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<http://www.brevardclerk.us/pages/finance.htm>

August 9, 2007

To: Peggy Busacca, County Manager  
Board of County Commissioners

RE: Fire Rescue

The Fire Control MSTU, EMS Operations, Fire Referendum, Public Safety Administration, Dispatch, Ocean Rescue and Hazardous Materials funds (to be referred to as Fire/Rescue) are projected to carry forward \$21.7 million into fiscal year 2008. The preliminary 2008 budget submitted for Fire/Rescue anticipates only \$8.9 million will be carried forward. This represents \$12.8 million of extra funds that could be used in part to reduce fiscal year 2008 Fire MSTU taxes and/or assessments. Part of the projected surplus could also free up some of the General Fund support to EMS for fiscal year 2007 and allow the funds to be carried forward to fiscal year 2008. Since EMS is generating a significant surplus for this fiscal year, I suggest re-evaluating the fiscal year 2008 budget proposal and potentially apply some of the funds for anticipated future tax roll reductions.

The major Fire/Rescue funds to be carried forward consist of the Fire Control MSTU, EMS operations and the Fire Referendum. The attached chart illustrates the cash flow since fiscal year 2004 and projected through January 2008. In fiscal years 2004-2006, the fire property taxes and EMS assessments were collected in November and December of each year. During the remaining months of each year ('04-'06), monies were disbursed for payroll/operations and capital, which explains the steady decline in cash shown for each year. In the current fiscal year, the Board initiated the Fire Assessment Fee in place of an MSTU and replaced the EMS Assessment with funding from the General Fund. This change generated \$8.6 million more than the MSTU tax and the EMS assessment generated in fiscal year 2006. The EMS operations began receiving monthly support from the General fund, which explains why balance doesn't decline in 2007 as rapidly as in prior years.

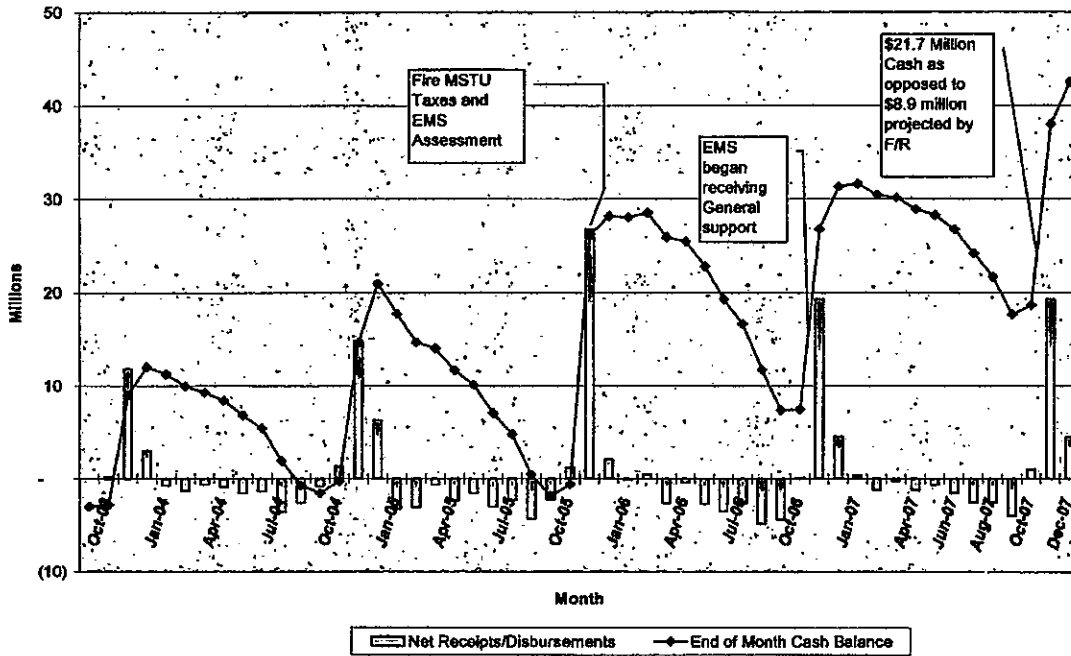
Carryforward to FY 2008  
(millions)

Fire Control MSTU	\$ 9.0
EMS Operations	9.9
Fire Referendum	2.8
Total	\$ 21.7

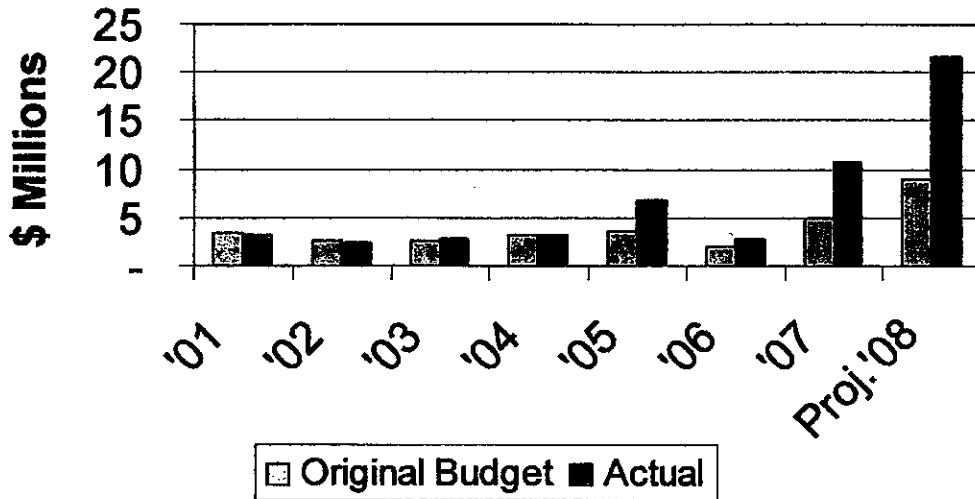
Since the Board General Fund subsidized EMS during fiscal year 2007 and is scheduled to subsidize again for fiscal year 2008, the projected \$9.9 million to be carried forward within EMS Operations could be returned to the General Fund. The funds accumulated within the Fire Control MSTU and Fire Referendum should remain within the respective funds since that was what they were assessed/levied for; the Board can still evaluate whether the surpluses within these funds are necessary and consider applying part toward relief on next years tax/assessment bill.

Section 129.01(2)(b) F.S., which is part of the State law governing board of county commissioners budgeting process, requires the County to project 100% of the cash and investments expected to be carried forward. Estimating cash and investments to be carried forward requires analyzing balances and forecasted receipts/disbursements through fiscal year end. If the department and Budget Office followed a similar procedure in their estimating, they would have realized there was \$28.6 million of cash at the end of June and a major disbursement for capital (\$13-14 million) on top of regular operating requirements would need to occur during a 3 month period to end the year with a balance of the \$8.9 million. The contracts and purchase orders in the accounting system (Fire Rescue) don't indicate anything of this magnitude will occur by fiscal year end. I suggest the Board require the Section 129.01(2)(b) F.S. to be pertinent to all County Funds and that County management make a concerted evaluation of what departments' submit. The second chart illustrates the history of Fire Rescue's original budgeted carryforward projections and the actual cash carried forward.

### Fire/EMS Operating Cash Flow



### Comparison of Fire Departments Cash Carryforward



Sincerely,

Stephen P. Burdett, C.P.A.  
County Finance Director

cc: Each Commissioner  
Chief William Farmer, Fire Rescue  
Scott Knox, County Attorney  
Dennis Rogero, Budget Director