



Town of Rolesville North Carolina Fire Service Unification Initial Analysis November, 2020



A Progressive North Carolina Local Government Initiative Compiled and Presented by
NC Fire Chief Consulting



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1. EXECUTIVE SUMMARY

As many North Carolina communities grow and demands for public services grow, changes and modifications are often needed in service delivery systems, including infrastructure that supports essential, core public safety services. When dynamics change, so must the infrastructure and systems that enable and support those basic functions. These “growing pains” are a natural progression of the maturity cycle of a unit of local government and are not unique to Rolesville. However, Rolesville is aware of the changing environment and has proactively stepped forward to implement progressive measures to effectively manage that growth and transition, such as initiating an independent, third-party, analysis of the fire service in Rolesville and determining if a unification at this time is a mutually appropriate move for the Town of Rolesville and the Rolesville Rural Fire Department, Inc. (RRFD)

Purpose and Methodology:

The purpose of this initiative was to take a high level organizational scan of the Town of Rolesville and the RRFD, a private, non-profit organization. The review was prompted by the RRFD via a letter to the Town of Rolesville requesting to incorporate the current eleven (11) RRFD career firefighters as of Town of Rolesville employees. (Noting that the 12th employee is currently an employee of Wake County Government). A significant driver of the need to address unification is firefighter turnover – as perceived currently and concerns projected into the future at the RRFD. The principal perception of the turnover being because the RRFD is not allowed to participate in the North Carolina Local Government Employee’s Retirement System (NCLGERS) because the RRFD is not a governmental entity. As Wake County has urbanized, many of the previously private, non-profit fire departments have incorporated with the municipality that they serve (Apex, Fuquay-Varina, Knightdale, Wake Forest, Zebulon, Garner (pending)) or they have merged with adjoining fire departments (Eastern Wake, Northern Wake, Western Wake), leaving very few independent, non-profit fire department providers remaining.

NC Fire Chief Consulting was asked to assess the situation and determine if the timing was correct now for the Town of Rolesville to consider honoring the request from the RRFD and develop observations and recommendations for the Town of Rolesville and the RRFD to consider related to the concern at hand. In order to do this, the assessment team conducted stakeholder interviews of all of the firefighters with the RRFD, both career and volunteer. The team also interviewed selected Town staff, Wake County staff and Fire Commission members. In addition, the team interviewed Rolesville Town Board members and the RRFD Board of Directors. Furthermore, an electronic survey was developed and administered for the RRFD volunteers to ensure that everyone’s voice was heard.

In addition, the team conducted analysis of the capital assets of the RRFD, conducted a benefits comparison between the RRFD and the Town of Rolesville as well as a general fiscal overview with an emphasis on projecting future funding levels. The team also conducted a community



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risk analysis specifically for Rolesville, looking at the hazards, the risks and the growth trends. Furthermore, the team performed a review of the department's most recent insurance services office (ISO) evaluation and provided focus areas for the fire department to make improvements upon for the next evaluation. Last, some illustrative best practices were assembled for the RRFD and the Town of Rolesville to review as well. Collectively, the assessment team developed eight strategic observations and recommendations for both the RRFD and the Town of Rolesville to consider moving forward.

Stakeholder Feedback:

NC Fire Chief Consulting conducted twelve different stakeholder input sessions with RRFD employees and volunteers, RRFD Fire Department Board of Directors, Wake County Fire Commissioners/staff, and all Town of Rolesville elected officials and identified key Town staff. An additional survey instrument was sent to all RRFD volunteers to make sure all members were included. The sessions were held to create dialogue and collect important feedback from all key stakeholder groups in regard to the possible merger/unification of the RRFD into the Town of Rolesville. Areas discussed were perceived strengths, gaps/weaknesses, opportunities and threats (SWOT) related to the consolidation. Each of these feedback areas serve as indicators of the current situation and help guide collective next steps.

The goal of the feedback sessions was to identify critical deal breaker issues, as well as a global list of perceived benefits and concerns for the potential outcomes. Each group was interviewed separately to alleviate anxiety and apprehension about giving honest and legitimate feedback. The report identifies the major strengths and concerns for each group, as well as the major themes across the spectrum of all groups. A summary of key points is outlined below:

Strengths – There were five overall common themes for strengths for the RRFD. The unanimous choice by all groups was the relationship the RRFD has with the community and the support they receive from the community in return. The RRFD has a long-standing history and tradition that is embraced by a stable group of volunteers and Fire Department Board. The other top choices included quality apparatus and equipment along with multiple properties purchased by the RRFD for additional stations. There was a strong sense of pride and ownership in the department and all members (paid/volunteer) love providing service to the Rolesville community.

Gaps/Weaknesses – The top two major weaknesses identified by the stakeholders were the lack of employees being in NCLGERS and the dire need for additional fire stations in the Rolesville community. The other weaknesses included a need for full-time leadership in the RRFD for consistency across all career shifts, concern of the current rural orientation versus the urban model, and the recruitment and retention of quality firefighters.



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Missed Opportunities - Perceived missed opportunities include not having stronger advocacy for the Town of Rolesville with the Wake County Fire Commission. The stakeholders believe stronger relationships need to be built with these groups, as well as with neighboring fire departments. Other missed opportunities include the lack of grants and the use of metrics and data for informed decisions. Stakeholders also believe there is a great need for the recruitment model for career and volunteers to be modernized.

Threats – In all discussions, possible threats were considered and the top threat was the need for a full-time fire chief for the transition should it occur. In addition to that threat is the fear of the unknown in the transition process. The lack of employee benefits, proper recruitment tools, and pace of the Town’s growth round out the top five threats to RRFD.

Most Important Issues – The lack of NCLGERS was by far the most important issue to all involved. The need for additional stations and the cost of the transition were very close behind. The final concerns were the lack of benefits like long-term disability and the need for a long-term vision for the RRFD.

Capital Analysis:

The RRFD has been diligent and prudent in preparing for the future of the fire department and providing sustainable long-term service for the Rolesville community by securing land for future fire station(s). The department has purchased land in three locations for future fire stations. In June, 2019, RRFD in collaboration with the Town of Rolesville conducted an independent, third-party study of the three potential fire station locations to determine the highest priority order for the stations to be built. The fire station to be located at Old Pearce Road and Daniel Road was designated at the time to be the department’s highest priority to move forward with. Since that time, the need for an additional fire station has continued to increase. The assessment team continues encouragement to move forward with the station in the Old Pearce Road area. As a component of this analysis, the team reviewed the insurance rating for Rolesville. It was affirmed that this identified fire station would help bolster the earned points towards the overall fire insurance rating for the department and for the Town of Rolesville. Also, that property could provide an opportunity for a fixed site training facility, which is very much needed for Rolesville as well.

The RRFD owns five properties in Wake County with a cumulative total value of \$2,242,913 using current tax valuation. Two of these properties have buildings, including the property for the fire station located at 104 East Young Street and the former Rolesville EMS building located at 204 East Young Street. The remaining three properties have been purchased for future fire stations to be located near Fowler Road, Zebulon Road and Burlington Mills Road.



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Furthermore, the department owns fourteen (14) motorized, licensed vehicles including 3 fire engines, 1 ladder truck, 1 tanker, 2 brush trucks, 1 rescue truck, 2 administrative vehicles and 4 specialty vehicles.

Within this section, we also researched and evaluated any funding opportunities that the Town of Rolesville could potentially take with regard to funding capital expenses through development impact fees with a detailed legislative analysis specifically for Rolesville. The Town of Rolesville was authorized to collect impact fees in 1987 through a local bill for set purposes. However, fire protection was not one of the services that was identified in that bill. In 2017, the North Carolina State Legislature drastically reduced the ability to impose impact or development fees. With current state laws, it would be impractical to try to implement impact or development fees for the Town of Rolesville for the purposes of fire protection. Therefore, the funding sources for capital improvements will be forced to fall on other general fund revenues.

Benefits Analysis:

While salary compensation is important to most every employee, benefits are also critical to understanding and appreciating the total compensation for every employee. For many employees, benefits are equally important to direct compensation and for some, benefits are more important than direct compensation. Often, persons choose a career in local government over an equal type position in the private sector for benefits, recognizing that their direct compensation will be less as a government employee, but benefits can be stronger. This fact is supported by research conducted by the Society for Human Resource Professionals (SHRM).

Feedback the assessment team received from RRFD employees indicate that benefits are very important to the current employees. Employees being a part of the NCLGERS was reflected as being an essential component for long-term success for the department in recruiting and retaining employees. The NCLGERS system offers a defined benefit approach to a pension versus private 401(k) and similar programs offering a defined contribution methodology. The importance of participating in NCLGERS was due to most of the competitive fire departments in the Wake County market offering this benefit currently and RRFD not offering this NCLGERS benefit. While the RRFD is contributing an equitable amount into a defined contribution plan, the benefits are not perceived to be as reliable and beneficial as a defined benefit plan.

However, it is very important to note that in listening to the current RRFD firefighters, one of the most important aspects of being part of NCLGERS for the firefighters individually was having the long-term disability provisions that NCLGERS provides for persons who are vested in the NCLGERS system – which is five years. Because firefighting is such an inherently dangerous profession, it is very real and relevant for these firefighters that their lives and their livelihood is on the line each and every day on the job and a disabling injury could happen at any time in their profession. While NCLGERS has the long-term disability provisions for vested persons, the RRFD could purchase long-term disability insurance for their firefighters through private



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insurance. It would be more expensive to do so; however, it is the observation of the assessment team that providing that provision is very important to the current firefighters and would strengthen RRFD's recruitment and retention efforts until such time as they could become part of NCLGERS. This was identified as a most important gap in the current benefits at the RRFD.

Health insurance is another key factor for consideration. The smaller the group, the most costly health insurance typically is for the employee and the employer. The assessment team reviewed some of the monthly employee costs for health insurance and identified significant cost differences between the monthly employee costs for current RRFD employees compared to Town of Rolesville employees. We also compared Wake County Government costs because one of the current employees at RRFD is a Wake County Government employee. As an example, family coverage for an RRFD employee is almost \$179 more per month than a Town of Rolesville colleague, and almost \$890 per month more than a comparable Wake County colleague.

One last piece of importance relative to benefits is that the RRFD is not allowed to operate using the Fair Labor Standards Act (FLSA) special provision for firefighter overtime, known as the 7(k) exemption. This exemption designates when Firefighters are required to earn compensable overtime. Under the current private, non-profit structure, the RRFD must compensate firefighters who work more than forty (40) hours in a seven (7) calendar day period. The FLSA allows municipal firefighters to work up to 212 hours in a 28-day period before being compensated at overtime rates. The financial reports did not outline overtime costs that the RRFD were currently paying separate from salaries.

Fiscal Analysis:

The assessment team reviewed the two most recent financial statement reports for the RRFD as was submitted to the Town of Rolesville. Based upon the most recent report and data received by the assessment team, funding for the RRFD is now primarily from the Town of Rolesville as opposed to Wake County Government. That pivotal important shift occurred in Fiscal Year (FY) 15-16. In FY 19-20, the proportions of total revenue were Wake County **42%** (\$810,200), Rolesville **55%** (\$1,062,047). This is a most important factor in the consideration of funding and the future of fire protection for the people served by the RRFD. Whichever governmental entity that provides primary funding for a fire department typically has the most impact and influence on the operation and governance of a private, non-profit fire department.

Although the Town of Rolesville is now the primary funding government entity, it must be noted that the shift is not yet dramatically different. In comparison with other North Carolina communities that have made the transition from a private, non-profit corporation fire department to a municipal fire department, the percentage of municipal funding is generally higher and is sustained for more time at the higher percentage. A review of several fire departments that have made such a private, non-profit to municipal transition (Wake Forest, Elon, Leland) would



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indicate that at the time the private, non-profit fire department made the transition, the municipal funding represented a “super majority” of funding at 70% or higher. This measure is NOT necessary in order to make the transition from private, non-profit to municipal operation. However, it is a valuable consideration for Rolesville, or any other similar situation. A municipality could assume responsibility for fire protection at any point that there was agreement to do so. The percentages outlined above just represent past practice of North Carolina communities that have undergone similar transitions as municipalities have grown and county jurisdictions (and county funding) have diminished.

With Rolesville’s projected growth, it is certain that the funding trends will continue to show the percentage growth for the funding of the RRFD will increase for the Town of Rolesville and will decrease for Wake County Government over time. The question is simply the rate at which the change will occur. The assessment team conducted projections based upon two growth rates for the Town. One conservative projection was at 6.5% and a more aggressive projection at 9.5%. We also projected approximately five years out to gain an understanding of trend lines.

However, outside of these projections is an additional important factor. The RRFD has a distinct need to build and operate a second fire station north of downtown Rolesville. The cost projections to construct, operate and staff this station will change the overall fiscal measures of the RRFD and could significantly impact these numbers. Opening and operating this station, principally due to staffing costs will have a significant impact on the total costs of fire protection for the larger Rolesville community. In the North Carolina municipal model, each fire station a municipality operates adds approximately \$1 million annually to staff and operate a fire station. This is comprised primarily of staffing costs for fifteen (15) career firefighters and essential operating costs. Fifteen firefighters are necessary to staff four firefighters per 24-hour shift. These costs are beyond the capital expenditures. Rolesville’s costs could be different than the typical North Carolina municipal fire station costs as outlined above. Wake County’s cost share model would be impacted by this expansion and at the same time, the ongoing growth of the Town of Rolesville would impact the percentages.

A recent study that the assessment team completed for the City of Graham demonstrated that the projected costs for a 15,000 square foot fire station was approximately \$7-\$7.5 million.

Community Risk Analysis:

The assessment team also conducted analysis of the risks present within Rolesville in order to best analyze the overall community needs and risks. In providing fire and rescue services currently and especially when projecting future needs, it is essential to accurately understand the risks that the fire department is responsible for addressing and providing emergency services.

An analysis of current population demographics identified risk factors based on age, disabilities, language barriers, and poverty. Rolesville demographics revealed most at-risks groups were less than North Carolina averages except for children under the age of five and income levels.



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The *Rolesville: Comprehensive Plan 2017* has been developed to assist in future development of the community. It states the population is expected to grow to more than 20,000 in the next 20 years. This is evident by the approval of new residential development approved in 2019 by the town. The fire department should understand future development trends and demographic data to develop risk reduction programs in the community.

Target hazards within the community should be identified and pre-incident survey conducted and updated annually for full ISO credit. This component of the overall analysis is designed to determine if the merger of the RRFD could improve service delivery for the citizens in the community. An aspect of any responsible study should review risks in the community to ultimately decide the future level of service.

Insurance Services Office Review:

The assessment team reviewed Rolesville's last insurance services office report and identified some areas of opportunity that could improve the Town of Rolesville's insurance rating, which has a direct impact on the property insurance that most commercial businesses pay and serves as an economic development tool for the Town of Rolesville. The lower the insurance rating (or ISO) number, the better the rating and the lower the cost of property insurance is as a typical rule.

The Town of Rolesville's current rating is "Class 3" and was awarded in 2016. The unincorporated area served by the RRFD is "Class 4". The department is due to be re-evaluated in approximately 2021. Based upon the information provided to the assessment team, the RRFD should be able to maintain the Class 3 rating in the Town of Rolesville for 2021.

The construction of a second fire station along with the necessary staffing for the second station would positively contribute towards improving the overall ISO points earned for Rolesville. The use of a fixed fire training facility would be another key factor to improving the overall ISO points earned. The property that RRFD has purchased for a fire station at Old Pearce Road has enough land to be able to construct a minimum two-acre training center with a three-story training tower and live burn facility, which is necessary to receive optimum credit within the ISO system. Many fire departments similar in size to Rolesville are considering the Con-Ex box style facilities to use for such purposes to contain costs. The Town of Kernersville, NC is a good model to evaluate. The subject matter expert review with the RRFD Fire Chief helped to highlight several operational areas where improvements could be made and noted the value of working to achieve the available bonus points through additional public fire education outreach.



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Strategic Recommendations:

- 1. Plan for future unification of the RRFD into the Town of Rolesville.** Based upon the information provided to us and the analysis conducted, the RRFD will need to become an operating department of the Town of Rolesville at some point in the future if the Town of Rolesville continues to grow and develop as projected. However, the timing is not optimal at this point in time. Both governing boards, and hence the broader community they represent, are not ready for this significant move at this time based upon the feedback the assessment team received. The Town currently is funding a slight majority of the fire department operations versus the funding that is coming to the department from Wake County Government. However, the Town funding has not yet reached a “super majority” level of funding. It is likely if trends continue that the Town could reach that point within the next five plus years. Hence, organized and serious planning for a unification of the RRFD into the Town of Rolesville now is appropriate and recommended, with frequent and periodic revision for changing conditions. While a mutual respect was clearly present between the current Rolesville Town Commissioners and the RRFD Board of Directors, there is an opportunity to build a stronger alliance and working relationship and knowledge between the two governing bodies before taking on a merger or unification of the fire department into the Town of Rolesville. Other recommendations outlined in this report will strengthen that alliance and mutual understanding.
- 2. Until unification with the Town, current firefighters should remain employees of the RRFD.** Although it is most obvious that the RRFD will eventually become part of the Town of Rolesville, the Town of Rolesville should not take on the current career firefighters of the RRFD as Town employees at this time. For the Town to incorporate these firefighters into the Town government structure under the Council-Manager form of government, there would not be a clean and clear chain of command for those persons as the Fire Chief would not be a Town employee and the Fire Department Board of Directors would not be under the direction of the Town of Rolesville. The Town Manager would hold ultimate responsibility for the firefighters but would not have direct and immediate control of the firefighters. The firefighters would receive direction from a Fire Chief and a separate Board of the RRFD. The Town’s insurer, the North Carolina League of Municipalities, will not support the career firefighters being Town employees without the Town Manager and the Town governance structure being clear and clean. This stance would most likely be the same of any insurer that the Town of Rolesville may have, not only the NC League. The risk and liability is simply too great for the Town to enter into taking responsibility for career firefighters without taking full responsibility for providing fire protection as a Town operating department.



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3. **Wake County agreement should be executed for one career firefighter.** One of the twelve current firefighters is a full-time employee of Wake County Government and has been assigned to the RRFD for approximately 20 years. It is recommended that this employee continue to be an employee of Wake County Government for as long as possible or until such time as the Town of Rolesville assumes responsibility for the fire department. Under the legacy program initiated by Wake County many years ago, this one employee receives the NCLGERS benefits via Wake County and to lose that benefit could be detrimental to this person's career. Major differences in health care costs are also identified between Wake County and the Town as well as the RRFD. However, there is no current written contract between the RRFD and Wake County outlining the agreement for providing this position. The RRFD should execute an agreement with Wake County Government as soon as conditions will allow to outline the agreement expectations, terms and potential transition of this person into the Town of Rolesville in the future when NCLGERS opportunities may exist.
4. **Current RRFD firefighters need long-term disability coverage as soon as possible.** Although the RRFD and the Town may not currently be in a position to unify at this current point, the RRFD needs to take action as soon as conditions will allow to provide long-term disability benefits for their firefighters. A key concern of career firefighters is not having disability benefits. The firefighters have an inherently dangerous job. They are required to regularly go into immediately dangerous to life and health (IDLH) environments and the risks are truly great. An injury could easily result in a career firefighter no longer being able to be employed. NCLGERS provides this type of long-term disability for firefighters who are vested in the system. However, the RRFD could also purchase this type of coverage independently and should do so. This move would address a principle concern of the current career firefighters and would be a responsible move to the taxpayers that are served by the RRFD.
5. **Current sitting Rolesville Town Commissioners should become part of the existing RRFD Board of Directors.** The governance between the RRFD Board and the Town of Rolesville elected officials should be enhanced. The goals and mission between the two governing boards are the same – to serve the people of Rolesville and protect their lives and property. It would be advantageous for at least two sitting Town Commissioners to be officially added to the RRFD Board of Directors. This modification of the Board of Directors may require modification to the by-laws of the RRFD, but is prudent now that the Town of Rolesville is the principal funding government for the RRFD. The addition of the Town Commissioners to the RRFD Board will enhance the communication, understanding and appreciation mutually between these two governing boards. Within the work of the assessment team, there was an openness and willingness to expand the current RRFD Board of Directors to include Town elected officials and this move would be a positive step to the transition that is destined to occur moving forward in the coming years. Making this move would clearly demonstrate a commitment from both entities and exhibit an important gesture of positive good will for future growth and mutual



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success for the entire Rolesville community. This step will be essential to the inevitable unification that will be in the not distant years ahead.

6. **The Town of Rolesville should update the contract with the RRFD as soon as conditions allow.** The current contract between the Town of Rolesville and the RRFD should be re-constructed as soon as conditions allow. The current contract has been in place for a number of years (1999) and does not include provisions that are currently best practice in North Carolina between municipalities and private, non-profit fire departments. This contract can be an enabler to begin to move both organizations forward together. It would be appropriate that the agreement be revised every other year to enable regular and meaningful discussions between the Town of Rolesville and the RRFD to help jointly move towards a future unification. These bi-annual revisions will be able to reflect the Town's changing majority of funding for the fire department and can be adjusted as the dynamics are adjusted. Ownership of capital assets is a key feature in most municipal contracts in North Carolina as best practice and that component is recommended for Rolesville as well. The assessment team has provided illustrative examples of agreements for consideration by the Town and the RRFD. The Wake County contract is included in these documents as well. The Town of Garner has elected for their contract with the Garner Volunteer Fire Rescue Department, Inc. to generally follow the Wake County contract for completeness and simplicity. Using the Wake County agreement for a baseline is worthy of consideration by both the Town of Rolesville and the RRFD.
7. **RRFD should collaborate with the Town of Rolesville (and Wake County Government) to move forward with a second fire station to serve the full Rolesville fire district.** Future growth of the RRFD should include Town involvement. The Town of Rolesville is now a majority funder of the RRFD. As depicted in previous independent analysis and endorsed by insurance coverage needs, the RRFD needs to build a second station as soon as conditions allow, particularly north of downtown. Fire station construction typically takes about two years. When the second station is built, there will need to be additional career staff hired. This expansion may well be the point that the span of control of the personnel will need to be re-assessed and the current fire department governance structure will need to be adjusted. The addition of the next station could increase the total number of career firefighters to well over 20 career firefighters and necessitate that a career operations chief or other model be added. Reporting structure of that person and the capital ownership of the new station will be a key factor for the Town of Rolesville to carefully consider. The involvement of the Town Commissioners on the RRFD Board of Directors and the new contract provisions as noted earlier will help guide these decisions jointly and position the Town of Rolesville and the RRFD for positive outcomes and minimize the adjustments that will need to occur when the Town eventually becomes a part of Rolesville Town Government.



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- 8. The RRFD needs to construct an active strategic plan.** Collaboratively with the Town of Rolesville, the RRFD should construct a strategic plan that outlines the organization's goals and objectives over the next five years and defines who is responsible for carrying out those goals and objectives with timelines that are realistic. Components of this analysis report are contributory to supporting the RRFD's strategic plan along with the 2019 fire station location analysis that was conducted. Key additional areas that need focused attention will be building relationship and trust between the RRFD and the Town of Rolesville, Recruitment and Retention, Diversity, Equity and Inclusion, engagement and involvement of fire department personnel, expanding collaboration with neighboring fire departments and the timeline and construction for Rolesville's second fire station with the necessary support systems and oversight to make that construction occur in a timely and efficient manner. There are a number of key, important initiatives that are ahead of the RRFD in the next five years. Developing and maintaining a strategic plan that involves RRFD firefighters and integrally partners with the Town of Rolesville can help all stakeholders to have a clear direction of the department with an essential degree of accountability to the people that are served by the RRFD and the Town of Rolesville.

Next steps:

Next steps for this process will be for Rolesville and RRFD officials to receive these recommendations and develop a mutually agreeable plan to move forward. Priority should be given to the eight (8) strategic recommendations that are identified above. Contract changes can be challenging and it may be worthy of consideration to engage an independent, third-party group to assist the RRFD and the Town of Rolesville in that endeavor.

Both the RRFD and the Town of Rolesville are to be highly commended for evaluating and assessing this situation at this point. This proactive and positive approach is a model to other local governments and fire departments. Setting a course for the future now will pay great benefits to all stakeholders. By following the recommendations outlined in this analysis, we are confident that the citizens that are served by the RRFD and the Town of Rolesville will benefit long-term.

The entire North Carolina Fire Chief Consulting assessment team sincerely appreciates the important opportunity to provide this report and we are proud to have assisted in efficiently providing this project to improve and strengthen the fire and rescue service delivery system within the Town of Rolesville and Wake County. We sincerely thank everyone who supported this progressive initiative and express our honor to serve in this beneficial capacity of continuous improvement. The people served by the Town of Rolesville and the RRFD are fortunate to have such dedicated public servants working diligently to protect and serve them.



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2. PROJECT SCOPE:

The following is the scope of work that the Town of Rolesville approved for NC Fire Chief Consulting.

1. Phase 1 - Fact Finding and Challenge Identification

- a. With the Town and Fire Department providing the contact information for all of the necessary parties, hold a series of nine (9) virtual sessions on Zoom with at least two (2) specialty consultants, providing notice for each session and producing working notes of each session:
 - i. Provide a virtual format to hear and fully understand perspectives from the Rolesville Rural Fire Department Board.
 - ii. Provide a virtual format to hear perspectives from the Rolesville Fire volunteers.
 - iii. Provide three (3) separate sessions for current Rolesville Fire employees and volunteers who cannot join on the special volunteer session.
 - iv. Provide three (3) virtual formats to hear perspectives and concerns from Town Elected officials and select Town staff so that the majority of elected officials are not on the same session in accordance with state law.
 - v. Provide a virtual session for interested members of the Wake County Fire Commission and Wake County Fire Services staff to gain their input.
- b. Develop a customized Dropbox file for all pertinent project information to be housed so that it can be easily shared between all identified stakeholders.
- c. Construct a profile document that outlines the perspectives from the audiences above and clarifies several core facts about the department, with the appropriate parties, including, but not limited to:
 - i. Total compensation for all current employees (including salary and benefits).
 - ii. Review of part-time employees and any volunteers receiving stipends.
 - iii. Outlining key aspects of employee benefits such as health coverage and current costs.



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- iv. Review the County contract(s) relative to the one (1) County employee assigned to Rolesville Fire and identify potential transition options.
 - v. Review the Town's current salary schedule and benefits schedule and construct a comparison between the Town's system and the Rolesville Fire's system.
 - vi. Inventory key capital assets of the department.
 - vii. Review most recent available performance data from the Fire Department through ISO and/or other records management system.
 - viii. Other information that may become valuable in determining the employee situation and the current related fiscal matters.
- d. Present the above findings in written form to the Town of Rolesville in a virtual format with a recommendation of appropriate next steps.

Note: NCFCC exceeded the scope in at least the following ways:

- Conducted a community risk analysis.
- Provided an overview financial analysis.
- Provided legislative research and review regarding fire impact fees for Rolesville.
- Held twelve stakeholder meetings instead of nine.
- Conducted the RRFD Board session in-person rather than virtual format.
- Extensively exceeded the 80 project hours for the initiative, at no additional cost to the Town of Rolesville.



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3.STAKEHOLDER FEEDBACK

Rolesville Fire Department Shift Employees (below Chief Officer):

Three different group sessions were conducted virtually to collect key input from all RRFD shift employees. This was a large group and they provided a significant amount of input.

Strengths

The career staff identified a significant number of strengths for the department. All three groups agreed on the top three major strengths being that the department staff is versatile due their low numbers, gets along well with each other, and is well taken care of by the RRFD. The top ten strengths are listed in order of importance to the group below:

1. Versatile – covering thirty-six (36) square miles with one station and manage situations well with limited resources.
2. The twelve (12) paid staff gets along well together and have a lot of experience. The diversity of services provided gives them a lot of experience.
3. People who come to work here love to work her. The RRFD and Community looks after us. Small town feel and small-town fire department. Tight knit community.
4. Most work part-time elsewhere and prefer working in Rolesville. Train like there are only four on a structure fire.
5. Involvement in the many schools in the district with public education and kids coming by to see the trucks.
6. Have good relationships within the community.
7. Personnel are cross trained and complement each other.
8. On weekdays, approximately five (5) volunteers typically respond and get good help from automatic aid.
9. Volunteer force is very diverse in skills.
10. Aggressive in operational tactics.

Weakness (Gaps)

All three (3) shifts agreed on the major weaknesses of the department being retention of good employees, no Local Government Employee Retirement System (LGERS), and recruitment of employees. The top ten are listed below in order of importance:

1. Retention - People use Rolesville as a stepping-stone and leave for benefits and promotional opportunities.
2. No LGERS where the majority of Wake County FDs do have.
3. Makes recruitment of new employees very hard, i.e. a neighboring department gets hundreds of applications and RRFD may get two (2) or three (3) applicants. Losing one (1) to three (3) per year and currently over half of the RRFD employees are looking.
4. Not enough stations to cover large and expanding Rolesville territory.
5. Not enough staffing to manage multiple calls, therefore decreasing reliability.



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6. Communication and transparency. Don't always have the answers down at the shift level. We find out information the day of rather than ahead of time, which makes the FD reactive as opposed to proactive.
7. Outside training opportunities – the ability to go to outside schools.
8. Limited access to training facilities.
9. Not enough staffing or stations for Rolesville.
10. RRFD employees can't afford to live in the “new” Rolesville. Price of land and housing.

Opportunities

The career staff identified five common themes when discussing missed opportunities that could make the organization better:

1. Lack of LGERS
2. Lack of a training facility or the ability to go to outside schools.
3. Lack of a competitive benefit package.
4. Lack of leadership to maintain consistency throughout the shifts, i.e. such as an Operations Chief.
5. Lack of an advocate with the Town so they can understand what the FD does and needs.

Threats

The RRFD shift personnel identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. Rolesville is one of the fastest growing areas of the country and we are one station covering thirty-six (36) square miles. The growth of the community is overshadowing the fire department. It really applies to secondary calls occurring simultaneously.
2. Weekday service from volunteers is slim to none and night-time is getting worse.
3. Fire Department is more reactive than proactive. County is holding back the money.
4. Minimal knowledge of Town benefits package.
5. Day to day direction for consistent service delivery.
6. Lack of advancement opportunities.
7. Other Wake County FDs provide professional development opportunities for FFs.
8. Becoming difficult for a volunteer or part-time administrator to manage a growing and progressive Wake County FD.
9. Retention and recruitment of good employees.

Most Important Issues

The RRFD shift personnel identified the most important issues to them regarding the potential Town/Fire Department unification:

1. The retirement is by far the most important concern – what happens for people who are not in the system?
2. Benefits that the Town provides such as disability.
3. Compensation is in the middle for Rolesville. Not where Knightdale, Wake Forest, Morrisville are at.



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4. Other Wake County FDs pay your health benefits when you retire.
5. Nothing to look forward to. There are no advancement opportunities and there is no stability in the future.
6. Wake Forest is now attracting personnel from other municipal departments.
7. Want the Town to know more about RRFD.
8. Fire Department expansion – dire need for more stations, personnel, and opportunities.
9. Desire for more information. Transparency.
10. Don't see how only the employees going to the Town will work.

Rolesville Fire Department Chief Officers:

The RRFD Chief Officers met with NC Fire Chief Consulting in one session together to identify the elements of a SWOT analysis and came up with the following benefits and concerns.

Strengths

The chief officer group had a little different outlook on the analysis, but also identified some of the common themes that came from the career staff groups. They agreed that their strength lies in their employee base due to their attitude, commitment and dedication to the organization. The main strengths from this group are listed below:

1. Still good base of volunteers.
2. Turn out and emergency response is still good.
3. Use money from Town to hire part-time on weekdays 7AM – 6PM.
4. History and tradition since 1958 - Only 4 fire chiefs in 62 years.
5. Part-timers that work in other fire departments praise RRFD.
6. RRFD works well with Town.
7. Paid staff love coming to work.
8. Not a big turnover of employees.
9. Community support – focal point of Town.
10. Have acquired land for additional stations.

Weaknesses (Gaps)

The chief's group also identified some major weaknesses in the organization which are listed below:

1. Town board's knowledge of RRFD.
2. New people in positions across the board (Wake Co. ES Director, Town manager, Mayor, Commissioners)
3. Time spent re-education of new people in positions (Council, Manager)
4. Acquiring funding for new fire stations. Getting the next station built.
5. Apparatus. County had a funding gap from 2000-2005, so RRFD is now in the process of replacing 22 and 23-year-old apparatus.



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6. Future growth of fire department. Will take a full-time chief to manage and lead growth. (Note – there was comment of at 20 FTE, a Full-Time Chief will be needed.)
7. Only FD in Wake County to not have full-time chief.
8. A good transition for full-time chief would be when second station and personnel are hired to staff it.
9. As growth occurs, more volunteers will be needed.

Opportunities

The chief officer group captured and prioritized some opportunities for the organization that could make the organization better.

1. Grant opportunities (last grants were years ago for Plymovent and air packs)
2. Participate more in the County Training Center. Location and distance from Rolesville are an issue as it stands.
 - a. Wake Tech has plans to build a training center in the NE part of the county.
 - b. Pearce property has nine acres and could possibly be used for some kind of training prop.

