

Financial History

1. Fiscal years 2015 to 2018 had an average net loss of \$98,782
2. County Council approved a 1.7 millage increase beginning with fiscal year 2019
3. Fiscal year 2019 was favorable \$113k and fiscal year 2020 is projected to be \$126k unfavorable. So the District has almost broken even over the last two years.
4. Fiscal year 2021 is forecasted to be \$445k unfavorable with the losses growing each year
5. The District's fund balance at the end of the 2015 fiscal year was 72% of annual operating expenditures and the District's fund balance is forecasted to be 48% at the end of 2020, go below 2 months (16.7%) in 2024 and go into the negative during the 2025 fiscal year
6. Our current total operating and debt service tax revenue per capita is \$180 (as of June 30, 2019) using County population estimates.

Primary reasons for growing loss are:

1. Health care expenditures (\$796k in 2019) are growing faster than property tax revenue (the only major revenue source for the District)-11.3% increase for the 2020-21 fiscal year.
2. Retirement expenditures (\$375k in 2019) are growing faster than property tax revenue (the only major revenue source for the District). We anticipate the 1% rate increase will be cancelled effective this July 1st, but the rate will likely continue to increase 1% in future years. The 1% increase effective July 1, 2019 amounted to an approximately 8% increase in retirement expenditures.
3. District is forecasting for salary increases to be 3% to keep up with the market and other nonpayroll expenditures to increase 2%, which represents the Southeast Consumer Price Index current information as of March, 2020.
4. As a result of the pandemic, we do not know how our financial condition will be impacted, but we would not be surprised if there was a negative impact on assessed values and therefore our property tax revenue over the next year or two.

How has the District responded?

1. BSFD participates in an automatic mutual aid consortium with 3 neighboring fire departments in which equipment, apparatus, and personnel are shared on a daily basis. This arrangement provides the necessary resources to be utilized on emergency scenes without the cost of overtime to call personnel in to help. We are utilizing personnel already on duty in various fire houses throughout the participating jurisdictions.
2. The same four departments have also combined our separate dispatch functions into one central communications center. This has resulted in a significant cost saving to Boiling Springs since we do not have to maintain a separate dispatch center.
3. Our mutual aid consortium also shares 2 training facilities will eliminates the need for separate costly training centers for each department.
4. We continue to pursue grants from a variety of sources to help pay for capital projects and equipment.
5. We are constantly exploring opportunities to unify and share facilities and services to enhance service delivery and increase financial efficiencies.

What do the projections show?

1. A 2 mill increase to 29.4 mills projects a 2021 loss of \$77k, a 2022 loss of \$164k and increasing losses in future years. Fund balance would go below 2 months in 2027 and negative in 2029.
2. This 2 mill increase would project to an operating and debt service tax revenue per capita of \$186 in 2021, or a \$6 increase compared to 2019.

What is the District requesting?

1. A 2 mill increase to 29.4 mills effective for the 2020-21 fiscal year.