

SSVFD-TOSS Joint Planning Meeting

2-20-18



Today's Agenda

- I. Opening Comments, Introductions of governing bodies and meeting facilitator – Town Manager and Fire Chief
- II. Preparation for Fire Services Contract Renewal
 - A. Timing of Execution and Term Length
 - B. Current SSVFD Operations and Cost
 - C. SSVFD Property Reversion Contingency
- III. Proposed New Building Design update
 - A. Design Process - included any necessary land use changes in Town Code
 - B. Financing Mechanism
 - C. Liability of Borrowing Entity
 - D. Cost to TOSS
- IV. Next Steps
 - A. Recommendation: That a small joint-working group be formed to negotiate contract specifics and make recommendations to each governing body
 - B. Goal of Completion of contract negotiations By April 30



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Contract Timing and Term Length

- Current 10 year contract expires 07/01/2019.
- We want to renegotiate terms now to be prepared to have the new contract aligned and in place so we can move forward with funding the new station.
- Goal is negotiate new terms and be ready to sign after final funding is authorized by TOSS Town Council.



Current SSVFD Operations and Cost

- The volunteer system used by SSVFD is a very efficient and cost-effective approach.
 - Other towns on the OBX have not been able to maintain this approach and spend as much as 2-3 times to fund similar sized operations.
- TOSS funds approximately 80% of the operational budget.
 - The Town's expense has been between \$473k and \$481k (with a few exceptions) since 2010.
- Dare County (Martin's Point) funds about 20% of Operations.
- SSVFD is requesting an increase in the FY 2018/2019 budget in the amount of 60K to cover increased personnel costs.



TOSS / Dare County Budget Split

Income Comparison						
	2010		2017 (Currently)		2019 (Revenue Increases)	
TOWN OF SOUTHERN SHORES	\$ 473,000	89%	481,000	82%	541,000	82%
MARTINS POINT	59,449	11%	105,000	18%	118,000	18%
	\$ 532,449		586,000		659000	

- We strive to keep our costs fair and equitable for our customers.
- Expenses are shared 80/20 to match calls for service.



SSVFD Comparisons

	Department Comparison				
Fire Departments	2008-2009	2017-2018	\$ Change	% Change	Calls for Service 2016
Southern Shores	473,000	481,925	8,925	1.9%	672
Kitty Hawk	1,297,811	1,734,271	436,460	33.6%	821
Duck	517,500	1,041,711	524,211	101.3%	550
Colington	428,428	907,229	478,801	111.8%	643
Roanoke Island		554,001	554,001	n/a	317

Estimated Cost to Operate a Fully Staffed Paid Department



<u>Estimated Cost for TOSS to Operate Town Fire Department</u>				
Estimate created 8/1/16				
<u>Upfront Costs</u>				
		<u>Low</u>	<u>High</u>	<u>Estimate</u>
Land		\$ 150,000	\$ 300,000	\$ 225,000
Building		\$ 2,200,000	\$ 3,000,000	\$ 2,600,000
Engines		\$ 1,600,000	\$ 2,000,000	\$ 1,800,000
Other Vehicles		\$ 500,000	\$ 700,000	\$ 600,000
Equipment		\$ 500,000	\$ 700,000	\$ 600,000
Miscellaneous		\$ 100,000	\$ 200,000	\$ 150,000
One Time Cost to TOSS		\$ 5,050,000	\$ 6,900,000	\$ 5,975,000
<u>Employee Costs</u>				
		<u>Salary</u>	<u>Benefits</u>	<u>Annual Total</u>
Firefighters	10	\$ 50,000	\$ 17,500	\$ 675,000
Lieutenants	2	\$ 54,000	\$ 18,900	\$ 145,800
Captain	1	\$ 60,000	\$ 21,000	\$ 81,000
Chief	1	\$ 80,000	\$ 28,000	\$ 108,000
Employees	14	\$ 244,000	\$ 85,400	\$ 1,009,800
<u>Operating Costs</u>				
				<u>Annual</u>
Total Budget				\$ 480,000
Total Annual Operating Cost				\$ 1,489,800
Current Contract Rate for SS				\$ 480,000
Annual Inc/Cost to Southern Shores				\$ 1,009,800



Reversionary Clause

- Current Contract reversionary clause requires the SSVFD to manage a split of assets between its customers in the event of dissolution.
- SSVFD is willing to consider “contract performance metrics” to ensure service levels as part of the discussion for the new contract.



