

Improving the Efficiency of Fire Services in Seven Southwestern Cuyahoga County  
Communities

A Joint Project of Area Majors and Baldwin-Wallace College

Finance Team Meeting

October 13, 2006

Attending Meeting: Gregory Cingle, Pierre David, Gale Fisk, Mike Fowler, Terrence Hickey, Ken Kleppel, Kim Lammers, Joe Pope, and Tim Pope.

Everyone has been sent the updated financials and what one mil would be to the district.

Pensions are run out of the general fund with about .3 mil.

-One city does not, it has a 1.2 mil with an outside levy.

Q: Where does the money come from?

A: Income tax dollars mainly, but some from ambulance fees and interest.

Q: Which way is the Legal Team leaning?

A: They are leaning toward a district.

Concerns:

Transference of assets?

If goes to milage what happens to general budget money?

Keep current payments and roll over to district or will it be proportional?

Could it be part of a regional income tax?

-population

-property value

-industries

-firefighters

We could look at municipal courts and how they are funded. We would need to create a linear regression that calculates the number of runs, the value of the houses, etc.

Q: How long do you need to forecast your budgets?

A: 3 years.

The Legal Team will need to look at the language of the current levies to see if funds are transferable. An example to look at is the Cleveland Metro parks when they took over control of the Zoo. A possibility would be to bill each finance director. So they would collect it then pay it out to the district with a prorated share of the operation.

Q: How would you get the voter to pay for a levy?

A: It would be a hard sell.

We could establish a base line and any additional cost would be put on a levy as needed. Some kind of economy of scale with an example being the number of ladders, training, etc. The emphasis would not be on money but on increasing efficiency.

Options:

- Bill the cost to the cities
- Sever financial ties and the district is financially responsible
- A hybrid of the two

Some kind of refund would have to be issued to the tax payers if the district cut financial ties. The senior citizen community would rather we have inside taxes and income taxes. Property taxes would shift the burden to them, but there are two perspectives of that. They are the ones who use the EMS services, but they are also the ones who vote.

Part of the district is breaking down borders and being seen as one entity.

We could start off with the cities paying the bill, for example, for 3 years then there be a transferring of responsibility to the district. It would take about a 6-7 mil levy with no inflation and no revenue, the tax payers would never buy that. Perhaps we could charge for ambulance fees or start some kind of enterprising fund like transporting non-emergency situations. We would want to start the district without having to issue any milage, but as people become more aware of the entity issue levies.

Q: Can we bond without money?

A: We could use the assets as collateral.

The fire budget is created with:

- 80% of general fund
- 20% property tax

We could bill the cities for the operating funds and tax for the capital funds. A one mil levy is better than a 7 mil. The hybrid situation is an easier sell during the transitional period.

Q: What about charging ambulance fees to pay back debt

A: Insurance companies are becoming more stringent on paying for ambulance fees. It will be up to the district to bill what is covered under Medicare, Medicaid, and/or insurance.

The reduction of credit will save property taxes, but it is a political hot potato.

The cities would want the title to the land, but building could be transferred to the district or leased to the district, then the city is still responsible for the maintenance.

Q: What happens with the new fire houses?

A: The district would assume the responsibility of the bonds. Hopefully we can get federal grants, local government funds, etc. to fund this huge responsibility. Everything would be sold to the district minus the depreciation. We do not if the district could even afford all of this.

The Legal Team needs to look at the .3 mil and that no city is hurt.

We need data on dispatch

- Fairview area went to central dispatch
- The old system would be absorbed by the police
- The new system would need operating funds and start-up costs would be approximately \$300,000.

Are there any case studies to look at? Many of the ones in Ohio are much smaller, but we could look at other areas.

The next meeting we will have a joint meeting with the Legal Team. The next meeting is scheduled for November 13, 2006 at 11:30am in the Colony Room.

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