Threats

The chief officer group identified some very common threats to the organization should the consolidation not occur:

1. Employees not getting in LGERS. RRFD puts 15.15% into retirement instrument for FFs.
2. No disability coverage for FFs. RRFD wants a quote on Long Term Disability Policy.
3. Town health plan may not be as good of what employees have now.
4. Can the Town just take the employees without the fire department?

Most Important Issues

The chief officer group collectively identified a list of concerns of which some are unique and others are right in line with the previous groups:

1. Current Chiefs status and role if the merger does occur.
2. What happens to FD and the current service it provides?
3. All or nothing? What will the cost be?
4. Good conversations currently going on. Pros and cons both ways.
5. No matter what, the transition will be challenging.
6. Some firefighters will not leave Rolesville if this does not go through.
7. Rolesville Fire owns property in downtown Rolesville.



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Rolesville Fire Department Volunteers:

The RRFD volunteer group provided input to NC Fire Chief Consulting through means of a survey and a virtual meeting to provide benefits and concerns of a possible merger with the Town of Rolesville. They identified the following for each area of the SWOT. The meeting information is listed first and the survey feedback for each is below.

Strengths

The RRFD volunteer group agreed on multiple strengths for the organization aligning with career staff in several ways:

1. Very rooted in the community. Old and new members. Well respected in the old community.
2. Proud of heritage and past.
3. Cohesion between the volunteers and the career staff. Mutual respect.
4. A wealth of opportunity. Moving in a positive direction.
5. Very strong volunteer staff.
6. Fire board is very supportive.

(Survey)

1. Unity. Brotherhood. Camaraderie. Companionship.
2. Small Community atmosphere committed to providing protection for the Rolesville area public.
3. Professionalism in service delivery.
4. Dedicated staff paid and volunteer with a cohesive working relationship.
5. Opportunities for new volunteer firefighters to learn and get the opportunity to train and respond with the full-time employee firefighters.
6. Volunteers built the RRFD and keep it going.
7. RRFD has a long history in the community and most citizens hold the department in high regard.
8. Connection to the community. Rolesville is a small town and many of our firefighters live in the same area they serve. It is not uncommon to respond to an emergency that involves people you know in areas that you are very familiar with. I think that this increases our ability to provide high quality community service.
9. Community involvement.
10. Strong support from Board of Directors in always being willing to consider overall needs of department in areas such as equipment, training, etc.



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Weaknesses (Gaps)

The volunteer group identified the greatest number of weaknesses and some different ones as well:

1. A bit behind, playing catch up.
2. Need at least one more station.
3. Understaffed with the number and diversity of calls.
4. Aerial w/o staffing for that unit.
5. Need more career staffing, especially with a new station. Need to staff an engine and ladder.
6. Staffing is a huge gap. We are not providing the level of service needed.
7. Training facility, we have to rely on traveling to other locations.
8. Need for Wake County to be clearer with the County's long-term planning for fire service.
9. We need to accommodate space in future stations for duty crews.

(Survey)

1. Lack of Communication.
2. Change in Leadership.
3. Different treatment between paid and volunteer personnel.
4. Better retirement benefits for career firefighters.
5. Need for multiple stations, i.e., Old Pearce Road.
6. Overall organization leadership is very closed rank. Sometimes to effect change, it is necessary to seek outside influence to convince leadership that changes are needed or to have them agree to adopt suggestions.
7. Limited leadership positions do not lend itself to an organized approach to advancement, especially when no clear goals or requirements are provided to members so that they understand what their professional development milestones need to be for consideration and possible upward mobility.
8. Chief officers and emergency scene command. We have no full-time chief officers. Our two volunteer chiefs are often busy at their jobs and unable to respond to emergencies. A chief officer must be on duty or on call at all times so that we have somebody who can respond and establish incident command.
9. Our Captains cannot effectively command an incident from inside a fire because they cannot see everything that is going on and they are not able to fully focus on the task in front of them.
10. A future for the full-time firefighters - retirement benefits.
11. Favoritism.
12. Department lacks an overall long-range plan, or at least is unwilling to share that outside of very close few. This leads to poor morale on behalf of those willing to help, but who are held at bay all because they want to make constructive remarks that are taken as criticisms or when people offer different solutions to issues.



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13. Lack of staffing. Unfortunately, volunteers can no longer be relied upon to respond from home to emergencies. We need dedicated crews at the firehouse to get fire apparatus on the scene quickly. Volunteers are too often at work or tied up with their own families and unable to respond. Even when volunteers do respond, the fire apparatus they staff have significantly delayed responses since they have to leave their homes and get to the firehouse before the truck can be going to the incident.
14. They need to have some opportunities for volunteers to work like a 6pm to 6am overnight shift for pay and learning opportunities.
15. Doing the right thing for the fire department and not for just a few people.
16. One area that is a strength and a weakness is that RRFD is in somewhat of a time warp which compared to many other departments across the county may at first seem very refreshing. Old school is not seen as a bad thing, however adapting to change is slow and painful. The department struggles, like many across the state and nation, to attract new volunteers.
17. The department does not have a clearly defined membership achievement process past the initial application submittal.
18. The Chief's office indeed should have the final say in any organization, but flow of information is very one sided. Members, career and volunteer, will be told what they need to know and when they need to be told it. Lack of willingness to involve the right people for skills that they may have that are unique, empowerment is lacking.
19. Volunteer training requirements. Rolesville volunteers are only required to complete minimum training before advancing from “probationary firefighter” to “full firefighter” we have many “full firefighters” who have only spent the minimum 2 weekends in fire training. These firefighters are fooled into thinking that they are adequately trained and that is dangerous. Surrounding fire departments require much more training such as an EMT certification or N.C. firefighter certification. If Rolesville required this level of training, we would deliver higher quality service and our members would be much safer.

Opportunities

The volunteer group identified several missed opportunities that would enhance the RRFD:

1. Training facility on high school campus (Rolesville).
2. Regional opportunity for a training facility with eastern Wake Co departments.
3. Should we be approaching fire departments about joining forces like Hopkins. Would that change our long-range station locations? Are we looking at that?
4. Duty crews. Many of our neighboring fire departments do this. They pay volunteer firefighters a small amount. Example: \$50 a night 7pm to 7am. To help staff the firehouse. Newer firefighters who do not qualify to work part time or full time yet get the opportunity to learn by training and responding with full time firefighters. This is no different than a volunteer responding to the station to bring a fire truck to an incident except you know that they will be available, and the fire truck will have a much faster response time since the volunteer firefighters are already at the firehouse.
5. New facilities should be able to house volunteers.



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(Survey)

1. Embracing Modern technology.
2. Greater accountability.
3. Built additional stations to cover the community better.
4. Providing the best benefits for career firefighters.
5. Have more paid firefighters.
6. The department struggles, like many across the state and nation, to attract new volunteers. However, the department does not have a clearly defined membership achievement process past the initial application submittal. There are potential members, but a lot simply don't apply because they feel that the department doesn't have an objective process and that applicants are often dismissed from consideration for no clear reasons.
7. Part-time employees. We have only recently began staffing the firehouse with one part time employee on weekdays. Part-time employees are cheaper to the department because their hourly rate is lower than most full-time employees and they do not get benefits such as retirement and health care etc. They are also less work to manage since many of them work full-time at other fire departments and get their state required continuing education training annually, annual physicals etc. at their full-time job. If we invested in a few more part-time employees per day, we could staff a whole second fire apparatus with dedicated employees and rely less on volunteers.
8. Not trying to merge with the Town earlier.
9. Leaders not figure heads.
10. Treat volunteers better.
11. Due to decisions that began before the department's current leadership, the department is finding itself behind the proverbial "eight ball". Stations and personnel are lacking and as mentioned above, the lack of a comprehensive plan is a direct result of some of the failures of the department to adapt to changing times.
12. The use of metrics and collective data is all but non-existence and without it, the department is ill prepared to defend current and potential future need requests. Elected leaders regrettably no longer simply accept someone's word as a justification. Is this fair? No, it is not, but it's affect is amplified by the fact that when leadership is "old school" (again, not all bad...we all want to go back to Mayberry), it places the department at a disadvantage when others seeking the same limited funds. Other departments may seem more prepared to debate their department's needs.
13. Duty crews. Many of our neighboring fire departments do this. They pay volunteer firefighters a small amount. Example: \$50 a night 7pm to 7am. To help staff the firehouse. Newer firefighters who do not qualify to work part time or full time yet get the opportunity to learn by training and responding with full time firefighters. This is no different than a volunteer responding to the station to bring a fire truck to an incident except you know that they will be available, and the fire truck will have a much faster response time since the volunteer firefighters are already at the firehouse.
14. Keep one standard for everyone and treat all the same.
15. With the growth in the RRFD response areas, primarily in the Town, the department needs a stronger "seat at the table" to advocate for itself with County and Town leaders.



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No relationship will be without some adversarial encounters. However, we as an entire department need to be able to articulate to friends, neighbors and elected leaders what our mission is and what we need to have in order to be able to accomplish it.

Threats

The RRFD volunteer group identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. A succession plan for young members
2. Concern for the retirement and benefits for career personnel
3. Need multiple stations, more staffing, new leadership
4. If nothing changes will become complacent and slide back into the year's past
5. Volunteer base is shrinking
6. There are not a lot of people wanting to be volunteers now. Need new ways to attract new members
7. No long-term disability coverage and it hurts us with recruitment and retention.
8. Town does not know what we need.

(Survey)

1. Not embracing modern technology.
2. Loss of fire district.
3. Keeping full time staff (retirement issues).
4. Losing career firefighters to other departments with better benefits.
5. The fire department will be taken over by Raleigh.
6. The focus now is obviously centered around the career staff and their perceived need to be part of LGERS. Their current compensation and benefits package are a good one, however it does limit them in that it is not a pension and given the possibilities of a disability prior to retirement age does make the LGERS option be more attractive. As neighboring departments under LGERS offer both entry level positions as well as career advancement opportunities, without change, we must accept that there will be some staff that seize these external opportunities because of enrollment in LGERS.
7. RRFD Leadership would do well to not take the career employees desire to better themselves as a personal affront to the current department offerings, but rather see that we would eliminate a huge potential for loss of skilled and acclimate employees if we were able to move under the Town and LGERS. Without a transition to LGERS, an enhanced likelihood for folks to move does exist without a consolidation move into the town.
8. Experience level. New firefighters have a lot to learn. Only a portion of what we do can be taught in class, lots of it comes from on the job experience. The more that we lose employees to other fire departments, the more new employees we have to hire. The more new employees we have lowers the overall experience level of the Rolesville Fire Department. This makes us less safe and less able to deliver high quality community service.



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9. The well rounded and heavily trained firefighter will most likely seek employment where they will have state retirement and benefits.
10. Retaining employees.
11. Leadership changes are needed.
12. Addressing and understanding the departments overall growth needs (stations, apparatus, and personnel) will remain as a "sideline" item for the Town. It is easier to turn away an external funding need than one that you are chartered to be responsible for. In times of economic downturn, it is evident that services like Fire, EMS and Law Enforcement, become funding "pawns" when money becomes tight. However, remaining as a stand-alone entity could afford RRFD with the ability to be somewhat nimble since it is a mainly autonomous organization today and being part of the Town will likely change that. Is this good or bad? Does autonomy outweigh the benefits of inclusion in the Town?
13. Insurance rating.
14. Without at least a multi-step consolidation plan, the department will remain somewhat stagnant and ultimately may struggle to deliver needed service to the citizens. At a minimum, stand-alone or part of the town, something needs to change in a way that the department is not behind the curve and always struggling to catch up.

Most Important Issues

The RRFD volunteer group identified the most important issues to them regarding the potential Town/Fire Department unification:

1. Volunteer recruitment and retention.
2. Need for moving forward with the second station asap with provisions for duty crews or live in accommodations
3. Staffing needs and levels.
4. Adequate training facilities.
5. Open succession plan
6. Small numbers, not much upward mobility chain, (career development).
7. More opportunity for input
8. Long term goals and vision
9. Develop culture of all embracing the vision and mission of the department.

(Survey)

1. Departmental administration that doesn't keep secrets and is transparent.
2. Is the Town taking full control of the fire department, all personal and all report to the town? Can the Town fund the fire department completely? Is the Town willing to take on future growth of the department and hire more full-time staff, because the volunteers are being forced out? Maybe the Town need to address the volunteers in person and no fire department ranking staff should be present so questions might be asked.
3. Working together with both organizations to preserve the years of service and paid for assets owned by Rolesville Fire Department.



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4. That if the department does move under the Town, they need to ensure that IF volunteers are going to be part of that model, that there is a clear leadership chain that represents the volunteers.
5. The survival of volunteer firefighters at Rolesville Fire Department. Volunteering is an excellent way for people who are interested in the fire service to figure out if it's for them or not. They can gain knowledge and experience in their free time before committing to a new career. This is also an excellent way to recruit new potential employees. Unfortunately, the concept of "respond from home volunteers" is becoming less effective for our growing town. I think that duty crews (as mentioned above) would be a great way to continue this great tradition of volunteer service.
6. Keeping and securing the brotherhood we all have as a department. Taking care of each other. Consider the future that the full-time firefighters may have with no retirement.

Rolesville Fire Department Board of Directors:

NC Fire Chief Consulting met with the RRFD Board of Directors in person to have dialogue about their thoughts and concerns of a possible merger with the Town of Rolesville. They identified the following aspects for each area of the SWOT analysis:

Strengths

The RRFD board listed many different strengths for the organization and agreed on many:

1. Serves community with quality service.
2. RRFD is the core of the Rolesville Community.
3. Combination fire department model works well. Volunteers are sorely needed.
4. Response time to incidents is good.
5. The fire board wants to do what's best for the community.
6. The fire board feels like it is very capable of managing the fire department's money.

Weaknesses (Gaps)

The board identified weaknesses and some that were slightly different from what the RRFD staff identified. One major weakness that nearly all mentioned was retention of career staff and the challenge it presents. Other major challenges are listed below in order of importance to the board:

1. Need to be part of NCLEGRS to be competitive.
2. Need more space to expand – Town has 35 acres called the Frazier property.
3. Need for additional stations – land has been purchased.
4. What happens to the FD capital assets is a concern.
5. Town growth creates demand.
6. Concern that the Town is not ready to take on the FD.
7. Current Town board does not understand FD operations and needs.



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Opportunities

The board of directors gave information related to missed opportunities for the organization:

1. Diversify the department – need to be part of NCLGERS.
2. Educating the Town Board.
3. If unification takes place will need a career command staff for FD.
4. Keep current Fire Board intact and Town have appointed members on board.
5. The two boards work together.
6. Allow the Town Board to hear the stories of the people who have been served/saved by RRFD.
7. Local development subsidy through local bill like Wake Forest.
8. Development fee like Parks & Recreation.
9. Look at using current Fire Chief and Deputy Chief to supervise firefighters.

Threats

The RRFD board identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. Losing personnel without NCLGERS and Town benefits – putting the FD in a bind.
2. Town Board stopping the project.
3. Possible loss of FD Board and not having any outside/community input.
4. Not sure the Town can afford the full unification.
5. Is the Town doing their part of the cost share – Is it fair?
6. Demands on growth.
7. Will the Town be able to provide money fast enough to fix major apparatus issues?
8. Town not taking care of Rural district.

Most Important Issues

The RRFD Board identified the most important issues to them regarding the potential Town/Fire Department unification:

1. Employees of RRFD in NCLGERS.
2. Education and involvement of Town Board.
3. Build additional fire stations sooner than later – need at least two more right now.
4. Hire additional firefighters to fill stations.
5. Capacity of the Town to take on FD.



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Town of Rolesville Elected Officials:

NC Fire Chief Consulting met with the Town of Rolesville Mayor and Commissioners in small groups over three (3) different sessions to discuss the possible benefits and concerns of a possible merger with the WWFD. They shared input in each area of the SWOT analysis.

Strengths

The mayor and commissioners had valuable feedback on strengths of the RRFD:
They represent the Town even though they are not part of the Town.

1. They are involved and helpful with events.
2. Work hard, especially on ISO rating.
3. Unity and community are evident and appreciated.
4. Keep up with training and take the initiative.
5. Dedicated to the community.
6. Good job keeping up with equipment and organizational pride.
7. Has land for additional stations.
8. Funded well by County and Town.
9. Equipped with Ladder truck for multi-story buildings.

Weaknesses (Gaps)

The elected officials group contributed input on some weaknesses for the department:

1. Huge need for LGERS retirement and Town benefits.
2. Retention and recruitment of quality employees.
3. Transition to a more urban model from a rural model.
4. Working from only one station. How do we transition?
5. Lack of diversity within the department, both females and people of color. It's only getting harder with other Wake County departments offering retirement and benefits.
6. Lack of incentives for volunteers.
7. Need for mentoring and succession planning.
8. Need for youth in membership and board.
9. Plan if volunteers diminish.

Opportunities

The mayor and commissioners identified several missed opportunities by the department:

1. Would like to see more engagement of fire department officers interact with the Board beyond the Fire Chief.
2. Enabling the community to learn more about what the fire department does. Gave example of a controlled burn with cameras so that others can learn about the fire department. Need to get the message out.
3. Opportunity to lead a high school program to help recruit firefighters and community involvement.



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4. Provide more opportunities for outreach to the community to build relationships. Example given of coffee with a cop at McDonalds that Police do. Need to build that comfort level.
5. Unification is a natural progression, as the funding has crossed the threshold of fifty (50) percent plus provided by the Town.
6. Grant opportunities.
7. Change in the model for recruiting.

Threats

The elected officials identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. Managing the pace of economic growth and keeping up with expansion.
2. Financial strain to be able to expand.
3. Necessary tools to recruit talent.
4. Losing firefighters to other municipalities due to lack of benefits.
5. Having to recruit, train, and retain other firefighters into Rolesville.
6. Would like to bring the firefighters under the Town umbrella without having to bring the entire fire department into the Town. Struggling with the complexity of the full transition.
7. Being able to service the many new residents that are coming into Rolesville.
8. Transition – full versus incrementally?
9. Lack of knowledge by commissioners about the transition process.
10. Current organizational model will not work in the future, not sustainable.

Most Important Issues

The elected officials identified the most important issues to them regarding the potential Town/Fire Department unification:

1. Benefits and retirement so we don't lose our firefighters to other municipalities.
2. Need for additional stations for coverage.
3. Fair and open process that lets the public know that we are using their money responsibly.
4. Look at funding and assets of the fire department. We believe that the fire department could be brought into the Town without a significant additional cost.
5. The time it will take to make the transition.
6. Diversity of FD workforce.
7. A career fire chief will be needed to make transition successful.
8. ISO ratings to sustain and improve.
9. Do this right the first time, not in incrementally.
10. Devise a long-term vision for this process.
11. FD growth keep up with Town growth.
12. Provide level of service the community deserves.
13. Reliability of response impacts.



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Town of Rolesville Manager and Key Staff:

NC Fire Chief Consulting met with the Town of Rolesville Manager and staff in small groups over three (3) different sessions to discuss the possible benefits and concerns of a possible merger with the RRFD. They shared input in each area of the SWOT analysis.

Strengths

The manager and town staff had valuable feedback on strengths of the RRFD:

1. Long history in the Town and well-known and respected by long-term residents.
2. Department cares about community and benefits from a lot of community support.
3. Many firefighters serve because they want to as evidenced by the volunteers.
4. Loyalty by fire staff and historically strong.
5. Strong can-do attitude and provides a good service.
6. Equipment is in good shape for the age. Station is okay for 1980 station.
7. They have managed their financial situation well in equipment and operations and the linkage to the Town is strong.
8. Advocates of training. Train with the police together.
9. Very personable and big on building relationships in the community.
10. Willing to collaborate for fund raisers for needful situations.

Weaknesses (Gaps)

The town staff group contributed input on some weaknesses for the department:

1. Need for diversity to mirror the community, while not passing over other qualified candidates.
2. Limited mindset beyond Rolesville.
3. Do not have as much strength as they need with the County system.
4. Full-time leadership versus part-time.
5. Two cultures – full-time and volunteers.
6. Station facilities are limited, inability for females.
7. Financials are managed by one person and knows that individual system.
8. Relationship between Rolesville and Wake Forest is not as strong as desired.
9. Rural orientation versus urban orientation.
10. How to manage the growth and how to pay for it and how to go about the growth.
11. Need for more modernization with the need for administrative infrastructure.
12. Compliance with HR requirements, hiring practices, benefits, etc. Not a good pulse of those components currently.



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Opportunities

The manager and town staff identified several missed opportunities by the department:

1. Don't see the internal workings and may not be well informed.
2. Need to be at a higher level of understanding of internal operations of the fire department, i.e., information on hiring processes.
3. Could promote more fire safety initiatives, especially for older segment of community.
4. Continued outreach in the community – could partner more on programs with Police, such as coffee with a cop, shop with a cop, etc.
5. Grant possibilities could be a good opportunity.
6. Fire has good relationships and can expand on these and more.
7. Emergency response on a significant event.
8. Pushing to get Wake County to do a table-top here for a while.
9. Concerned about a disconnect across fire, EMS, Police.
10. Don't know if they are looking at alternate funding sources.
11. Come in as odd man out with the county in budget discussions.
12. Could work stronger with Wake Forest, Zebulon, Wendell.

Threats

The manager and town staff identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. Turnover of the Fire Department Board. Board has a lot of similarities.
2. Board being internally appointed. Could cause the community to diminish support for the fire department due to the internal model.
3. Leadership modernization, need to be more data driven.
4. Rapid growth in Rolesville and adapting to standards with transitions.
5. Interest from the Town Commissioners on increasing diversity.
6. Leadership will likely take on more responsibility as part of the town.
7. Increased variety of services in order to be part of the Town.
8. Will be a learning curve for all town departments.
9. Focus on growing volunteers and career succession as well as recruitment.
10. Difficulty in being able to recruit and maintain a high level of firefighters to serve at Rolesville that can offer comprehensive benefits that are competitive and without that, the community will suffer.
11. Being part of a larger organization may spawn concerns that did not emerge as a small organization.
12. Planning for future growth.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Most Important Issues

The manager and town staff identified the most important issues to them regarding the potential Town/Fire Department unification:

1. Unification at some point is inevitable. The issue is when.
2. Taking on the fire employees will take the Town to over 50 employees, which brings additional requirements from labor and HR regulations.
3. Employment liability concerns. Employee who is a town employee but the Town not being under control of the Town. Accountability.
4. Coverage with the NC League.
5. General liability concerns.
6. Retirement concerns with transition to NCLGERS.
7. Payroll system integration with the Town. Town uses the 28-day cycle. Only government employees can use the 7(k) exemption.
8. Onboarding issues of current employees. Process, personnel records, etc.
9. Leave accrual transition.
10. Pay scale and pay plan – will that scale need to change. Police have a ladder now that differs from general employees.
11. Who handles certifications of employees – bloodborne, general OSHA, fire training, etc.?
12. Will these changes affect the Wake County funding model? What changes would occur?
13. Transitioning management and leadership from part-time to full-time.
14. Leadership - vision that is articulated and clear
15. Professionalism
16. Positive work environment
17. Equipment
18. Sufficient funding
19. Well thought out response methods
20. Training - need to remain well trained and focus on the safety of personnel and community.
21. Will there be living requirements and restrictions – parallel to Police?
22. Sufficient staffing
23. Comradery
24. Do they have adequate resources for a growing community?
25. How will it affect other departments?



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Wake County Staff and Fire Commission:

NC Fire Chief Consulting met with members of the Wake County Fire Commission and staff to discuss the possible benefits and concerns of a possible merger between the RRFD and the Town of Roseville. They shared input in each area of the SWOT analysis.

Strengths

Several strengths were noted below:

1. Fire station is positioned well in the center of the district.
2. Community supports the department and interacts well with the community.
3. Volunteerism is stronger in Rolesville than in some other Wake communities.
4. Fire department staff have good knowledge of the community.
5. Not a lot of turnover within the full-time staff.
6. Full-time employee is a Captain who is a full-time Wake County employee.

Weaknesses (GAPS)

The fire commission members and staff contributed input as to what they see as GAPS for the RRFD:

1. Importance in long-range vision in leadership as Rolesville grows and transitions to face the challenges and needs.
2. Important for strong financial KSA's as the community and organization grow.
3. Need to embrace technology in communications and data and modernize.
4. Department has been hesitant to follow closest station response because of historical "turf" of their district.
5. Need for the department to transition to full-time leadership for the department as a municipal fire department.
6. Need for transitioning from the volunteer culture into the municipal culture.
7. Department had a lot of resistance to modifying their district boundaries to better serve people.
8. Need additional station/stations, have property outside the 5-mile area.

Opportunities

The Wake County staff and Fire Commissioners identified several missed opportunities:

1. Additional involvement from Rolesville in the county fire commission committee.
2. Remaining current with latest fire service best practices such as basing requests on data for business case needs versus emotional appeal.
3. Collaborating with neighboring fire departments for joint response.
4. Getting into the municipal mindset of collaboration with neighbors.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis

November, 2020

Threats

The commissioners and staff identified dynamics that present threats to the RRFD that could hold them back from being all that they could be for the people that they serve and protect:

1. Longer term residents are no longer leading Rolesville. It is now led by newer residents to the community who have higher expectations of their fire service that is supported by their tax dollars.
2. As the organization transitions, leadership will need to transition as well. Strong leadership is necessary during the transition.
3. There is fear in losing the hometown feel as the needs of the community have changed and will be changing more. There is a fear of the unknown. However, other municipalities in Wake County have already gone through this transition and provide a model for Rolesville.
4. Municipal budgetary and human resource requirements will be a huge challenge for Rolesville to make the transition. This is observed in the Fire Department Board as well.
5. All areas served by Rolesville should be looked at as one and not for Town and rural district. County provides \$.097 per \$100 in the unincorporated areas.

Most Important Issues

The fire commissioners and staff identified the most important issues to them regarding the potential Town/Fire Department unification:

1. Discussions should be open and transparent about the process in community discussions.
2. What are the budgetary impacts to the county fire tax district? That would be the primary concern of the Fire Commission.
3. Long-term, there will not be unincorporated areas of Rolesville that will not be municipal. Cost share will flip more from the county to the Town. Apex is now at 16% in cost share as they have transitioned. Rolesville is at 48.51% cost share – as a 3-year rolling average.
4. Unification, standardization and service delivery with accountability to the citizens who support these services with their tax dollars.
5. Stronger collaboration with Town of Wake Forest to co-locate stations and apparatus with existing stations as well as the northern station partnership with Rolesville along with Wake County.
6. Looking at the Knightdale transition, their success has been greatly attributed to the leadership. In that model, the capital assets went to the County rather than the Town to make the transition successful.
7. Respect and honor the past, but focus the energy and attention to the future.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

4. CAPITAL ANALYSIS

The RRFD has been diligent and prudent in preparing for the future of the fire department and providing sustainable long-term service for the Rolesville community. The department has purchased land in three locations for future fire stations. In June, 2019, the department conducted a study of the three potential fire station locations to determine the highest priority order for the stations to be built. The fire station to be located at Old Pearce Road and Daniel Road was designated at the time to be the department's highest priority to move forward with. Since that time the need has continued to increase. The assessment team continues encouragement to move forward with the station in the Old Pearce Road area. As a component of this analysis, the team reviewed the insurance rating for Rolesville. It was affirmed that the northern fire station site will help with the insurance rating for the department. Also, that property will provide an opportunity for a fixed site training facility, which is very much needed for Rolesville as well.

The RRFD owns five properties in Wake County with a cumulative total value of \$2,242,913 using current tax valuation. Two of these properties have buildings, including the property for the fire station located at 104 East Young Street and the former EMS building located at 204 East Young Street. The remaining three properties have been purchased for future fire stations on Fowler Road, Zebulon Road and Burlington Mills Roads.

Furthermore, the department owns fourteen (14) motorized, licensed vehicles including 3 fire engines, 1 ladder truck, 1 tanker, 2 brush trucks, 1 rescue truck, 2 administrative vehicles and 4 specialty vehicles.

Within this section, we also researched and evaluated any funding opportunities that the Town of Rolesville could potentially take with regard to funding capital expenses through development impact fees with a detailed legislative analysis specifically for Rolesville. The Town of Rolesville was authorized to collect impact fees in 1987 through a local bill for set purposes. However, fire protection was not one of the services that was identified in that bill. In 2017, the North Carolina State Legislature drastically reduced the ability to impose impact or development fees. With current state laws, it would be impractical to try to implement impact or development fees for the Town of Rolesville for the purposes of fire protection. Therefore, the funding sources for capital improvements will be forced to fall on other general fund revenues.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Town of Rolesville Impact Fees

History

Impact fees are common in local governments throughout the United States with a simple intention. As new development occurs, infrastructure is needed but those needing the services have yet to pay taxes. The need for the expanded services becomes a financial strain on cities and counties. Impact fees or developmental fees are a common method for local governments to expand infrastructure and other services by charging new developments and voluntary annexations. These fees vary by jurisdiction but typically follow a uniform formula. Many states and local governments also include schools, public safety, recreation, sidewalks, and even road construction.

In 1987, Senate Bill 1576 was passed. This act allowed Town of Rolesville to collect impact fees from developers for the purpose of town infrastructure which included: “improvements to public streets, bridges, sidewalks, greenways, water treatment facilities, wastewater treatment facilities, bikeways, on and off street surface water drainage ditches, pipes, culverts, other drainage facilities, public schools, and public recreation facilities”.

Development Fees and Impact Fees

North Carolina State and local law uses the terms “development fees and impact fees” to describe monies charged for water and sewer development. In 2017, legislation was enacted that clarified any bill prior to 2017. Throughout history, North Carolina has passed thousands of local bills usually known as “Session Law”. Session Law is worked on through localities state-level delegation and moves through the North Carolina General Assembly with less scrutiny than traditional bills. These are designed to allow fixes for problems specific to an individual local government.

Previously, development fees and impact fees were considered “Session Law” issues. Over time, this created a situation where fees were being used for different reasons depending on the local government’s need and based on their specific Session Law. For example, the Town of Rolesville’s bill allows for impact fees to include public school funding while Town of Wake Forest’s bill does not.

Essentially, House Bill 436 sought to clarify all prior legislation including “Session Law” as it relates to development or impact fees. General Statute 162A-88 “establishes a uniform authority for system development fees to be charged by a publicly operated water or sewer system, or both, effective October 1, 2017, applying to system development fees imposed on or after that date. The act also clarifies that the statute of limitations is three years for repayment of an unlawful fee, charge, or exaction imposed by a local unit of government, applying to claims accrued or pending prior to and after July 20, 2017.”



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

In summary, the 2017 bill drastically reduced local government's ability to impose impact or development fees. Currently, it seems these fees can only be used for public water and sewer systems. Although, much of the language throughout G.S. 162A-88 would lead one to believe other infrastructure could be included. While the statute sought to create a guide for impact fees, it created more confusion than overall clarification.

Findings

Due to the complex nature of North Carolina's development fees or impact fees laws, it is not recommended as a source of revenue for fire protection services. Currently, the Town of Rolesville is operating under Senate Bill 1576 which authorizes the use of impact fees for infrastructure and public services which became more restrictive after 2017 legislation which created G.A. 162A-88. With G.A. 162A-88, those items approved in 1987 would not be authorized today.

In addition, groups such as the North Carolina Home Builders Association have challenged impact fees and, in many situations, they have won these challenges. Of course, individual developers have taken issue with impact fees. Most of these complaints are seen at the local level but some have been with state and judicial objections. Local governments have found it challenging to accurately predict or estimate the cost of developmental infrastructure. These difficulties often become the center of litigation. Obviously, litigation, if successful establishes judicial case precedents and could remove authority authorized to the Town of Rolesville through Senate Bill 1576.

Real Properties Owned by the RRFD:

0458716	ROLESVILLE RURAL FIRE DEPARTMENT IN	0 FOWLER RD
0439718	ROLESVILLE RURAL FIRE DEPARTMENT IN	0 ZEBULON RD
0054636	ROLESVILLE RURAL FIRE DEPT INC	104 E YOUNG ST
0107673	ROLESVILLE RURAL FIRE DEPT INC	4124 BURLINGTON MILLS RD
0007310	ROLESVILLE RURAL FIRE DEPT INC	204 E YOUNG ST



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Wake County Real Estate Data Account Summary

Real Estate ID 0007310 PIN # 1769008868

Location Address: 204 E YOUNG ST Property Description: ROLESVILLE EMERGENCY MEDIC SVC BM2002-01187

Property Location Address: 204 E YOUNG ST ROLESVILLE NC 27571-0562

Account	Buildings	Land	Deeds	Notes	Sales	Photos	Pay Bill	Map
Administrative Data Ok Map # 072-0000-0072 Map/Scale 1768 17 VCS CBR0001 City ROLESVILLE Fire District WAKE FOREST Township EXEMPT Land Class RO ETJ (Spec Dist) Zoning R-1 History ID 1 History ID 2 Acreage .39 Permit Date 2/21/2003 Permit # 0000031489			Transfer Information Deed Date 4/24/2008 Book & Page 13066 0230 Revenue Stamps Pkg Sale Date 2/22/1999 Land Sale Price \$45,000 Land Sale Date Land Sale Price Improvement Summary Total Units 0 Recycle Units 0 Apz/SC Soft Heated Area 3,729			Assessed Value Land Value Assessed \$40,000 Bldg. Value Assessed \$544,610 Tax Relief Land Use Value Use Value Deferral Historic Deferral Total Deferred Value Use/Hist/Tax Relief Assessed Total Value Assessed* \$584,610		

*Wake County assessed building and land values reflect the market value as of January 1, 2020, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date does not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment. The January 1, 2020 values will remain in effect until the next county-wide revaluation. Until that time, any real estate accounts created or new construction built is assessed according to the 2020 Schedule of Values.

