

**UNION COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

Meeting Date: 9/05/06

Action Agenda Item No. 13  
(Central Admin. use only)

**SUBJECT:** Resolution Approving the Financing for the Purchase of Land by Wesley Chapel Volunteer Fire Department, Inc.

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**DEPARTMENT:** Homeland Security      **PUBLIC HEARING:** No

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**ATTACHMENT(S):**  
Resolution Approving the Financing  
by Wesley Chapel Volunteer Fire  
Department, Inc

**INFORMATION CONTACT:**  
Patrick Beekman  
Neal Speer  
Kai Nelson

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**TELEPHONE NUMBERS:**

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296-4296  
292-2522

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**DEPARTMENT'S RECOMMENDED ACTION:** Authorize staff to defer this and like actions by other volunteer fire departments until completion of the County's strategic fire services study.

**BACKGROUND:** At the request of the Commissioners and approved in this year's budget, the Fire Marshal is to hire an outside consultant to develop a strategic fire services study for Union County. Specifically, this study is to define what is adequate fire service throughout the county, if the current fire service district boundaries (and the underlying insurance district boundaries) should be modified, and how best to fund fire services for the next budget year and in the future. Furthermore, the County Manager presented to the Board of County Commissioners in his budget transmittal letter the following statement:

**Fire Services**

The 2007 budget includes provisions for the conversion of Springs and Waxhaw fire service districts from a fire fee to a fire tax. The implications for the County are significant. Several issues regarding these conversions have recently surfaced

First, as the County Commission is aware, the County distributes sales tax based on tax levies and taxing districts. The more tax levies and districts that exist, the greater the distribution. In many respects, notwithstanding growth in retail sales, the distribution of sales tax is a zero sum game. For every \$1 of additional property tax levy generated by a taxing district, the district also receives about 37 cents from the sales tax. The County's General Fund loses about 26 cents, the Union County Public Schools lose about 3.5 cents and all the other municipalities and fire

tax districts lose the remaining 7.5 cents. So, if all the fire fees were converted to fire taxes, the County General Fund would lose \$875,000, UCPS \$120,000 and all other districts in the County about \$255,000. Because the tax adversely impacts the General Fund, my budget proposes the elimination of the station subsidies for those VFD's that receive tax funds from the County. Subsidies for VFD's that are financed through the fire fee would continue.

Second, the district boundaries were initially drawn in the 1960's – well before the incorporation of many of our new municipalities. Several towns are now served by different fire service districts, insurance districts and VFDs. Increasingly the towns are talking about the equity and confusion to their residents of the variance in fire protection fees/charges and fire protection services.

Third, in an increasing age of transparency, taxpayers and citizens are demanding more accountability, and rightly so, of their government with respect to the provision and cost of services. Based on the current method of operating and financing fire protection services in our County, it is difficult for the County to provide appropriate answers to those valid inquiries.

I have included in my budget recommendation funds to conduct a comprehensive analysis of fire protection in the County. The study represents an effort to define adequate fire protection, analyze all methods for their financing and reach a consensus on a solution. Stakeholders in this discussion should include VFDs and municipalities.

Pending the resolution of this matter in the coming year, I recommend that further fire district conversions and major capital improvements be deferred.

There are two other requests similar to the resolution by Wesley Chapel Volunteer Fire Department that the Fire Marshal is aware. We suggest that all major capital improvements be deferred until this important study is completed and presented to the Board of County Commissioners. We anticipate this study being completed within 4 and a half months.

**FINANCIAL IMPACT:** None

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**Legal Dept. Comments if applicable:** \_\_\_\_\_

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**Finance Dept. Comments if applicable:** \_\_\_\_\_

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**Manager Recommendation:** \_\_\_\_\_

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Sample Form 4 - County Board Resolution

**Resolution Approving the Financing by Wesley Chapel Volunteer Fire Department, Inc. of up to \$205,000.00 for the purchase of land.**

**WHEREAS:**

Wesley Chapel Volunteer Fire Department, Inc. has determined to finance an amount of up to \$205,000.00 for the purchase of land. The United States Internal Revenue Code requires that for such financing to be carried out on a tax-exempt basis, this Board must first approve the financing. The VFD has held a public hearing on the financing after published notice, as required by the Code. The VFD has reported the proceedings of the hearing to this Board.

**BE IT THEREFORE RESOLVED by the Board of Commissioners of Union County, North Carolina, as follows:**

1. The County approves the VFD's entering into the financing, as required under the Code for the financing to be carried out on a tax-exempt basis. The VFD's conduct of the required public hearing is approved.

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I hereby certify that the foregoing resolution was duly adopted at a meeting of the Union County Board of Commissioners duly called and held on \_\_\_\_\_ 2006, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2006.

[SEAL]

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Clerk, Board of Commissioners  
Union County, North Carolina