

MINUTES OF THE TOWN OF STEDMAN BOARD OF COMMISSIONERS
MARCH 26, 2019-----6PM
SPECIAL MEETING

MEMBERS PRESENT

Mayor Martin L. Jones, Commissioner Jeremy George, Commissioner Wayne Mosley, Commissioner Paul Pirro and Commissioner Jordan Stewart

STAFF PRESENT

Town Clerk Christy Horne and Town Attorney Tim Smith

INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Jones led the Invocation and the Pledge of Allegiance.

NEW BUSINESS

- a. Consider Stedman Fire Department Contract – The Mayor and the Board discussed the current contract with the Stedman Fire Department which is a temporary contract as of August 2018 that is valid for one year. The Fire Department has asked the Town to consider updating the current contract prior to April 15th which is the reason the Mayor scheduled this Special Meeting. Since scheduling this meeting, the Mayor has met with the Fire Department and determined that the current contract will suffice until August 2019. The Stedman Fire Department is asking the Town to consider enacting a Special Fire Tax inside the Town limits of Stedman to generate more revenue for the Fire Department. The Mayor also met with Cumberland County Manager, Amy Cannon and Tracy Jackson to gain an understanding of tax implications. There is a possible County wide tax increase being proposed for 2020. After evaluating the proposed Fiscal Year 2020 tax matrix from the County and a letter from the Stedman Fire Department, Commissioner George made a motion to table updating the contract with the Stedman Fire Department until a later date when more information on tax increases is known. Commissioner Mosley seconded this motion and it was carried unanimously by the Board.

ADJOURNMENT

A motion was made by Commissioner Pirro and seconded by Commissioner Stewart to adjourn the March 26, 2019 Special Meeting at 6:45pm.

STATE OF NORTH CAROLINA

CONTRACT EXTENSION

COUNTY OF CUMBERLAND

THIS AGREEMENT is made and entered into this the ___ day of August, 2018 by and between the TOWN OF STEDMAN (hereinafter referred to as the "Town") and the STEDMAN VOLUNTEER FIRE DEPARTMENT, INC. (hereinafter referred to as the "SVFD").

WITNESSETH:

WHEREAS, the parties hereto have previously entered into that certain Contract dated May 1, 1997 pursuant to which the SVFD agreed to furnish and provide continuing fire protection to the Town (hereinafter referred to as the "Contract"); and

WHEREAS, the Contract provides for a term of twenty (20) years; and

WHEREAS, the parties hereto desire to renew and extend the term of said Contract for one (1) year.

NOW THEREFORE, for good and valuable consideration herein acknowledged as sufficient and received, the parties do hereby amend the Contract, the terms and conditions of which are incorporated herein, by extending the term of contract for a period of one (1) year from the date of execution hereunder.

IN WITNESS WHEREOF, the Town as caused this Contract Extension to be executed in its name by its Mayor, attested by the Town Clerk and the Town seal hereunto affixed, all by the authority of the Stedman Town Commissioners, duly granted at a regularly scheduled meeting of the Board on August 2, 2018, and the Stedman Volunteer Fire Department, Inc. has caused this Contract Extension to be executed in its name by its proper officers and its corporate seal hereunto affixed, all by the authority of its Board of Directors duly given, as of the day and year first above written.

TOWN OF STEDMAN

Martin Jones, Mayor

ATTEST:

Christy Horne, Town Clerk

SEAL

STEDMAN VOLUNTEER FIRE DEPARTMENT, INC.

BY: _____
PRESIDENT

ATTEST:

Secretary, Stedman Volunteer Fire Department, Inc.

SEAL

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

THIS AGREEMENT, made and entered into this 1st day of May, 1997, by and between The Town of Stedman, party of the first part, also referred to as Town, and the Stedman Volunteer Fire Department, Inc., party of the second part, also referred to as the Fire Department;

W I T N E S S E T H

THAT WHEREAS, N.C.G.S. Article 3, 160A1619 provides that The Town of Stedman may enter into continuing contracts and pursuant to this authority The Town of Stedman may enter into a continuing contract with a volunteer fire department and may make annual appropriations of such funds as may be provided for in this contract; and

WHEREAS, in consideration of the mutual promises and agreements herein contained and pursuant to the general power and authority of the Fire Department to furnish fire fighting services and the general power and authority of The Town of Stedman to provide fire protection for its inhabitants and owners of property within the town limits, the parties hereto mutually CONTRACT AND AGREE AS FOLLOWS:

1. (a) The Fire Department agrees to furnish and provide continuing adequate fire protection service to all properties lying within the Town of Stedman, property owner or other person, within the said town, the Fire Department's fire fighting equipment and adequate personnel to operate the same, and then making diligent efforts to control and extinguish all fires.

