

Adequate Facilities Tax Lincoln County Tennessee

Introduction

While a tax is never anything that is pleasant to consider, somethings are necessary. One of the first things I was tasked with when selected/hired into my current position was a three (3) year to ten (10) year plan. Following is one approach to maintain the fire department for the future.

Assessment of Needs

The Lincoln County Volunteer Fire Rescue is a department that is continually growing in type and nature of calls. Over the years the membership, while responding to the page, has worked tirelessly to make the respective communities safe with the best possible equipment they can buy through fundraising efforts and when possible, some help from the county.

New equipment to the fleet was greatly enhanced with Federally funded Firefighter Grants. Through these grants, Lincoln County was awarded a total of nine (9) brand new class "A" fire engines (these also are able to serve a dual role as a tanker) and one (1) brand new tanker. These grant awards launched Lincoln County Volunteer Fire Rescue forward, in apparatus advancement, more than any other activity and to a level that would not been possible with local station fundraising efforts or through county funding. An approximate dollar amount on awarded funds exceeded one million two hundred fifty thousand dollars (1.25 million) with a cost of only a ten percent (10%) match to the county.

The process of "how long or when" these grant apparatus awards should be replaced is offered in NFPA 1911(National Fire Protection Agency). Information received from an August 1, 2012 online article in the Carolina Fire Rescue EMS journal (*When should you refurbish or replace your fire apparatus?*) by Daniel J. Cimini, highlights and address

the importance of apparatus maintenance and replacement. In the article Cimini states:

A good decision can be made on the repair versus replacement argument, if it can be determined through the NFPA 1911 "Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus 2012 Edition" that the apparatus meets the less than 25 year requirement for front line and reserve service. Any apparatus over 25 years of age per NFPA 1911 Annex "D" should be retired from service.

The repairing of an apparatus will not make it "new" or free of any future repairs. A comprehensive report should include any future repair costs that can be expected, or unexpected, during the useful life extension as long as it does not pass the 25 year requirement of NFPA 1911. (1)

Based on the article and NFPA, Lincoln County is approximately half way through the age of our newest apparatus. Our first new engines starting arriving around 2004 and should be on a schedule to start being replaced on or around 2029 (can be in service for another 10 years as a reserve engine under specific service requirements).

The balance of apparatus in our fleet is older and will need to be replaced/upgraded on a much sooner rotation. Over the years upgrades have been made to the fleet either by the individual station members with locally raised funds or in combination with monies from the county. There are thirteen (13) each rescue/service companies with the oldest being 1984 and the newest a 2008. Our nine (9) tankers range from 1979 to the grant vehicle which is a 2009.

Why an Adequate Facilities Tax

Lincoln County Fire has continually experienced increased call volumes over the years. In tracking call volumes for a three (3) year period, 2015 through 2017, call volumes increased by approximately thirty percent (30%) as recorded and provided by our 911 center. The increased call volume has created added issues of fireman trying to find time to run calls, keep training requirements current, conduct fund raising efforts without completely losing personal family time and the added expense of keeping an aged/aging fleet of equipment ready to respond to the next call.

If implemented today, an adequate facilities tax will begin providing much needed funds in as little as three (3) years, replacing apparatus

and/or the possibility of full-time fireman for either shift or daytime response. An account dedicated solely for funding vehicle upgrades/ replacement and/or supporting salaries of full/part time firefighters would be set up to prohibit any monies being used for other purposes.

According to the 2010 Tennessee Code Title 66 - Property Chapter 5 - Conveyances of Property: Part 2 - Residential Property Disclosures: 66-5-211 - Disclosure of impact fees or adequate facilities taxes Definitions, the following information provided reads;

66-5-211. Disclosure of impact fees or adequate facilities taxes Definitions.

(a) In transfers involving the first sale of a dwelling, the owner of residential property shall furnish to the purchaser a statement disclosing the amount of any impact fees or adequate facilities taxes paid to any city or county on any parcel of land subject to transfer by sale, exchange, installment land sales contract, or lease with an option to buy.

(b) For the purpose of this section, unless the context otherwise requires:

(1) Adequate facilities tax means any privilege tax that is a development tax, by whatever name, imposed by a county or city, pursuant to any act of general or local application, on engaging in the act of development;

(2) Development means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure, or the addition to any building or structure or any part of any building or structure that provides, adds to, or increases the floor area of a residential or nonresidential use; (2)

In an article by Shane Ray in 2002, when he was with the Pleasant View Volunteer Fire Department, Pleasant View, Tennessee (3), Ray states:

“Growth and the effects of growth are not new topics for discussion in the United States. There are examples far and wide of right and wrong ways to develop, and there are different ways to ensure that development pays its own way. One difference found when examining growth issues was whether or not leaders are proactive or reactive in their ways of dealing with the effects of growth.

The problem this research project addressed was the fact that the Town of Pleasant View does not have a system in place to offset the impact of growth on the fire department.”

Ray states that growth within their city had nothing to address the impact of growth on the fire department. He does state that the purpose of his paper “was to develop a system that created a growth impact assessment that was justifiable and one that involved all stakeholders in the process.”

My thoughts or purpose for proposing an adequate facilities tax be implemented in Lincoln County are mirrored by Ray. As already noted by Ray, this is not anything new to Tennessee communities but is something that has to be addressed. Volunteer Fire Department survival is going to depend on the ability to fund their activities. How this is done has been the proverbial sixty four (64) dollar question. Implementing this type of tax will not impede growth but will generate funds that will help to offset the cost of the fire department's ability to do business. This type of fee will not completely substantiate all the needs of the department, through a designated fund, it greatly aids the department towards replacing and/or upgrading equipment as needed or required through regulatory agencies.