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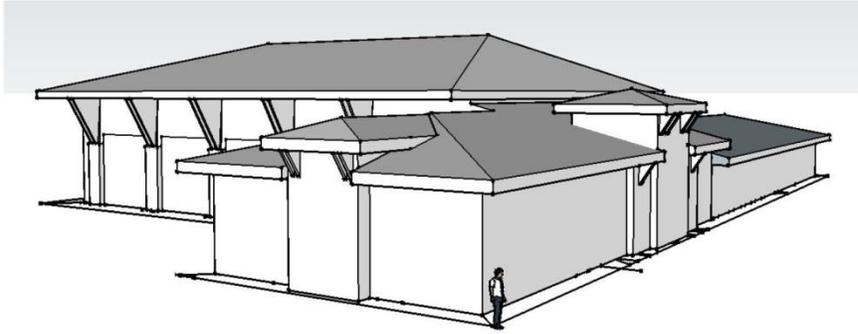
SSVFD Building Update



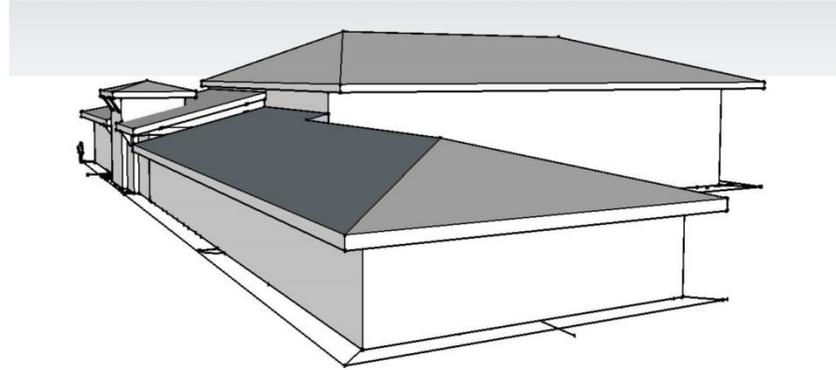
- Suggested efforts to lower overall cost implemented in design.
 - Reduced to one story, reduced overall finished square feet.
- The Hazard Mitigation study has been completed on the existing structure.
- The septic issue has been resolved in a cost effective manner.
- March 6, 2018 - TOSS council meeting
 - Ken Newell from SCN Architects will present the final schematic design (2 choices) for approval by Council. He will also have an estimate on the final projected cost.
- March 6, 2018-Public forum at 3PM(Pitts Center).
- Once the Schematic Design is approved SCN will move to the Design and Development Phase(30 days).
- Construction Documents Phase will follow (90 days).
- The final phase is the Bid Phase (30 days).
- At this point, Ken will attend a TOSS Council meeting to give the final “hard” number to complete the project. This would most likely be August/September.



