

Emergency Services - Suppression

Title of Discussion Item: Truck 109 Funding

Expenditure	\$	0
Revenue		657,985
Net County Dollars		\$657,985

Description of Discussion Item:

The Suppression Unit of the County's Emergency Services Department operates Truck 109. Individuals who work Truck 109, a fire suppression support unit that responds to assist county volunteer departments with any structure fire, hazardous materials incident, rescue, or other special need, are also certified to do Level 1 or Level 2 fire inspections. When they are not committed to an incident, these firefighters assist in performing inspections across the county. In addition to these duties, this unit also operates the Crash Fire Truck at the Airport. The Crash Fire Truck requires at least four individuals who work 24-hour shifts. The average salary for a Fire Engineer in this unit is \$31,376 plus \$11,622 in benefits.

The 109 unit benefits fire tax district's insurance rates as it is a guaranteed response. It is also the first investigator of any fire call in the County. The 109 unit also supplements inspections. The County receives credit for its annual fire inspection schedule and eliminating Truck 109 would reduce annual inspections to inspections every three years.

As this unit's existence is primarily to assist the Volunteer Fire Departments, the funding of this unit out of the General Fund represents a subsidy to the Fire Tax Districts. From a tax equity perspective, Forsyth County citizens outside of the Fire Tax Districts receive very little benefit from this unit while fully funding the unit through their taxes.

The Suppression Unit has a General Fund allocation of \$947,327. If standby funds (\$117,350) are subtracted from the total allocation, along with personnel costs for four Fire Engineers (\$171,992), for the Airport crash truck, the total cost for operating truck 109 is \$657,985.

Tax implications on the Fire Districts can be determined in a number of ways. The operating costs of Truck 109 (\$657,985) could be distributed on a proportional basis in relation to the estimated tax value of the fire tax districts. If so, each district's total estimated taxable property value would be used and each district would require anywhere from a .74 of one cent to .89 of one cent Fire Tax District tax increase. Using this range, total revenue would equal \$657,985. A second method could be to simply increase each Fire Tax District's rate by .76 of one cent and revenue generated would equal \$656,944.

If this proposal is accepted, the overall County tax rate could decrease from 67.40 to 67.20.

Emergency Services - Suppression

Fire District	Taxable Value	% of County	1¢ equals	Share of 109 Costs	Tax Implication (proportional)	Across the Board .76 Increase
Beeson + Triangle (39%)	\$345,525,500	3.80%	\$30,130	\$24,985.39	0.83	\$ 22,898.80
Belews Creek	329,240,900	3.62%	32,270	23,807.83	0.74	24,525.20
City View	40,736,200	0.45%	3,990	2,945.69	0.74	3,032.40
Clemmons + South Fork	2,336,691,700	25.68%	228,030	168,969.18	0.74	173,302.80
Griffith	203,731,300	2.24%	19,890	14,732.07	0.74	15,116.40
Gumtree + Triangle (11%)	89,682,300	0.99%	7,740	6,485.04	0.84	5,882.40
Horneytown	209,179,000	2.30%	20,500	15,126.00	0.74	15,580.00
King	476,261,300	5.23%	46,670	34,439.07	0.74	35,469.20
Lewisville + West Bend	1,706,546,000	18.75%	161,250	123,402.54	0.77	122,550.00
Mineral Springs & M. S. DS & Forest Hill	214,438,600	2.36%	19,080	15,506.33	0.81	14,500.80
Old Richmond	443,205,000	4.87%	43,430	32,048.72	0.74	33,006.80
Piney Grove	551,434,500	6.06%	54,040	39,874.94	0.74	41,070.40
Rural Hall	487,356,000	5.36%	47,770	35,241.34	0.74	36,305.20
Salem Chapel	85,365,500	0.94%	8,360	6,172.89	0.74	6,338.40
Talley's Crossing	179,107,700	1.97%	17,550	12,951.51	0.74	13,338.00
Union Cross + Triangle (49.8%)	280,381,300	3.08%	22,700	20,274.73	0.89	17,252.00
Vienna + Mt. Tabor	767,676,200	8.44%	66,450	55,511.65	0.84	50,502.00
Walkertown	352,781,300	3.88%	34,570	25,510.07	0.74	26,273.20

Library

Title of Discussion Item: Library Facilities Construction

Expenditure	\$40,000,000
Revenue	40,000,000
Net County Dollars	\$ 0

Description of Discussion Item:

On November 2, 2010, Forsyth County citizens approved a \$40,000,000 bond referendum to improve Library facilities. The amount shown above is the principal only. Interest payments are affected by numerous factors including when the debt is issued and what the interest rate environment is at that time.

The Capital Improvement Plan in the Continuation Budget *does not* reflect the principal and interest payment for this debt. Figure 1 provides a look at current debt and the pay down of debt over the next 20 years.