J. B. ROUSE III
& ASSOCIATES
ATTORNEYS AT LAW
1300-A PAMALEE DRIVE
AYETTEVILLE, N.C. 28303

(b) The Fire Department, in providing the said services, shall use its own means and methods which shall not be subject to control, direction or supervision by the party of the first part. All fire fighting equipment and personnel necessary and proper for the performance of this contract shall be provided by the Fire Department at its sole cost and expense, and all persons engaged in fighting fires pursuant to the provisions of the Contract shall be subject to the exclusive control, direction and supervision of the Fire Department. The party of the first part shall not have any right or power with respect to the employment, control, direction, supervision, suspension or discharge of any person who may engage in fire fighting services to the party of the first part for the benefit of its residents and property owners.

2. Procedures for giving fire alarms and communicating the existence of fires to the Fire Department shall be established by mutual agreement between the parties hereto and shall be properly publicized.

3. The party of the first part will adopt such rules and regulations, by ordinance or otherwise, as may be necessary and proper to prohibit interference with personnel of the Fire Department in the discharge of their duties in fighting fires within the town, to prohibit damage to and interference with fire fighting equipment and apparatus of the Fire Department and to provide for such other rules and regulations as necessary and proper for the furtherance of the objects of this Contract.

4. The Fire Department agrees to comply with the rules and regulations of the North Carolina Insurance Rating Bureau for fire

protection standards and procedures. It is understood that the fire rate for insurance shall be kept as low as possible by the Fire Department in accordance with the North Carolina law.

5. (a) As full compensation for the fire fighting services to be rendered by the Fire Department as herein provided, The Town of Stedman agrees to pay to the Stedman Volunteer Fire Department, Inc., a sum equal to the amount paid by Cumberland County, but not to exceed ten cents (\$.10) per each one hundred dollar (\$100.00) ad valorem value for taxes as determined by the Tax Department of Cumberland County. Said payment to be made on or before the 1st day of July, each year, commencing with the year of 1997.

(b) That all funds paid to the party of the second part by the party of the first part shall be used to provide fire protection within the said Town of Stedman, and to pay all other legitimate fire protection expenses including any debts or loans made for the purpose of purchasing fire fighting equipment.

6. This contract terminates a contract entered into by the Town and Fire Department dated May 2, 1974, which was to continue for a period of twenty (20) years, and this contract and agreement shall extend for a term of twenty (20) years from the date of the execution thereof and may be renewed or extended thereafter by agreement by and between the parties hereto.

7. The failure of the Fire Department to provide adequate fire protection or to comply with the laws of the State of North Carolina and the rules and regulations of the North Carolina Insurance Rating Bureau, within the capabilities and means of the Fire Department's equipment and financial condition, shall

constitute a breach of this contract, and at the option of The Town of Stedman may be terminated upon thirty (30) days notice to the Fire Department by the Town, setting out in detail the grounds for termination.

IN WITNESS WHEREOF, The Town of Stedman, party of the first part, has caused this contract to be executed in its name by its Mayor, attested by the Town Clerk and the Town seal hereunto affixed, all by authority of the Stedman Town Commissioners, duly granted at a special meeting of the Board on May 1, 1997, and the Stedman Volunteer Fire Department, Inc. has caused this contract to be executed in its name by its proper officers and its corporate seal hereunto affixed, all by authority of its Board of Directors duly given, as of the day and year first above written.

TOWN OF STEDMAN

Ernest Freeman
Ernest Freeman, Mayor

ATTEST:

Connie Spell
Connie Spell, Town Clerk

SEAL

STEDMAN VOLUNTEER FIRE DEPARTMENT, INC.

BY: V R Quinby
PRESIDENT

ATTEST:

Ellen M. Hall
SECRETARY

SEAL

**PROPOSED CUMBERLAND COUNTY FISCAL YEAR 2020
FIRE TAX DISTRICT FUNDING MATRIX***

DEPARTMENT	ISO	TOTAL PAY OUT FY18	ADDITIONAL 1/4 LOW WEALTH	ISO 5 OR LESS**	EMS	EXTRICATION RESPONSE	MULTIPLE STATIONS	GRANT PROGRAM	TOTAL BY DEPT
Beaver Dam (2)	7	285,697	82,963		17,500	5,000	50,000		441,160
Bethany	5	288,732	82,963	30,000	17,500	5,000			424,195
Cotton	5	984,062		30,000	35,000	7,500			1,056,562
Cumberland Road	4	472,036		40,000	35,000	5,000			552,036
Eastover	5	218,647		30,000	35,000	7,500			291,147
Godwin-Falcon	7	265,257	82,963		17,500	7,500			373,220
Grays Creek #18	5	392,203		30,000	35,000	5,000			462,203
Grays Creek #24	5	392,209		30,000	35,000	5,000			462,209
Manchester	2 9	76,972				7,500		75,000	159,472
Pearce's Mill	5	812,786		30,000	35,000	5,000			882,786
Stedman	6	211,353	82,963		17,500	5,000			316,816
Stoney Point (2)	3	952,306		50,000	35,000	7,500	50,000		1,094,806
Vander (2)	5	888,693		30,000	35,000	7,500	50,000		1,011,193
Wade	5	256,583	82,963	30,000	17,500	5,000			392,046
Westarea (3)	6	912,239			35,000	5,000	75,000		1,027,239
TOTALS		7,409,775	414,815	330,000	402,500	90,000	225,000	75,000	8,947,090