For questions regarding the information displayed on this site, please contact the Department of Tax Administration at Taxhelp@wakegov.com or call 919-856-5400.

Wake County Real Estate Data Account Summary

Real Estate ID 0107873 PIN # 1748008870

Location Address: 4124 BURLINGTON MILLS RD Property Description: LO1 ROLESVILLE FIRE DEPARTMENT BM2016-01918

Property Location Address: 4124 BURLINGTON MILLS RD WAKE FOREST NC 27587-9128

Account	Buildings	Land	Deeds	Notes	Sales	Photos	Tax Bill	Map
Administrative Data Ok Map # 266-- Map/Scale 1749 04 VCS 1982000 City 23 Fire District WAKE FOREST Township VACANT Land Class RO ETJ (Spec Dist) Zoning R-1 History ID 1 History ID 2 Acreage 3.48 Permit Date 2/28/1995 Permit # 000092356			Transfer Information Deed Date 4/29/2016 Book & Page 16369 2073 Revenue Stamps Pkg Sale Date Land Sale Price Land Sale Date Land Sale Price Improvement Summary Total Units 0 Recycle Units 0 Apz/SC Soft Heated Area			Assessed Value Land Value Assessed \$120,928 Bldg. Value Assessed Tax Relief Land Use Value Use Value Deferral Historic Deferral Total Deferred Value Use/Hist/Tax Relief Assessed Total Value Assessed* \$120,928		

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Wake County Real Estate Data
Account Summary

Maps
Tax Bills
Account Search

Real Estate ID 0054636

Location Address
104 E YOUNG ST

PIN # 1769017022

Property Description
ROLESVILLE RURAL FIRE DEPT INC BM1995-404

Pin/Parcel History Search Results New Search

Account	Buildings	Land	Deeds	Notes	Sales	Photos	Tax Bill	Map
<p>Property Owner ROLESVILLE RURAL FIRE DEPT INC <small>(Use the Deeds link to view any additional owners)</small></p>			<p>Owner's Mailing Address PO BOX 249 ROLESVILLE NC 27571-0249</p>			<p>Property Location Address 104 E YOUNG ST ROLESVILLE NC 27571-0313</p>		
<p>Administrative Data</p> <p>Old Map # Map/Scale VCS City Fire District Township Land Class ETJ Spec Dist(s) Zoning History ID 1 History ID 2 Acreage Permit Date Permit #</p>			<p>Transfer Information</p> <p>Deed Date Book & Page Revenue Stamps Pkg Sale Date Land Sale Date Land Sale Price</p> <p>Improvement Summary</p> <p>Total Units Recycle Units Appl/SC Soft Heated Area</p>			<p>Assessed Value</p> <p>Land Value Assessed Bldg. Value Assessed Tax Relief Land Use Value Use Value Deferral Historic Deferral Total Deferred Value Use/Hist/Tax Relief Assessed Total Value Assessed*</p>		
<p>072-0000-0069 1769 17 CBR0001 ROLESVILLE WAKE FOREST P EXEMPT RO</p>			<p>3/20/1995 06469 0282 32.00 3/20/1995 \$16,000</p>			<p>\$297,000 \$946,725</p>		
<p>1.72 3/9/2017 0000172642</p>			<p>0 0 12,789</p>			<p>\$1,243,725</p>		

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Wake County Real Estate Data
Account Summary

Maps
Tax Bills
Account Search

Real Estate ID 0439718

Location Address
0 ZEBULON RD

PIN # 1860734246

Property Description
ROLESVILLE FIRE DEPARTMENT BM2016-01404

Pin/Parcel History Search Results New Search

Account	Buildings	Land	Deeds	Notes	Sales	Photos	Tax Bill	Map
<p>Property Owner ROLESVILLE RURAL FIRE DEPARTMENT IN <small>(Use the Deeds link to view any additional owners)</small></p>			<p>Owner's Mailing Address PO BOX 249 ROLESVILLE NC 27571-0249</p>			<p>Property Location Address 0 ZEBULON RD WAKE FOREST NC 27587-</p>		
<p>Administrative Data</p> <p>Old Map # Map/Scale VCS City Fire District Township Land Class ETJ Spec Dist(s) Zoning History ID 1 History ID 2 Acreage Permit Date Permit #</p>			<p>Transfer Information</p> <p>Deed Date Book & Page Revenue Stamps Pkg Sale Date Land Sale Date Land Sale Price</p> <p>Improvement Summary</p> <p>Total Units Recycle Units Appl/SC Soft Heated Area</p>			<p>Assessed Value</p> <p>Land Value Assessed Bldg. Value Assessed Tax Relief Land Use Value Use Value Deferral Historic Deferral Total Deferred Value Use/Hist/Tax Relief Assessed Total Value Assessed*</p>		
<p>235-- 1869 04 19WC050 23 WAKE FOREST VACANT WC R-40W</p>			<p>10/5/2016 18559 0474 531.00 10/5/2016 \$285,500</p>			<p>\$171,270</p>		
<p>9.00</p>			<p>0 0</p>			<p>\$171,270</p>		

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Wake County Real Estate Data Account Summary

Real Estate ID 0458716 PIN # 176799838

Location Address: 0 FOWLER RD Property Description: LOT1 STEVE WHEELER BM2018-01218

Property Owner: ROLESVILLE RURAL FIRE DEPARTMENT IN (Use the Deeds link to view any additional owners)

Owner's Mailing Address: PO BOX 2499 ROLESVILLE NC 27571

Property Location Address: 0 FOWLER RD ZEBULON NC 27597-

Administrative Data	Transfer Information	Assessed Value
Old Map # 312--	Deed Date 6/25/2018	Land Value Assessed \$122,380
Map/Scale 1787 02	Book & Page 17165 1148	Bldg. Value Assessed \$42,000
VCS 09WC900	Revenue Stamps	
City 23	Pkg Sale Date	
Fire District LITTLE RIVER	Land Sale Date 6/25/2018	
Township VACANT	Land Sale Price \$171,000	
Land Class WC		
ETJ		
Spec (Dist)		
Zoning R-40W		
History ID 1		
History ID 2		
Acres 5.91		
Permit Date		
Permit #		
	Improvement Summary	
	Total Units 0	
	Recycle Units 0	
	Ag/SIC Soft	
	Heated Area	
		Use/Hist/Tax Relief Assessed
		Total Value Assessed* \$122,380

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RRFD Apparatus Inventory List:

E- 151	2012 Pierce Pumper	(1000 Gal.)
E- 152	1999 Freightliner Pumper / Tanker E-One	(1250 Gal.)
E- 153	2005 Pierce Pumper	(1000 Gal.)
B- 154	2008 Ford F-550 Brush Truck	(250 Gal.)
T- 157	2006 International Tanker - KME	(2000 Gal.)
B- 159	1967 Jeep Kaiser Brush Truck	(250 Gal.)
Rescue 15	1999 Freightliner Rescue Truck - E-One	
Ladder 15	2009 Ferrara Ladder Truck	100 Foot
Car 1	2011 Chevrolet Tahoe	(Chief's Vehicle)
Car 2	2008 Chevrolet Tahoe	(Asst. Chief Vehicle)
2008	Polaris Ranger Off Road Vehicle	
2009	Pace Enclosed Trailer - Off Road Vehicle transport	
2009	Chevrolet 2500 Truck - Utility 15	
2019	Dodge 2500 First Responder Vehicle	



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5. BENEFITS ANALYSIS

While salary compensation is important to most every employee, benefits are also critical to understanding the total compensation for every employee. For many employees, benefits are equally important to direct compensation and for some, benefits are more important. Often, persons choose a career in local government over the private sector for benefits, recognizing that their direct compensation will be less as a government employee but benefits can be stronger. This fact is supported by research conducted by the Society for Human Resource Professionals (SHRM).

Feedback the assessment team received from RRFD employees indicate that benefits are very important to the current employees. Employees being a part of the NCLGERS was reflected as being an essential component for long-term success for the department in recruiting and retaining employees. The NCLGERS system offers a defined benefit versus private 401(k) and similar programs offering a defined contribution methodology. The importance of participating in NCLGERS was due to most of the competitive fire departments offering this benefit currently and RRFD not offering this benefit. While the RRFD is contributing an equitable amount into a defined contribution plan, the benefits are not as great as a defined benefit plan.

However, it is very important to note that in listening to the current RRFD firefighters, one of the most important aspects of being part of NCLGERS for the firefighters individually was having the long-term disability provisions that NCLGERS provides for persons who are vested in the NCLGERS system – which is five years. Because firefighting is such an inherently dangerous profession, it is very real for these firefighters that their lives and their livelihood is on the line each and every day on the job and a disabling injury could happen at any time in their profession. While NCLGERS has the long-term disability provisions, the RRFD could purchase long term disability insurance for their firefighters through private insurance. It would be more expensive to do so, however it is the observation of the assessment team that providing that provision is very important to the current firefighters and would strengthen RRFD's recruitment and retention until such time as they could become part of NCLGERS.

Health insurance is another key factor for consideration. The smaller the group, the most-costly health insurance typically is for the employee and the employer. The assessment team reviewed some of the monthly employee costs for health insurance and identified significant cost differences between the monthly employee costs for current RRFD employees compared to Town of Rolesville employees. We also compared Wake County Government costs because one of the current employees at RRFD is a Wake County Government employee. As an example, family coverage for an RRFD employee is almost \$179 more per month than a Town of Rolesville colleague, and almost \$890 per month more than a comparable Wake County colleague.



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One last piece of importance relative to benefits is that the RRFD is not allowed to operate using the Fair Labor Standards Act (FLSA) special provision for firefighter overtime, known as the 7(k) exemption. This exemption designates when Firefighters are required to earn compensable overtime. Under the current private, non-profit structure, the RRFD must compensate firefighters who work more than forty (40) hours in a seven (7) calendar day period. The FLSA allows municipal firefighters to work up to 212 hours in a 28-day period before being compensated at overtime rates. The financial reports did not outline overtime costs that the RRFD were currently paying separate from salaries.

Benefits Introduction

Employee benefits are the foundation for every public safety agency's recruitment and retention program. Both recruitment and retention are important pillars of every public safety organization. Public safety is a dynamic ever-changing profession which means retaining experienced workers is paramount. Additionally, fire and police officers must understand the area in which they serve. This is an intangible, but invaluable, quality built through experience. Gaining experience requires recruiting the right employees and then retaining those employees.

Potential firefighters enter their careers understanding their starting salary will be less than a private sector job requiring similar abilities. However, they do expect comparable benefits with other public safety workers. While Rolesville does provides a competitive benefits package, there is room for improvement.

Medical Insurance

Governmental fire departments have a clear advantage over non-governmental fire departments. In most cases, governmental fire departments are included in their local government's group plan thus making overall cost for the fire department lower. For example, if the fire department becomes part of the town, the Town of Rolesville would combine its 43 employees with the fire department staff to establish a group rate. This blends non-hazardous positions with hazardous positions which creates lower medical premiums for all municipal workers including the fire department. Non-governmental fire departments must rely on private insurance companies and their rates are based solely on the individual department. Thus, non-governmental departments are receiving rates based on hazardous positions only. This produces a higher premium for the department. A review of premiums recognizes a situation where Rolesville Rural Fire employee pays almost \$500.00 per month more than a Town of Rolesville peer.

Pension Program

As a non-governmental fire department, Rolesville Rural Fire Department is not eligible for North Carolina Local Government Employees' Retirement System (NCLGERS). NCLGERS is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. Defined benefit plans use a formula to calculate monthly retirement benefits once eligibility requirements have been met. This, of course, provides the employee with a predictable retirement situation. In



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

addition, it allows the employee to set goals and control their own retirement situation. While this is important for every municipal worker, this is especially important for firefighters. In addition, NCLGERS offers a disability pension. Firefighters have a dangerous and difficult job that often results in physical deterioration, mental exhaustion, and other long-term negative health effects. If a firefighter were to suffer mental or physical injury, they could receive disability pension for the rest of their life. Under Rolesville Rural Fire current plan, a disabled firefighter would only receive the monies they paid in plus interest. This would likely create a significant income gap as the firefighter ages.

Again, over 1000 governmental agencies in North Carolina are members of NCLGERS. That fact alone makes NCLGERS membership an important tool for recruitment and retention. Cities and Counties compete for talent and must offer similar pension plans to recruit quality personnel. Employees without access to NCLGERS will likely look to departments with access to the defined benefit plan.

401k and 457 Plans

As with LGERS, access to 401k and 457 plans are also important. These supplemental retirement options have become a necessity for any employee wishing to retire after 30 years of service. Currently, Rolesville Rural Fire only has a 457 defined contribution plan which does allow the employee to contribute but the employee would be limited by federal IRS contribution restriction of \$19,500 annually.

Most North Carolina municipalities offer NCLGERS, 401k match, and access to 457 plans. Further, some municipalities also contribute to employees 457 plans. As a member of NCLGERS, the 401k and 457 plans are managed by North Carolina Treasurer's Office and as such keeps pace with NCLGERS return on investment. This also provides some flexibility for the employee. For example, NCLGERS employees have an option to roll their 401k plans into their pension. This ultimately increases the employee's monthly payout, an option not available in traditional defined contribution plans.

The assessment team formed a comparison of benefits offered by the Town of Rolesville and the RRFD. In addition, because there is currently one employee at RRFD who is an employee of Wake County Government, we also included a comparison of benefits for Wake County. The data below will illustrate that the starkest difference in the benefits is with health insurance. The larger the group, typically the less the premium because of the mix of risks as was noted earlier. By example, the monthly family medical costs varies as much as \$889.94 per month between Wake County Government (with 3,800+ employees) and RRFD. The difference between the Town of Rolesville (with 43 employees) and the RRFD (with 11 employees) is \$155.42. It is important to note that differences in coverage is also an important consideration to evaluate in order to truly compare "apples to apples". Furthermore, should RRFD employees come into the Town of Rolesville, that infusion of employees could affect the Town of Rolesville employee premiums. However, those additional levels of detail were beyond the scope of this project at this time.



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Benefits	Town of Rolesville	Rolesville Fire	Wake County
Medical	Employee is covered	Employee is covered	25.00-95.00/mo.
Family Medical	1,201.00/mo.	1,379.94/mo.	490.00/mo.
Parent/Children	482.00/mo.	637.42/mo.	150.00/mo.
Vision	Employee is covered	Information not available	7.00/mo.
Dental	Employee is covered	Employee is covered	11.00/mo.
Pension	10.20%	15.15%	10.20%
401k	5%	0	5%
457	Employee can contribute	Employee can contribute	Employee can contribute
Life Insurance	25,000	100,000	Payout equal to annual salary
Short-term Disability	Yes	Yes (VFIS)	No
NC Fire and Rescue Pension	N/A	120	120
Tuition Reimbursement	Yes	Yes	Yes

Note: At the time of completion of the above data, the RRFD reports a 21% rate increase is coming to the department for health insurance premiums from BCBS.

Turnover

Turnover is very expensive for any fire department. For many municipal, career fire departments in North Carolina, the cost to recruit, train and equip a firefighter is approximately \$50,000. Therefore, importance is placed on minimizing firefighter turnover by many municipalities. Stakeholders noted that there was a perception that the RRFD was losing firefighters to other governmental fire departments because the RRFD did not provide the NCLGERS benefits package. This may be true. Below is a list of firefighters that have left the RRFD in the past five years as reported to the assessment team. It would not be possible without conducting exit interviews to validate the reason(s) why previous employee left the department. Many municipal fire departments have about a 5% per year turnover rate – hence about 25 % in five years. With eleven career firefighters over a five-year period, RRFD has lost 64% of their career firefighters. The chart below indicates the year the person left employment and reason that was stated.



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YEAR DEPARTED	REASON FOR DEPARTURE FROM THE RRFD
2015	Involuntary
2016	Went to a fire department with NCLGERS
2017	Went to a fire department with NCLGERS
2018	Involuntary
2018	Went to a fire department with NCLGERS
2019	Went to a private non-profit fire department as a Chief Officer
2020	Went to a private non-profit fire department

Fair Labor Standards Act (FLSA)

Because the RRFD is a private, non-profit organization and not a governmental entity, the FLSA does not allow the RRFD to utilize work periods beyond seven calendar days without providing overtime when a firefighter works more than 40 hours. Government agencies may enable firefighters to work as much as 212 hours in a 28-day period before receiving overtime compensation. This is an important notation for both the RRFD and Town of Rolesville to recognize. As future unification occurs, Town of Rolesville firefighters would be able to utilize the 28-day work periods if so desired. The FLSA laws have a significant impact on overtime earned and thus costs to operate and provide fire protection as more of the firefighters become career firefighters. Additional detail on this ruling is noted on the next six (6) pages.



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U.S. Department of Labor

Wage and Hour Division
Washington, DC 20210



FLSA2018-24

November 8, 2018

Dear **Name***:

This letter responds to your request for an opinion concerning whether nonprofit, private volunteer fire departments that contract with state municipalities and counties to provide fire protection services to the general public are “public agencies” entitled to the partial overtime exemption in Section 7(k) of the Fair Labor Standards Act (FLSA), 29 U.S.C. § 207(k)—and if not, whether they would become public agencies if the state enacted legislation that defined them as “political subdivisions.” This opinion is based exclusively on the facts you have presented. You represent that you do not seek this opinion for any party that the Wage and Hour Division (WHD) is currently investigating or for use in any litigation that commenced prior to your request.

BACKGROUND

Your letter represents that your client, a nonprofit firefighters’ association, consists partly of nonprofit, privately owned volunteer fire departments that contract with North Carolina municipalities and counties to provide fire protection services to the general public. These fire departments do not consider themselves political subdivisions and do not avail themselves of the partial exemption in Section 7(k). They provide fire protection services as independent contractors, purchase most of their own equipment, and independently elect their board of directors, which appoints their officers. Their bylaws give them independent judgment and discretion over their operations.

These fire departments receive public funds from the North Carolina Department of Insurance and their local government clients. Additionally, the North Carolina legislature has authorized local governments to collect a “fire fee” from taxpayers, which helps to fund the fire departments. The local governments also provide oversight; for example, they may review and audit the fire departments’ financials and budgets, make suggestions or provide input concerning their funding, and appoint several nonvoting seats to their board of directors. Upon dissolution, the fire departments’ bylaws require the distribution of their assets to the government for a public purpose.

GENERAL LEGAL PRINCIPLES

The FLSA provides a partial exemption to the overtime pay requirements of Section 7(a) for employees of public agencies engaged in fire protection activities. *See* 29 U.S.C. § 207(k). FLSA Section 3(x) defines a “public agency” as, among other things, “any agency of ... a State, or a political subdivision of a State.” 29 U.S.C. § 203(x); *see* 29 C.F.R. § 553.1(c). “The key factors in determining whether a private party should be considered a public agency are whether the entity is directly responsible to public officials or to the general public and whether the



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parties' contracts designate them as state agencies rather than independent contractors." *Wilcox v. Terrytown Fifth Dist. Volunteer Fire Dep't, Inc.*, 897 F.2d 765, 767 (5th Cir. 1990) (holding that a nonprofit firefighting corporation that is required to provide its annual budget to the local government, is funded almost exclusively by local taxes, is subject to local government audit, and whose contract gives the local government "governing authority" over its operations is a public agency); *Powell v. Tucson Air Museum*, 771 F.2d 1309, 1311–12 (9th Cir. 1985) (applying the same two-part test) (citing *Skills Dev. Servs., Inc. v. Donovan*, 728 F.2d 294, 300 (6th Cir. 1984) (holding that a "political subdivision" is an entity "created by the State to constitute a department or administrative arm of the government or administered by individuals who are responsible to public officials or the general public"). State law declarations and interpretations identifying an entity as a public agency or political subdivision are not dispositive. Cf. *NLRB v. Nat. Gas Util. Dist. of Hawkins Cty., Tenn.*, 402 U.S. 600, 602–03 (1971) (holding that, under the National Labor Relations Act, federal law determines whether an entity created under state law is a "political subdivision").

In determining whether an entity is "directly responsible" to the public, the "single most determinative factor" is whether public officials select and control the entity's board of directors. WHD Opinion Letter FLSA 1226, 1986 WL 383425, at *4 (Mar. 18, 1986); see WHD Opinion Letter FLSA 730 (Oct. 9, 1990) (describing appointment and removal of board members as "the key factor"); see also *Powell*, 771 F.2d at 1312 (focusing on appointment and removal of board members); *Williams v. Eastside Mental Health Ctr., Inc.*, 669 F.2d 671, 679 (11th Cir. 1982) (same). Another important factor is whether public officials hire and fire the entity's employees. *Powell*, 771 F.2d at 1312; see also *Skills Dev. Servs.*, 728 F.2d at 300 (identifying "internal control"—the "ability to discipline or fire administrators"—as indicative of a political subdivision). "[S]ubstantial state regulation" alone does not establish public control. *Powell*, 771 F.2d at 1312; *Williams*, 669 F.2d at 679.

OPINION

Based on the facts you have provided, the nonprofit, privately owned fire departments that you describe are not public agencies within the meaning of Section 7(k) and are therefore not entitled to its partial overtime exemption. To begin with, the fire departments do not satisfy the first *Wilcox* factor because they are not "directly responsible" to public officials or to the general public. See *Wilcox*, 897 F.2d at 767. They purchase most of their own equipment, exercise independent judgment and discretion over their operations, and—most importantly— independently elect their board of directors. See, e.g., WHD Opinion Letter FLSA2008-14, 2008 WL 5483053, at *1–2 (Dec. 18, 2008) (finding that a private volunteer fire department that contracts with municipal governments to provide fire protection services, receives funding through public taxes and fees, independently elects its directors, and independently hires and fires its employees is not a public agency); WHD Opinion Letter FLSA 1226, 1986 WL 383425, at *4 (describing appointment and removal of board members as the "single most determinative factor" of public control). The fact that local governments provide some of their funding; may review and audit their financials, budgets, and funding; and appoint nonvoting seats to their board of directors does not alone establish the requisite public control to make the fire departments directly responsible to the public. Moreover, the fire departments do not satisfy the second *Wilcox* factor because their contracts designate them as independent contractors, not as state agencies. See *Wilcox*, 897 F.2d at 767.



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The potential state legislation described in your letter would not make the fire departments public agencies entitled to the partial exemption in Section 7(k) because it would not limit the fire departments' operational independence or otherwise alter the analysis discussed above. The definition of "political subdivision" is a question of federal law, and declarations under state law "are not necessarily controlling." *Nat. Gas*, 402 U.S. at 602-03 (looking past formal labels to the entity's "actual operations and characteristics"). To transform a fire department into a public agency under Section 7(k), the state government must functionally establish "internal control" over the fire department's operations. *See Skills Dev. Servs.*, 728 F.2d at 300. This primarily involves the power to appoint or remove board members or officers, or to hire or fire employees. *See, e.g.*, WHD Opinion Letter FLSA 1226, 1986 WL 383425, at *4 (describing the ability to appoint or remove board members as the "single most determinative factor" of public control); *Powell*, 771 F.2d at 1312 (describing the ability to hire or fire employees as indicative of public control); *Skills Dev. Servs.*, 728 F.2d at 300 (describing the ability to discipline or fire administrators as indicative of public control).

We trust that this letter is responsive to your inquiry.

Sincerely,



Bryan L. Jarrett
Acting Administrator

***Note: The actual name(s) was removed to protect privacy in accordance with 5 U.S.C. § 552(b)(7).**



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020



Cherie K. Berry
Commissioner

Jill F. Cramer
General Counsel

April 20, 2018

Mr. Tim Bradley
Executive Director
NC State Firefighters' Association
3101 Industrial Drive, Suite 200
Raleigh, NC 27609
tim@ncsfa.com

Ms. Debbie Clary
NC Strategy Partners, Inc.
214 South Lafayette Street, Suite B
Shelby, NC 28150-4366
debbie@ncstrategypartners.com

Dear Mr. Bradley and Ms. Clary:

Pursuant to our March 7, 2018 meeting, I have researched the laws related to your inquiry on the application of section 207(k) of the Fair Labor Standards Act (FLSA) to private non-profit fire departments contracting with municipalities and counties in North Carolina to provide fire protection services. My research found that the U.S. Department of Labor (USDOL) has consistently relied on federal case law to issue opinions, which decline to include non-profit volunteer fire departments under the 7(k) exemption. Upon a comprehensive review of the correspondence that transpired between your organization and the USDOL, existing case law, and our reading of applicable state and federal statutes, we do not believe that a submission from the N.C. Department of Labor (NCDOL) to USDOL will cause them to make any changes to their existing opinion.

The North Carolina State Firefighters' Association (NCSFA), represents private non-profit volunteer fire departments who contract directly with municipalities and counties (public agencies) to provide fire protection services. Due to increased fire calls, the volunteer fire departments must also employ full-time employees who work in fire protection activities. Those positions often require overtime work, which creates a financial hardship for the volunteer fire departments. In July of 2017, NCSFA submitted the following question to USDOL's Wage and Hour Division (WHD): "Will USDOL apply the Section 7(k) exemption to the employees of a privately owned non-profit fire department (who provide fire protection activities and services to the citizens of various municipalities and counties)?"



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The USDOL's response was as follows:

As it regards the public agency status of private non-profit fire departments contracting with municipalities and counties in North Carolina, the Department of Labor has issued clear regulatory guidance specific to this question. §553.202 Limitations states that section 207(k) "...does not apply to any private organization engaged in furnishing fire protection...services...even if the services are performed under contract with a public agency." WHD believes that this guidance applies to and directly answers the question submitted as a request for opinion. The use of section 207(k) is limited to public agencies and it may not be used by providers of fire protection services under contract with a public agency.

The USDOL declined to respond with an opinion on a second question regarding whether a legislative change could alter an entity's status or successfully transform a private, non-profit fire department, which does not currently constitute a political subdivision of the state, into a public agency or political subdivision.

At our March 7 meeting, NCSFA asked NCDOL to submit another request to USDOL on this issue. Further, NCSFA has asked NCDOL for an opinion on the following:

- (1) Whether a possible ¹legislative change could be affected that would transform a private, non-profit fire department, which does not currently constitute a political subdivision of the state, into a public agency or political subdivision of the state; and
- (2) If such a legislative change would not be reasonable, what other options are available to these private, non-profit fire departments to lessen the financial impact of being required to pay overtime to their employees engaged in fire protection activities?

After extensive research, NCDOL believes USDOL will not change its opinion that Section 7(k) will not be applied to private organizations that provide fire protection. 29 CFR 553.202 states the "application of sections 13(b)(20) and 7(k), by their terms, is limited to public agencies, and does not apply to any private organization engaged in furnishing fire protection or law enforcement services. This is so even if the services are provided under contract with a public agency." [Note: The FLSA definition of "public agency" includes "the government of a State or political subdivision thereof; . . . a State, or a political subdivision of a State; or any interstate governmental agency." 29 U.S.C.A. § 203(x).]

Federal case law has consistently held that a private, non-profit fire department contracting with either a municipality or a county is not considered to be a public agency, and the term "public agency" will not apply to any private organization engaged in furnishing fire protection services on a contract basis to a municipality, county or other political subdivision of a State. The two defining Federal court cases, which have addressed the question of whether a volunteer fire

¹ Proposed legislation would read: "*Non-municipal fire departments, rated by the Commissioner of Insurance and providing fire protection to fire districts approved by the County shall be considered Political Subdivisions of the State.*"



**Town of Rolesville, North Carolina Fire Service Unification Initial Analysis
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department is entitled to an exemption from the FLSA overtime pay requirements on the grounds that it is a public agency providing fire protection activities are: (1) Wilcox v. Terrytown Fifth Dist. V.F.D., 897 F.2d 765 (5th Cir. 1990), cert. denied, 498 U.S. 900, 112 L. Ed. 2d 214, 111 S. Ct. 256 (1990); and (2) Conway v. Takoma Park V.F.D., Inc., 666 F. Supp. 786, appeal dismissed, 838 F.2d 465 (4th Cir. 1988). Both cases were later endorsed by In re Lower Merion Twp. Fire Dep't Labor Stds. Litig., 972 F. Supp. 315, (E.D. Pa. 1997), which held that "not every organization involved in firefighting is government agency for purposes of FLSA." That case opined that volunteer fire departments were not public agencies and, consequently, were not entitled to exemption from FLSA overtime pay requirements under 29 USCS § 207(k). The USDOL has consistently provided opinions regarding the applicability of Section 7(k) of the Fair Labor Standards Act (29 U.S.C. 207(k)), which reflect the above-noted cases.

Regarding your remaining questions about a proposed legislative change, NCDOL has concerns that a legislative change may have a negative ripple effect in that similar entities may also want to be considered a political subdivision of the State.

We sincerely appreciate that you openly discussed pursuing a legislative change with us, and asked our agency for assistance in moving toward a change that will assist the volunteer fire departments. We understand the inequity that exists. However, after careful consideration, we recommend that other avenues be considered to address this issue, including but not limited to, revising municipality contracts to put the volunteer fire departments in a better financial situation.

If I can be of further assistance, please contact me.

Sincerely,


Jill F. Cramer
General Counsel

cc:

Cherie Berry, NC Commissioner of Labor

Art Britt, NCDOL Chief of Staff

Phil Hooper, Deputy Commissioner, NCDOL Standards and Inspections Division

Jennifer Haigwood, Director of NCDOL Government Affairs

Christine Ryan, Administrator, NCDOL Wage & Hour Bureau



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6. FISCAL ANALYSIS

The assessment team reviewed the two most recent financial statement reports for the RRFD as was submitted to the Town of Rolesville. Based upon the most recent report and data received by the assessment team, funding for the RRFD is now primarily from the Town of Rolesville as opposed to Wake County Government. That pivotal important shift occurred in Fiscal Year (FY) 15-16. In FY 19-20, the proportions of total revenue were Wake County **42%** (\$810,200), Rolesville **55%** (\$1,062,047). This is a most important factor in the consideration of funding and the future of fire protection for the people served by the RRFD. Whichever governmental entity that provides primary funding for a fire department typically has the most impact and influence on the operation and governance of a private, non-profit fire department.

Although the Town of Rolesville is now the primary funding government entity, it must be noted that the shift is not yet dramatically different. In comparison with other North Carolina communities that have made a transition from a private, non-profit corporation fire department to a municipal fire department, the percentage of municipal funding is generally higher and is sustained for more time at the higher percentage. A review of several fire departments that have made such a transition (Wake Forest, Elon, Leland) would indicate that at the time the private, non-profit fire department made the transition, the municipal funding represented a “super majority” of funding at 70% or higher. This measure is NOT necessary in order to make the transition from private, non-profit to municipal operation. However, it is a valuable consideration for Rolesville, or any other similar situation. A municipality could assume responsibility for fire protection at any point that there was agreement to do so. The percentages outlined above just represent past practice of North Carolina communities that have undergone similar transitions as municipalities have grown and county jurisdictions have diminished.

With Rolesville’s projected growth, it is certain that the funding trends will continue to show the percentage growth for the funding of the RRFD will increase for the Town of Rolesville and will decrease for Wake County Government over time. The question is simply the rate at which the change will occur. The assessment team conducted projections based upon two growth rates for the Town. One conservative projection was at 6.5% and a more aggressive projection at 9.5%. We also projected approximately five years out to gain an understanding of trend lines.

However, outside of these projections is an additional important factor. The RRFD has a distinct need to build and operate a second fire station north of downtown Rolesville. The cost projections to construct, operate and staff this station will change the overall fiscal measures of the RRFD and could significantly impact these numbers. Opening and operating this station, principally due to staffing costs will have a significant impact on the total costs of fire protection for the larger Rolesville community. In the North Carolina municipal model, each fire station adds approximately \$1 million annually to staff and operate a fire station. This is comprised primarily of staffing costs for fifteen (15) career firefighters and essential operating costs. Fifteen firefighters are necessary to staff four firefighters per shift. These costs are beyond the



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capital expenditures. Rolesville’s costs could be different than the typical North Carolina municipal fire station costs as outlined above. Wake County’s cost share model would be impacted by this expansion and at the same time, the ongoing growth of the Town of Rolesville would impact the percentages.