Figure 1. Debt Pay-off Schedule
Includes \$21.11 million for Phillips Building & \$5 million for FTCC

Debt Pay-off Schedule Adjusted for Dedicated Revenue

Ending Balance as of June 30,	Principal Balance	Interest Balance	Total P & I Balance	Revenue	Net P & I Balance	Net Debt Svc Paid
2011	605,572,088	233,115,545	838,687,633	(481,332,983)	357,354,649	(38,182,412)
2012	567,575,543	208,025,198	775,600,741	(456,498,074)	319,102,667	(38,251,982)
2013	528,947,341	184,444,046	713,391,386	(432,421,542)	280,969,844	(38,132,823)
2014	489,480,000	162,403,427	651,883,427	(407,631,238)	244,252,189	(36,717,655)
2015	452,630,000	141,942,089	594,572,089	(383,251,459)	211,320,630	(32,931,559)
2016	416,770,000	122,790,773	539,560,773	(357,272,160)	182,288,613	(29,032,017)
2017	381,115,000	105,181,732	486,296,732	(331,801,814)	154,494,918	(27,793,695)
2018	346,485,000	89,000,487	435,485,487	(305,845,314)	129,640,174	(24,854,745)
2019	311,630,000	74,340,230	385,970,230	(280,465,315)	105,504,915	(24,135,259)
2020	277,980,000	61,066,348	339,046,348	(256,608,492)	82,437,856	(23,067,059)
2021	244,165,000	49,271,064	293,436,064	(234,250,617)	59,185,446	(23,252,410)
2022	210,340,000	38,663,741	249,003,741	(204,819,086)	44,184,655	(15,000,792)
2023	176,330,000	29,442,397	205,772,397	(178,068,162)	27,704,235	(16,480,419)
2024	146,730,000	21,537,159	168,267,159	(151,774,776)	16,492,383	(11,211,852)
2025	116,945,000	14,873,208	131,818,208	(123,275,145)	8,543,063	(7,949,321)
2026	88,095,000	9,448,623	97,543,623	(93,651,663)	3,891,960	(4,651,102)
2027	59,975,000	5,247,257	65,222,257	(62,747,257)	2,475,000	(1,416,960)
2028	33,225,000	2,202,110	35,427,110	(33,814,610)	1,612,500	(862,500)
2029	9,625,000	495,982	10,120,982	(9,333,482)	787,500	(825,000)
2030	(0)	(0)	(0)	0	0	(787,500)

Library (Contd.)

Table 1 reflects the impact of this debt if issued in FY 2014 with the first debt payment due in FY 2015. This chart assumes that no debt leveling will occur and that the debt payments will not exceed the debt which will fall off rather significantly between FY 2015 and FY 2016. This chart assumes that ***no*** new debt will be issued and ***does not*** take into account the completion of any other future projects in the proposed Capital Plan.

Table 1 – Impact of Proposed CIP Library Bond no Debt Leveling (Shown in millions)

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Net County Dollar Requirement Proposed CIP	\$0	\$2.08	\$4.2	\$5.2	\$8.5	\$14.8	\$24.1	\$32.0	\$36.4	\$37.8
Tax Rate Implication ¢	0¢	.62	1.13	1.08	2.41	4.11	6.44	8.38	9.34	9.51
IF LIBRARY ADDED TO CAPITAL IMPROVEMENT PLAN										
Library Bond Debt				\$2.6	\$3.4	\$3.3	\$3.28	\$3.2	\$3.1	\$3.05
Tax Rate Implication				.74	+ .23 added to increase in FY 2015	-.04	-.06	-.03	-.04	-.03
					(.97)	(.93)	(.87)	(.84)	(.80)	(.77)

The penny equivalent is as follows (penny equivalents DO NOT take into account revaluation):

FY 2012	\$3,304,793
FY 2013	\$3,371,841
FY 2014	\$3,387,909
FY 2015	\$3,455,677
FY 2016	\$3,531,266
FY 2017	\$3,601,892
FY 2018	\$3,745,967
FY 2019	\$3,820,887
FY 2020	\$3,897,304
FY 2021	\$3,975,251

Library (Contd.)

Table 2 below (shown in millions) reflects the impact of the Library Facilities on debt if debt leveling is implemented in FY 2013 with debt being issued in FY 2014 and the first debt payment due in FY 2015. The assumed Debt Leveling tax rate is less than 1¢ (0.79¢).

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Net county Dollar Requirement Proposed CIP	\$0	\$2.08	\$4.2	\$5.2	\$8.5	\$14.8	\$24.1	\$32.0	\$36.4	\$37.8
Tax Rate Implication ¢	0¢	.62	1.13	1.08	2.41	4.11	6.44	8.38	9.34	9.51
IF LIBRARY ADDED TO CAPITAL IMPROVEMENT PLAN										
Library Bond Debt				\$2.6	\$3.4	\$3.3	\$3.28	\$3.2	\$3.1	\$3.05
Tax Rate Implication		.79	0	0	0	0	0	0	0	0

Library Debt Leveling should generate enough revenue each year to cover the debt payments through the life of the bond; therefore, there would be no additional impact on the tax rate. *If* the debt leveling is approved and if interest rates take a turn for the better, the tax rate may be reduced in FY 2030. Sufficient funds would have been generated through the Leveling tax as well as interest earnings to cover the remaining debt payments. Interest earnings have been calculated conservatively. The estimated percentages used for interest earning are: Year 1 - 1%; years 2-3 - 1.5%, years 4-6 - 2%, and year 7 & after - 3.5%.

Management believes that the first project would be the Central Library which requires at minimum substantial renovations if not replaced. The preliminary in-house cost estimate for a complete renovation is at minimum \$16 million.

Management recommends that the projects be allowed to proceed with the community meetings, location determination, and preliminary designs. General Fund dollars could be borrowed and used for the preliminary designs and paid back once debt is issued.