Funding Area	Amount (Cents)	Current Estimate*	FY20 Expense
Low Wealth Supplement (FY18 supplement + new supplement)		1,050,000	1,034,935
ISO 5 or Less Supplement		350,000	330,000
EMS Supplement		402,500	402,500
Extrication Response Supplement (from CCFCA Funding)		90,000	90,000
Multiple Station Supplement		300,000	225,000
Fire Chiefs Association Funding		260,000	260,000
County District Grant Program		1,047,500	75,000
Total:	0.05	3,500,000	2,417,435

* Does not include other revenue sources; Fire District Tax only
 ** ISO 5 = \$30K/year; ISO 4 = \$40K/year; ISO 3 or less = \$50K/year
 Green Highlight indicates Low Wealth Fire Dept

Stedman Volunteer Fire Department Facts

As President of the Board of Directors for the Stedman Volunteer Fire Department I wanted to ensure we are all working from the same set of facts as you consider whether to renew our contract with the town and under what conditions. As I have indicated to Mayor Jones, we are committed to working out a contract that works for both sides, but there appears to be some fundamental differences of opinion over what we are looking for. I have provided the facts below for you to consider not in an attempt to anger or incite the town leaders, but to educate and inform. We cannot possibly arrive at an amicable solution if we are not operating from the same understanding. If you feel that I have misstated the facts, I would be happy to speak with any or all of you at your convenience.

- The SVFD currently has two contracts. One contract is with Cumberland County to provide fire protection services to the Stedman Fire District (far exceeds the boundaries of Stedman town limits), and one contract to provide fire-fighting and prevention services to the town of Stedman.
- The town of Stedman has no responsibility for, control, supervision or direction of the SVFD or its activities. Further it has no claim to any of the property or equipment owned or operated by the SVFD.
- The SVFD is obligated to keep the Fire Insurance rates as low as possible for the town and the Stedman Fire district.
- Volunteer Fire departments in Eastern North Carolina are closing at an alarming rate due to a lack of funding.
- The overwhelming number of response calls involving the SVFD are in response to emergency situations within the town limits of Stedman.
- The SVFD is not reimbursed for medical response calls, which make up more than 65% of our call volume.
- The current Stedman contract agrees to match Cumberland County tax contribution rates, not to exceed .10 cents on \$100 of tax collections as determined by the Cumberland County tax department. This means that there is no set fee owed the SVFD, which complicates our future projections. In reviewing the past eight years of monies paid by the town of Stedman, it does not appear that this is how payments have been calculated. This is not to say that the town has underpaid, in fact it may have been overpaying, I just don't know. However, the odds that we would arrive at the exact same figure two years in a row appear to be extremely unlikely to me, and I cannot rationalize how we received less money in 2018 than we did in 2017 when I factor in both the property reevaluation done that took effect in 2017 and all the new homes that have been built in the town over the past couple of years if the agreed upon formula was being utilized. Below are the amounts the town has provided the SVFD the past several years.

2010 \$76,845
2011 \$80,825
2012 \$82,217
2013 \$84,084
2014 \$86,105

2015 \$88,920
2016 \$90,452
2017 \$90,452
2018 \$89,000

- Stedman is not required to maintain a contract with the SVFD. The department will not likely go away, as it will maintain its existing contract with the county. However, it will not be responsible for responding to fires or fire protection within the town limits, and the insurance rates for residents and businesses will likely increase significantly (at least double in the case of businesses).
- Stedman is the only low wealth fire department who receives funding from the special fire tax but does not contribute. This means that those living outside the town limits pay more for the same protection than those who live within the town. To be clear, the SVFD would not directly receive the monies contributed by Stedman. Rather, the money would essentially contribute to a general fund for the five low wealth departments and then be divided among them. Currently, we are essentially freeloading off of other towns to fund our manning shortfalls. This is having a deleterious effect on our relationship with other departments in our area and potentially places our mutual assistance agreements with the in jeopardy. Additionally, the Fire Chiefs association has indicated we may no longer be able to receive some of the assistance we have in the past in the form of grants because of our failure to contribute to the Special Fire Tax.
- Mayor Jones informed me that the average home in Stedman is valued at \$142,000. The Special Fire Tax for a home worth \$123,000 is \$15.39, \$154,000 is \$19.20, and a \$313,000 home is \$39.15 a year. For comparison sake, the recreation tax for those same properties is \$1230,000 - \$66.55, \$154,000 - \$77.15 and \$313,000 - \$156.60.
- The Special Fire tax is designed to help the five low wealth departments supplement their staff manning. We cannot spend that money on equipment or loan repayments. We currently use that funding to ensure we have enough firefighters to respond to emergency calls without having to wait on another department (you must have four firefighters on the scene before a fire can be engaged).