It is the understanding that all numbers reviewed and supplied are taken in general terms based on history and some calculated assumptions. One can also understand, based on calculations used, that the amount of funding could be less or more than the numbers listed. The purpose is to provide the initial justification of why this should be implemented. The numbers provided should be studied and stake holder(s) input should be addressed before any firm decisions or facility tax be implemented. It is important that a complete and thorough understanding of the why, what, and how this is to be used by all stake holders be in place.

Ray once again correctly states the same issues that Lincoln County is facing, maybe not with a rapid growth, as he notes, but with growth that has occurred, increased call volumes and no funding mechanism in place to help with offsetting cost. Ray found out:

“The problem with rapid growth is that no system exists in the Town of Pleasant View to ensure that fire protection issues of growth and development are addressed. These fire protection issues include the need for additional apparatus, facilities, staffing, building and fire codes, and the need for fire sprinkler systems. There are fees, taxes, performance bonds, code regulations, and local ordinances in place to protect some infrastructure such as schools, water, sewer, streets and roads. However, fire protection costs still fall to the citizen and are not factored in nor compensated for during the development process. The volunteer fire department is forced to rely on citizen and government donations to operate.

This process of relying on donations does not ensure the fire department that donations will increase with growth. Additionally, it is known that proposed new developments will increase the demands on the fire department in specific areas.”

Fee Suggestions/Planning

When looking at how to move forward, I first reached out to our planning department supervisor, Mrs. Nancy Harris, for some historical information on permitting in Lincoln County. By going back to 2013 and tabulating the data as an average through 2017, an average of 126 permits were issued each year during this allotted time period. The square footage of each permit over this same time frame was not recorded, however the square footage for 2017 of the 138 permits issued for this year was used as a reference when looking at square footage. For mathematical purposes and ease of computing numbers, I used 100 permits as an average and 1500 square foot for a household. No commercial information was available as Lincoln County does not require permits for either commercial or industrial structures/buildings (although we should).

Taking the averages listed above, the below figures reflect average dollar amounts that will be generated to fund (if only used for vehicle replacement) the Lincoln County Volunteer Fire Department.

*1500 square foot home at .50 cent per square foot = \$750.00

Times

*100 permits issued yearly = \$75,000.00 into a designated fund account

Additional Subdivision Fee

*Contractors pay an additional \$250.00 fee for each subdivision

*Residential subdivision pay \$100.00 fee for each subdivision

This adds to the designated account

*Estimated contractors make up 75% of subdivisions leaving 25% residential

75 times \$250.00 = \$18,750.00

25 times \$100.00 = \$2,500.00

Grand Total Subdivision Fee = 21,250.00

Based on the averages and this math, in a given year, Lincoln County could put \$96,250.00 into a designated account for the fire department (vehicle replacement as one needed area) without raising taxes across the county.

Lincoln County, as noted earlier, has a need to start not only replacing grant awarded vehicles but also the much older vehicles that are currently in service. The grant vehicles alone when awarded all averaged around \$150,000.00. In March of 2018, a used 2016/2017 engine, comparably equipped, that I found was listed at \$278,000.00. Using this number and the amount of monies that would be put into the designated account, Lincoln County, could in three (3) years start a process of vehicle replacement, as an example of an allocation of funds. Based on this funding and just using front line pumpers of twelve (12), this funding will allow for a replacement every three (3) years, so it will take over twelve (12) years to replace just our pumpers. We have roughly thirty five (35) pieces of equipment in our current fleet (with no reserve apparatus).

Conclusion

In order for the Lincoln County Volunteer Fire Rescue to move forward over the next five to ten (5-10) years, a method of funding must be established. The efforts of the local Volunteer Firefighters simply will not result in enough monies to maintain NFPA (national fire protection association) or OSHA standards on equipment.

A group should be assembled, as mentioned, to formally study this fee and make final suggestions/determinations on regulation and cost. In my estimation this should happen sooner, now, instead of a year down the road. We, Lincoln County, are looking at some issues within the Fire

Department growth on services rendered that the citizens now expect and have grown to rely on.

Serious consideration must be given to a plan of not only recovery (how to correct issues not addressed from past years), but more importantly how to meet the expectations, growth and demand of tomorrow. If we are able to do this we will be working towards the future instead of looking backwards and wondering what to do. This option, in general, will not completely resolve all of the funding issues but it is a step into a future that presents a positive outlook.

Respectfully Submitted

Doug Campbell

References

- (1) <http://www.carolinafirejournal.com/Articles/Article-Detail/ArticleId/2302/When-should-you-refurbish-or-replace-your-fire-apparatus>

- (2) <https://law.justia.com/codes/tennessee/2010/title-66/chapter-5/part-2/66-5-211/>

- (3) PDF available on request;

DEVELOPMENT OF A SYSTEM THAT ADDRESSES THE IMPACTS OF GROWTH AND ENSURES QUALITY FIRE PROTECTION IS NOT SACRIFICED AS THE TOWN OF PLEASANT VIEW GROWS

Executive Development

BY: Shane Ray

Pleasant View Volunteer Fire Department

Pleasant View, Tennessee

An applied research project submitted to the National Fire Academy
as part of the Executive Fire Officer Program

August 2002

Special thanks to Shane Ray, former Fire Chief of Pleasant View Volunteer Fire Department and now President of the National Fire Sprinkler Association, for his dedication to the fire service. His paper and willingness to share with others truly shines a spotlight on his dedication and community mindset. I appreciate his willingness to afford me the opportunity to read, digest and follow his lead on working to also help our local community.

Respectfully Submitted

Doug Campbell
Fire Chief Lincoln County