RRFD Asset Summary:

ROLESVILLE RURAL FIRE DEPARTMENT, INC. STATEMENTS OF FINANCIAL POSITION JUNE 30,		
ASSETS		
	2020	2019
CURRENT ASSETS:		
Cash, including Interest-Bearing Accounts	\$ 558,103	\$ 536,986
Certificates of Deposit	12,908	12,609
Accounts Receivable	31,763	30,515
Prepaid Insurance	49,435	48,542
Total Currents Assets	652,209	628,652
PROPERTY & EQUIPMENT (net of accumulated depreciation of \$2,924,040 in 2020, \$2,743,295 in 2019)		
	1,878,135	1,951,142
OTHER ASSETS:		
Restricted Cash - Ladder Truck/Building/Land Fund	350,296	241,583
Restricted Cash - Firefighters' Relief Fund	82,674	88,830
Cash held for Long Term Purposes - Capital Improvements	634,384	523,209
Cash held for Long Term Purposes - Ladder Truck Building Land	204,825	200,171
Total Other Assets	1,272,179	1,053,793
TOTAL ASSETS	\$ 3,802,523	\$ 3,633,587



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RRFD Liabilities and Net Asset Summary:

ROLESVILLE RURAL FIRE DEPARTMENT, INC. STATEMENTS OF FINANCIAL POSITION JUNE 30,		
LIABILITIES AND NET ASSETS		
	2020	2019
CURRENT LIABILITIES		
Accounts Payable	\$ 30,021	\$ 43,718
Accrued Interest	5,739	7,093
Accrued Payroll Liabilities	165	2,666
Accrued Payroll	22,251	23,794
Accrued Vacation	38,534	31,617
Current Maturities of Long-term Debt	90,178	87,161
Total Current Liabilities	186,888	196,049
LONG TERM DEBT (net of current portion of \$90,178 in 2020, AND \$87,161 in 2019)	258,824	349,002
Total Liabilities	445,712	545,051
NET ASSETS:		
Without Donor Restrictions		
Undesignated	534,885	502,875
Net Investment in Property and Equipment	1,529,133	1,514,979
Board Designated - Capital Improvements	634,384	523,209
Board Designated - Ladder Truck Building Land Fund	204,825	200,171
Board Designated - Firefighters' Day	20,614	20,285
Total Net Assets Without Donor Restrictions	2,923,841	2,761,519
With Donor Restrictions		
Firefighters' Relief Fund	82,674	88,830
Ladder Truck/Building/Land Fund	350,296	238,187
Total Net Assets With Donor Restrictions	432,970	327,017
Total Net Assets	3,356,811	3,088,536
TOTAL LIABILITIES & NET ASSETS	\$ 3,802,523	\$ 3,633,587



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RRFD Support and Revenues Summary:

ROLESVILLE RURAL FIRE DEPARTMENT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUES:		
Support:		
Contributions - Cash	\$ -	\$ 390
Revenues:		
Government Fees and Contracts		
Wake County Appropriations	810,200	808,556
Wake County - Capital Improvement Fund	-	13,166
Town of Rolesville - Special District Taxes	743,433	684,122
Town of Rolesville - Capital Improvement Funds	106,205	97,663
Total Government Fees and Contracts	1,659,838	1,603,897
Other Revenues:		
Rental Income	7,800	7,800
Interest Income	7,969	4,292
Sales and Gas Tax Refund	16,422	13,112
Miscellaneous Income	-	4,978
Total Other Revenues	32,191	30,182
Net Assets Released From Restrictions:	115,657	112,502
TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	1,807,686	1,746,581
EXPENSES:		
Program Services:		
Firefighting	1,382,853	1,349,582
Supporting Services:		
Management and General	262,512	258,344
Total Expenses	1,645,365	1,607,926
Increase/(Decrease) in Net Assets Without Donor Restrictions	\$ 162,321	\$ 138,655



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ROLESVILLE RURAL FIRE DEPARTMENT, INC. STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30,

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

Homeowners' Premium Allocations	\$ 8,486	\$ 9,944
Town of Rolesville Ladder Truck/Building/Land Appropriations	212,409	195,446
Donor Designated Contributions	-	-
Interest Income	716	746
Net Assets Released From Restrictions:		
Ladder Truck and Land Loan Payments	(100,457)	(100,502)
Land Purchase	-	-
Other Expenses	-	-
Firemen's Relief Fund Payment to Retirees	<u>(15,200)</u>	<u>(12,000)</u>
Total Net Assets Released From Restrictions	<u>(115,657)</u>	<u>(112,502)</u>
Increase/(Decrease) in Net Assets With Donor Restrictions	<u>105,954</u>	<u>93,634</u>
INCREASE/(DECREASE) IN NET ASSETS	268,275	232,289
NET ASSETS, beginning of year	<u>3,088,536</u>	<u>2,856,247</u>
NET ASSETS, end of year	<u><u>\$ 3,356,811</u></u>	<u><u>\$ 3,088,536</u></u>

Summary of Historical Funding Data:

The chart below depicts funding changes from FY 13-14 through current in FY 20-21. It also makes forecasts forward into the coming fiscal years. This summary and historical data is most important in understanding the “shift” that has occurred between Town of Rolesville funding and Wake County funding.



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	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 ACTUAL	FY17-18 ACTUAL	FY18-19 ACTUAL	FY19-20 ACTUAL	FY20-21 BUDGET	FY21-22 BUDGET	FY22-23 BUDGET	FY23-24 BUDGET	FY24-25 BUDGET
TOWN TAX RATE												
Town Tax Rate	44	44	44	48	48	48	48	46	46	46	46	46
Revenue Neutral Rate				46 reval				44 reval				
				increase 2 cents for rev neu, 2 cents for econ dev				decrease 4 cents for rev neu, add 2 cents for capital / COVID				
Each Penny of Tax =	57,836	67,432	74,577	79,451	88,849	96,948	105,341	120,795	128,647 6.5% inc	137,009 6.5% inc	145,914 6.5% inc	155,399 6.5% inc
RRFD DEDICATED TAX RATE												
<u>Dedicated Tax Rate</u>								assumes revenue neutral rate				
Operating	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.42	6.42	6.42	6.42	6.42
Capital	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.92	0.92	0.92	0.92	0.92
Ladder	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.83	1.83	1.83	1.83	1.83
TOTAL	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.17	9.17	9.17	9.17	9.17
%age	22.73%	22.73%	22.73%	20.83%	20.83%	20.83%	20.83%	19.93%	19.93%	19.93%	19.93%	19.93%
check calculation	578,360	674,320	745,770	794,510	888,490	969,480	1,053,410	1,107,288	1,179,690	1,256,370	1,338,034	1,425,006
difference	(2,616)	(6,125)	4,430	6,343	7,106	7,751	8,637	-	-	-	-	-
FUNDS SENT TO RRFD												
<u>Funds to RRFD</u>												
Operating	330,921	467,737	525,140	560,597	626,917	684,062	743,433	775,101	825,912	879,596	936,770	997,660
Capital	47,274	66,820	75,020	80,085	89,560	97,723	106,205	110,729	118,355	126,048	134,241	142,967
Ladder	94,549	133,639	150,040	160,171	179,119	195,446	212,409	221,458	235,423	250,726	267,023	284,380
TOTAL	472,744	668,195	750,200	800,853	895,596	977,231	1,062,047	1,107,288	1,179,690	1,256,370	1,338,034	1,425,006
Facility Partnership			50,000	100,000								
TOTAL			800,200	900,853								
OTHER REVENUE												
Wake County - operating	559,803	726,592	761,301	808,555	808,556	808,556	810,200	815,000	815,000	815,000	815,000	815,000
Wake County - capital	25,178	29,038	8,333	28,654	39,580	13,166						
	584,981	755,630	769,634	837,209	848,136	821,722	810,200	815,000	815,000	815,000	815,000	815,000
Other	27,062	27,314	29,573	33,546	60,289	41,262	41,393	41,400	41,400	41,400	41,400	41,400
TOTAL REVENUES	1,084,787	1,451,139	1,599,407	1,771,608	1,804,021	1,840,215	1,913,640	1,963,688	2,036,090	2,112,770	2,194,434	2,281,406
% Rolesville Support	44%	46%	50%	51%	50%	53%	55%	56%	58%	59%	61%	62%
% Wake County Support	54%	52%	48%	47%	47%	45%	42%	42%	40%	39%	37%	36%

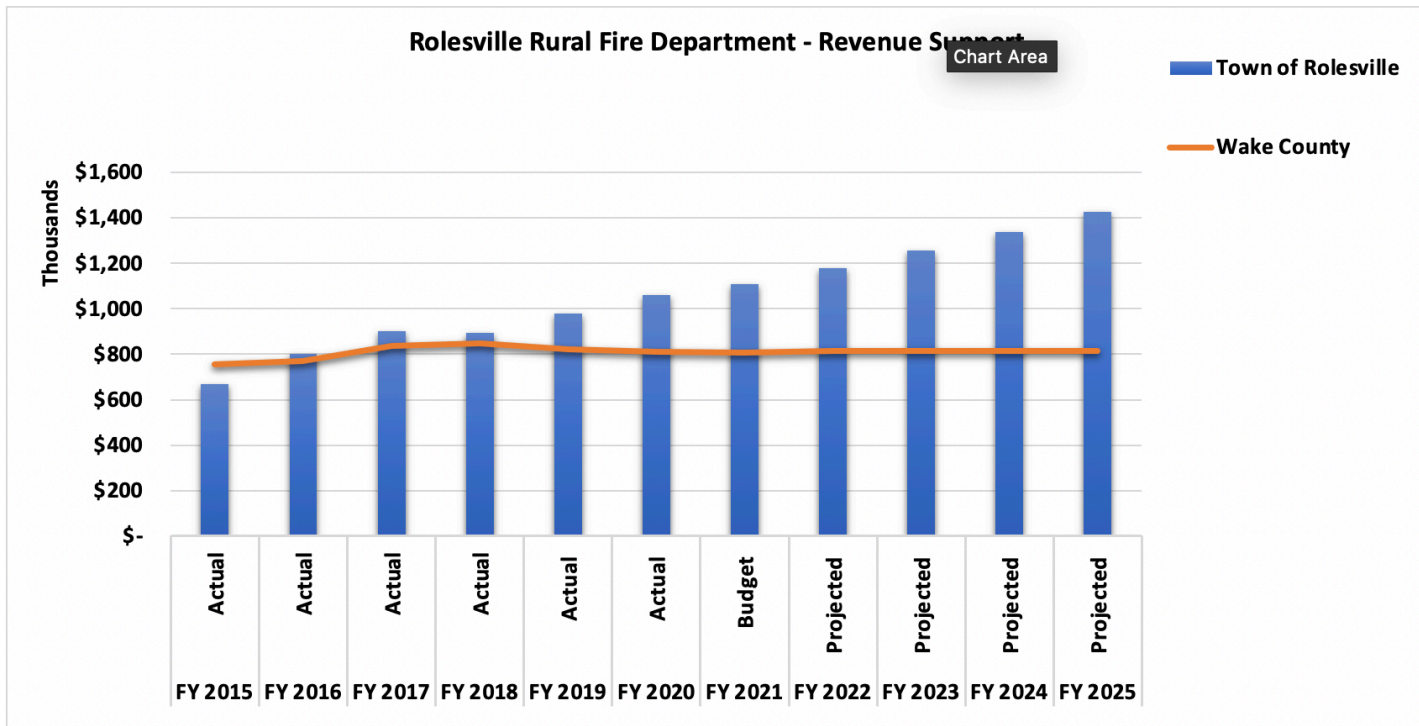


Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Financial Analysis – Revenue Support:

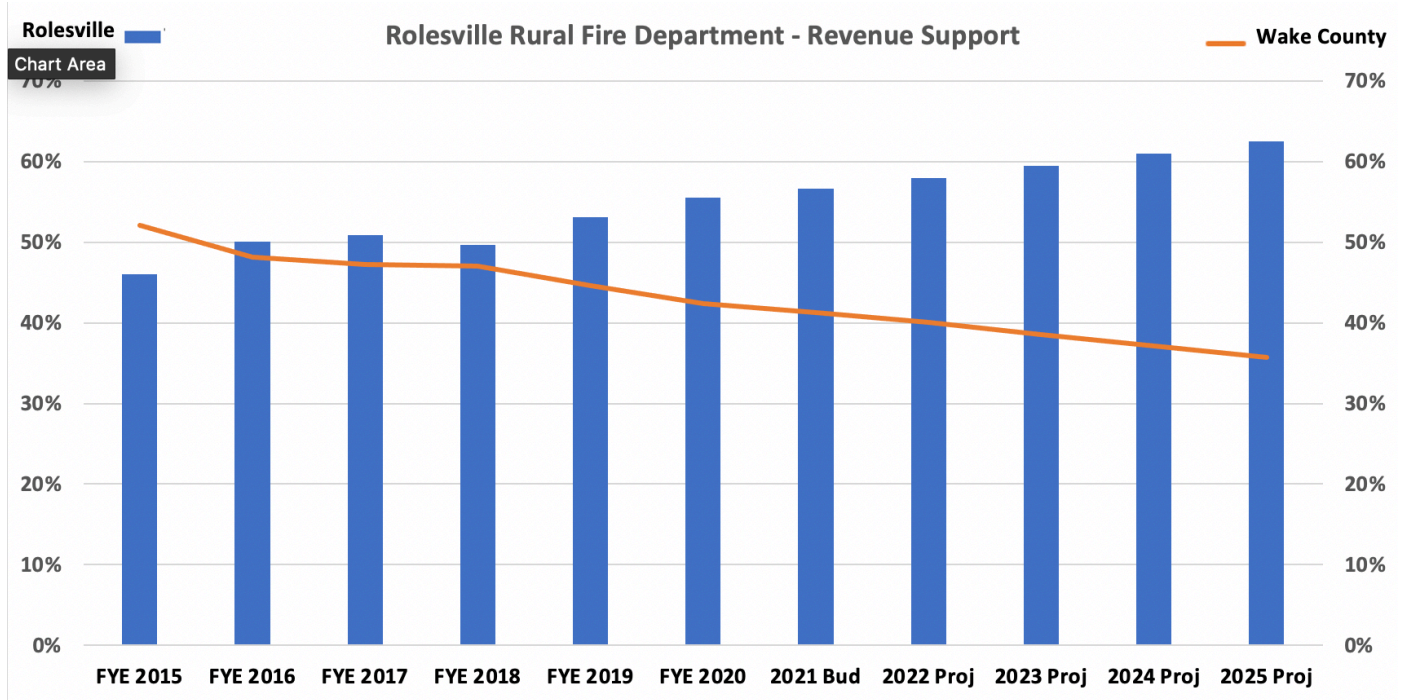
Financial support of this initiative is critical. As the town’s contribution to the fire operations continue to increase with growth, then it becomes more evident that fire service protection should become part of the municipal structure. In reviewing the current tax support, the average growth since FY 17-18 has been 9.87%. For the purpose of this review and to obtain a reasonable projection of town and county support going forward, two scenarios are presented using 6.5% and 9.5% increases respectively in tax base support for fire operations.

Charts below reflect the County support remaining at consistent levels and showing the town tax revenues increasing using 6.5% growth. The charts portray actual amounts and includes all funds – operating, capital and ladder. For the purpose of this analysis, the total amount Rolesville contributes to the fire department was utilized as that is how it is reflected in the annual financial statements.



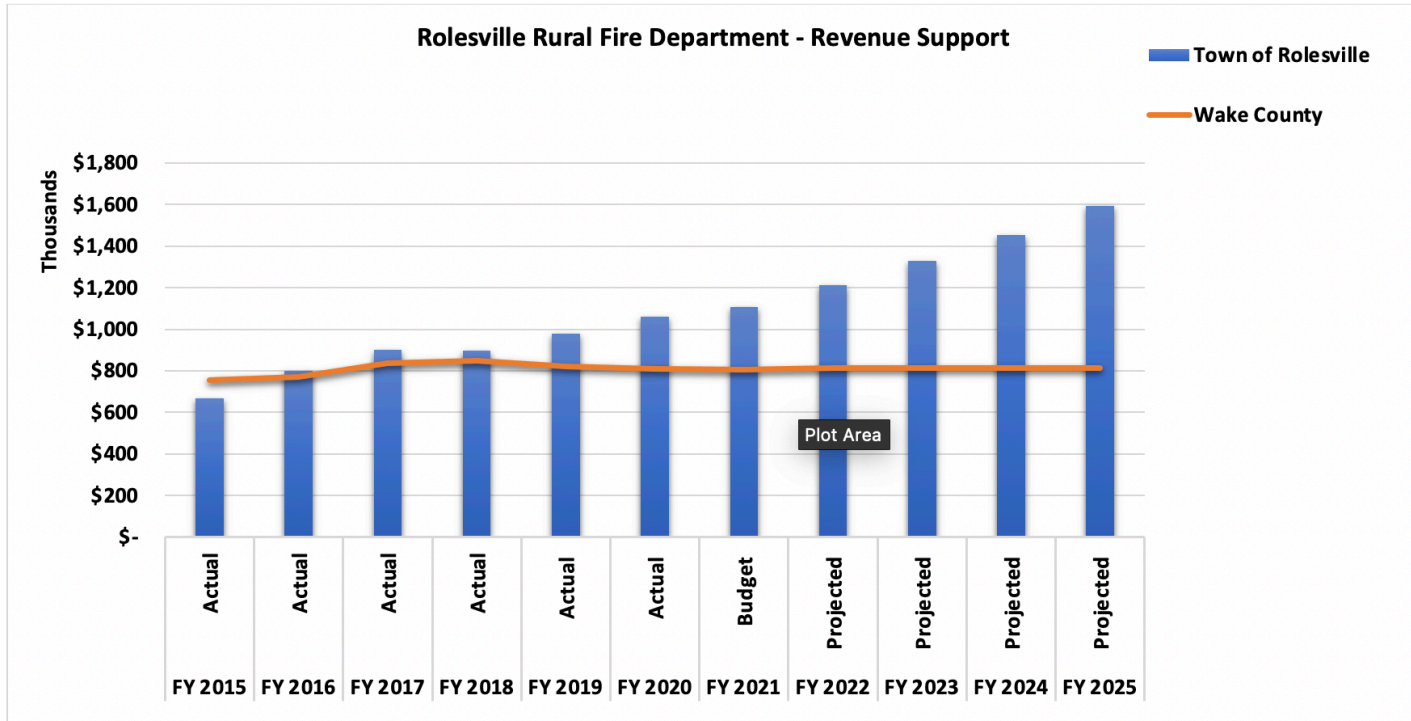
Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

The chart below is based on current information reflecting the change in support from the County (orange line) and percentage column on the far left. The Town of Rolesville (blue bars) percentage support is projected to increase to 62.5% by FY 2025.



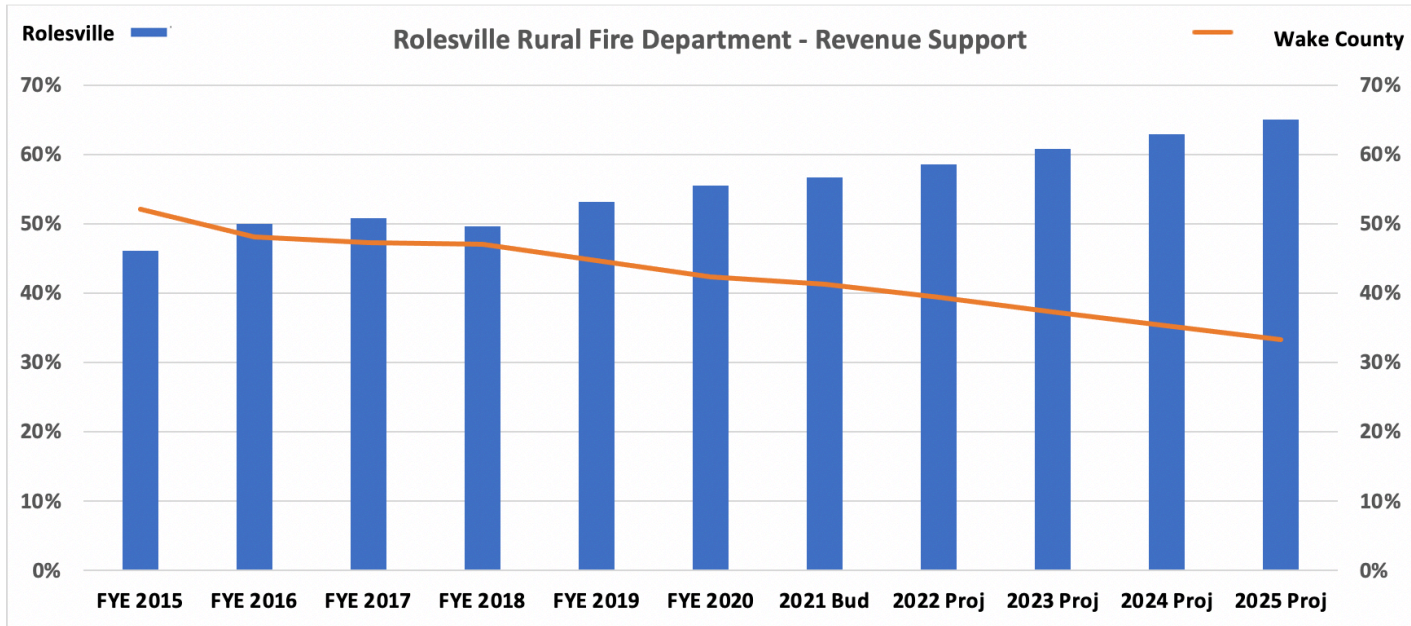
Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

The next two charts reflect using 9.5% growth starting in FY 2022 based on historical trends provided by the Town. Should the town grow at a faster rate, the level of support will increase accordingly. This is evaluating the revenue side only and not completing a thorough analysis of the expenditures or the effect of LGERS and other significant impacts on a possible transition to the Town.



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The chart below is based on current information reflecting the change in support from the County (orange line) and percentage column on the far left. The Town of Rolesville (blue bars) percentage support is projected to increase to 65.0% by FY 2025 assuming growth in tax support is 9.5%.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

7. COMMUNITY RISK ANALYSIS

The assessment team also conducted analysis of the risks present within Rolesville in order to best analyze the overall community needs and risks. In providing fire and rescue services currently and especially when projecting future needs, it is essential to accurately understand the risks that the fire department is responsible for addressing and providing emergency services.

An analysis of current population demographics identified risk factors based on age, disabilities, language barriers, and poverty. Rolesville demographics revealed most at-risks groups were less than North Carolina averages except for children under the age of five and income levels.

The *Rolesville: Comprehensive Plan 2017* has been developed to assist in future development of the community. It states the population is expected to grow to more than 20,000 in the next 20 years. This is evident by the approval of new residential development approved in 2019 by the town. The fire department should understand future development trends and demographic data to develop risk reduction programs in the community.

Target hazards within the community should be identified and pre-incident survey conducted and updated annually for full ISO credit. This component of the overall analysis is designed to determine if the merger of the RRFD could improve service delivery for the citizens in the community. An aspect of any responsible study should review risks in the community to ultimately decide the future level of service.

CRR Analysis:

The primary focus of a risk assessment is to identify hazards specific or unique to a community and develop programs to mitigate or prevent them from occurring. The identification process reviews many types of risks such as the following:

- Structure Fires
- Other Fires
- Hazardous Materials
- Natural Hazards
- EMS
- Rescue
- Technological Hazards
- Human Hazards

Each of the previous hazards would typically be reviewed in a more thorough risk assessment process to determine where problems may exist. The following limited risk assessment addresses population demographics, land use and how they affect service delivery, and target hazards. As the department moves forward as either a function of local government or in its current form, it is recommended that a formal risk assessment be conducted. This will allow the organization to develop a community risk reduction planning document to mitigate or prevent risks from occurring. It should be recognized that risks in the downtown area may be much different than other portions of the fire district.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Population Demographics

According to the 2019 U.S. Census¹ the estimated population of Rolesville was 8,501. This is a 125% increase since 2010. The *Rolesville: Comprehensive Plan 2017* estimates the 2020 population to increase to 9,445 and more than 20,000 by 2040.² This does not include people in the fire district but only what information is available from online U.S Census data. A more thorough analysis of population growth would require an additional GIS evaluation at the block group level.

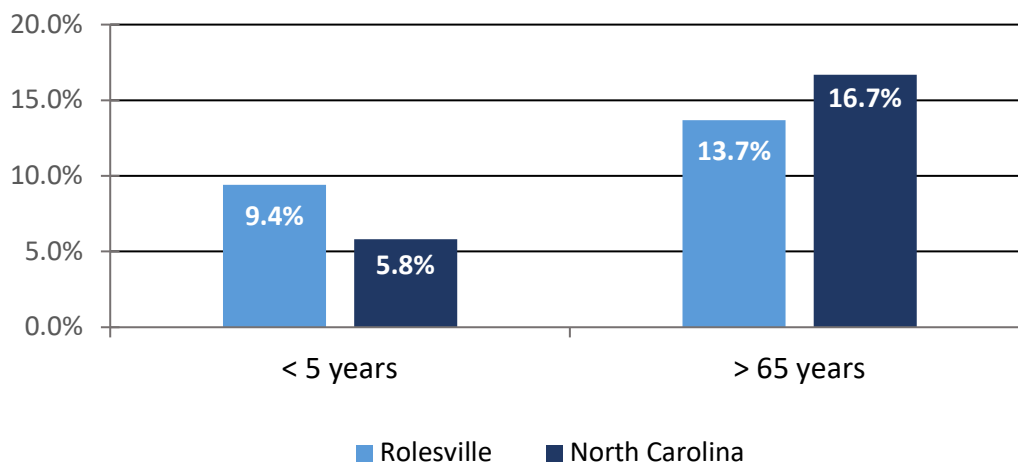
At-risk populations can place additional workloads on an organization, thus increasing service demands. They have been identified by the National Fire Protection Association as groups that are at a higher risk of being injured or killed in a fire.³

- Children under 5 years of age
- Older adults over 65 years of age
- People with disabilities
- Language barrier
- People in low-income communities

Age, disabilities, and health insurance

Although the median age is 35.8 in the 2018 American Community Survey, 13.7% of the population is 65 years of age or older and 9.4% are under the age of five. The number of persons with a disability is 7.0% and those without health insurance is 2.8%. Young children, older adults, and those with a disability may need assistance when evacuating a building during a fire or other emergency because of mobility issues.

Figure 1: Rolesville At-Risk Age Groups



¹ <https://www.census.gov/quickfacts/fact/table/rolesvilletownnorthcarolina#>

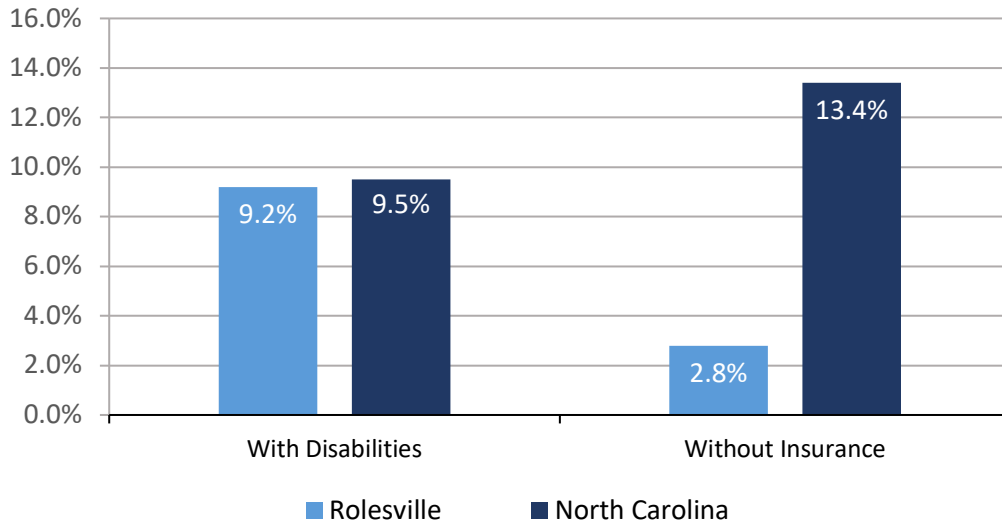
² <https://www.rolesvillenc.gov/sites/default/files/uploads/planning/comprehensive-plan-2017-adopted-10.03.17.pdf>

³ National Fire Protection Association, 2007; Urban Fire Safety Project, Emmitsburg, MD; retrieved from <http://www.nfpa.org/public-education/by-topic/people-at-risk/urban-fire-safety/reports-and-presentations>



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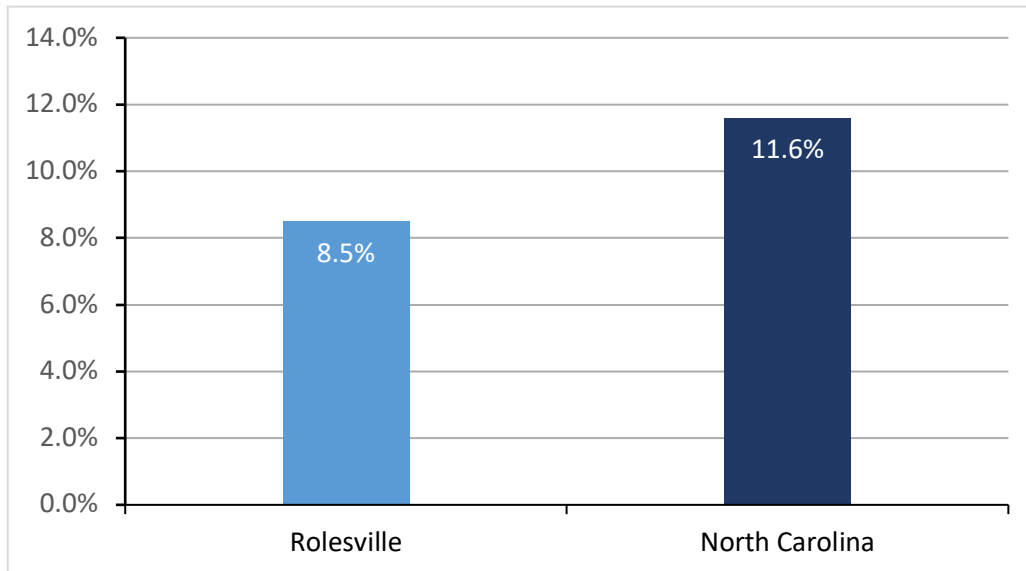
Figure 2: People with Disabilities and No Insurance



Language Barriers

Language barriers may increase risks when notifying the population of an impending natural hazard weather event if they are unable to understand the message. The number of people that speak a language other than English is 8.5% and may require the fire department to consider alternative methods to provide fire and life safety education in the district.

Figure 3: Language Barriers

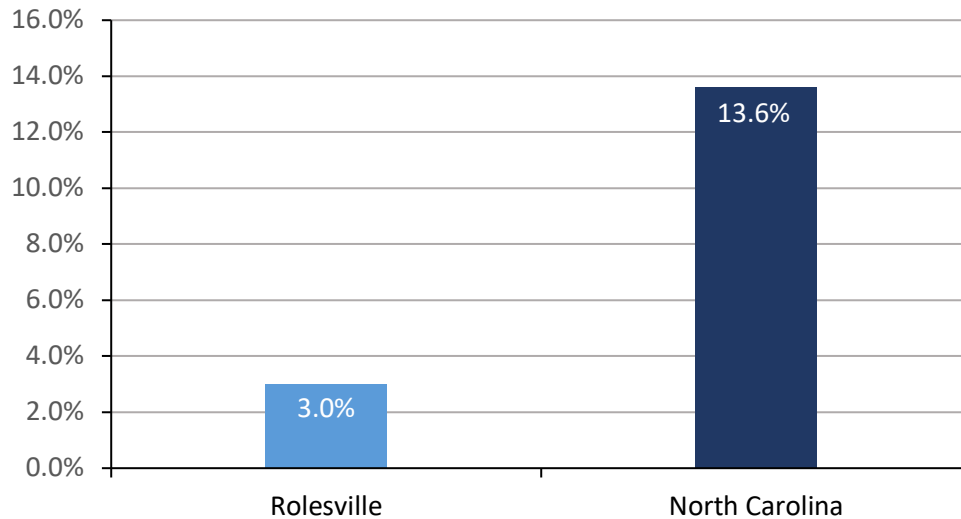


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Income and poverty

The median household income of \$114,107 is more than twice the North Carolina average of \$54,413. The percentage of people in poverty is 3% compared to the state average of 13.6%. Although the percentage is low, the department should determine where these people live to ensure they have working smoke alarms.

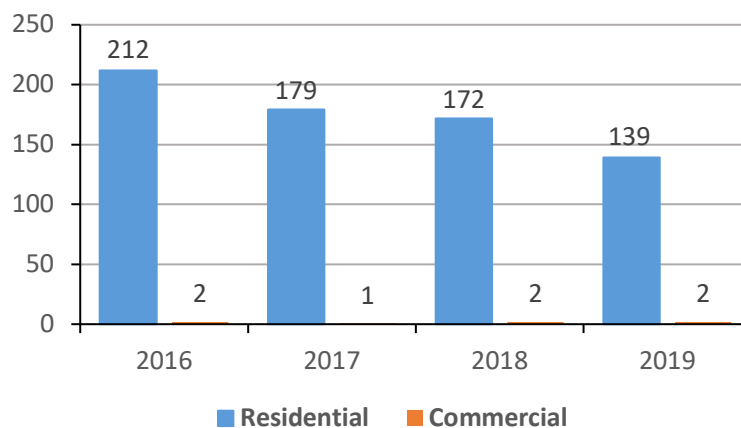
Figure 4: Poverty



Land Use

The land in and around Rolesville is primarily residential in nature with some commercial properties within the town's corporate limits. Wake County Planning Department data indicates most new construction since 2016 has been residential properties. Between 2016–19 there were 702 residential and seven commercial building permits issued in Rolesville.