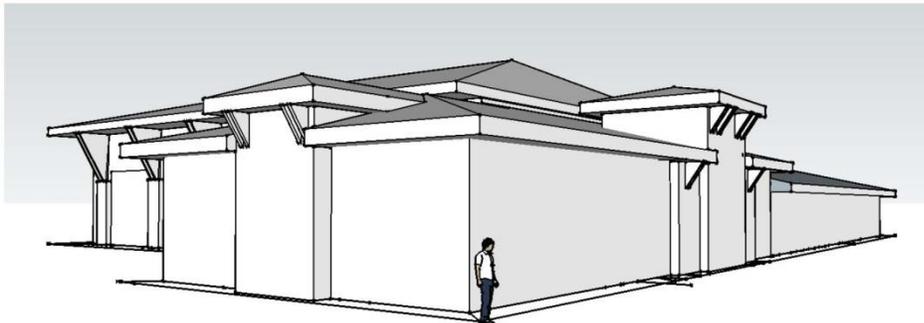
Exterior Building Sketches



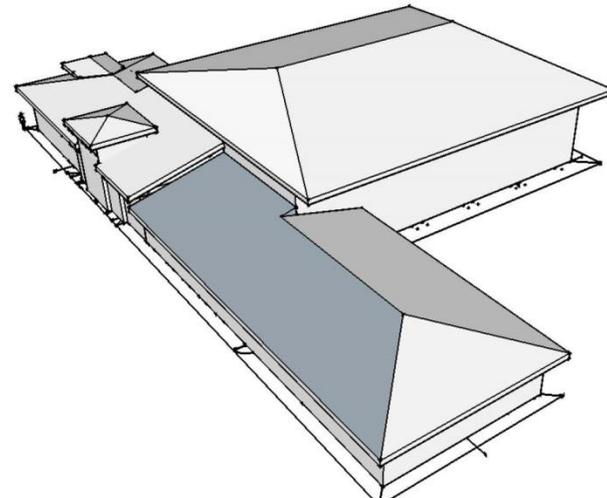
View from the corner of S. Dogwood Trail and Pintail Trail



View from Pintail Trail at rear parking area

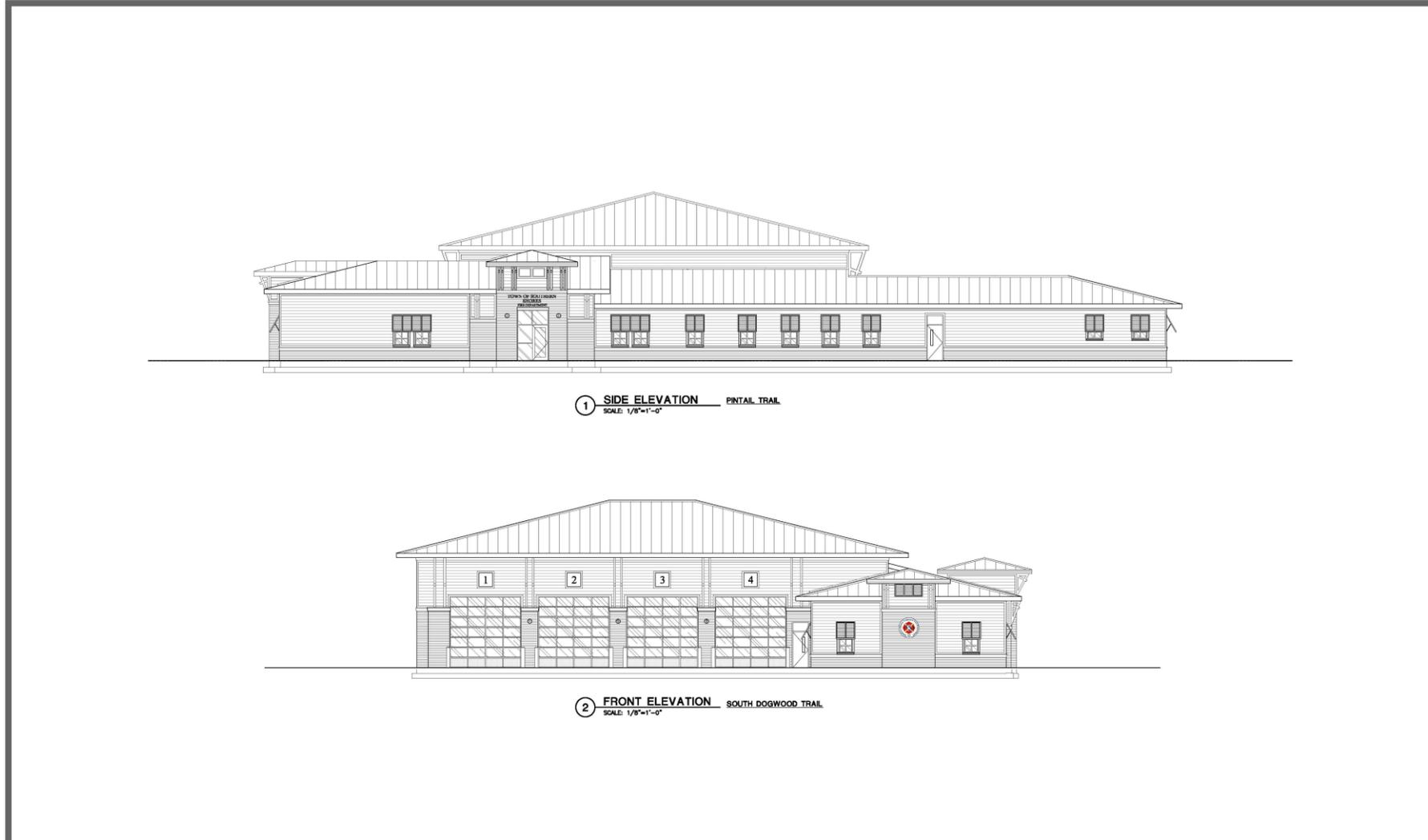


View from the corner of S. Dogwood Trail and Pintail Trail (eye level)



