on Fire Service District Changes

DEPARTMENT: Fire-Rescue Department	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution	FOR INFORMATION CONTACT: Travis Crabtree, 919-918-7349

PURPOSE

By modifying current fire service districts across Orange County, quicker emergency services and lower insurance rates can be accomplished.

INFORMATION

Across Orange County there are more than 1,150 residential occupancies that lie more than six miles from their assigned fire department. This has been the case for several decades, but has not been an issue until recently due to insurance companies typically gave credit for the policy based on the assigned department, the homeowner's address and not the actual road miles. With a tight economy and the computer based tools (mapquest, google maps, etc...), insurance companies have tightened up on how policies are written and more homework is being conducted to ensure their revenue stream.

In late 2011, recommendations were made to adjust several fire districts to help move some of those 1,150 residential occupancies to a fire department that has a closer station, helping to lower their insurance rates and effectively saving that taxpayer money. One of these districts is the South Orange Fire District which Orange County currently contracts with the Town of Carrboro to provide fire and emergency services. With the development of Southern Village, the South Orange Fire District was split creating two donut holes away from the main body of the South Orange Fire District just northeast of Mt. Carmel Church Road. The donut holes encompass about 71 homes and the closest edge of them lie approximately one-quarter mile from Chapel Hill Fire Station #5.

Through several work sessions, fire districts are being modified to provide a lower insurance rate, closer fire protection, or a combination of both. The South Orange Fire District will most likely lose these 71 homes which will also reduce our revenue stream from the fire tax. In year's past this amount has been approximately \$426,000 annually or about 18% of the Fire-Rescue budget.

Currently, Orange County is charging .0785 cents per \$100 valuation in order to pay the Town of Carrboro the \$426,000 annually for services rendered in the South Orange Fire District. To equally meet our cost for services provided, the county would need to raise the fire tax rate to about .117 cents per \$100 valuation. However, state law restricts Orange County to a maximum of .10 cents. The options were to increase the fire tax to an amount to maintain the current revenue stream or increase it to the maximum amount which still doesn't cover all of the Town of Carrboro's expenses. The proposal was made to the Orange County Commissioners to increase the fire tax to the maximum amount. These additional funds may be used to help offset the expense of a new pumper/tanker in the Capital Improvement Plan (CIP) recommendations. This opportunity would replace a 20-year old truck that has been held off for replacement for the past four years.

FISCAL AND STAFF IMPACT

The fiscal impact if approved would be an estimated \$111,000 in new revenue. An additional fiscal impact which is difficult to estimate, is not traveling to this section of the county when responding for calls for service which vary each year, along with servicing the seven fire hydrants in that area twice per year.

RECOMMENDATION

Accept the resolution.