



Glen Arbor Fire Department



2007 Annual Budget Summary

The Glen Arbor Fire Department is currently operating under the 2007-08 fiscal year (4/01/07-03/31/08) budget. A comprehensive budget report and analysis is produced after the Township's annual audit is complete.

<u>Budgeted Income/Revenue</u>	<u>2007-08</u>	<u>Approved for 2008-09</u>
Millage rate	2.99	2.73
PILT (amount not fixed at time of budget preparation)	0	0
Empire Contract	195,000	230,000
EMS Charges/Revenue	18,000	18,000
<u>Expense</u>		
Fire Operations	373,825	367,900
EMS Operations	555,600	559,000
Building Operations	45,670	48,195
Capital Allocations	250,000	250,000

Budget Development

The Department operates primarily on funds generated by a tax levy which was established under a Township Ordinance in 1995 that created a Fire Protection Special Assessment District (S.A.D.) that includes all parcels of real property. The S.A.D. ordinance provides the opportunity for annual citizen input at public hearings and approval by the Township Board. The S.A.D. also promotes future planning and development while requiring township board oversight and annual approval. To accomplish the necessary steps, a time-line for budget planning is employed beginning in the summer preceding the budget year that begins the following April.

While this type of program provides flexibility in development, it must be carefully planned as it establishes a budget well in advance of its implementation.

The 2007-08 budget was created, reviewed and approved between July and September 2006. Unanticipated and continuously changing expenses such as fuel and material costs impact the department's budget and these changes occasionally require adjustments during the fiscal year. Nonetheless, the department has always met its objectives while performing under budget.

Operations

The Operations section of the budget is further broken down in three (3) sections; Fire, EMS and Building expenses. Over the course of the last six (6) years most of the line item amounts in the operations budget have been reduced. Costs associated with the new Public Service Building and with transitioning the department to full-time equivalent staff augmenting part-time personnel plus increased fuel costs, constitute the major changes. EMS expenses are shared with Empire Township, which pays 50% of the direct costs associated with medical operations.

Capital

The Department's formal capital replacement program was developed in 2005. This program is a twenty-eight (28) year plan which identifies the department's assets, measures their useful life and provides a timeline for replacement. Money in this section of the budget is used to pay down debt on assets, for annual replacement purchases, and for accrual for planned future capital needs.

Comments on Budget

In 2007 the Department saw a 15% increase in its calls for service, and a 27% hike in building/vehicle fuel and yet still accomplished an 8% reduction in the millage rate for FY2008. Despite the millage rate reduction, a cost of living adjustment has been incorporated in the 2008-09 budget for part-time FF/EMTs. The adjustment will increase the hourly rate of pay from \$8.25 to \$9.50. This is the first increase in three (3) years.

Reducing the millage in light of these changes was possible as a result of the following:

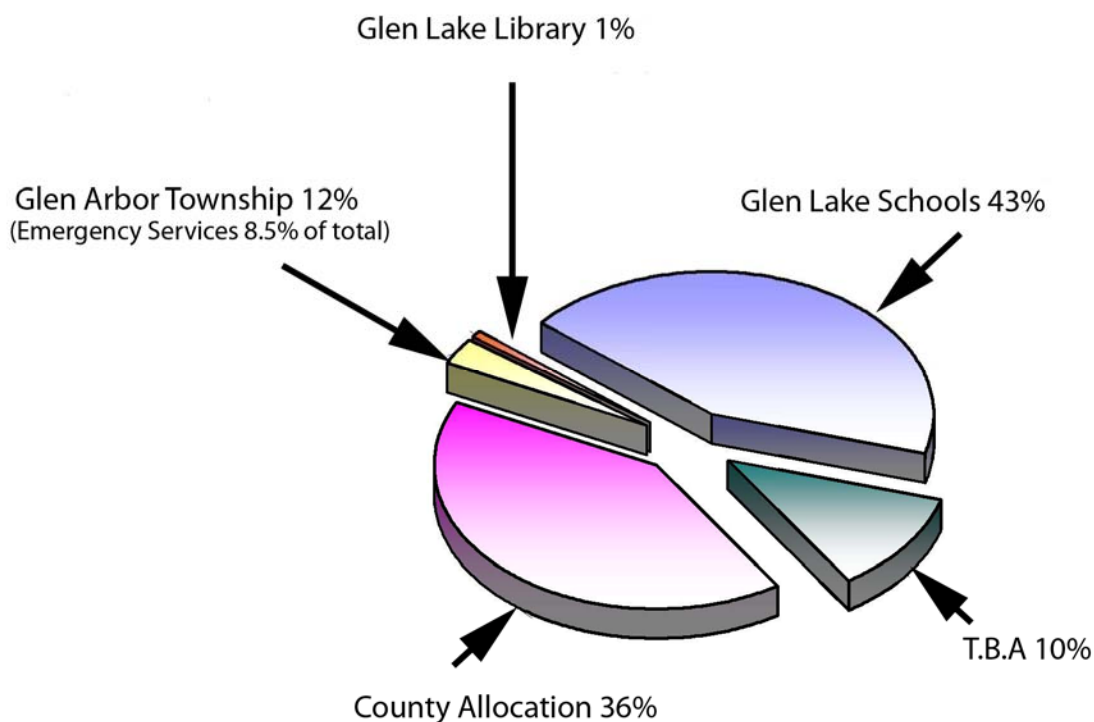
- Ongoing line item review and expenditure adjustment
- Cost Recovery Ordinance implementation (expectation of additional revenue)
- Recovery of Federal Payment in Lieu of Taxes (PILT) funds

The 2008 Operations and Capital budget total remained unchanged from 2007; line item adjustments and new income sources were sought. Using the Township's Cost Recovery Ordinance and seeking Federal PILT money, the Department has been able to add income other than property taxes to fund the operation. These additional sources of revenue allow the department to conduct its operations without compromise while simultaneously reducing the tax millage.

Department staff aggressively pursued grant opportunities from federal, state and local sources. In addition, both the Township and Department are fortunate to benefit from donations received through the Glen Arbor Fire and Rescue Association (GAFRA). This private entity is a 501(c) (3) organization and offers supplemental financial support for activities of the Fire Department. Since 2001, with the help of GAFRA and grant programs, over \$700,000 has been received to augment the department's resources. Just a few of the major purchases covered by these funds are as follows:

- Public Safety Building property (2001) to replace old fire station property \$217,000.00
- Fire hose and nozzles (2004)—Federal grants supplement \$47,000.00
- Wildland fire hose, nozzles, and personal protective equipment (NPS grant) \$4,200.00
- Radio's (DNR grant) \$7,000.00
- Fire Engine (2005) to replace 1988 engine \$375,000.00
- Ranger Polaris (2006) replaced Argo used for dune rescue \$13,000.00
- Thermal Imaging Camera (2007) replaced older camera (purchased via 1995 grant)\$11,000.00

Total Tax Collection—2006 Distribution



As shown in the above graph, the majority of property taxes collected are distributed to uses that are outside the Township's budget. While the Fire Department's budget uses nearly 73% of the taxes that comprise the Township's budget, it encompasses only 8.5% of the entire amount of property taxes collected.