Figure 5: Rolesville Building Permits 2016–19



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According to the Rolesville Planning Department, during 2019 more than 2,200 new homes were approved for development in the city limits or extra territorial jurisdiction. These new developments are primarily to the north and southeast of the town. There is an expectation that commercial growth will eventually follow the new residential construction to meet the needs of the community.

The 2019 Station Prioritization Report identified the property located on Old Pearce Rd as the most suitable location to build the next fire station. This is confirmed by the anticipated growth in the area north of the town. The *Rolesville: Comprehensive Plan 2017* Future Land Use Map identified this area as low-density residential zoning westward to Averette Rd. while the area to the west is medium density residential.

As this area is developed it is expected to increase risks and service delivery requirements for the department.

Target Hazards

Certain occupancies or properties in the Rolesville Fire Department's response area may be considered target hazards. These may include schools, churches, restaurants, or large square footage buildings such as a shopping center. Target hazards can also be considered significant or historic properties that are important community assets.

These types of occupancies should have pre-incident surveys completed and updated annually for full ISO credit. The surveys should be available to response personnel for use during an incident to allow them to develop strategy and tactics prior to or during an event. During the on-site visit while completing the pre-incident survey, emergency responders are provided an opportunity to become familiar with the property and building(s) prior to an event.

Community Risk Reduction

Community Risk Reduction (CRR) can be defined as, "The identification and prioritization of risks followed by the integrated application of resources to improve public safety and reduce increasing call volumes."

As part of the overall risk reduction program a risk assessment should be completed. The goal of an assessment is to determine the highest risk in the community. The risk(s) may vary from one portion of the district to another; thus, a single program may not be the best approach. Reviewing incident data and gathering information from responding personnel will become the basis of a CRR program.

The below figure is a basic methodology offered by Vision 20/20 to identify and analyze risks within a community. Vision 20/20's website (www.strategicfire.org) provides substantial information on how to create and implement a community risk reduction plan.



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

Figure 6: The Community Risk Assessment Process



The goal is to incorporate emergency operations with prevention efforts at the fire station level. The station level approach is preferred because risks can vary within a station’s response area. Simply put, CRR is examining problems and developing prevention or mitigation strategies to reduce the hazards.

RRFD provides public education in the community. They provide public education on request and participate in community events. There is some public education in the elementary school but is limited because of time allocated to GFD.

It is recommended that the RRFD develop a CRR plan based on data collected from incident reports to mitigate or prevent risks from occurring. The plan should be developed acknowledging that risks may vary from one area of the district to another. When the second RRFD fire station is added, a separate plan should be developed for the area it will serve.



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8. INSURANCE SERVICES OFFICE REVIEW

The assessment team reviewed Rolesville’s last insurance services office report and identified some areas of opportunity to improve the Town of Rolesville’s insurance rating, which has a direct impact on the property insurance that most commercial businesses pay and serves as an economic development tool for the Town of Rolesville. The lower the insurance rating (or ISO) number, the better the rating and the lower the cost of property insurance is as a typical rule.

The Town of Rolesville’s current rating is “Class 3” and was awarded in 2016. The unincorporated area served by the RRFD is “Class 4”. The department is due to be re-evaluated in approximately 2021. Based upon the information provided to the assessment team, the RRFD should maintain the Class 3 rating in the Town of Rolesville for 2021.

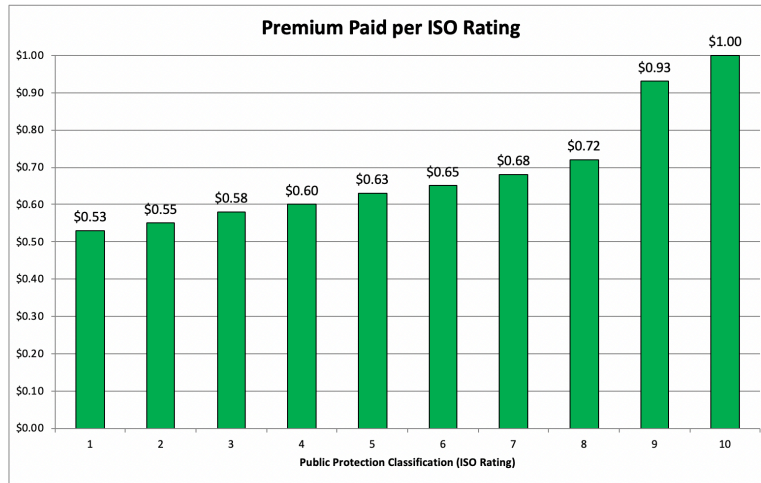
The construction of a second fire station along with the necessary staffing for the second station would positively contribute towards improving the overall ISO points earned for Rolesville. The use of a fixed fire training facility would be another key factor to improving the overall ISO points earned. The property that RRFD has purchased for a fire station at Old Pearce Road has enough land to be able to construct a minimum two-acre training center with a three-story training tower and live burn facility, which is necessary to receive optimum credit within the ISO system. Many fire departments similar in size to Rolesville are considering the Con-Ex box style facilities to use for such purposes. The Town of Kernersville, NC is a good model to evaluate. The subject matter expert review with the RRFD Fire Chief helped to highlight several operational areas where improvements could be made and noted the value of working to achieve the available bonus points through additional public fire education outreach.

Analysis:

Insurance ratings indicate the fire department’s ability to suppress fire and minimize losses. The ratings provide a structure of needs analysis based upon the community that is served. The better the insurance rating, typically the less property insurance the owner pays. This comparative chart below illustrates how the ratings can affect insurance premiums. In North Carolina, most homeowners see reductions in premiums between Class 10 and Class 6. Commercial properties recognize savings all the way to Class 1. Also, complementary to the improvement in ratings would be the historical reduction of loss due to fire as illustrated below. It is very typical that municipalities in North Carolina desire to achieve an insurance rating of Class 6 or better.

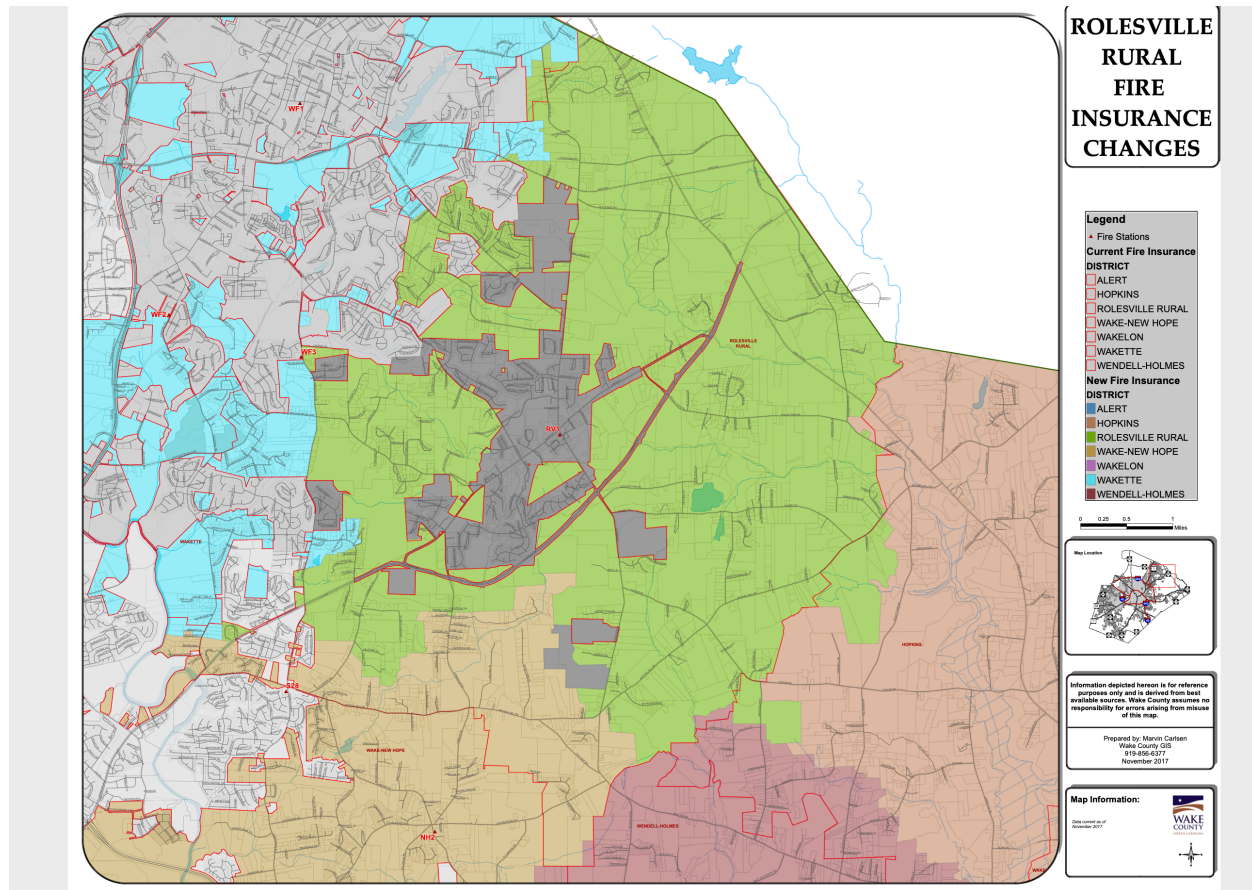


Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020



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Rolesville's Current Insurance District – including the Town of Rolesville



Subject Matter Review:

ROLESVILLE ISO REVIEW

9-22-20

With Chief Rodney Privette and SME AC Daniels

Overall:

Working on second station location.

Last inspection about five years ago - 2016. Rolesville will be up again for review in 2021.

Rating of 3 in town and 4 outside town.



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Water shuttle in the rural district area.

Apparatus:

Engines in station now – 3 engines and a ladder.
2 Engines are Pierce with 1000 gallons of water, 1500 pump.
Freightliner 1250 gallons water and 1000 gallons of water.
Tanker with 2000 gallons of water.
100' Platform Ladder 300 gallons and 1500.
Rescue 15 (22 years old) working as a service company.
Considering purchasing a new service and rescue truck currently.

Rural call structure fire, we send engines and tanker PLUS 3 mutual aid tankers.
Two engines from Rolesville PLUS one engine from automatic aid departments.
Ladder responds mutual aid in rural district, runs automatic in the Town.

There are certified ponds available in the rural district.
However, Rolesville primarily use hydrants day-to-day.
Automatic aid would go to the water point in the rural area when water point is needed.

Equipment:

Conduct annual hose testing on all hose.
Conduct annual pump service testing every February by CW Williams.
Equipment listed for the engines that are necessary is in place.
Supply hose lays – supply lines are 1000' of 5", 575' of 3".
2.5" pre-connect lines on the engines – 200'.
1.5"/1.75" – pre connect at 200' in one lay and 250' in the other lay.

Response:

2 Engines are going out on all structure fire calls.
1 rescue out on all structure fire calls.
PLUS - Ladder truck out on all structure fire calls in Town.
All required equipment is on the ladder truck.
All hose and service tests are conducted.
Destructive ladder test every five years.
Special high hazard response locations receive an additional response.
Fire alarm activations require only one engine and four firefighters responding.

Staffing:

4 full-time personnel per shift – 12 total.
Operate with a minimum of four persons on duty.
During the weekday, we hire part-timers 7-6 Monday through Friday to supplement.
About 17-18 days a month, part-timers work.
Volunteers = currently 32 firefighters are volunteering, some part-timers are in the 32.



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On structure fire calls, about 8-10 volunteers are responding on structure fire calls.

Training:

Training with mutual aid companies four times per year.

Daytime personnel calls neighboring departments during the day to cross-train.

Facility training – no facility in the district.

Have used acquired structure for live fire training.

Send recruits to the County fire training academy.

Considering a facility on a future station site.

Pre-fire plans – 80% of commercial buildings are pre-planned.

Pre-fire plans are updated once per year at a minimum.

SOG – Yes on response for apparatus outlining what responds in Town and outside Town.

SOG – Yes on fire suppression operations – what you do when you arrive – 11.0 Operational Guidelines - Engines go to “x”, Tankers go to “y”, Automatic aid responds to “z”.

Bonus Points:

Public fire safety education – conduct four different programs each year; smoke detector, interact at certain grade levels, day cares interaction all with documentation. Write up what they did and how many people they interact with.

Rolesville has a fire safety house to support their fire education programs.

Staffing Considerations:

An adequate number of firefighters to work structure fires is critical to the safety of the public and of the firefighters. Also, the largest portion of the ISO rating is staffing (15%). The information below is provided as guidance for Rolesville to consider moving forward.

NFPA 1710 SUMMARY/HIGHLIGHTS AND NFPA 1720 COMPARISON

NFPA 1710

Fireground Staffing Levels for Career Fire Departments

NFPA 1710 provides the minimum requirements relating to the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public by career fire departments.

For the 2016 edition of the standard, subsection 5.2.4 on fire department service deployment was revised to include three new occupancies, along with the appropriate response staffing levels for each. The minimum staffing level for each occupancy is listed below. *(For the full breakdown of staffing requirements by position, refer to the subsections specific to each occupancy in 5.2.4.)*



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Single-Family Dwelling — minimum of 16 members (17 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical 2000 ft² (186 m²), two-story, single-family dwelling without a basement and with no exposures must provide for a minimum of 14 members (15 if an aerial device is used).

Open-Air Strip Mall — minimum of 27 members (28 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical open-air strip shopping center ranging from 13,000 ft² to 196,000 ft² (1203 m² to 18,209 m²) in size must provide for a minimum of 27 members (28 if an aerial device is used).

Garden-Style Apartment — minimum of 27 members (28 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical 1200 ft² (111 m²) apartment within a three-story, garden-style apartment building must provide for a minimum of 27 members (28 if an aerial device is used).

High-Rise — minimum of 42 members (43 if building equipped with fire pump)

The initial full alarm assignment to a fire in a building with the highest floor greater than 75 ft (23 m) above the lowest level of fire department vehicle access must provide for a minimum of 42 members (43 if the building is equipped with a fire pump).

Other: Fire departments that respond to fires in occupancies that present hazards greater than those found in 5.2.4 shall deploy additional resources as described in 5.2.4.5 on the initial alarm. NOTE: Even though fire ground staffing levels have changed, NFPA 1710 continues to require that engine companies be staffed with a minimum of 4 on-duty members, as stated in subsection 5.2.3. In addition, paragraph 5.2.2.2.1 requires that the fire department identify minimum company staffing levels as necessary to meet the deployment criteria required in 5.2.4 to ensure that a sufficient number of members are assigned, on duty, and available to safely and effectively respond with each company.

Material used in this summary is taken from the 2016 edition of NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*. This reprinted material is not the complete and official position of the NFPA or its Technical Committees on the referenced subject, which is represented solely by the standard in its entirety. That standard can be accessed online at www.nfpa.org.



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NFPA 1720

Fireground Staffing Levels for Volunteer Fire Departments

Conversely, NFPA 1720 is the standard recognized for primarily volunteer fire departments. While Rolesville is currently recognized as a combination fire department, a continued review should occur to determine where the department is positioned – career or combination. Many North Carolina fire departments who have been operating under the 1720 standard now recognize that a minority of their firefighters actually responding to emergency calls for service are volunteers and generally fall more under the 1710 career based standard than the 1720 rural standard.

Below are some comparisons between the 1710 and 1720 standards. Additional comparative information between the two national industry standards:

Comparative Analysis for National Standards on Deployment and Staffing

NFPA 1710 – Staffing Standard for Primarily Career Fire Departments:

- First due travel times – 4 minutes or less 90% of the time.
- Full assignment assembly times – 8 minutes or less 90% of the time.
- Staffing - each company with at least four firefighters.
- Turn-out times = 80 seconds for fire calls, 60 seconds for medical calls.
- Travel time = 4 minutes or less for fire calls or medical calls.
- Effective response force
 - 17 firefighters on a typical residential structure fire
 - Arrival within 8 minutes or less

NFPA 1720 – Staffing Standard for Primarily Volunteer and Combination Fire Departments:

- Establishes first due response times based upon population density
 - Urban areas – more than 1,000 people per square mile = 9 minutes, 90% of the time.
 - Suburban areas – 500 to 1,000 people/square mile = 10 minutes, 80% of the time.
 - Rural areas – less than 500 people per square mile = 14 minutes, 80% of the time.
- Staffing – sufficient number to operate safely and effectively.
- Turn Out Times (where staffed) – 90 seconds for fire calls, 60 seconds for medical calls.
- First arriving crew assembly times:
 - Urban areas – 7.5 minutes, 90% of the time
 - Suburban areas – 8.5 minutes, 80% of the time
 - Rural areas – 12.5 minutes, 80% of the time
- Firefighting teams established:
 - Urban areas – 15 firefighters, 90% of the time
 - Suburban areas – 10 firefighters, 80% of the time
 - Rural area – 6 firefighters, 80% of the time
- Initial interior attack to begin within 2 minutes of full firefighter assembly.



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NORTH CAROLINA TOWN MANAGER GUIDANCE ON DEVELOPING FIRE AND RESCUE SERVICE DELIVERY LEVELS



Performance Modeling for Typical Residential Structure Fire Response Assistance to Local Jurisdictions in Establishing Their Desired Level of Service

BACKGROUND:

Inputs influence outcomes. Within the effective delivery of fire and rescue services, response time elements are directly proportional to expected outcomes. In recent years, significant scientific research has substantiated the correlation of response times and number of trained firefighters necessary on the scene of structure fires to produce positive outcomes. Each local jurisdiction is encouraged to identify what specific hazards and risks exist in their individual communities. Also, local jurisdictions can evaluate their fire and rescue level of service or standard of cover for each type of service that they provide. From this collective information, progressive jurisdictions can effectively set a positive course for continuous improvement.

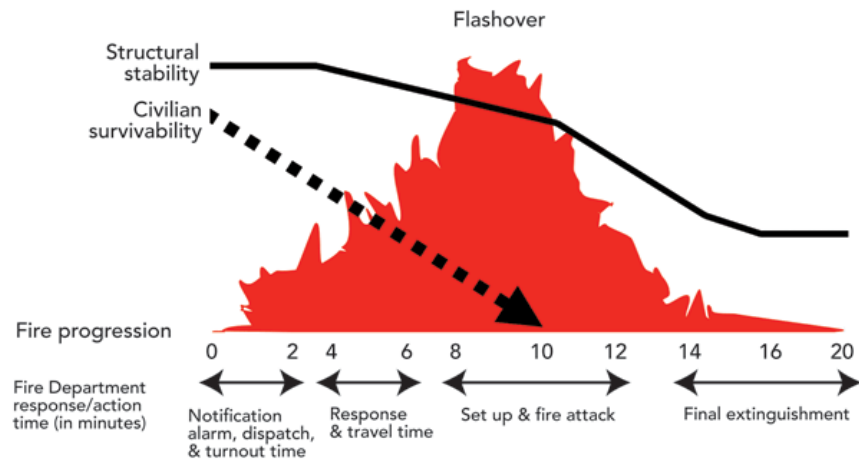
In order to strengthen fire protection service delivery systems and to empower local jurisdictions to more clearly determine what the appropriate level of response may be for their individual community's level of risk and clearly stated desired outcomes, the following illustrative models are offered to establish some basic, **minimal** framework for response to typical residential structure fires within a North Carolina rated fire insurance district.

Using dynamic indicators, these illustrative models are presented with the optimum desired outcome of confining and containing a typical (<2,000 square feet), occupied, residential structure fire to the room or area of origin when fire hydrants are available. Aligning North Carolina's growth patterns with national consensus standards and fire service industry best practices provided the foundation for these models. Also, it is important to note that times identified recognize total response time, beginning when the citizen first dials 9-1-1. These models for typical residential structures are **only** guidelines for evaluation and solely designed as a tool for use by local jurisdictions. Models for fire response to properties with higher risks demand more thorough analysis, more robust resources and stronger performance measures.

Graphic Source: Fire Engineering



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TYPICAL CASCADE OF EVENTS FOR A STRUCTURE FIRE:

Pre-Response:

- Recognition of fire
- Notification call made to 9-1-1

Total Response Time (measurable):

- Receipt of call and dispatch of fire department(s) = approx. 60-90 seconds (NFPA)
- Firefighter acknowledgement and fire equipment rolling adds 80+ seconds (NFPA)
- Travel time – adds approximately 141 seconds per road mile (ISO)
- Arrival at the fire scene

Post-Response:

- Accessing, locating the fire, and taking necessary mitigating actions

TYPICAL RESIDENTIAL MODEL - FIRST ARRIVING FIRE APPARATUS:

For 90% of all typical residential structure fire incidents, at least one initial arriving fire apparatus and assembling at least four (4) adequately trained firefighters should arrive within (determined locally) minutes total response time and be prepared to take immediate action in accordance with department protocols.

Approximate Range of Credible Response Time Within State Rated Fire Insurance Districts

Area	Density per Sq. Mile	Fire Station	Prevalent ISO Rating	Total Response Time
URBAN	>2,000 people	within 2 miles	1-3	5-8 minutes
NON-URBAN	500-1999 people	within 4 miles	4-6	7-12 minutes
RURAL	<500 people	within 6 miles	6-9	12-17 minutes



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TYPICAL RESIDENTIAL MODEL - ARRIVAL OF EFFECTIVE RESPONSE FORCE:

For 90% of all typical residential structure fire incidents, an effective force of at least seventeen (17) adequately trained firefighters (*including automatic aid responses*) should arrive within (determined locally) minutes total response time. The effective response force should be capable of establishing command, appointing a site safety officer, providing an uninterrupted water supply, advancing an attack line and back up line for fire control, complying with the OSHA requirements of two-in and two-out, completing forcible entry, searching and rescuing at-risk victims, ventilating the structure, controlling utilities, and performing salvage and overhaul. These operations are done in accordance with department standard operating protocols while providing for the safety of responders and the general public.

Approximate Range of Credible Response Time Within State Rated Fire Insurance Districts

<u>Area</u>	<u>Density per Sq. Mile</u>	<u>Fire Station</u>	<u>Prevalent ISO Rating</u>	<u>Total Response</u>
URBAN	>2,000 people	within 2 miles	1-3	5-10 minutes
NON-URBAN	500-1999 people	within 4 miles	4-6	9-19 minutes
RURAL	<500 people	within 6 miles	6-9	19-29 minutes



**Town of Rolesville, North Carolina Fire Service Unification Initial Analysis
November, 2020**

9. ILLUSTRATIVE BEST PRACTICES

A revised contract is needed between the RRFD and the Town of Rolesville. Below are some examples of other agreements that are in place or have been in place in North Carolina as illustrative examples. Updating the contract is recommended as a short-term improvement for Rolesville.

NORTH CAROLINA

WAKE COUNTY

**AGREEMENT BETWEEN TOWN OF WAKE FOREST AND
THE WAKE FOREST FIRE DEPARTMENT, INC. FOR
PROVISION OF FIRE SERVICES**

This Agreement is made and entered into this ___ day of _____ 2017 (the “Effective Date”) by and between the Town of Wake Forest, a municipal corporation of the State of North Carolina, hereinafter referred to as the “TOWN”, and the Wake Forest Fire Department, Inc. hereinafter referred to as the ‘FIRE DEPARTMENT”.

WITNESSETH

WHEREAS, the Fire Department has provided valuable all-hazard mitigation services to the Town for several years, and

WHEREAS, the Fire Department has demonstrated to the Town its need for funds in order to enable it to purchase, operate, and maintain fire equipment and to otherwise finance the operation of the Fire Department.

NOW, THEREFORE, for and in consideration of the mutual covenants provided for herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and Fire Department hereby enter into this Agreement under the following terms and conditions:

1. This Agreement shall begin on the Effective Date and shall continue for five (5) years from that date. This Agreement may be extended for two (2) additional periods of five (5) years each, if agreed to in writing by the Fire Department and the Town. This Agreement may be terminated by either the Fire Department or the Town pursuant to Section 13 of this Agreement.

2. The Fire Department agrees to provide continuing all-hazard mitigation services to all citizens of the Town. This includes, but is not limited to, fire protection, emergency medical services, fire prevention activities, and hazardous material emergencies (collectively, “Services”).



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The Fire Department will provide adequately trained personnel, facilities and the necessary equipment to undertake and enable these Services.

3. The Town agrees to appropriate funds to the Fire Department in each fiscal year to enable the Fire Department to provide the Services to the Town.

- a) The Fire Department's funding under this Agreement shall be appropriated by the Town together with the annual budget adopted by the Town. The amount of such funding shall be equal to the product of a tax rate established by the Town and expressed in cents per hundred dollars (hereinafter "effective tax rate") multiplied by the taxable value of property within the Town after adjustment for collection rate per year. The effective tax rate as of the Effective Date is 11 cents (\$0.11).
- b) The Town shall establish the effective tax rate as part of its annual budget process. The Fire Department may request adjustments in the effective tax rate annually during the budget process. The burden of proof in establishing the need for any increases shall be upon the Fire Department. The Town may accept, modify or decline any request for adjustment of the effective tax rate.

4. The Town Board of Commissioners shall appoint one of its members to serve as ex-officio member on the Board of Directors of the Fire Department for such term as the Board of Commissioners shall designate. Such ex-officio member shall not be entitled to vote on any matter before the Board of Directors of the Fire Department.

5. The Fire Department agrees to provide the following insurance coverages:

- a) **Worker's Compensation:** Coverage to apply for all members for Statutory limits in compliance with the applicable state and federal Laws. The policy must include employer's liability with a limit of \$1,000,000 per accident, \$1,000,000 bodily injury by disease per employee and \$1,000,000 bodily injury by disease policy limit.
- b) **Comprehensive General Liability:** Minimum limit of \$3,000,000 per occurrence combined single limit for bodily injury liability and property damage liability.
- c) **Business Auto Policy:** Minimum limit of \$2,000,000 per occurrence combined single limit for bodily injury liability and property damage liability.
- d) **Professional Errors and Omissions Liability:** Minimum limit of \$1,000,000 per claim and \$3,000,000 aggregate.



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The Town is to be included as an additional insured on each of the liability policies above. A Certificate of Insurance shall be forwarded to the Town at the beginning of each policy year.

6. In consideration of the Services to be provided to the Town by the Fire Department under this Agreement, the Town will provide payments to the Fire Department as appropriated pursuant to the Town's budget process in four (4) equal quarterly payments (the "Regular Payments") as such: July 31; October 31; January 31; and April 30 of each fiscal year. At the end of each respective fiscal year during this Agreement, the Town will remit to the Fire Department a "true-up" payment (the "Reconciliation Payment") which represents the difference between the budgeted tax base and actual billed amount for the respective fiscal year, if the actual billed amount exceeds the budgeted tax base. Reconciliation Payments, if any, will be remitted to the Fire Department on or before June 30 of each calendar year. The amount of appropriation for Regular Payments for subsequent fiscal years in shall be determined by the Town as outlined in Paragraph 3.

7. A certified copy of the Fire Department's annual audit shall be provided to the Town.

8. The Fire Department agrees to protect, defend, indemnify and hold the Town and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demand, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of the Agreement and/or the Fire Department's performance hereof. The Fire Department further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at its sole expense and agrees to bear all other costs and expenses related thereto, even if (claims, etc.) is groundless, false or fraudulent. The foregoing provisions concerning indemnification shall not be construed to indemnify the Town for damage arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Town or its employees.

9. If the Town determines that the Fire Department has failed to render the protection and service to the Town as provided in this Agreement, then the Town shall give the Fire Department ninety (90) days advance written notice that the funds allocated are subject to suspension. If during the said ninety (90) day period the Fire Department makes improvements satisfactory to the Town, no suspension shall occur. During this ninety (90) day period, the Fire Department is not relieved of its responsibility to provide all hazard mitigation services. Within this ninety (90) day period, either party has the option to terminate this Agreement in accordance with Section 13 of this Agreement.

10. In the event of a liquidation or dissolution of the Fire Department, all equipment and assets will be distributed in accordance with the Fire Department's Charter and the North



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Carolina Non-Profit Corporation Act. All assets and equipment of the Fire Department shall be distributed to the Town upon such liquidation or dissolution event.

11. The Fire Department shall use the funds subject to this Agreement in accordance with its budget (the “Budget”). The Budget may be amended by the Fire Department Board of Directors, within the funds made available by this Agreement.

12. This Agreement may not be transferred or assigned by the Fire Department without the written consent of the Town.

13. This Agreement may be terminated by either party upon advance written notice to the other party, served upon the other party by certified mail at least ninety (90) days prior to termination. Failure of the Town and the Fire Department to agree upon the amount of funding shall terminate this Agreement in accordance with this section of this Agreement. Either party may propose an amendment to this Agreement by submitting the amendment in writing to the other party at least sixty (60) days in advance of the amendment’s proposed effective date. Amendments to this Agreement must be approved by both the Town and the Fire Department in order to become effective.

14. Any notice required to be given pursuant to this Agreement shall be given in writing and delivered to each party at the following addresses:

TOWN:

Town of Wake Forest
Attn: Town Manager
301 S. Brooks Street
Wake Forest, NC 27587

FIRE DEPARTMENT:

Wake Forest Fire Department
Attn: Fire Chief
420 Elm Avenue
Wake Forest, NC 27587

15. This Agreement is not intended to serve for the benefit of any third party. The rights and obligations contained herein belong exclusively to the entities which are parties hereto and no third party shall rely upon anything contained herein as a benefit to that third party.

16. The terms and provisions herein contained constitute the entire Agreement by and between the Town and the Fire Department and shall supersede all previous communication, representation or Agreements, either oral or written between the parties hereto with respect to the subject matter hereof.

(The next page is the signature page.)



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IN WITNESS WHEREOF, the Town has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its duly authorized Board of Commissioners, the day and year first above-written; and the Fire Department has caused this instrument to be signed in its corporate name by its duly authorized offices and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above-written.

TOWN OF WAKE FOREST

Mayor

ATTEST:

Town Clerk

[TOWN SEAL]

WAKE FOREST FIRE DEPARTMENT, INC.

President

ATTEST:

Secretary

[CORPORATE SEAL]



**Town of Rolesville, North Carolina Fire Service Unification Initial Analysis
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**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

THIS AGREEMENT, made and entered into this the 1st day of, July 2020, by and between WAKE COUNTY, hereinafter referred to as the “County”, and the Durham Highway Fire Protection Association, Inc., Inc. hereinafter referred to as the “Fire Department”;

RECITALS:

- A. WHEREAS, North Carolina General Statutes §69-25.5 provides that the board of county commissioners may provide for fire protection in a fire protection district by contracting with any incorporated nonprofit volunteer or community fire department; and
- B. WHEREAS, North Carolina General Statutes §153A-233 additionally provides that a county may contract for fire-fighting or prevention services with one or more incorporated volunteer fire departments, and may for these purposes appropriate funds not otherwise limited as to use by law;
- C. WHEREAS, the Durham Highway Fire Protection Association, Inc., Inc. agrees to contract with Wake County to provide fire protection services; and
- D. WHEREAS, North Carolina General Statutes §159-13 et seq. provides that the county budget ordinance may be in any form that the Board of County Commissioners of any County deems most efficient in enabling it to make the fiscal policy decision embodied therein and provides for a fund for each special district whose taxes are collected by the county; and
- E. WHEREAS, the Fire Department is a North Carolina nonprofit corporation organized and authorized to furnish fire protection services and other services authorized by its charter to the citizens of its district; and
- F. WHEREAS, the Durham Highway Fire Protection Association, Inc. Fire Insurance and Response District(s) of Wake County have boundaries defined by the most current description on file maintained by the Wake County Geographic Information Services in the Department of Fire Services Office, as illustrated by the map contained in Appendix A; and
- G. WHEREAS, the Fire Department has secured equipment, land and buildings for the operation of Fire Station(s); and
- H. WHEREAS, Wake County presently levies and collects a special tax and is responsible for appropriating the funds derived there from for fire protection in Wake County; and



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- I. WHEREAS, the County and Fire Department desire to enter into this Agreement for the Fire Department to furnish fire protection for and within the described District.

AGREEMENT

SECTION 1. USE AND AMOUNT OF SERVICE TAX LEVIED

Wake County agrees to make funds, equipment, facilities and/or personnel available to the Durham Highway Fire Protection Association, Inc., Inc. of Wake County, from the proceeds of the tax levied from the special fire protection service tax district. The amount of such service tax levy shall be determined by the Board of the County Commissioners from year to year. The County will collect the funds from the special tax as may be levied as provided by law. For each fiscal year, the funds provided from the service tax district shall be based on the needs projected in the budget request jointly submitted by the Fire Department and the County staff to the County Commissioners and as approved by and deemed necessary by the County Commissioners for furnishing fire protection and emergency services within the District.

Special fire district tax funds levied and collected by the County and paid to the Fire Department by the County shall be used solely for fire department operations, fire protection and emergency services in the Durham Highway Fire Protection Association, Inc. Insurance and Response Districts as shown in Appendix A and other areas of response as dispatched and to meet the standards established by this Agreement.