Overhead view from Pintail Trail at rear parking area

Proposed Front Elevation



① SIDE ELEVATION PINAL TRAIL
SCALE: 1/8"=1'-0"

② FRONT ELEVATION SOUTH DOGWOOD TRAIL
SCALE: 1/8"=1'-0"

Proposed Side Elevation



① SIDE ELEVATION
SCALE: 1/8"=1'-0"

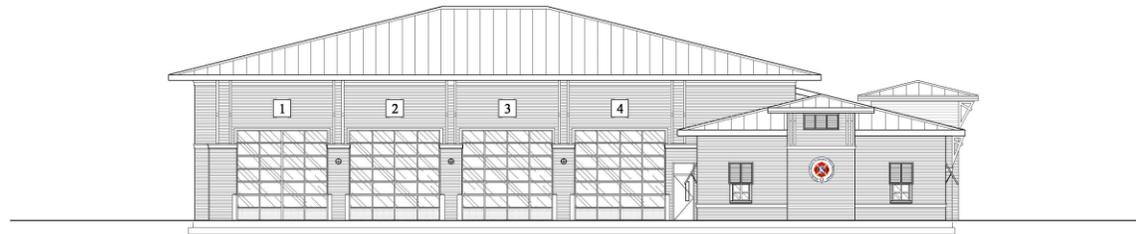


② BACK ELEVATION
SCALE: 1/8"=1'-0"

Proposed Side Elevation



1 SIDE ELEVATION PINTAIL TRAIL
SCALE: 1/8"=1'-0"



2 FRONT ELEVATION SOUTH DOGWOOD TRAIL
SCALE: 1/8"=1'-0"

Proposed Rear Elevation



Potential Building Style





Financing Discussion

- Early in process but have met with several lenders.
- Rates are currently around 4% with an upward bias.
- Amortization periods range between 20-25 years with a rate adjustment after 7-10 years.
- If land/building are owned by TOSS they are exposed to liability risk and potentially higher cost of borrowing (Bond vs. Commercial loan).
- Final lender will be selected via bid process and will be viewed based on most favorable rate and terms. This will happen once construction bids are received and TOSS Town Council agrees to fund the project.



Potential Loan Payments

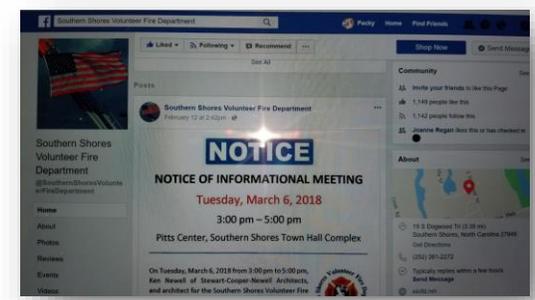
Scenario	1	2	3	4
Loan Amount	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Amortization Period	20	20	25	25
Interest Rate	4.00%	5.00%	4.00%	5.00%
Monthly Payment	\$30,299	\$32,997	\$26,391	\$29,229
Annual Payment	\$363,588	\$395,964	\$316,692	\$350,748

These are only examples, the final cost, interest rate and amortization period will determine the payment amount.



Consistent Public Engagement on the Project

- SSVFD Facebook Posts – ongoing
- TOSS Council Meeting updates – ongoing
- Regular SSVFD Community Engagement
- 1/23/17 Outer Banks Voice article
- 2/08/17 Outer Banks Voice article
- 2/09/17 1st Public Forum at Pitts Center
- 4/11/17 Outer Banks Sentinel article
- 3/06/18 2nd Public Forum – Pitts Center 3PM





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