



Agenda Action Form Overview

Budget Ordinance Amendment No. 19BCC00058– Appropriating \$226,564 of Durham County Fire Rescue (DCFR) Fire Service Tax District Fund Fund Balance for Multiple Funds for expenditures incurred after July 1, 2018, the effective date of the City/County Fire Merger Interlocal Agreement (ILA).

Background/Justification

The Durham County Board of County Commissioners and the Durham City Council found that it is mandatory to protect the life and property of all citizens within both parties' respective jurisdictions by providing fire protection and first responder services in an efficient and effective manner. With this intent, the County of Durham and the City of Durham entered into an Inter-Local Agreement between Durham County and The City of Durham for the consolidation of fire services, effective July 1, 2018.

This budget amendment is needed because a budget was not developed as part of the consolidation process to address unanticipated costs for the DCFR Fire Service District. There were commitments as of June 30, 2018 fiscal year end that were outstanding (e.g., good and/or services not yet received). As per the ILA, the County was responsible for any commitments/obligations made prior to the effective date of the ILA (which is July 1, 2018). In addition, there were other costs after July 1, 2018 that remained the responsibility of the County (e.g., radio maintenance fees per a separate ILA with the City (per the ILA, the annual amount is for a prior fiscal year), utility costs at the Leesville Station due to the storage of 2 surplus fire trucks, salaries and benefits, etc.).

Note that goods and/or services must be expended in the year in which they are received. In the approval of this amendment, the budget will be increased accordingly to support the postings both directly to the DCFR Service Tax District Fund (e.g., uniforms, gasoline, etc.) as well as transfers to General Fund, Benefits Plan Fund and the Debt Service Fund accordingly. Expenditures were posted in the General Fund and Benefits Plan Fund (e.g., salaries, benefits and building and grounds).

In addition, final amortization tables for the three fire apparatus were not received until after FY2018-19 budget was complete because the planned debt issuance and financing was September of 2018. The first year payment for these trucks was slightly higher than the projected amount.

Action	Original Budget	Additional Needed	Amended Budget
General Fund (DCFR Fund Center)	\$0	\$55,000	\$55,000
Benefits Fund (DCFR Fund Center)	\$0	\$100	\$100
DCFR District Fund Expenses	\$4,152,946	\$165,000	\$4,317,946
Debt Service Fund	\$28,500	\$6,464	\$34,964
Total	\$4,181,446	\$226,564	\$4,408,010



Policy Impact

Durham County Fire Service Tax District has funding available to cover and honor all commitments incurred for both FY 2017-18 and FY 2018-19. This is consistent with County policy and supports Goal 5: Accountable, Efficient, and Visionary Government.

Procurement Background

A significant portion of these expenditures were commitments that were incurred in FY 2017-18 but not received before fiscal year end. Funds for these expenditures were not encumbered because a County budget was not developed for DCFR for Fiscal Year 18-19.

Fiscal Impact

There is no anticipated fiscal impact for the County. All expenditures that are being budgeted per this action are being covered by DCFR District funds. Many were budgeted as part of the FY2017-18 fiscal year, and the receipt of the purchases and/or services were not able to be completed by the end of that fiscal year.

If this budget amendment is not approved and added to the current existing budget, the DCFR Service Tax Fund expenditures will exceed the current budget.

Recommendation

The County Manager recommends that the Board approve Budget Ordinance Amendment No. 19BCC00058 appropriating \$226,564.00 DCFR Service Tax District Fund Fund Balance for multiple funds for expenditures incurred by DCFR after July 1, 2018, the effective date of the City/County Fire Merger Interlocal Agreement.