SECTION 2. ACCOUNT MAINTAINED FOR RECEIPTS FROM SERVICE TAX

A separate account shall be maintained by the County for the receipts from the special tax levied for the service tax district. Out of this account:

- 2.1. The County will pay the retained fees for system-wide services provided in the unincorporated areas of the County, including forestry, fire training, communications (including WECO), computer-aided dispatch, 800 MHZ radio system and hazardous materials response, and any other fees that may be recommended by the Fire Commission and approved by the County.
- 2.2. The County will pay the approved total appropriations for the Fire Department in equal monthly payments to said Fire Department on the last day of each month, provided that prior to and as a condition of payment, the Fire Department has submitted such funding request to the Fire Commission in a line item budget format for the Fire Commission's review and recommendation, and the Board of Commissioners has reviewed and approved said funding.



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SECTION 3. SERVICE TAX REVENUES IN EXCESS OF APPROPRIATIONS

Any fire protection service tax district revenues collected annually in excess of the approved total appropriations and retained County fees shall be maintained in the separate account established by the County. The Wake County Fire Commission shall make recommendations to the County for distribution of these revenues. The Wake County Board of Commissioners will issue final approval of distribution.

SECTION 4. SERVICES FURNISHED BY THE COUNTY

The County shall furnish the following services to the contracting Fire Department for the term of this Agreement:

- 4.1. such vaccinations as are deemed necessary for all full time, part time and volunteer members of the Fire Department by the County's medical director and fire protection needs analysis in order to maintain such fire protection throughout the County,
- 4.2. fire investigation and emergency scene assistance services, and
- 4.3. annual Fitness for Duty medical examinations for fire department fire suppression personnel
 - 4.3.1. Fitness for duty medical exams shall follow NFPA 1582 standards and evaluate the employee's physical ability to perform the essential functions of their job classification. Exams must conform to the examination guidelines in Appendix R.
 - 4.3.2. Departments shall have the option of obtaining fitness for duty medical exams for their fire suppression personnel through the department's own medical provider.
 - 4.3.3. In such event, reimbursement shall not exceed the County designated reimbursement rate, as determined through procurement process.
 - 4.3.4. Exams provided by Department's medical provider must conform to the examination guidelines in Appendix R.
 - 4.3.5. To be eligible for reimbursement, Department shall follow Wake County Fire Tax District Medical Program guidelines as outlined in Appendix R.



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SECTION 5. SERVICES FURNISHED BY FIRE DEPARTMENT

The Fire Department will furnish fire protection and other emergency services as recommended by the Wake County Fire Commission and approved by the Wake County Board of Commissioners or as contracted for by the Board of Commissioners within the District and shall provide the necessary equipment, personnel and those things necessary for furnishing such protection in the District. The services shall be in accordance with minimum standards set forth in this Agreement and all future amendments adopted in accordance with Section 27 of this Agreement. The Fire Department shall furnish said fire protection without charge to all persons and property located in the District in an efficient and workmanlike manner. This provision shall not prohibit the Fire Department from entering into contracts with the Federal, State or local governments, or utility companies for the provision of fire protection services exceeding the scope of this Agreement for a fee. Wake County Board of Commissioner approval is required to utilize County assets for the provision of fire protection services exceeding the scope of this Agreement. This requirement shall not prohibit the Fire Department from billing for certain services, including but not limited to inspection services, false alarm responses, and hazardous materials mitigation responses, based on a fee schedule or other cost recovery program, provided that such fee schedule has been approved by the Wake County Board of Commissioners and attached to this agreement in Appendix B.

SECTION 6. BOOKS AND RECORDS

The County may inspect the financial books and records of the Fire Department at reasonable times during regular business hours of the County. The Fire Department agrees that it will supply such financial books, records, and information or verification as may be reasonably requested by the County. The Fire Department shall maintain a written accounting system which provides adequate documentation of all of its receipts and disbursements including, but not limited to, those related to the expenditure of funds subject to this Agreement.

SECTION 7. QUARTERLY REPORT

The Fire Department shall provide to its Board of Directors and the Wake County Fire Services Department, at least quarterly, a financial report containing at a minimum 1) a Balance sheet 2) a Statement of Income and Expenses, and 3) a General Ledger detail for the reporting time period.

SECTION 8. ANNUAL REPORT

The Fire Department shall provide the County with an annual audit of the Department's financial statements prepared in accordance with generally accepted accounting principles. The audit shall be conducted by independent certified public accountants in accordance with generally accepted auditing standards. The audit report and any accompanying management letters must be submitted to Wake County no later than 5:00 PM on the last working day of October following the close of the fiscal year. A draft version of the audit report shall be submitted to Wake County Finance Department for review prior to issuance of the final audit report. The Finance



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Department will complete the review within five (5) to ten (10) business days. The primary purpose of this review is to encourage consistent reporting by all departments.

If the Fire Department elects to assume responsibility for its own audit, the financial records and data enumerated in Appendix “C” shall be presented to the Fire Department’s auditor in the manner and condition described therein.

The County agrees, upon the timely written request of the Fire Department, to make available an audit conducted at Fire Department expense by an independent certified public accountant.

If the Fire Department elects to participate in the audit furnished by the County, then the Fire Department agrees to submit financial records and data to the County’s auditor no later than 4:00 PM on the last business day of August of the current fiscal year. Such financial records and data shall include the records and documents enumerated in Appendix “C”, “Information for Annual Audit”, attached hereto and incorporated herein, and shall be presented in the manner and condition described therein.

In the event that the Fire Department does not have an independent annual audit performed, then and in that event, the Fire Department shall provide the County with its unaudited financial statements containing a detailed accounting of the Fire Department’s budget and expenditures, no later than 5:00 p.m. on the last working day of September following the close of the fiscal year. The Department must provide any follow up documentation requested by County to support financial statement amounts, including but not limited to any of the financial records and data enumerated in Appendix “C”, within 5-10 days of written request from the County. This option is required to comply with this section only if the Fire Department does not submit an independent audit.

In the event that the audit, management letter or self-reporting reveals any reportable and/or material issue(s) with regard to accounting processes; compliance with laws, regulations, or contract provisions; fraud or abuse; or other financial mismanagement, the Fire Department shall provide a written statement to the County that contains an explanation of each such issue and an action plan (with implementation timetable) for resolving each such issue, and shall provide periodic reports to the County on progress made in resolution of each issue. If resolution of such issues requires professional advice on the part of that Fire Department’s (or County’s) auditor, the Fire Department shall bear the cost of such advice.

Should the Fire Department fail to submit its audit report, unaudited financial statements, and/or any requested follow up documentation to the County within the above time period, the County may suspend all funds immediately until the audit, financial statements, or documentation is delivered as set forth above, except that the County’s Director of Finance may grant a reasonable submittal extension if the Department is unable to deliver the audit, financial statements or documentation for reasons beyond the control of the Fire Department or the Fire Department’s auditor.



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SECTION 9. DECISION MAKING PROCESS OPEN TO PUBLIC

Because of the Fire Department's extensive reliance on public funds for its operations, the public has a continuing interest in the Fire Department's decision-making processes and decisions regarding the spending of those funds. The Fire Department agrees to the provisions of this Section, acknowledging that such provisions are required by this Agreement notwithstanding that such provisions are not required by statute.

- 9.1. To ensure public trust, the Fire Department agrees that its Board of Directors meetings will be open to the public.
- 9.2. To ensure the ability of the public to attend those meetings, the Fire Department agrees to provide public notice of such meetings as described in Appendix D, "Board of Directors Meeting Notification," which is incorporated as part of this agreement. The Fire Department and the County agree that public notice of a Board of Directors meeting called in the midst of a declared disaster or emergency to make decisions required to respond to that disaster or emergency is not practical, and therefore not required.
- 9.3. To ensure the ability of the public to review the Fire Department's decision-making processes and spending decisions, the Fire Department agrees to take minutes of all meetings that would enable a person not in attendance to have a reasonable understanding of what happened, and to make minutes of those meetings available to the public by the time of the Fire Department Board of Directors' next meeting. An electronic version of the meeting minutes shall be provided to the County Fire Services within two weeks of adoption.
- 9.4. Notwithstanding the Fire Department's reliance on public funds, there are matters on which a Board of Directors must act that are non-public in nature. The County and the Fire Department agree that, in the course of a public meeting, the Board of Directors may decide to close the meeting under the following circumstances:
 - 9.4.1. To consult with an attorney (to preserve attorney-client privilege) for an actual claim, judicial action, mediation, arbitration, etc. (does not include closing a meeting for "legal advice" or general legal information);
 - 9.4.2. To discuss purchase, exchange or lease of real property;
 - 9.4.3. To discuss the terms of an actual or proposed employment contract;
 - 9.4.4. To deal with personnel matters concerning a member and/or employee (does not include general personnel policy discussion/action);



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- 9.4.5. To request (or hear a report on) an investigation of alleged criminal misconduct directly concerning the Fire Department, a member or employee;
- 9.4.6. To make decisions on matters other than those that directly or indirectly involves public funds;
- 9.4.7. The Fire Department agrees to keep an agenda and minutes for any closed meeting or part of a meeting, which shall be made available for public examination at the next Board of Directors meeting, except for minutes of closed sessions dealing with criminal matters, personnel matters, sessions concerning matters other than those that directly or indirectly involving public funds, and, unless the Board decides otherwise, matters of attorney-client privilege). The Department agrees that the agenda(s) and minutes of any closed meeting or part of a meeting shall meet the same standards as minutes of all public meetings and shall include a statement of the purpose of conducting the meeting in closed session.
- 9.4.8. The County and Fire Department further agree that a “meeting” exists for purposes of this section when a majority of Board members get together physically, or via conference call or other electronic means for the purpose of transacting business, and that a social gathering of Board members at which business is not (and will not be) transacted is not a “meeting” for purposes of this section.
- 9.4.9. Notwithstanding the provisions of this Section, the County shall have access to all meeting agenda(S) and minutes, including any closed meeting or part of a meeting, without exception, upon request.

SECTION 10. NON-COMPLIANCE BY FIRE DEPARTMENT

If the County has a reasonable belief that the Fire Department has violated any provision of this Agreement, the County will provide the Fire Department written notice of the possible noncompliance and initiate an audit to verify compliance. If the County determines that the Fire Department has failed to render the fire protection and services as provided in this Agreement or has otherwise operated in a manner that violates the provisions of this Agreement, then the County shall give the Fire Department ninety (90) days advance written notice that the funds allocated are subject to suspension and shall additionally provide a list of the improvements needed for compliance. If during the said ninety (90) day period, the Fire Department makes improvements satisfactory to the County, no suspension shall occur. During the ninety (90) day period, the Fire Department is not relieved of their responsibility to provide fire protection and emergency services in a manner otherwise consistent with the terms of this Agreement. If after the ninety (90) period, the Fire Department has failed to make satisfactory improvements to comply with this Agreement, then the County may suspend any or all of the monthly payment of funds allocated to the Fire Department pursuant to Section 2 herein.



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SECTION 11. AUTHORITY TO MAINTAIN DELIVERY OF SERVICES

In the event that the Fire Department's Board of Directors determines that the Fire Department is unable to reliably deliver the services described herein, for reasons including, but not limited to, resignation or withdrawal of volunteer, part-time or full-time members or other withdrawal or loss of ability to deliver services, the Fire Department's Board of Directors shall immediately so notify the County, at which time the Fire Department authorizes the County or its agents to suspend the monthly payment to the Fire Department and to use such Department facilities and equipment as are necessary to maintain the delivery of fire services in the Fire Department's primary service area (to the extent the Fire Department exercises operational control and/or ownership interest over such facilities and equipment), so that an interruption of the Fire Department's ability to deliver fire services will not interfere with the standards of fire protection service provided for in this Agreement.

Should such use become necessary, upon the request of the Fire Department, the County and the Fire Department's Board will jointly select an independent third-party trustee who will regularly evaluate the County's use of such Fire Department facilities, equipment and resources on behalf of the Fire Department. During the time that the Fire Department is unable to provide services, the Board of Directors of the Fire Department shall cooperate with the Fire Commission. The Fire Commission shall determine if the Fire Department is able to resume delivery of reliable service.

SECTION 12. FINANCIAL MISMANAGEMENT

The Fire Department agrees that if its financial records are judged to be un-auditable for purposes of audit or establishment of a budget by the County's Director of Finance, or if a regular or special audit by a Certified Public Accountant reveals competent evidence of reckless or willful financial mismanagement practices or intentional or criminal wrongdoing, the Fire Department's Board of Directors will notify the County, at which time, the County and Board of Directors may jointly name a trustee who will assume responsibility for management and financial decision-making for the Fire Department until such time as the County and Fire Department's Board of Directors agree that the Fire Department's finances have been stabilized to the extent required to satisfy the financial management provisions of this Agreement.

SECTION 13. COMPOSITION OF BOARD OF DIRECTORS

The Fire Department agrees that as long as this Agreement or subsequent renewals of an existing Agreement are in effect, the following restrictions shall apply to the Board of Directors:

- 13.1. If the fire chief of the Department serves as a member of the Department's Board of Directors, that fire chief shall serve as an ex officio member, without vote, of the Department's Board of Directors.



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- 13.2. No compensated current employee of the Fire Department shall serve as a member of the Department's Board of Directors. "Compensated current employee" shall be defined as a current employee of the Fire Department paid a salary or hourly wage for services provided to the Fire Department. This shall not include volunteers who receive stipends or reimbursements; or employees paid an hourly wage pursuant to any contract with a duration of less than thirty (30) days per calendar year.
- 13.3. No family member of 1) the Fire Department's Chief Officers or 2) the President of Board of Directors shall serve as a member of the Department's Board of Directors. "Chief Officers" shall be defined as the persons designated by the Board as the Fire Chief of the Department or appointed by the Fire Chief to a chief officer rank. This designation shall not include other officers at or below the rank of Captain. "Family member" shall be defined as a parent, spouse, child, or sibling of the member, including a parent, child, or sibling of the member's spouse. If a family member as defined herein is a properly elected or appointed director at the time this Agreement is entered, then and in that event, the Board of Directors shall 1) request the resignation of such member or take any other action available under the current by-laws to insure that the family member does not serve as a director during the performance of this contract 2) change the by-laws at the next annual meeting to insure that no family member serves as a director during the performance of this contract.
- 13.4. Each Board of Directors shall have a minimum of twenty percent (20%) citizen membership, unless prohibited under the Fire Department's by-laws in effect. If the by-laws in effect do not permit such composition, then and in that event, the Fire Department shall make a good faith effort to promote citizen participation on the Board to the extent permitted and shall make an amendment to the by-laws to allow compliance with this Section.
- 13.5. The fire department's current by-laws are attached to this agreement in Appendix E.

SECTION 14. LIQUIDATION OR DISSOLUTION

In the event of liquidation or dissolution of the Fire Department, all equipment and assets will be distributed in accordance with the Fire Department's Charter or Articles of Incorporation and the North Carolina Non-Profit Corporation Act. All assets and equipment that have been acquired using County funds, other than those accounts maintained by the County as special rural fire district funds, shall be returned to the County.

- 14.1. Should such liquidation, dissolution, or termination of this Agreement pursuant to Section 24 occur while there remains an ongoing requirement for County provided fire protection in the Fire Department's primary service area, all required firefighting



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apparatus and equipment (excluding real property) shall be assigned or distributed by the dissolving Fire Department to its successor in fire protection within the Fire Department's primary service area. Real property owned by the Fire Department and not reasonably required by the County for the purpose of fire protection in the sole discretion of the County, or real property which is already being used by other governmental entities for fire protection is excluded. Such unallocated Real property will be returned to public service use in consultation with homeowners within the Fire Department's primary service area. If in the sole discretion of the County, the County or successor fire department appointed by the County reasonably requires the use of the Real property to provide fire protection within the Department's primary service area, the Fire Department shall lease such Real property through a leasing instrument which will insure maintenance of such property for the duration of need, but will not accrue revenue to the Fire Department above and beyond such maintenance. The County in its sole discretion may decline to exercise this provision and the Department shall have no right to compel the exercise of this provision.

SECTION 15. MERGER

In the event of a merger between the Fire Department and another entity, all assets purchased by the Fire Department prior to the establishment of the Fire Protection Service Tax District will remain the property of the Fire Department; and all assets purchased by the Fire Department after the establishment of the Fire Protection Service Tax District will be distributed in accordance with Section 14 herein.

SECTION 16. FIRE DEPARTMENT'S USE OF FUNDS

The Fire Department shall use the funds subject to this Agreement in accordance with the annual Department Budget. This budget may be amended by the Fire Department Board of Directors within the approved total appropriations made available by this Agreement provided that all appropriations must be used for furnishing fire protection within the district and amendments providing for any expenditure that establishes a new operating expense that will extend beyond the current fiscal year shall require the written consent of the Director of the Department of Fire Services and any amendment to the budget regardless of whether it extends beyond the current fiscal year shall be subject to the following provisions:

- 16.1. The Department shall notify the Director of the Department of Fire Services of addition or deletion of full- or part-time positions (defined here as positions budgeted at a pay rate equal to, or in excess of, the current federal minimum wage). Use of personnel funds for any purpose other than compensating persons occupying budgeted positions shall require the written approval of the Director of Fire Services. A decision of approval or disapproval shall be provided to the department from the Department of Fire Services within forty-eight (48) business hours of receipt of complete requested documentation.



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- 16.2. The Department is required to notify the County in writing within thirty (30) calendar days of the following changes:
- 16.2.1. changes in the board of directors;
 - 16.2.2. changes in key personnel, including, but not limited to: chief executive officer, president, executive director, finance director, or equivalent; or,
 - 16.2.3. any modification in the use of County funds provided through this Agreement.
- 16.3. The Fire Department agrees to follow the current Wake County Procurement policy, excluding Section IIB, Section IIC and Section IID, which is contained in Appendix F.
- 16.4. The Fire Department and the County agree that, in the event of a bona fide emergency, the Department may proceed with emergency purchases without seeking formal or informal bids as described herein.
- 16.5. The Department shall not enter into a financial transaction which shall require the Department to create a security interest in favor of a third party in real or personal property wholly or partially acquired with County funds without Wake County Board of Commissioners approval. Security interest shall be defined as any agreement or act that gives the beneficiary of the security interest preferential rights in the disposition of the secured asset, including but not limited to a mortgage, charge, pledge, or lien.
- 16.6. The County may request the Department, at any time during the fiscal year, to provide the County with satisfactory documentation that the funds are expended in an acceptable manner. County requests may include, but are not limited to, performance measures, financial statements, other funding agreements, and salaries and benefits information. Any request for information will be submitted in writing to the Department. The Department shall have up to thirty (30) calendar days from the date of written request to submit documentation.
- 16.7. The Department agrees that County funds shall not be requested or used to pay penalties or fines without County approval.
- 16.8. The Department certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. Section 143-6A-4. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. Section 143C-6A-5(b), Department shall not utilize any subcontractor in the performance of this Contract that is identified on the Final Divestment List.



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SECTION 17. FIRE DEPARTMENT'S BUDGET PREPARATION

The Fire Department agrees that it shall continue to use the County's electronic financial reporting system furnished by Wake County for budget preparation and presentation purposes only, based upon the County's "chart of accounts" which provides accurate documentation of all of its receipts and disbursements, including (but not limited to) those related to the funds subject to this agreement, and the Fire Department and County will use the product(s) of that reporting system in the development and analysis of the budget for FY 2003 and subsequent fiscal years. The Fire Department agrees that it will make these reports available to the public upon request.

As part of every annual budget submission, the Fire Department shall identify the name, rank and date of separation of each paid employee that leaves employment with the Department and the name, rank and date of employment of each new hire employee. The modified budget form provided by the County shall incorporate a request for this information. Use of lapsed salary dollars shall conform to Section 16.1 of this agreement.

As part of every annual budget submission, the Department is required to disclose any existing debt of the Department and any arrangements for repayment (i.e., monthly payments, promissory note). "Existing Debt" shall be defined as any legally enforceable secured or unsecured obligation to pay money.

SECTION 18. INSURANCE AND INDEMNIFICATION

The Fire Department shall obtain and keep in force during the term of this Agreement and any subsequent renewals of this Agreement the following minimum insurance coverages, annually providing the Wake County Finance Department with a certificate of insurance. All required insurance shall be procured from insurance companies licensed to do business in North Carolina with a Best's Insurance Guide Rating of no less than A- and a financial size category of no less than VII; or the Volunteer Safety Workers' Compensation Fund owned and operated by the State of North Carolina. The Fire Department shall be responsible for purchasing such insurance coverage for both regular employees and volunteers. Coverage shall be maintained continuously during the term of this agreement.

- 18.1. Worker's Compensation, with limits for Coverage A: Statutory for State of North Carolina, and Coverage B – Employers Liability: \$100,000 each accident/\$100,000 disease each employee/\$500,000 disease.
- 18.2. General Liability, Including Medical Malpractice/Errors and Omissions, with limits not less than \$1,000,000 per occurrence or incident, including contractual liability.
- 18.3. Commercial Auto Liability, with limits not less than \$1,000,000 per accident for bodily injury and property damage, including coverage for owned, hired, and non-owned vehicles.



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- 18.4. Auto Physical Damage Coverage for any vehicle, including permanently attached equipment, listed by the Fire Department on the Fire Tax District replacement schedule, regardless of whether owned by County or Fire Department. Each vehicle shall be insured on an Agreed Value basis. Values will be provided by Wake Fire Services at the end of each calendar year. Wake County shall be Loss Payee for any County-owned or leased vehicle used in provision of contract services. For the purpose of this section, “Agreed Value” is the value agreed upon by the insured and the insurer at the beginning of the policy period but may be amended by endorsement.
- 18.5. Blanket Portable Equipment Coverage, on a guaranteed replacement cost basis, for any portable equipment used in the provision of contract services
- 18.6. Umbrella or Excess Liability, with limits not less than \$2,000,000, providing excess coverage over the underlying Employer’s Liability; General Liability including Medical Malpractice/Errors and Omissions Liability; Auto Liability; and Management/Directors and Officers Liability. There shall not be any “drop down deductibles” in areas where underlying coverage is not required but an Umbrella Policy provides coverage.
- 18.7. Fidelity/Employee Dishonesty Coverage, covering all employees and volunteers, with limits not less than \$100,000.
- 18.8. Management/Directors and Officers Liability, with limits not less than \$1,000,000 per claim and \$2,000,000 aggregate
- 18.9. Business Auto Policy: Coverage with minimum limits of \$1,000,000.00 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include owned vehicles, hired and non-owned vehicles and employee non-ownership

Wake County shall be included as additional insured on the General Liability, including Medical Malpractice/Errors and Omissions; Auto Liability, Management/Directors and Officers Liability; Umbrella Liability, and any other policy covering property owned by Wake County or where Wake County has funds at risk. Any policy insuring a vehicle owned by Wake County shall include Wake County as an Additional Insured Lessor and as a Loss Payee.

The Fire Department shall indemnify and save harmless Wake County from any and all liability and expenses including attorney’s fees, court costs, and other costs incurred by Wake County which are caused by the negligence or willful misconduct of the Fire Department, its agents, or employees, up to the limits of insurance specified herein; provided that such liability arises out of acts for which any defense of governmental, statutory, or common law immunity is not available. The indemnification provided for herein shall not be construed as a waiver of any applicable defense of governmental, statutory, or common law immunity, and shall not prevent the Fire Department or County from asserting any defense of such immunity; provided that if a court of



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competent jurisdiction determines that no such immunity applies, then the indemnity provided for herein shall apply.

SECTION 19. INSURANCE SERVICES OFFICE, INC. RATING

The Fire Department shall make a good faith effort to maintain its current rating, or better, with the North Carolina Department of Insurance, and Insurance Services Office, Inc., as well as its present nonprofit corporation status pursuant to Chapter 55A of the North Carolina General Statutes. The Fire Department shall continuously comply with all applicable laws, ordinances and regulations. The bylaws of the Fire Department shall have reasonable provisions enabling citizens of the District to participate in the affairs of the Fire Department, as determined necessary by the Fire Department Board of Directors. Cases in which a fire department loses or receives a reduced rating will be examined by the Wake County Department of Fire Services. The Wake County Director of Fire Services shall make a report to the Wake County Fire Commission containing recommendations for corrective action.

In the event that the Fire Department's ISO rating falls below a Class 6 public protection classification for fire insurance grading purposes, the Fire Department shall prepare and submit to the County a plan to obtain a minimum of a Class 6 public protection classification, such classification to be in effect no later than July 1, 2016. If the Department has a public protection classification equal to or better than a Class 6, the Fire Department is not required to downgrade to a Class 6.

The Fire Department agrees to implement said plan after its completion subject to availability of funds as recommended by the Fire Commission and approved by the Board of Commissioners.

The Wake County Board of Commissioners reserves the right to alter or merge insurance district boundaries in their sole discretion. The Department of Fire Services will notify the Department when considering insurance district boundary changes. The Fire Department agrees to cooperate with Wake County Fire Services in developing and implementing any County Commission approved insurance and response district changes. Any changes which occur during the life of this agreement shall be identified in an amended insurance and response area map to be attached in Appendix A.

SECTION 20. STANDARDS OF PERFORMANCE

The Fire Department shall furnish fire protection and emergency services in a professional, efficient and workmanlike manner, in particular so as to meet the requirements of and comply with rules and regulations of the North Carolina Department of Insurance, Insurance Services Office, Inc., Article 11, Chapter 153A of the North Carolina General Statutes, Article 14, Chapter 160A of the North Carolina General Statutes, and other pertinent federal, state and County laws, regulations and standards. The Fire Department agrees to participate jointly with the County in development and implementation of countywide fire service system performance



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standards through the Fire Commission including (but not limited to) staffing, turnout time, response time, fire and emergency-event outcomes, customer satisfaction and dissatisfaction, documentation consistency and compliance with standard operating procedures.

The following minimal performance standards are agreed to by the County and the Fire Department and are a part of this contract:

- 20.1. **RESPONSE TIME:** When one minute elapses after dispatch of the Fire Department with no response, the Fire Department will be re-paged. After an additional two minutes (three minutes total) have elapsed, the next closest fire department will be dispatched.
- 20.2. **STAFFING ON SCENE:** The Fire Department shall have an adopted standard operating guideline that addresses the appropriate number of firefighters needed on all types of fire calls. A current, valid copy of the Fire Department's guideline shall be kept on file with the Wake County Department of Fire Services.
- 20.3. **AUTOMATIC AID AGREEMENTS:** The Fire Department shall provide automatic aid service for all structure fire calls (1 tanker or pumper/tanker} and two firefighters or other arrangement as agreed upon with the neighboring fire departments and approved by the County) to any neighboring Wake County Fire Department. Each fire department shall participate in countywide automatic aid through the quickest unit response program. Units will be dispatched based on quickest response as configured in computer aided dispatch system. Fire stations that are not continuously staffed on a 24 hour a day / 7 day a week basis may or may not participate in quickest unit response inside a municipality's corporate limits.
- 20.4. **MUTUAL AID AGREEMENTS:** All Fire Departments shall cooperate and participate in the most current Wake County Mutual Aid system plan. The Wake County Emergency Communication Center will automatically dispatch the nearest mutual aid department after failure in three (3) minutes of the initially dispatched department to acknowledge the call. This shall apply to all calls. Wake County will supply the Fire Department with a copy of the officially adopted mutual aid system plan. The agreement can be found as Appendix G of this contract.
- 20.5. **TRAINING:** The Fire Department shall have formally adopted written guidelines for appropriate initial training of firefighters and continuing education of firefighters that meet or exceed all state requirements ("Training Guidelines"). The Fire Department shall be responsible for providing Wake County Department of Fire Services with a copy of the Training Guidelines and any amendments of the Training Guidelines that go into effect during this Contract. The Training Guidelines shall include the following minimum standards:



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- 20.5.1. Initial firefighter training shall include education on hazardous materials responder, incident command system, and blood borne pathogens.
- 20.5.2. The Department shall annually conduct and/or participate in a minimum of one (1) live fire training exercise with the preferred location being at the Wake County Fire Training Center.
- 20.5.3. The Department shall annually participate in a minimum of one (1) multi-company and one (1) multi-department live fire training exercise.
- 20.5.4. No member of the Department shall engage in structural firefighting without having first completed the Wake County Essentials of Firefighting course or equivalent course as determined by the Department's Chief Officer.
- 20.6. VOLUNTEERS: Fire Department shall demonstrate a commitment to recruiting and retaining volunteers within their respective department.
- 20.6.1. Fire Department shall complete and return to county a semi-annual Volunteer Report form, provided by the county, which provides the following information:
- 20.6.1.1. Total number of volunteers as of report date
- 20.6.1.2. Number of new volunteers joining the department since last semi-annual report.
- 20.6.1.3. Number of volunteers that have left the department since last semi-annual report.
- 20.6.1.4. Volunteer recruitment outreach events the Fire Department held or participated in that report period
- 20.6.1.5. Volunteer participation rate for emergency responses during that report period
- 20.6.1.6. Volunteer participation rate for department training events during that report period
- 20.6.1.7. Volunteer participation rate for department duty crew shifts during that report period
- 20.6.1.8. The full-time occupation of each volunteer



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20.7. DEPRECIATION: Each Fire Department shall have a depreciation schedule for equipment and property valued over \$25,000.00.

20.8. FIRE STATION CONSTRUCTION/RENOVATION: The Wake County Department of Fire Services, in conjunction with the Wake County Fire Commission, shall provide recommendations on new fire station locations and major renovations utilizing service tax district funds to the Wake County Fire Commission. Major renovations include renovations of existing fire stations which exceed \$100,000.00 in total cost. All expenditures of service tax district funds for new fire stations and major renovations require Wake County Board of Commission approval.

20.9. FISCAL RESPONSIBILITY:

20.9.1. At a minimum, all nonprofit Fire Departments shall have on hand, as of the end of the fiscal year, Expendable Net Assets Without Donor Restrictions or Board Designations of at least 5% of their annual total expenses identified in their audited financial statements; and Liquidity of at least 10% of their annual total expenses identified in their annual audited financial statements. All Fire Departments will maintain the designated level of both expendable net assets without donor restrictions and liquidity as follows:

20.9.1.1. Expendable Net Assets Without Donor Restrictions or Board Designations is defined as Net Assets Without Donor Restrictions, less net investment in capital assets, less amounts designated for specific expenditures by the governing board. Net investment in capital assets is total property and equipment, net of accumulated depreciation, less debt owed on property and equipment. At year-end, this amount must be at least equal to 5% of the total annual expenses identified in the audited financial statements for that year.

20.9.1.2. Liquidity is defined as total financial assets available to meet cash needs for general expenditures within one year. This amount is total assets, less nonfinancial assets (e.g. property and equipment, inventory, prepaid amounts), less assets that are unavailable for general expenditures due to contractual or donor-imposed restrictions, less assets that are unavailable for general expenditures because they have been designated for other purposes by the governing board. This liquidity amount is the same as is required to be disclosed by professional accounting and reporting standards. At year-end, this amount must be at least equal to 10% of the total annual expenses identified in the audited financial statements for that year.

20.9.1.3. Fire Departments with Expendable Net Assets Without Donor Restrictions and Board Designations (as defined above) exceeding 15% of the department's

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total annual expenses shall notify County staff and the Fire Commission in writing of their intended use of excess funds. Use of the excess funds should be made in the following order:

20.9.1.3.1. Finance apparatus options, station improvements, or other capital needs that have been identified as priorities by the Fire Commission and County staff in the Long-Range Plan or CIP programs,

20.9.1.3.2. Retire existing debt,

20.9.1.3.3. One-time purchases, which include:

20.9.1.3.3.1. Emergency non-budgeted expenditures for unanticipated repair

20.9.1.3.3.2. Replacement of essential firefighting equipment one-time purchases for such equipment as SCBA and SCBA cylinders with specifications approved by Fire Commission

20.9.1.3.3.3. Another option approved by the Fire Commission, the Department of Fire Services Director and Budget Director.

20.9.1.3.4. After planned uses of the excess funds have been formally approved by the governing board, the amount of such funds should be reported as designations in the financial statements.

20.9.1.3.5. Should a department not choose from the options listed above, County staff and the Fire Commission will consider excess funds when determining the department's operating appropriation from the Fire Tax.

20.10. **FIXED ASSETS:** Each Fire Department shall maintain an accurate inventory of all equipment valued at \$5,000.00 or more. This fixed asset list shall be kept for each Fire Department by station and be available for review at reasonable times during business hours of the County. The Fire Department agrees to cooperate with and participate in any Wake County inventory control systems.

20.11. **PUBLIC FIRE EDUCATION:** Each Fire Department shall develop a plan for providing public fire education for: 1) Children; 2) Businesses; and 3) Homes within each fire district. Each Fire Department's plan shall be revised annually and submitted to the Wake County Department of Fire Services, for review, at the beginning of each County fiscal year (July). Fire Departments shall support public fire education programs through assistance of materials, equipment and personnel from the Wake County Department of Fire Services.



