



AGENDA ITEM MEMORADUM

Finance

Department

Tony Bryan, Finance Director

Department Director

COMMISSION MEETING DATE (*) - 7:00 PM	Deadline to Town Clerk
<input type="checkbox"/> May 8, 2012	April 27
<input type="checkbox"/> May 22, 2012	May 11
<input type="checkbox"/> June 12, 2012	June 1
<input checked="" type="checkbox"/> June 26, 2012	June 15
<input type="checkbox"/> July 10, 2012	June 29
<input type="checkbox"/> July 24, 2012	July 13

*Subject to Change

- Presentation Reports Consent Ordinance
 Resolution Quasi-Judicial Old Business New Business

FY2012 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC

SUBJECT TITLE: Budget - Fire Fund Revenue Requirements

EXPLANATION: On May 8 we advised the Commission that the Fire Assessment Fees would generate revenues in excess of budgetary requirements in FY 2013 but that we needed to have the VFD prepare a five year capital plan in order for us to determine whether it was prudent to consider reducing the Fire Assessment Fees.

We have since received the VFD's five year capital plan and we have incorporated it into a five year projection of the balance of the Fire Fund which is being presented for your consideration (see **Exhibit 1**). The most significant capital expenditures projected are the replacement of the existing Self-Contained Breathing Apparatus (SCBA) Units at an estimated cost of \$253,800 (36 units at \$7,050 per unit) in FY 2015, and the replacement of the Squirt Truck in FY 2017 at an estimated cost of \$700,000.

As you can see in Exhibit 1, if Fire Assessment Fees remain at current levels, we anticipate that the fund balance will increase by an average of \$105,000 per year over the next four years to approximately \$800,000 at the end of FY 2016. That would enable us to purchase a new Squirt in FY 2017, as the VFD is requesting, and end FY 2017 with a fund balance of approximately \$247,000.

Given that the cost of replacing the Squirt is such a significant expense, the Commission should consider establishing a vehicle reserve specifically for that purpose and designating an amount each year to be moved into the reserve to assure that there are adequate funds for the truck purchase in FY 2017.



As an alternative, the Commission could reduce Fire Assessment Fees by 10% in FY 2013 and leave them at that level in FY 2014. However, it would be necessary for the next Commission to raise the Fire Assessment Fees by 15% in FY 2015 in order to raise sufficient funds to purchase the new Squirt in the latter half of FY 2017.

EXPECTED OUTCOME: Commission direction regarding the Fire Assessment Fees for FY 2013.

EXHIBITS:

Exhibit 1: Five Year Projection – Fire Fund

Reviewed by Town Attorney
 Yes No

Town Manager Initials CA

Five Year Projection - Fire Fund

	AMENDED FULL YR BUDGET 2012	FULL YEAR FORECAST 2012	2013	2014	2015	2016	2017
Beginning Fund Balance	\$ 485,980	\$ 485,980	\$ 379,318	\$ 541,557	\$ 707,678	\$ 664,101	\$ 800,777
Revenues							
311.200 Property Tax-Fire Assessment	1,012,808	1,012,808	1,012,808	1,012,808	1,012,808	1,012,808	1,012,808
342.210 Fire Inspection Fees	40,000	51,419	40,000	40,000	40,000	40,000	40,000
	<u>1,052,808</u>	<u>1,064,227</u>	<u>1,052,808</u>	<u>1,052,808</u>	<u>1,052,808</u>	<u>1,052,808</u>	<u>1,052,808</u>
Expenditures							
500.151 Fire Dept Pension	5,000	5,000	5,000	5,000	5,000	5,000	5,000
500.315 Professional Services	4,339	5,000	25,000	5,250		20,000	
500.320 Audit Expense	5,500	5,625	5,766	5,910	6,058	6,209	6,364
500.345 Contractual Services	769,765	769,765	750,803	773,327	796,527	820,423	845,036
500.550 Operating Supplies/Misc			13,400	2,700	-	-	2,700
500.624 Cap Outlay-Bldg. Improvemt	20,000	16,000	15,000	10,000	15,000	10,000	10,000
500.640 Cap Outlay - Equipt & Mach (SCBA Complete Unit)					253,800		
500.640 Cap Outlay - Equipt & Mach (Other)	-	-	55,600	64,500		34,500	17,300
500.644 Cap Outlay-Vehicles (Engine 12 Replacement - '17)	339,500	339,500	-	-	-	-	700,000
500.912 Transfer to General Fund	50,000	30,000	20,000	20,000	20,000	20,000	20,000
	<u>1,194,103</u>	<u>1,170,890</u>	<u>890,569</u>	<u>886,687</u>	<u>1,096,385</u>	<u>916,132</u>	<u>1,606,400</u>
Increase (Decrease) In Fund Balance	(141,295)	(106,662)	162,239	166,121	(43,577)	136,676	(553,592)
Projected Ending Fund Balance	<u>\$ 344,685</u>	<u>\$ 379,318</u>	<u>\$ 541,557</u>	<u>\$ 707,678</u>	<u>\$ 664,101</u>	<u>\$ 800,777</u>	<u>\$ 247,186</u>