

	 ALBEMARLE COUNTY STANDARD ADMINISTRATIVE POLICY	
	Subject:	Volunteer Capital Funding for Facilities
	Reference Number:	SAP-DEP-018
	Effective Date:	7 September 2005
	Last Revision Date:	N/A
	Signature of Approval:	 J. Dan Eggleston, Chief

Purpose:

The purpose of this policy is to assist volunteer fire and rescue stations that do not have the financial means to fund facility or building repairs and minor building renovations.

Background:

Staff has worked with the Albemarle County Fire Rescue Advisory Board (ACFRAB) to develop ways to support the volunteer fire rescue system through increased operational and capital funding. A primary objective in increasing financial support was to decrease the amount of fundraising necessary by volunteers so volunteer staff could focus the majority of their time on running emergency calls and completing necessary training. These efforts resulted in 100 percent funding of capital funding for apparatus purchases, 100 percent funding of basic operational costs, and forgiving 100 percent of outstanding debt.

One item not included in these improved funding initiatives was a commitment to provide for the maintenance of volunteer buildings and facilities, beyond paying for regular minor maintenance costs as a part of the operating formula. Rather than the County committing to fund these items, discussion centered on focused fundraisers to help maintain an adequate "Building Fund" that could be used to take care of building maintenance and minor renovations. Many of the volunteer stations indicated that they still wanted to do some fundraising because it has been an important part of the tradition of volunteer fire rescue organizations. The County's assistance would allow fundraisers to focus on building needs rather than paying operational or apparatus costs. Staff recognized that there may be times when some assistance would be requested and suggested that those items be considered only on a case-by-case basis. However, the basic principle was that the maintenance and care of buildings would be the responsibility of the volunteer stations and they would be much better able to address these needs with operating and other capital needs being paid for by the County.

This policy is based on a grant model from the Virginia Office of Emergency Medical Services. In addition to extensive justification requirements, the grant model and this policy requires applicants to disclose complete financial information to help determine need. The attached policy uses a similar approach to determine financial hardship and also proposes that a five-year maintenance plan and a financial plan be developed with staff. The financial plan requires a payback over five-to-ten years, but would fund qualified improvements with a 0% interest loan. The program also allows for grants that would not require repayment depending on particularly difficult circumstances. It is important to note that this policy proposes that these projects meet typical County requirements for review, procurement, and planning. The entire process would follow timelines that are coordinated with the normal County budget process, as is noted.

To ensure accountability for the use of taxpayer funds, evaluation of the proposed facility improvements by staff is required.

This policy was adopted by the Albemarle County Board of Supervisors on 7 September 2005.

Scope:

This policy applies to any volunteer station requesting capital funding assistance with facility or building repairs or renovations due to financial hardship.

Policy:

1. Volunteer Station Financial Assessment
 - A. The intent of the policy is to provide financial assistance to volunteer stations that do not have the financial means to fund building repairs and minor building renovation projects. Therefore, a volunteer station requesting assistance will need to show that the station is unable to independently fund the project. Determining financial hardship requires that the station disclose the station's financial statements (example balance sheet and income statement attached) to help demonstrate the station's financial need.
2. Qualifying Projects
 - A. Building repairs and minor building renovation projects that help maintain the current facility shall qualify for consideration.
 - B. Projects beyond this scope will be addressed on a case by case basis through the normal CIP process.
3. Five-Year Building Assessment
 - A. Stations requesting financial assistance must conduct a five-year assessment of their building to determine the long term maintenance needs.
 - B. The five-year assessment should include a projected and prioritized list of building repairs/renovations, a cost estimate per repair/renovation, and a narrative outlining the justification for each repair/renovation.

EXAMPLE

North River Volunteer Fire						
MAJOR BUILDING REPAIRS						
Priority	Project type	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11
High	Roof repair	\$ 30,000.00				
Medium	HVAC replacement			\$ 15,000.00		
Medium	Bunk room renovation					\$ 5,000.00
	Total	\$ 30,000.00	\$ -	\$ 15,000.00	\$ -	\$ 5,000.00

- C. Staff will work with the volunteer station to assess the projects to help determine needs, eligibility, and timing.
4. Funding Assistance
 - A. Financial assistance shall be provided through a no-interest loan with a five-to-ten year payback period. In cases of extreme financial hardship, a grant may be considered.
 - B. A volunteer station receiving a no-interest loan will work with staff to develop a financial plan to ensure that the loan will be paid in full over time. The plan will be reviewed and approved by the Office of Management and Budget (OMB) before financial assistance is provided.
5. Other Requirements
 - A. Volunteer stations that qualify, based on this policy, shall submit a request to the Department of Fire Rescue by 1 August in preparation for the next fiscal year budget process.
 - B. Approved projects will be procured and completed according to current County policies and procedures.

EXAMPLE

Station: North River Volunteer Fire

Period Ending: June 30, 2005

Assets		Liabilities	
Beginning Cash Balance		Balance of open accounts	
Available cash on hand/checking account	\$ 5,000		\$ 5,000
Real Estate		Notes on mortgages owed	
Building/land @ market value	\$ 100,000		\$ -
Investments		Other indebtedness/obligations	
CDs, stock, bonds, savings, etc.	\$ 15,000	Explain in narrative	\$ -
Equipment, Vehicles, etc.			
Equipment not purchased through CIP	\$ 30,000		
Restricted Funds			
Explain in narrative	\$ -		
Total Assets	\$ 150,000	Total Liabilities	\$ 5,000
Net Worth	\$ 145,000		
total assets minus total liabilities			

Receipts/Revenue		Expenditures	
County contribution	\$ 100,000	Operational expenses	\$ 100,000
Donations, contribution, bequests, etc.	\$ 5,000	Capital expenditures	\$ -
Fund raising	\$ 15,000	Other (include transfers to asset accounts)	\$ -
Interest and dividends	\$ 2,000	Non-operational expenses (i.e. - fund raising costs)	\$ 5,000
Grants	\$ 1,000		
Other income/revenue	\$ -		
Total receipts/revenue	\$ 123,000	Total expenditures	\$ 105,000
		Cash increase/decrease (receipts minus expenditures)	\$ 18,000