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- 20.12. PRE-FIRE INCIDENT SURVEYS: Each Fire Department shall develop pre-fire incident surveys and update them annually for all commercial buildings within the fire district. Facilities, which should be given priority, are those buildings displaying NFPA 704 placards, hazardous, institutionalized and assembly occupancies. Each Fire Department shall work with local fire code enforcement officials to determine hazards and occupancies. Upon request, the Wake County Department of Fire Services staff shall assist Fire Departments in developing pre-fire incident surveys for buildings within Wake County Department of Fire Services' fire code enforcement service area.
- 20.13. FIRE INVESTIGATIONS: The Fire Department officer in charge at all fire scenes shall attempt to determine the origin and cause of every fire. When the officer in charge cannot determine the origin and cause OR if the cause is suspected to be incendiary in nature, the officer in charge shall request a representative from the Wake County Fire Services Department to assist. The Fire Department shall provide whatever assistance is needed by Wake County staff at the fire scene. The responsibilities under this section shall be in addition to, and not in replacement of the responsibilities outlined under subsection 20.13 "Post Incident Review".
- 20.14. POST INCIDENT REVIEW: In order to provide a systematic and consistent approach for reviewing and evaluating fire response, the Department shall be required to conduct a post incident review for the following incidents: fires resulting in fatalities, fires resulting in more than \$250,000 property loss, fires resulting in civilian injury requiring hospitalization for more than 23 hours, fires resulting in firefighter injury requiring hospitalization for more than 23 hours, and any other incident as determined by the Department. The Department shall be responsible for conducting the formal review in accordance with the most current Wake County Post Incident Review Procedure dictated by the Wake County Fire Commission; provided that the Wake County Training Division shall appoint the incident facilitator for the formal review. The incident facilitator shall be a fire service member 1) not affiliated with the responding department for the incident reviewed and 2) who has completed a post-incident review training program approved by the Fire Commission, or equivalent training as determined by the Fire Commission.
- 20.15. FIRE HYDRANTS: Each Fire Department shall have an adopted guideline that addresses fire hydrant testing and maintenance. A current valid copy of the Fire Department guideline shall be kept on file with Wake County Department of Fire Services. Each Fire Department shall ensure that every wet and dry fire hydrant in the suburban fire district is flushed and checked for accessibility, functionality, visibility, and operation at least once annually. Records of fire hydrant tests and maintenance conducted by fire departments shall be available for review by the Wake County Department of Fire Services.



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- 20.16. **MEDICAL FIRST RESPONDER:** Each Fire Department shall participate in the Wake County Medical First Responder Program. Each fire department shall conform to the Wake County Medical First Responder policies and procedures and direction of the Wake County Medical Director and Emergency Medical Services Director. Each Fire Department shall have an adopted guideline that addresses the Medical First Responder Program and Operation.
- 20.17. **EMERGENCY DISASTER RESPONSE:** Each Fire Department shall follow the Wake County Emergency Operations Plan and all applicable appendices.
- 20.18. **DISPOSING OF EQUIPMENT:** The Fire Department shall offer equipment that they have deemed necessary to sell to other Wake County Fire Departments prior to offering to outside agencies. The Fire Department shall not dispose of any County asset without the Wake County Department of Fire Services' approval and, if approval is received, shall follow all County guidelines taking into account any applicable statutory requirements for asset disposal.
- 20.19. **PERSONNEL:** The Department agrees to adopt and to initiate compliance with, and enforcement of personnel rules for compensated and volunteer members that are in compliance with FLSA and any other applicable federal or state law, and not substantially and materially different from, or inconsistent with the current Fire Compensation Administrative Guidelines adopted by the Fire Commission or within 30 (thirty) days of Fire Commission revision of such guidelines.
- 20.20. **EMPLOYMENT:** The Fire Department agrees to conduct a background-check for all "finalist" candidates for full-time and part-time employment and volunteer membership prior to hire or appointment and on all members at least once every three years.
- 20.20.1. No person with a felony or serious misdemeanor conviction(s) shall be hired by the Fire Department. "Serious misdemeanor conviction(s) shall be defined to include offenses reflective of violent criminal behavior or dishonesty. If additional funding is required to perform the background checks, background checks will be done subject to availability of funds. Nothing herein shall be construed to prevent the Fire Department from hiring an individual who has an isolated misdemeanor conviction remote in time but has demonstrated a sustained record of responsible, lawful behavior and is otherwise fit for duty.
- 20.20.2. All paid and volunteer employees of the Fire Department shall be subject to for cause and/or suspicion less drug testing at any time as deemed appropriate by the Fire Department.



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20.20.3. The Fire Department shall review each paid and volunteer member's county of residence at least once every three years to verify that the member meets departmental requirements.

20.21. DRIVER'S LICENSE CHECK: The Department agrees that it will enroll in the North Carolina Transportation Notification System and will conduct a driver license record review at least annually on each member and employee.

20.22. USE OF COUNTY-OWNED VEHICLES

20.22.1. Telematics: The Department agrees that in the event it uses or leases County-owned vehicles in the performance of duties under this Agreement, it is subject to the Vehicle Safety, Productivity, and Accountability provisions of the Wake County Driving Privilege Procedure, and acknowledges that the County may use or install telematics on such County-owned vehicles as provided for herein.

20.22.1.1. In an effort to promote the highest level of safety and accountability, county-owned vehicles may be equipped with technology, such as telematics. "Telematics" is a system of sending and receiving a vehicle's electronic data between the vehicle and a central management system. Vehicles with such technology installed are capable of tracking a variety of data, as well as, provide instant driver feedback. Data includes, but is not limited to: vehicle cpu diagnostics, vehicle location, harsh turning, harsh braking, harsh acceleration, vehicle utilization, safety infractions and risky driving behaviors. The County may use this data to monitor safe driving habits, identify training needs, to respond to public comment, and reduce risks. Data is validated by multiple sources. Data collected is acquired both from GPS modules and a vehicle's diagnostic data bus. This is to ensure accuracy with speeding, as well as harsh braking, accelerating, cornering and over-revving.

20.22.1.2. The County, at a minimum, will receive notifications of the following situations.

20.22.1.2.1. Speeding over 80mph for excess of 30 seconds

20.22.1.2.2. Non-seatbelt use over 20mph in excess of 1 minute

20.22.1.2.3. Aggressive driving behavior reported by harsh turning, braking and accelerating

20.22.1.3. Data shall identify vehicle information only and shall not identify employee names assigned to vehicles.



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20.22.1.4. Installation: Telematic devices installed on county-owned vehicles shall not be tampered with, reconfigured or removed, without written approval from county.

20.22.1.5. Data: Information collected through telematics may be used to assess the department's use of county-owned vehicles, compliance with NCDOT Division of Motor Vehicles regulations and vehicle diagnostic conditions. Vehicle records, including Telematics information, is the property of Wake County and may be subject to disclosure pursuant to N.C.G.S. Chapter 132 N.C. Public Records Act

20.22.2. Vehicle Use. The Department agrees that in the event it uses or leases County-owned vehicles in the performance of duties under this Agreement, the Department shall not make these vehicles available to individual employees or volunteers for personal use or other employment not provided for under the Fire Services Contract.

20.23. ADMINISTRATIVE AND OPERATIONAL PROCEDURES: The Department agrees to participate jointly with the County in development and implementation of countywide fire service standard administrative and operational procedures through the Fire Commission. Nothing in this section shall prohibit the Department from establishing or maintaining its own standard administrative and operational procedures provided they are not in conflict with County-wide procedures as described herein, or the County from issuance of County-wide emergency procedures in event of a declared disaster or emergency.

20.24. AUXILIARY SERVICES: Each Fire Department may choose to participate in Wake County Auxiliary Services Programs. Participation is voluntary. However, each Fire Department that participates in the programs shall conform to the Wake County policies and procedures and direction of the Wake County Director of Fire Services. Fire Departments choosing to participate in these programs shall have adopted guidelines that address the appropriate functions. If a department chooses to participate in any of these programs, the agreements can be found as Appendices J – O of this contract:

Type	Appendix
Special	J
Extrication	K
Water Rescue	L
Specialized Rescue	M
Specialized Fire	N
Technician Level Hazardous Materials	O



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- 20.25. FIRE COMPENSATION ADMINISTRATIVE GUIDELINES: The County and Fire Department agree to abide by the requirements contained in the Wake County Fire Compensation Administrative Guidelines as approved by the Wake County Board of Commissioners on October 20, 2003 and as they may be amended from time to time during the existence of the Agreement. The Department shall adopt the said Fire Compensation Administrative Guidelines and agree to operate their Department's pay and benefits system by the terms of said Fire Compensation Guidelines. The Department acknowledges review and acceptance of the most current Wake County Fire Compensation Administrative Guidelines originally effective July 1, 2003 as updated July 2016.
- 20.26. ADVERSE FINDINGS: The Fire Department agrees to notify the Wake County Department of Fire Services within 30 days of any adverse finding by any Municipal, State or Federal agency against the Department, pertaining to employment practices, employee safety, environmental issues, etc.
- 20.27. EMERGENCY ALERTING: The Fire Department agrees to rely only on the countywide alphanumeric and tone/voice paging systems for emergency alerting and response purposes.
- 20.28. GRANTS: The Fire Department shall receive approval from the Wake County Department of Fire Services prior to making application for grant funding for equipment, staffing or programs currently funded by the Fire Tax District, which will require Fire Tax District matching funds. Grant funding received by the department without approval will not be replaced by Fire Tax funding after the performance period of the grant or useful lifetime of grant-funded equipment. The Fire Department shall cooperate with and participate in regional grant applications which serve to maximize grant funding impact across Wake County.
- 20.29. WEAPONS: With the exception of sworn law enforcement officers, operating within their jurisdiction, no weapons of any sort are permitted to be carried by Department personnel while on duty within department vehicles or buildings, or while on calls for service. This applies to all weapons whether concealed or visible. This includes firearms, knives, conducted electrical weapons and chemical irritants, such as mace and pepper spray.

SECTION 21. RELATIONSHIP OF PARTIES

The Department, including any officer, employee, or agent of the Department is an independent contractor of the County and none of these shall be considered employees of the County. The relationship between the parties shall be limited to the performance of this Agreement in accordance with its terms. County and the Fire Department agree that the Fire Department shall operate and act as an independent contractor in accordance with the standards set forth herein,



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and the County shall not be responsible for any of the Fire Department's acts or omissions. Neither the Department, any officer, employee, or agent of the Department shall be deemed an officer, employees, or agent of the County. No liability for benefits, such as workers compensation, pension rights, or other provisions shall arise out of or accrue to any party, its officers, agents, or employees as a result of this Agreement or performance thereof.

SECTION 22. TERM OF AGREEMENT

The term of this agreement shall be for one year, beginning on July 1, 2020 and ending on June 30, 2021, unless earlier terminated by either party in accordance with Section 24 of this agreement. This term is subject to the continued legal existence of the District(s) and the Fire Department.

SECTION 23. NON-ASSIGNABILITY

This agreement may not be transferred, assigned, or subcontracted by the Fire Department without the written consent of the County.

SECTION 24. TERMINATION

This Contract may be terminated by either party with or without cause upon advance written notice to the other party, served upon the other party by certified mail at least ninety (90) days prior to termination. Failure of the County and the Fire Department to agree upon the amount of funding shall terminate this contract in accordance with this section of this Agreement.

SECTION 25. RESERVATION OF RIGHTS

Wake County reserves the right to provide the highest level of fire protection and emergency services possible, subject to the availability of funding.

SECTION 26. NO WAIVER

Failure of the County to enforce any of the provisions of this Agreement at any time, or to request performance by the Fire Department pursuant to any of the provisions of this Agreement at any time shall in no way be construed as a waiver of such provisions, nor in any way affect the validity of this Agreement, or any part thereof, or the right of the County to enforce each and every provision. In the event that there is disagreement between representatives of the County Department of Fire Services and the Department as to the meaning and/or applicability of any section of the Agreement, the County and the Fire Department shall endeavor in good faith to mediate the disagreement, and agree to select and share the cost (if any) of the services of a trained community mediator to mediate the disagreement. However, nothing herein shall be construed to prevent either party from seeking legal or equitable relief in a court of competent jurisdiction.



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SECTION 27. AMENDMENTS

It is recognized and agreed to by the County and the Fire Department that specific amendments may be necessary on an individual department-by-department basis. Any amendment to this Agreement shall be made in writing and signed by both parties in order to be effective. All contract amendments shall be listed in Appendix Q.

SECTION 28. NO THIRD PARTY BENEFICIARIES

This contract is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the parties hereto, and shall not confer any rights or remedies upon any person or entity other than the parties hereto.

SECTION 29. ENTIRE AGREEMENT

The terms and provisions herein contained constitute the entire agreement by and between the County and the Fire Department and shall supersede all previous communications, representation or agreement, either oral or written between the parties hereto with respect to the subject matter hereof; except, that this paragraph shall not be construed to supersede any existing and applicable Mutual Aid Agreements.

SECTION 30. NOTICES

All notices, reports, records, or other communications which are required or permitted to be given to the parties under the terms of this Agreement shall be sufficient in all respects if given in writing and delivered in person, by confirmed facsimile transmission, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the following address:



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If to Wake County:

Mr. Nick Campasano
Wake County Department of Fire Services
P.O. Box 550
331 South McDowell Street
Raleigh, North Carolina

Telephone: (919) 856-6349
Facsimile: (919) 856-6236

If to Fire Department:

Durham Highway Fire Protection Association, Inc.
Mr. James T. Feely
11905 Norwood Road
Raleigh, NC 27613

Telephone: (919) 676-4187
Email: feelyj@dhfd.org

SECTION 31. GOVERNING LAW

The Parties acknowledge that North Carolina law shall govern this Agreement.

SECTION 32. SEVERABILITY

If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

SECTION 33. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be deemed an original.

SECTION 34. NO WAIVER OF SOVEREIGN IMMUNITY

The County and the Fire Department agree that nothing herein shall be construed to mandate purchase of insurance by the County pursuant to N.C.G.S. 153A-435; or to be inconsistent with Wake County's "Resolution Regarding Limited Waiver of Sovereign Immunity" enacted October 6, 2003; or to in any other way waive the County's defense of sovereign or governmental immunity from any cause of action alleged or brought against the County for any reason if otherwise available as a matter of law.



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SECTION 35. VERIFICATION OF EMPLOYEE WORK AUTHORIZATION

To ensure compliance with the E-Verify requirements of the General Statutes of North Carolina, all contractors, including any subcontractors employed by the contract(s), by submitting a bid, proposal or any other response, or by providing any material, equipment, supplies, services, etc., attest and affirm that they are aware and in full compliance with Article 2 of Chapter 64, (NCGS 64-26(a)) relating to the E-Verify requirements.

SECTION 36. EFFECTIVE DATE OF AGREEMENT

The effective date of this Agreement shall be the date upon which Wake County executes this agreement. This date shall be reflected in the first paragraph of this Agreement. The terms and conditions of this Agreement shall apply to the entire Term as set forth in Section 22 or as amended by the parties.



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IN TESTIMONY WHEREOF, the County has caused this instrument to be executed by the Wake County Manager, and the Fire Department has caused this instrument to be signed in its name by its President, attested by its Secretary, and its corporate seal hereto affixed, all by authorization of its Board of Directors duly given.

This the _____ day of _____, 20_____.

WAKE COUNTY

BY: _____
David Ellis or designee
Wake County Manager

BY: _____
Nick Campasano
Wake County Fire Services Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director or designee

This person is responsible for monitoring the contract performance requirement is:

Darrell Alford _____ Department Head Initials

Durham Highway Fire Protection Association, Inc.

BY: _____ [SEAL]

Its President

ATTESTED TO:

BY: _____
Its _____ (title here)



Town of Rolesville, North Carolina Fire Service Unification Initial Analysis November, 2020

NORTH CAROLINA DARE COUNTY

FIRE SERVICES CONTRACT

BETWEEN THE TOWN OF SOUTHERN SHORES, SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC., AND FIRE SERVICE REAL ESTATE, INC.

THIS CONTRACT AND AGREEMENT (the "Contract") , dated as of _____, 20____ (the "Contract Date"), by and between TOWN OF SOUTHERN SHORES, a North Carolina municipal corporation (the "Town"); SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC., a North Carolina nonprofit corporation (the "Fire Department"); and FIRE SERVICE REAL ESTATE, INC., a North Carolina nonprofit corporation ("FSRE") (the Town, the Fire Department and FSRE collectively the "Parties").

WITNESSETH:

WHEREAS, pursuant to the Charter of the Town and powers granted the Town by North Carolina General Statutes §160A-11 and §160A-17, the Town may enter into a continuing contract for the performance of services; and

WHEREAS, the Fire Department was established and exists under applicable State and local laws for the purpose of limiting, reducing, or preventing damage or personal injury caused by fire or other emergency, with headquarters in the Town's boundaries; and

WHEREAS, currently the Fire Department provides the Town services to prevent, limit, and reduce damage or personal injury caused by fire or other emergency under a contract dated February 1, 2009 and scheduled to expire on June 30, 2019 (the "2009 Fire Department Contract"); and

WHEREAS, the Fire Department has conveyed certain of its former improved properties to FSRE; and

WHEREAS, such conveyed improved properties are described in a Deed of Gift recorded January 30, 2009 in Book 1790, Page 153 of the Dare County Registry, are located at 15 South Dogwood Trail (the "Active Fire Station") and 28 East Dogwood Trail (the "Inactive Fire Station") (collectively the Real Property"); and

WHEREAS, the Real Property is provided by the FSRE to the Fire Department to assist the Fire Department is fulfilling the services to the Town required under the 2009 Fire Department Contract; and

WHEREAS, the Town and FSRE are parties to an contract entitled, "Contract Between the Town of Southern Shores and Fire Service Real Estate, Inc." dated February 1, 2009 (the "2009 FSRE Contract"); and



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WHEREAS, it is the desire of the Parties to now enter into a new continuing contract , effective July 1, 2019 (the “Effective Date”), for the purpose of the Fire Department continuing to provide services for the Town to prevent, limit, and reduce damage or personal injury caused by fire or other emergency.

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, the Parties mutually contract and agree as follows:

(1) **CONTRACT TERM-** The effective term of this Contract shall commence on July 1, 2019, and shall continue for a period of ten (10) years thereafter. In the event a longer term is necessary for the Fire Department to qualify for any long-term financing of approved debt, the Parties mutually agree to cooperatively and in good faith negotiate an amendment to this Contact, upon such terms and conditions as may be reasonably acceptable to the Parties, extending the term. A year within the terms of this Contract shall be the Town’s fiscal year running from July 1 of one calendar year through midnight of June 30 of the following calendar year.

(2) **SERVICES PROVIDED-** The Fire Department agrees to furnish and provide continuing Fire Protection Service to all properties lying within the incorporated limits of Southern Shores, NC, by promptly dispatching, upon call from the Dare County Central Communications voice call or paging system or upon notification of a fire or emergency by any other means, the Fire Department's firefighting and rescue equipment and adequate certified and qualified personnel to operate the same, and then making diligent efforts to control and extinguish all fires, and control or mitigate emergencies. In providing services under this Contract, the Fire Department shall be considered the “Fire Department” of the Town as described in Article 14 of Chapter §160A of the North Carolina General Statutes (“NCGS”), and the Fire Department’s Fire Chief shall be considered the “Fire Chief” of the Town, with all the typical associated and regulatory duties and responsibilities of a Fire Chief of a Fire Department in the State of North Carolina, including but not limited to those broad duties as described in NCGS §160A-292. The term “Fire Protection Services” shall include but not be limited to necessary clearing of the public streets of the Town following any event which causes the blockage of any street, sufficient to allow the passage of any vehicle or apparatus of the Fire Department. In the event of a declaration of a major disaster, the Fire Department shall, upon the Town’s request, further assist Town staff and contractors with clearing Town streets of downed trees to the extent of Fire Department’s resources.

(3) **DOI CERTIFICATION AND IRS STATUS-** The Fire Department shall, at all times, remain certified by the North Carolina Department of Insurance (DOI) and its Office of State Fire Marshall (OSFM), or any successive governmental agencies responsible for fire department certification in the State of North Carolina, with a public protection classification rating of not less than PPC 9S as that term is currently interpreted and defined under Section .0900 of Subchapter 05A, Chapter 05 of Title 11 of the North Carolina Administrative Code (NCAC). During the term of this Contract, the Fire Department shall maintain its status as a nonprofit corporation and tax-exempt status under Section 501 (c)(3) or 501 (c)(4) of the Internal Revenue Code, and shall properly and timely file annually any required IRS Form 990.



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(4) **PROVISION OF SERVICES-** The Fire Department shall provide Fire Protection Services to the Town in a manner that is consistent with NC General Statutes, the NC Administrative Code, and any applicable adopted Town ordinances and policies, including but not limited to the Town's Emergency Management Plan, as said policies, ordinances and plans may be amended and/or modified by the Town from time to time in the Town's discretion or as may be required by applicable law. The Town understands and acknowledges the Fire Department shall use its own means and methods of performance, which shall not be subject to control, direction, or supervision of the Town. Subject to the provisions of this Contract, all firefighting 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, education, training, and supervision of the Fire Department. The Town shall not have any right or power with respect to the employment, control, direction, education, training, supervision, suspension, or discharge of any person who may engage in firefighting services or activities in the Fire Department's performance of its obligations under this Contract. When considering whether to provide additional funds for the acquisition of real property to be used by the Fire Department in performing its obligations under this Contract, the Town may, in its discretion, elect to acquire and retain title to such real property and then make the real property available to the Fire Department, through one or more leases, licenses or through other means, for the Fire Department to use to perform its obligations under this Contract.

(5) **PROHIBITION OF TOWN INTERFERENCE WITH FIRE DEPARTMENT-** Pursuant to the terms of this Contract and by adopted policy as necessary, the Town shall not interfere with personnel of the Fire Department in the discharge of duties in providing any services to the Town under this Contract except as may be required by law.

(6) **DEBT-** In seeking to incur any debt for acquisition, construction, or repairs for operations, the Fire Department understands that the cost of such debt shall be fully reflected in its annual budget submitted to the Town and as such must be approved by the Town as a budget expense before an appropriation is made by the Town to cover any additional debt service expense approved as a part of the Base Compensation as described in Paragraph (11) (a) below.

(7) **ANNUAL PRESENTATION OF PROPOSED BUDGET AND AUDIT-** Annually, the Fire Department shall present the Town with (1) a fiscal year-end audit, completed by a qualified North Carolina Certified Public Accountant, determining the financial condition of the Fire Department as well as the financial condition of FSRE, and (2) a proposed budget, duly adopted by the Fire Department's Board of Directors, projecting operations for the upcoming year.

(a) The budget shall be in a form and level of detail that is mutually agreed upon and shall include, at a minimum, specific projected revenues and expenses for operations, capital acquisition, and debt service. The budget shall be submitted using the same time schedule required of Town departments but no later than April 1 of each year. The budget shall provide sufficient information for the Town to determine all projected and



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legally obligated expenses reasonably anticipated by the Fire Department for the upcoming year, showing all projected expenses to be covered by the Base Compensation including any debt service expenses, and to determine all reasonably anticipated streams of revenues. The Fire Department shall provide an official familiar with the submitted budget to appear before the Town Council at the Town Manager's request to discuss the budget in open session of a public meeting of the Town Council.

(b) The fiscal year-end financial audit shall be conducted by a reputable Certified Public Accounting firm. The audit shall result in the production of a written audit report detailing the financial status of both the Fire Department and FSRE. The Fire Department shall use its best efforts to assure that a copy of the written audit report will be presented to the Town no later than November 15th of each calendar year.

(8) **STRATEGIC PLAN-** The Town acknowledges that significant capital projects may be required during the term of this Contract to support the Fire Department, including but not limited to possible construction of a new fire station, possible acquisition of replacement vehicles, fire engines, and apparatus, and possible employment of firefighters. By no later than April 1, 2020, the Fire Department shall develop and present to the Town a long-term, ten-year Strategic Plan outlining projected dates when the Fire Department believes such construction, acquisition, and replacements and employments should occur and with projected costs. The Strategic Plan shall be updated annually by the Fire Department and presented to the Town by no later than April 1 of each succeeding year. When considering whether to provide additional funds for the acquisition of real property to be used by the Fire Department in performing its obligations under this Contract, the Town may, in its discretion, opt to acquire and retain title to that real property itself and then make the real property available to the Fire Department, through one or more leases or through other means, for the Fire Department to use to perform its obligations under this Contract.

(9) **PERMISSION TO USE FACILITIES-** Each of the Parties acknowledges a mutual desire to cooperate with the other Parties in ensuring day-to-day operations are conducted in the best interest of the citizens of the Town. As further consideration for this Contract, each party agrees the use of certain properties by the other party for day to day operations shall be permitted as follows:

(a) In the event the Town Council approves a final construction bid amount for financing the construction costs of a new fire station, the Town agrees to grant to FSRE, as an appurtenance to FSRE's property located at 15 South Dogwood Trail, Southern Shores, NC, a permanent, perpetual and non-exclusive easement over, under and across a portion of the Town's property located at 27 Pintail Trail, Southern Shores, NC, for the sole and limited purpose of "maintaining an open area for vehicle parking, vehicle turning, and outdoor training, with no permanent structures to be constructed, erected or otherwise maintained within the Easement Area." At the time such easement is granted by the Town, the Easement Area shall be described on a survey prepared by a licensed North Carolina surveyor, a copy of which shall be attached to the Deed of Easement. The Town shall not bear any expense associated with the preparation of such survey. The survey shall depict an



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Easement Area of approximately 200 linear ft. by 58 linear ft. portion of the Town's property located at 27 Pintail Trail, and shall share a common boundary with, and is situated directly adjacent to, the Fire Department's current fire station at 15 South Dogwood Trail, Southern Shores, NC. The Deed of Easement shall be recorded by FSRE or the Fire Department in the Dare County Registry at the expense of FSRE or the Fire Department. FSRE and the Fire Department shall be solely responsible for its use of such easement and, to the extent permitted by applicable law, shall, to the extent covered by applicable insurance, indemnify, defend, and hold the Town harmless for any loss or costs and in any actions whatsoever due to the Fire Department's and/or FSRE's use as described herein.

2. (b) In the event FSRE and/or the Fire Department constructs a new fire station at 15 South Dogwood Trail, Southern Shores, NC, FSRE shall grant to Town a non-exclusive, permanent and perpetual easement over and across the FSRE's Property and appurtenant to the Town's property located at 27 Pintail Trail, Southern Shores, NC, for the sole and limited purposes of "(i) parking Town employees' vehicles in the Easement Area, and (i) ingress, egress, and access by pedestrians and vehicles between Pintail Trail and the Town's property located at 27 Pintail Trail, Southern Shores, NC;" said access being located where such access is currently located and being similar and in proximity to that easement granted reserved and granted to the Town in the Memorandum of Agreement recorded March 3, 2009 in Deed Book 1793, Page 146, Dare County Registry Deeds . The Deed of Easement contemplated by this Section 9(b) shall be in a form reasonably satisfactory to the Town and shall be recorded in the Dare County Registry by the Town at the Town's expense. A survey depicting the easement area for this Deed of Easement shall be prepared by a surveyor licensed in North Carolina and procured by FSRE and/or the Fire Department at the sole expense of FSRE and/or the Fire Department.
3. (c) The Town utilizes the Town's public works property located at 27 Pintail Trail, Southern Shores, NC in part for the Town's storage of inert material. In the event the easement described in Section 9(a) above is granted by the Town, the Town will no longer be able to use the Town's public works property located at 27 Pintail Trail, Southern Shores, NC for the Town's storage of inert material. As part of the consideration for the easement which the Town has agreed to grant under Section 9(a) of this Contract, FSRE and the Fire Department will grant to the Town at the same time the Town grants the easement described in Section 9(a) above, an exclusive, perpetual, permanent and non-revocable use and license coupled with an interest, for the Town's exclusive use of (i) a certain enclosed portion (largest-sized bay) of the building known as the inactive East Dogwood Trail Fire Station located on property owned by FSRE at 28 East Dogwood Trail, Southern Shores, NC (the "Inactive Station"), for Town storage purposes, and (ii) an open paved area of approximately 50 feet by 75 feet in size located in the Inactive Station's rear parking area for non-intrusive storage of inert earthen material by the Town. The Town shall be solely responsible for its storage and use and, to the extent permitted by applicable law, shall indemnify, defend, and hold the Fire Department and FSRE harmless for any loss or costs and in any actions whatsoever due to the Town's use as described in this subsection (c).

Attached as **Exhibit A** is the approved form of Memorandum of Contract to be executed by the Parties and recorded in the Dare County Public Registry contained in this Section 9.



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(10) ADDITIONAL PROPERTY RIGHTS, OBLIGATIONS AND COVENANTS-

1. (a) **Right of First Negotiation-** During the term of this Contract, in the event the Fire Department or FSRE contemplates or considers the sale of any real property owned by FSRE or the Fire Department, the Town shall have the right to be the first party to enter negotiations and to make an offer to purchase such real property.
2. (b) **Right of First Refusal-** In the event of unsuccessful negotiations and/or in the event the FSRE or the Fire Department receive a bona fide offer from a third party which is acceptable to FSRE and/or the Fire Department for the purchase of any or all of the Real Property, shall give written notice by certified mail, return receipt requested, to the Town of the existence and terms and conditions of such offer, furnishing the Town with a correct and true copy of such offer, and the Town shall have sixty (60) days thereafter to notify FSRE and the Fire Department that the Town agrees to purchase the same property on the same terms and conditions as are contained in such offer. If the Town declines to make such offer, or fails to reply to FSRE's or the Fire Department's written notice of such offer, within such sixty (60) day period, FSRE or the Fire Department may accept such offer from the third party. This right of first refusal shall continue to be in effect until (1) the conveyance of such property pursuant to the terms of this Right of First Refusal, or (2) thirty (30) years after the date of this Contract, whichever occurs first. Any written notice by FSRE or the Fire Department to the Town of the right of first refusal shall not relieve FSRE or the Fire Department of their obligation under this Right of First Refusal to give further notices of right of first refusal upon any future offers by third parties for any of the Real Property.
3. (c) **Covenant to Not Demolish Property or Diminish in Value or Transfer-** Neither the Fire Department nor FSRE shall demolish, raze, or cause diminishment of value of, or to, any improved real property owned by FSRE or the Fire Department during the term of this Contract. Neither the Fire Department nor FSRE shall mortgage or encumber the any of the Real Property without the Town's prior written consent in each instance.
4. (d) **Use Covenant-** The Real Property shall only be used for Fire Protection Services and the other purposes and easements expressly described in this Contract, and for no other purpose, without the prior written consent of the Town in each instance.
5. (e) **Net Proceeds from any Property Sales-** Any net proceeds realized by the Fire Department or FSRE from the sale of any of the Real Property shall first be applied towards the principal balance owed by FSRE and/or the Fire Department on any remaining outstanding loan made to FSRE and/or the Fire Department for the construction of a new fire station at 15 South Dogwood Trail, Southern Shores, NC, and next towards any succeeding outstanding loan balances, whether secured or unsecured, in order of greatest amounts owed. Any proceeds remaining after said loans have been paid off shall be transferred to the Fire Department (if not already in the Fire Department's possession) and shall then be fully applied by the Fire Department to offset the Base Compensation to be paid the Town in the next fiscal year.
- (f) **Notice to Town-** FSRE shall provide both the Fire Department and the Town with at least (20) days written notice of its intentions prior to encumbering, pledging or otherwise disposing of any portion of the Real Property in any manner other than a lease to the Fire Department or the Town for the purposes of providing fire services. Said notice shall include any information



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pertinent to the action the FSRE intends to take, including but not limited to the parties, the consideration and the description of any parcel subject to the action intended by the FSRE. The FSRE shall provide any parties involved with the intended action full disclosure of this Contract, including its exhibits.

(g) **Required Lease.** FSRE shall enter into a lease of the Real Property with the Fire Department. Upon termination of any lease existing at any time between FSRE and the Fire Department, the Town shall have the right of first refusal to enter into a new lease of the Real Estate with the FSRE as against all other parties except the Fire Department.

Attached as **Exhibit A** is the approved form of Memorandum of Contract to be executed by the Parties and recorded in the Dare County Public Registry that includes the terms contained in this Section 10.

(11) COMPENSATION TO THE FIRE DEPARTMENT-

(a) The Town's fiscal year 2018-2019 appropriation to the Fire Department for the provision of fire protection services is \$545,914. The amount of funding provided by the Town each year shall be referred to as the "Base Compensation," which Base Compensation for each year of this Contract shall be determined by the annual budget that is approved by the Town for continued operations of the Fire Department. No annual total compensation shall ever be less than the Base Compensation, plus annual debt service expenses which have been specifically approved by the Town Council. Base Compensation shall include the debt service incurred by the Fire Department, if any, for FY 2018-2019 for the Fire Department's financing of the construction of a new fire station at 15 South Dogwood Trail, Southern Shores, NC.

(b) Upon approval by the Town's governing board of an annual budget submitted by the Fire Department, the Town shall appropriate, and subsequently disburse in two (2) equal amounts bi-annually and no later than August 1 and February 1 respectively, funds to compensate the Fire Department in amounts equal one-half of the Base

Compensation (except to the extent that the Base Compensation is paid out based on some other agreed-upon payment schedule) approved by the Town provided for that year.

