

Elrich Questions

1. What does the fire tax fund, i.e. is it dedicated money for Fire and Rescue? What percentage of the Fire and Rescue budget does it fund?

The Fire Tax is dedicated funding for the MCFRS. All revenues raised by the Fire Tax remain in the Fire Tax District Fund and according to Section 21-23 of the County Code may be used as follows:

21-23. Taxation.

- (a) Fire Tax District. A fire tax district, comprising the entire County, includes all real and personal property assessed for County tax purposes.
- (b) Tax levy and collection. The County Council may levy a tax on each \$100 of the assessed value of taxable property in the fire tax district at a rate to yield an amount that the Council finds sufficient to fund:
 - (1) the management, operation, and maintenance of all fire and rescue services;
 - (2) the purchase (including debt service), construction, maintenance, and operation of real and personal property necessary or incidental to fire and rescue services;
 - (3) the operation of the Commission and the Fire and Rescue Service;
 - (4) all tax-supported expenditures of the local fire and rescue departments; and
 - (5) awards for the Length of Service Awards Program.

The fire tax must be levied and collected in the manner that other county real property taxes are levied and collected and have the same priority rights, bear the same interest and penalties, and in every respect be treated the same as other county real property taxes.

In the Approved FY09 Operating Budget the Fire Tax funds the following:

- Operating costs of the Fire Service
- Debt Service for MCFRS facilities and apparatus
- Desktop Computer Modernization (DCM) (scheduled replacement of desktop computers; charged to all proprietary funds and special revenue funds)
- MCFRS reserves

Please note that MCFRS annually collects approximately \$8.4 million in fees, fines, intergovernmental revenues (State E911 revenues) which may also be used to fund the costs cited above. In addition, the Fire Tax District typically has a carryover of fund balance from the prior year which is also a resource for funding the current year budget. For FY09, the available fund balance is projected to be \$7,424,130. The Fire Tax revenues and the other revenues of the district are combined and deposited into the Fire Tax Fund and are applied to Fire Tax District needs without a specific (and burdensome) accounting of specific revenues sources related to precise uses. However, as the chart below indicates, the Fire Tax accounts for 92.5% of all resources in the Fire Tax fund. Therefore, it can be assumed that the Fire Tax provides 92.5% of the funding for the MCFRS budget.

2. Where does the current Fire and Rescue reserve fund stand, i.e. what percentage? What percentage of the Fire Tax is going to fund the reserve?

The projected ending FY08/beginning FY09 fund balance is \$7,424,130

The projected ending FY09 fund balance is \$7,290,750

Since the Fire Tax District has revenues besides the Fire Tax District to fund its operating, capital costs, debt service, and reserves, it is not possible to relate a specific portion of the fire tax that is used to fund the reserves with certainty. However, the chart below provides an estimate of the requested figure.

	A	B	C
1	FY09 Approved Resources		
2	FY09 beginning reserves	\$ 7,424,130	3.5%
3	Fire Tax	\$ 193,905,290	92.5%
4	Fees, Fines, Other	\$ 8,367,410	4.0%
5	Total Resources	\$ 209,696,830	
6			
7	FY09 Approved Uses		
8	Operating Budget	\$ 191,054,930	
9	Debt Service	\$ 8,730,400	
10	DCM	\$ 120,750	
11	Set Aside for ePCR	\$ 2,500,000	
12		\$ 202,406,080	
13			
14	Ending FY09 Reserves	\$ 7,290,750	
15	% Funded by Fire Tax	92.5%	From row 3, column C
16	Amount of Reserve funded by the fire tax	\$ 6,741,708.94	Row 14 multiplied by Row 15
17	% of Fire Tax used for reserves	3.5%	Row 16 divided by Row 3