(c) The Fire Department may seek other sources of revenue including, but not limited to, gifts, donations, grants, sales of promotional items, additional fire protection service customers (but only after obtaining the Town's prior written approval in each instance for the Fire Department to serve those other customers), and fees for service (but only after obtaining the Town's prior written approval in each instance to charge the said fees for service).

(12) **EXPANDED SCOPE/ADDITIONAL WORK-** The Town and Fire Department agree that at any time during the term of this Contract either party may initiate discussions regarding the expansion of the scope of the Contract to include expanded or additional services to be provided to the Town by the Fire



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Department. If such expansion of scope is agreed to and implemented, the financial terms and other terms of this Contract shall be changed to reflect the new scope.

(13) **AVAILABILITY OF RECORDS-** As the Fire Department is a contractor of the Town, agents of the Town and/or any citizen may, upon reasonable request and notice, inspect the financial records of the Fire Department by appointment with the Treasurer or leadership of the Fire Department during normal business hours.

(14) **INSURANCE OBLIGATIONS-**

(a) The Fire Department agrees to maintain insurance coverage, the premiums for which shall be included in the budget of the Fire Department, said coverage to be as follows:

(i) The insurance coverage to be maintained by the Fire Department shall be as follows:

a) Workers' Compensation: Coverage to apply to all volunteers for statutory limits in compliance with the applicable State and Federal laws. The policy must include employer's liability with a limit of \$100,000.00 each accident; \$100,000 bodily injury or disease for each employee and \$500,000.00 bodily injury or disease policy limit.

b) Comprehensive General Liability: Shall have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include premises and/or operations, products and/or completed operations, broad form property damage, and a contractual liability endorsement.

c) Business Auto Policy: Shall have minimum limits of \$1,000,000.00 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include: owned vehicles, hired and non-owned vehicles, and employee non-ownership.

d) Professional Errors and Omissions Liability: Coverage shall have minimum limits of \$1,000,000.00 per claim and \$2,000,000.00 aggregate.

e) Umbrella Liability: Coverage shall have a minimum limit of \$1,000,000.00 with underlying coverages of compensation/employer's liability.

(ii) Additional special requirements shall be as follows:

a) The Fire Department shall include the Town as an additional insured on each of the liability policies required to be maintained by this Contract.

b) The Fire Department shall maintain current, valid insurance policies meeting the requirements stated above during the entire duration of this Contract. The Fire Department shall insure that for any policy of insurance held by the Fire Department pursuant to this Contract that the Town receives any certificates



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for new insurance policies within thirty (30) days of the effective date of the policy and that the Town receives renewal certificates more than thirty (30) days prior to any expiration date on every policy. The Fire Department shall ensure that the Town is provided thirty (30) days' notice of any event of a cancellation or modification of any policy of insurance held by the Fire Department pursuant to this Contract. The Fire Department shall insure that certificates of insurance meeting the required insurance provisions shall be forwarded to the Town. The Fire Department shall insure that the insurance certificates contain no language stating or implying that no liability shall be imposed upon the insurance company for failure to provide the Fire Department and the Town with the notice required by this Contract.

2. (b) FSRE agrees to maintain reasonable liability insurance coverage, as protection from judgments of any kind, including but not limited to insurance coverage for claims of premises liability and general liability insurance. FSRE agrees to include the Fire Department and the Town as a named insured on any policies of insurance maintained pursuant to this Contract. In the event the Fire Department maintains sufficient insurance coverage to satisfy this provision, the FSRE need not purchase additional insurance unless it feels such purchase is reasonably necessary.
3. (c) FSRE and/or the Fire Department shall maintain adequate and reasonable Property Insurance upon the Real Property and the Personal Property Assets (as defined in this Contract), including all buildings, building improvements and personal property,

The dissolution, insolvency, receivership, involuntary bankruptcy or voluntary bankruptcy of the Fire Department or FSRE.

The failure of the Fire Department to maintain a continuous certification by the DOI and its OSFM, or any successive governmental agencies responsible for fire department certification in the State of North Carolina, of a public protection classification rating of not less than PPC 9S as that term is currently interpreted and defined under Section .0900 of Subchapter 05A, Chapter 05 of Title 11 of the North Carolina Administrative Code (NCAC).

The Town's receipt of written notice from the Fire Department that the Fire Department is unable to provide fire protection services for the Town due to an immediate lack of available volunteer firefighters.

Inclusion of the Town in a Fire Protection District in which Fire Protection Services for the Town and its citizens will be provided by Dare County through any means allowed by law for Dare County to provide such services.

in an amount equal to full insurable replacement cost. FSRE and/or the Fire Department, as the case may be, agrees to include the Town as a named insured on any policies of property insurance maintained pursuant to this Contract



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(d) Upon request from the Town and in each instance, FSRE and the Fire Department shall provide the Town with copies of any or all insurance policies and declaration pages associated therewith that are required to be carried under this Section 14.

(15) **EVENTS OF TERMINATION-** Except as otherwise provided herein, the following shall constitute Events of Termination under this Contract:

Attached as **Exhibit A** is the approved form of Memorandum of Contract to be executed by the Parties and recorded in the Dare County Public Registry that includes the terms contained in this Section 15.

(16) **EFFECT OF AN EVENT OF TERMINATION-** Upon the occurrence of an Event of Termination:

1. (a) The Town shall have the right to take immediate possession of the Real Property and the Personal Property Assets if in the Town's judgment such action is necessary to continue to maintain adequate Fire Protection Services to the Town without interruption. This subsection 16(a) shall not apply to the Event of Termination described in Section 15(d) above.
2. (b) The Town shall provide the Fire Department and FSRE with notice of the occurrence of an Event of Termination. If such Event of Termination is not cured or remedied by the Fire Department and FSRE within ten (10) days after the Fire Department and FSRE receive such written notice from the Town, the Town shall have the right to terminate this Contract. A termination of this Contract under this Section 16 shall cause the rights and obligations of the Parties to this Contract to terminate and cease, except to the extent provided in Sections 9, 10 and 17 herein, or as expressly provided otherwise in this Contract.

(c) Attached as **Exhibit A** is the approved form of Memorandum of Contract to be executed by the Parties and recorded in the Dare County Public Registry that includes the terms contained in this Section 16.

(17) **REQUIRED CONVEYANCE OF ALL PROPERTY UPON TERMINATION-**

1. (a) Notwithstanding any provision to the contrary in this Contract, if this Contract is terminated under Section 16 of this Contract for any of the reasons set forth in Section 15 of this Contract, the Fire Department and/or FSRE shall, upon receipt of written notice from the Town, immediately and unconditionally convey and deliver to the Town (i) a general warranty deed describing all of the Real Property (the "Deed"), and (ii) a bill of sale (the "Bill of Sale") describing all of the personal property, including fixed assets and intangibles (the "Personal Property Assets") owned by the Fire Department and FSRE. Upon the Town's receipt and acceptance of the Deed and the Bill of Sale, the Town shall agree to accept and assume, and to hold the Fire Department and/or FSRE harmless from, any indebtedness previously incurred by the Fire Department and/or FSRE that is secured by the Real Property and/or the Personal Property Assets as collateral for such indebtedness.
2. (b) Upon the occurrence of an Event of Termination and subsequent conveyance by the Fire Department and FSRE to the Town of the Real Property and the Personal Property Assets, and



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notwithstanding the provisions of Section 20(a) of this Contract, the Town will agree to indemnify and hold the directors, officers, and volunteers of the Fire Department and the FSRE harmless for any cost or expense incurred by the Town in connection with such Event of Termination, except for actual malfeasance or criminality on the part of those indemnified by this subparagraph (b).

3. (c) This Section 17 shall not apply to the Event of Termination described in Section 15(d) above.
4. (d) Attached as **Exhibit A** is the approved form of Memorandum of Contract to be executed by the Parties and recorded in the Dare County Public Registry that includes the terms contained in this Section 17.

(18) **TOWN'S RIGHT TO TERMINATE WITHOUT CAUSE.** The Town, in its sole discretion, may terminate this Contract by providing the Fire Department and FSRE written notice that the Town is terminating this Contract, no earlier than 180 days following the latter's receipt of the notice.

(18) **RIGHTS TO ASSETS AND FINANCIAL RESPONSIBILITY-** Other than as specifically set forth in this Contract, the Town has no claim or other rights related to the property and assets of the Fire Department. Except as specifically set forth in this Contract, the Town shall have no financial responsibility for or control over the debts, encumbrances or liabilities of the Fire Department. In the future the Town, in its sole discretion, may agree to co-sign or guarantee a future loan, lease, bond or financial instrument on behalf of the Fire Department and under such terms as agreed to by the Parties.

(19) **RELATION TO PRIOR CONTRACTS-**This Contract replaces and supersedes all previous contracts entered between the Parties described in this Contract, including but not limited to the 2009 Fire Department Contract and the 2009 FSRE Contract.

20. (20) **INDEMNIFICATION-**

1. (a) Except as provided in Section 17 of this Contract, the Fire Department and FSRE jointly and severally agree to indemnify and hold the Town harmless from and against any and all claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees and litigation expenses) that the Town may incur that are directly or indirectly attributable, in whole or in part, to a breach of this Agreement by the Fire Department or FSRE, or any other acts or omissions by the Fire Department or FSRE.
 2. (b) The Town agrees to indemnify and hold the Fire Department and FSRE harmless from and against any and all claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees and litigation expenses) that the Fire Department and FSRE may incur that are directly or indirectly attributable, in whole or in part, to a breach of this Agreement by the Town, or any other acts or omissions by the Town.
21. (21) **SEVERABILITY-** Every provision of this Contract intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Contract.



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- 22. (22) **SUIT COSTS**- In the event any Party shall institute an action to enforce the provisions of this Contract, the Party or Parties prevailing in such action, whether by adjudication, arbitration, or settlement, shall be entitled to recover suit costs, including reasonable attorney's fees, from the other Party or Parties.
- 23. (23) **APPLICABLE LAW**- This Contract shall be construed and interpreted under the laws of the State of North Carolina.
- 24. (24) **PARTIES**- This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. As used herein, words in singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.
- 25. (25) **NOTICES**- Notices hereunder shall be effective and deemed given when deposited in the United States Mails, postage prepaid, certified mail with return receipt requested.

Alternatively, the party may use a nationally recognized overnight delivery service. Notices shall be addressed, in the case of the Town to:

Town of Southern Shores Attention Town Manager 5375 N. Virginia Dare Trail Southern Shores, NC 27949

With a required copy to:

Benjamin M. Gallop
Town Attorney
Hornthal, Riley, Ellis & Maland, L.L.P. 2502 S. Croatan Highway
Nags Head, North Carolina 27959

In the case of the Fire Department:

In the case of FSRE:

Any Party may change the address to which such notices are to be addressed by giving each other party notice in the manner herein set forth.



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(25) **NON-WAIVER**- The waiver by either party hereto of a breach of any provision of this Contract shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision of this Contract.

(26) **COUNTERPARTS**- This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

(27) **HEADINGS**- The headings, subheadings and captions in this Contract and in any exhibit hereto are for reference purposes only and shall not affect the meaning or interpretation of this Contract.

(28) **ENTIRE AGREEMENT**- This Contract contains the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements, arrangements and understandings, written or oral, relating to the subject matter hereof.

(29) **AMENDMENTS**- This Contract may not be amended except by written instrument duly executed by or on behalf of all of the parties hereto.

[signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have executed this Contract, and have been duly authorized to do so.

SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC.:

By: _____ Chairman, Board of Directors

ATTEST: _____ Secretary

TOWN OF SOUTHERN SHORES:

By: _____ Mayor

ATTEST: _____ Town Clerk

FIRE SERVICES REAL ESTATE, INC.:

By: _____
Name: _____ Title:

ATTEST: _____ Secretary



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Pre-Audit Certification:

This instrument has been pre-audited in the manner
required by the Local Government Budget and Fiscal Control Act.

(corporate seal)

(corporate seal)

(corporate seal)

Finance Officer, Town of Southern Shores

EXHIBIT A APPROVED FORM OF MEMORANDUM OF CONTRACT

(See attached)

Prepared by and return to:
Robert B. Hobbs, Jr., Attorney Hornthal, Riley, Ellis & Maland, LLP 2502 S. Croatan Highway
Nags Head, North Carolina 27959

Excise Tax: \$-0- Transfer Tax: \$-0-



**Town of Rolesville, North Carolina Fire Service Unification Initial Analysis
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NORTH CAROLINA, DARE COUNTY

022110000 and 022519012

MEMORANDUM OF CONTRACT

THIS MEMORANDUM OF CONTRACT, dated _____, 20____, (the "Contract Date"), by and between TOWN OF SOUTHERN SHORES, a North Carolina municipal corporation, whose mailing address is Attention Town Manager, 5375 N. Virginia Dare Trail, Southern Shores, NC 27949 (the "Town"); SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC., a North Carolina nonprofit corporation, whose mailing address is _____ (the "Fire Department"); and FIRE SERVICE REAL ESTATE, INC., a North Carolina nonprofit corporation, whose mailing address is _____ ("FSRE") (the Town, the Fire Department and FSRE collectively the "Parties").

WHEREAS, FSRE owns certain real property located in the Town of Southern Shores, Atlantic Township, Dare County, North Carolina and being more particularly described in that certain Deed of Gift recorded January 30, 2009 in Book 1790, Page 153 of the Dare County Registry, with property addresses of 15 South Dogwood Trail, Southern Shores, NC 27949 (the "Active Fire Station") and 28 East Dogwood Trail, Southern Shores, NC 27949 (the "Inactive Fire Station") (the property described in Deed recorded in Book 1790, Page 153 of the Dare County Registry, and also referred to herein as the Active Fire Station and the Inactive Fire Station, may be collectively referred to as the "Real Property"); and

WHEREAS, the Parties have entered into a Fire Services Contract (the "Contract") dated as of the Contract Date, with a term beginning July 1, 2019 (the "Effective Date"), and the Parties desire to provide constructive notice of the existence of the terms, provisions, conditions, restrictions, rights and responsibilities contained in the Contract with respect to the Real Property.

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Tax Parcel:
LT # _____



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NOW, THEREFORE, this Memorandum shall serve as record notice that the following agreements apply to the Real Property:

1. Section 9 of the Contract provides as follows:

(9) PERMISSION TO USE FACILITIES- Each of the Parties acknowledges a mutual desire to cooperate with the other Parties in ensuring day-to-day operations are conducted in the best interest of the citizens of the Town. As further consideration for this Contract, each party agrees the use of certain properties by the other party for day to day operations shall be permitted as follows:

1. (a) In the event the Town Council approves a final construction bid amount for financing the construction costs of a new fire station, the Town agrees to grant to FSRE, as an appurtenance to FSRE's property located at 15 South Dogwood Trail, Southern Shores, NC, a permanent, perpetual and non-exclusive easement over, under and across a portion of the Town's property located at 27 Pintail Trail, Southern Shores, NC, for the sole and limited purpose of "maintaining an open area for vehicle parking, vehicle turning, and outdoor training, with no permanent structures to be constructed, erected or otherwise maintained within the Easement Area." At the time such easement is granted by the Town, the Easement Area shall be described on a survey prepared by a licensed North Carolina surveyor, a copy of which shall be attached to the Deed of Easement. The Town shall not bear any expense associated with the preparation of such survey. The survey shall depict an Easement Area of approximately 200 linear ft. by 58 linear ft. portion of the Town's property located at 27 Pintail Trail, and shall share a common boundary with, and is situated directly adjacent to, the Fire Department's current fire station at 15 South Dogwood Trail, Southern Shores, NC. The Deed of Easement shall be recorded by FSARE or the Fire Department in the Dare County Registry at the expense of FSRE or the Fire Department. FSRE and the Fire Department shall be solely responsible for its use of such easement and, to the extent permitted by applicable law, shall, to the extent covered by applicable insurance, indemnify, defend, and hold the Town harmless for any loss or costs and in any actions whatsoever due to the Fire Department's and/or FSRE's use as described herein.
2. (b) In the event FSRE and/or the Fire Department constructs a new fire station at 15 South Dogwood Trail, Southern Shores, NC, FSRE shall grant to Town a non- exclusive, permanent and perpetual easement over and across the FSRE's Property and appurtenant to the Town's property located at 27 Pintail Trail, Southern Shores, NC, for the sole and limited purposes of "(i) parking Town employees' vehicles in the Easement Area, and (i) ingress, egress, and access by pedestrians and vehicles between Pintail Trail and the Town's property located at 27 Pintail Trail, Southern Shores, NC;" said access being located where such access is currently located and being similar and in proximity to that easement granted reserved and granted to the Town in the Memorandum of Agreement recorded March 3, 2009 in Deed Book 1793, Page 146, Dare County Registry Deeds . The Deed of Easement contemplated by this Section 9(b) shall be in a form reasonably satisfactory to the Town and shall be recorded in the Dare County Registry by the Town at the Town's expense. A survey depicting the easement area for this Deed of Easement shall be prepared by a surveyor licensed in North Carolina and procured by FSRE and/or the Fire Department at the sole expense of FSRE and/or the Fire Department.



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(c) The Town utilizes the Town's public works property located at 27 Pintail Trail, Southern Shores, NC in part for the Town's storage of inert material. In the event the easement described in Section 9(a) above is granted by the Town, the Town will no longer be able to use the Town's public works property located at 27 Pintail Trail, Southern Shores, NC for the Town's storage of inert material. As part of the consideration for the easement which the Town has agreed to grant under Section 9(a) of this Contract, FSRE and the Fire Department will grant to the Town at the same time the Town grants the easement described in Section 9(a) above, an exclusive, perpetual, permanent and non-revocable use and license coupled with an interest, for the Town's exclusive use of (i) a certain enclosed portion (largest-sized bay) of the building known as the inactive East Dogwood Trail Fire Station located on property owned by FSRE at 28 East Dogwood Trail, Southern Shores, NC (the "Inactive Station"), for Town storage purposes, and (ii) an open paved area of approximately 50 feet by 75 feet in size located in the Inactive Station's rear parking area for non-intrusive storage of inert earthen material by the Town. The Town shall be solely responsible for its storage and use and, to the extent permitted by applicable law, shall indemnify, defend, and hold the Fire Department and FSRE harmless for any loss or costs and in any actions whatsoever due to the Town's use as described in this subsection (c).

2. Section 10 of the Contract provides as follows:

(10) ADDITIONAL PROPERTY RIGHTS, OBLIGATIONS AND COVENANTS-

(a) Right of First Negotiation- During the term of this Contract, in the event the Fire Department or FSRE contemplates or considers the sale of any real property owned by FSRE or the Fire Department, the Town shall have the right to be the first party to enter negotiations and to make an offer to purchase such real property.

(b) Right of First Refusal- In the event of unsuccessful negotiations and/or in the event the FSRE or the Fire Department receive a bona fide offer from a third party which is acceptable to FSRE and/or the Fire Department for the purchase of any or all of the Real Property, shall give written notice by certified mail, return receipt requested, to the Town of the existence and terms and conditions of such offer, furnishing the Town with a correct and true copy of such offer, and the Town shall have sixty (60) days thereafter to notify FSRE and the Fire Department that the Town agrees to purchase the same property on the same terms and conditions as are contained in such offer. If the Town declines to make such offer, or fails to reply to FSRE's or the Fire Department's written notice of such offer, within such sixty (60) day period, FSRE or the Fire Department may accept such offer from the third party. This right of first refusal shall continue to be in effect until (1) the conveyance of such property pursuant to the terms of this Right of First Refusal, or (2) thirty (30) years after the date of this Contract, whichever occurs first. Any written notice by FSRE or the Fire Department to the Town of the right of first refusal shall not relieve FSRE or the Fire Department of their obligation under this Right of First Refusal to give further notices of right of first refusal upon any future offers by third parties for any of the Real Property.

(c) Covenant to Not Demolish Property or Diminish in Value or Transfer- Neither the Fire Department nor FSRE shall demolish, raze, or cause diminishment of value of, or to, any improved real property owned by FSRE or the Fire Department during the term of this Contract. Neither the Fire Department



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nor FSRE shall mortgage or encumber the any of the Real Property without the Town's prior written consent in each instance.

(d) Use Covenant- The Real Property shall only be used for Fire Protection Services and the other purposes and easements expressly described in this Contract, and for no other purpose, without the prior written consent of the Town in each instance.

(e) Net Proceeds from any Property Sales- Any net proceeds realized by the Fire Department or FSRE from the sale of any of the Real Property shall first be applied towards the principal balance owed by FSRE and/or the Fire Department on any remaining outstanding loan made to FSRE and/or the Fire Department for the construction of a new fire station at 15 South Dogwood Trail, Southern Shores, NC, and next towards any succeeding outstanding loan balances, whether secured or unsecured, in order of greatest amounts owed. Any proceeds remaining after said loans have been paid off shall be transferred to the Fire Department (if not already in the Fire Department's possession) and shall then be fully applied by the Fire Department to offset the Base Compensation to be paid the Town in the next fiscal year.

(f) Notice to Town- FSRE shall provide both the Fire Department and the Town with at least (20) days written notice of its intentions prior to encumbering, pledging or otherwise disposing of any portion of the Real Property in any manner other than a lease to the Fire Department or the Town for the purposes of providing fire services. Said notice shall include any information pertinent to the action the FSRE intends to take, including but not limited to the parties, the consideration and the description of any parcel subject to the action intended by the FSRE. The FSRE shall provide any parties involved with the intended action full disclosure of this Contract, including its exhibits.

(g) Required Lease. FSRE shall enter into a lease of the Real Property with the Fire Department. Upon termination of any lease existing at any time between FSRE and the Fire Department, the Town shall have the right of first refusal to enter into a new lease of the Real Estate with the FSRE as against all other parties except the Fire Department.

3. Section 15 of the Contract provides as follows:

(15) EVENTS OF TERMINATION- Except as otherwise provided herein, the following shall constitute Events of Termination under this Contract:

(a) The dissolution, insolvency, receivership, involuntary bankruptcy or voluntary bankruptcy of the Fire Department or FSRE.

(b) The failure of the Fire Department to maintain a continuous certification by the DOI and its OSFM, or any successive governmental agencies responsible for fire department certification in the State of North Carolina, of a public protection classification rating of not less than PPC 9S as that term is currently interpreted and defined under Section .0900 of Subchapter 05A, Chapter 05 of Title 11 of the North Carolina Administrative Code (NCAC).



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(c) The Town's receipt of written notice from the Fire Department that the Fire Department is unable to provide fire protection services for the Town due to an immediate lack of available volunteer firefighters.

(d) Inclusion of the Town in a Fire Protection District in which Fire Protection Services for the Town and its citizens will be provided by Dare County through any means allowed by law for Dare County to provide such services.

4. Section 16 of the Contract provides as follows:

(16) EFFECT OF AN EVENT OF TERMINATION- Upon the occurrence of an Event of Termination:

1. (a) The Town shall have the right to take immediate possession of the Real Property and the Personal Property Assets if in the Town's judgment such action is necessary to continue to maintain adequate Fire Protection Services to the Town without interruption. This subsection 16(a) shall not apply to the Event of Termination described in Section 15(d) above.
2. (b) The Town shall provide the Fire Department and FSRE with notice of the occurrence of an Event of Termination. If such Event of Termination is not cured or remedied by the Fire Department and FSRE within ten (10) days after the Fire Department and FSRE receive such written notice from the Town, the Town shall have the right to terminate this Contract. A termination of this Contract under this Section 16 shall cause the rights and obligations of the Parties to this Contract to terminate and cease, except to the extent provided in Sections 9, 10 and 17 herein, or as expressly provided otherwise in this Contract.

5. Section 17 of the Contract provides as follows: 21

(17) REQUIRED CONVEYANCE OF ALL PROPERTY UPON TERMINATION-

1. (a) Notwithstanding any provision to the contrary in this Contract, if this Contract is terminated under Section 16 of this Contract for any of the reasons set forth in Section 15 of this Contract, the Fire Department and/or FSRE shall, upon receipt of written notice from the Town, immediately and unconditionally convey and deliver to the Town (i) a general warranty deed describing all of the Real Property (the "Deed"), and (ii) a bill of sale (the "Bill of Sale") describing all of the personal property, including fixed assets and intangibles (the "Personal Property Assets") owned by the Fire Department and FSRE. Upon the Town's receipt and acceptance of the Deed and the Bill of Sale, the Town shall agree to accept and assume, and to hold the Fire Department and/or FSRE harmless from, any indebtedness previously incurred by the Fire Department and/or FSRE that is secured by the Real Property and/or the Personal Property Assets as collateral for such indebtedness.
2. (b) Upon the occurrence of an Event of Termination and subsequent conveyance by the Fire Department and FSRE to the Town of the Real Property and the Personal Property Assets, and notwithstanding the provisions of Section 20(a) of this Contract, the Town will agree to indemnify and hold the directors, officers, and volunteers of the Fire Department and the FSRE harmless for any cost or expense incurred by the Town in connection with such Event of



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Termination, except for actual malfeasance or criminality on the part of those indemnified by this subparagraph (b).

3. (c) This Section 17 shall not apply to the Event of Termination described in Section 15(d) above.

6. Other Provisions. The other provisions set forth in the Contract are hereby incorporated by reference in this Memorandum.

7. Prior Memorandum Superseded. This Memorandum replaces and supersedes the Memorandum of Agreement between FSRE and the Town recorded in Book 1793, Page 146, Dare County Registry.

(continued on the following page)

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

FSRE:
FIRE SERVICE REAL ESTATE, INC.

BY: _____ Chairman of the Board

Secretary

NORTH CAROLINA, DARE COUNTY

I, _____, a Notary Public of the County of _____, and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is Secretary of FIRE SERVICE REAL ESTATE, INC., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Chairman of the Board, and attested by (him) (her) as its Secretary.

Notary Public

Notary's printed or typed name: _____ My commission expires:

(AFFIX NOTARY SEAL)



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FIRE DEPARTMENT:
SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC.

BY: _____ Chairman of the Board

Secretary

NORTH CAROLINA, DARE COUNTY

I, _____, a Notary Public of the County of _____, and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is Secretary of SOUTHERN SHORES VOLUNTEER FIRE DEPARTMENT, INC., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Chairman of the Board, and attested by (him) (her)

TOWN:
TOWN OF SOUTHERN SHORES

BY: _____ Mayor

Town Clerk
(corporate seal)

STATE OF NORTH CAROLINA, COUNTY OF DARE

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the Mayor of The Town of Southern Shores, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by _____, its Town Clerk.



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10. PROJECT STAFF

- **Greg Grayson, Fire Chief (ret), City of Greensboro, NC**

Greg Grayson has more than 38 years of progressive experience in the North Carolina fire and rescue service. His experience includes beginning public service as a volunteer firefighter and ascending the career ranks to become the Fire Marshal/Fire Rescue Director for Wake County, North Carolina. In the following seventeen years, he served as the fire chief for three North Carolina urban cities – Burlington, Asheville and Greensboro. In these executive leadership capacities, he was responsible for comprehensive fire and rescue operations, prevention programs, training and career development, emergency management functions and specialized regional response teams. In Burlington, he effectively led positive organizational change and implemented an innovative reserve firefighter program. In Asheville, he commanded significant re-engineering throughout the fire department and led Asheville to become an accredited agency. In Greensboro, he led the department to maintaining both accreditation and ISO “Class 1” status and navigated the department through difficult fiscal years and challenging large-scale emergencies. In 2015, his long-term, dedicated public service to the people of North Carolina was recognized by the Governor through the prestigious “Order of the Long Leaf Pine”, the state’s highest honor that can be awarded to a citizen.

Upon retiring from local government service, Chief Grayson was appointed by the State Fire Marshal in 2015 to proactively serve as the state’s first and only public fire service management consultant, providing high level technical assistance to county and municipal managers - enabling them to better strengthen their jurisdiction’s fire protection service delivery systems. He also managed statewide fire service advancement initiatives and led the Office of State Fire Marshal’s Technical Services program.

Beyond extensive experience, Chief Grayson holds a Master of Public Administration, bachelor and associate in fire protection. He holds numerous professional credentials including Chief Fire Officer (CFO), MIFireE from the Institution of Fire Protection Engineers and multiple other fire service certifications, including being North Carolina’s first Advanced Firefighter. He is one of very few, if not the only, Fire Chief in the United States to also hold the Senior Professional in Human Resources (SPHR) and SHRM-SCP credentials. He is active in the North Carolina Association of Fire Chiefs and the IAFC Metropolitan Fire Chiefs organizations and continues to serve as a volunteer firefighter in his home community.

- **Mike Varnell, Fire Chief (ret), City of Rocky Mount, NC**

Mike Varnell has over 30 years of experience in the North Carolina and United States fire service. His experience runs the gamut in the municipal fire service by serving in positions from firefighter to fire chief. Early in his career (1993) Varnell earned a commendation from Governor James B. Hunt for saving four children from a burning house. In 1996, he was



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recognized by the NC Jaycees as one of the “Five Most Outstanding Public Servants” in North Carolina. As his career progressed with Rocky Mount Fire Department, he was instrumental in leading the department through four successful international fire accreditation processes from 2003 to 2018. In 2016, under his leadership the department was only one of two in the nation to receive the coveted “Heart Safe Community Award” from the International Association of Fire Chiefs.

Chief Varnell is a graduate of the United States Fire Administration National Fire Academy’s Executive Fire Officer Program and the NC Association of Fire Chief’s Executive Development Program. Varnell holds a master’s degree in Executive Fire Service Leadership, a bachelor’s degree in business administration, and an associate degree in fire protection technology. He is credentialed by the Center for Public Safety Excellence and carries the “Chief Fire Officer” designation. He currently serves as a peer assessor for Commission on Fire Accreditation International and travels across the country evaluating fire departments for industry best practices. He has served on the International Association of Fire Chiefs’ Professional Development-Higher Education Committee and represented Region 4 on the NC Emergency Management Domestic Preparedness committee. He holds numerous certifications in the fields of administration, emergency management, and the fire service. He is a member of the International Association of Fire Chiefs, the NC Accreditation Support Consortium, and the NC Association of Fire Chiefs.

- **Frank Blackley, Assistant Fire Chief (ret), City of Wilmington**

Frank Blackley recently retired as an Assistant Chief from the Wilmington, NC Fire Department after 35 years of service. He was previously Fire Marshal during which time he served two terms as president of the NC Fire Marshals Association. He was assigned as the Operations Chief for three years prior to his last position over Support Services where he supervised the training, fire and life safety, logistics, fleet maintenance divisions, and managed the department’s annual budget. He previously work for Wrightsville Beach Fire Department and New Hanover County Fire Rescue. In recent years he has taught nationally for Vision 20/20 and is one of their technical advisors for Community Risk Reduction. He is an adjunct instructor for the National Fire Academy and assisted in development of a class on community risk reduction at the station level and. He was heavily involved with the department’s accreditation process and understands the need for accurate data. He is a graduate of the National Fire Academy’s Executive Fire Officer’s Program and has a Master’s in Public Administration with a concentration in Urban and Regional Policy and Planning from UNC Wilmington.

- **Dr. Josh Smith, Battalion Chief, City of Statesville, NC**

Josh Smith has served with the City of Statesville for the past 19 years. Beyond Statesville, he serves as the political director for the North Carolina Professional Fire Fighters and Paramedics. He is well versed in working with the North Carolina Legislature and local government laws, rules and regulations. He has earned his doctorate degree from Appalachian State University and has earned his Executive Fire Officer credential from the



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National Fire Academy. Dr. Smith also currently serves on the State of North Carolina Fire and Rescue Commission.

- **Ms. Aileen J. Staples, Chief Financial Officer, Town of Wake Forest, NC**

Aileen Staples has served as the Chief Financial Officer for the Town of Wake Forest for many years. She led the transition effort for the Wake Forest Fire Department becoming part of the Town of Wake Forest effective 7-1-20. Ms. Staples has earned numerous awards for excellence in budget presentation and performance and served as President of the North Carolina Local Government Investment Association from 2013-2017.

- **Chief A.C. Daniels, North Carolina Office of State Fire Marshal (ret.)**

A.C. Daniels was an original member of North Carolina's insurance rating staff that evaluates all of the fire districts in the State of North Carolina. He later served as the lead supervisor of the state's system for many years and is regarded as the most predominant subject matter expert on the Insurance Services Office (ISO) rating system in North Carolina.



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11. DISCLAIMER

This project has been conducted upon the written request of the Town of Rolesville, NC. The sole intent of this project is to improve, advance and strengthen the fire protection service delivery system in Rolesville and the State of North Carolina. Persons involved in this report have contributed for the purposes of providing information, professional observations and recommendations to the city elected officials, management and the fire service leadership. Recommendations included in this report are based upon professional experience and understanding of current fire and rescue service best practices. Examples and references in the document are for informational purposes only. Information contained within this document is not intended to be comprehensive, and recommendations are based on limited information available at this particular time. As with any project based on a snapshot in time, additional facts, local issues and/or changes in the facts could alter the conclusions and recommendations in this document. This document is solely to be utilized by local government and fire service officials for long-term planning purposes. It should not be utilized for any other purpose. No warranties or guarantees (express or implied) are provided. While this document will hopefully assist local officials in their deliberative and long-term planning process, it should be recognized that there are many local issues that may impact the ultimate decisions and what works for a particular jurisdiction. The ultimate decision-making lies with the appropriate local government and fire officials.



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