

2025 – 2029 Fire & Emergency Medical Services Funding Briefing

*Presented to the Lebanon City Council
March 2023*



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2023 Fire Funding Timeline

- Feb. 22 Proposed Fire Levy presented to City Council
- Feb – Mar Council Workshops to discuss Fire Funding
- Mar 28 Public Presentation / Discussion on Fire Funding
- Nov 7 General Election

Current 9 mil Fire Levy expires end of 2024



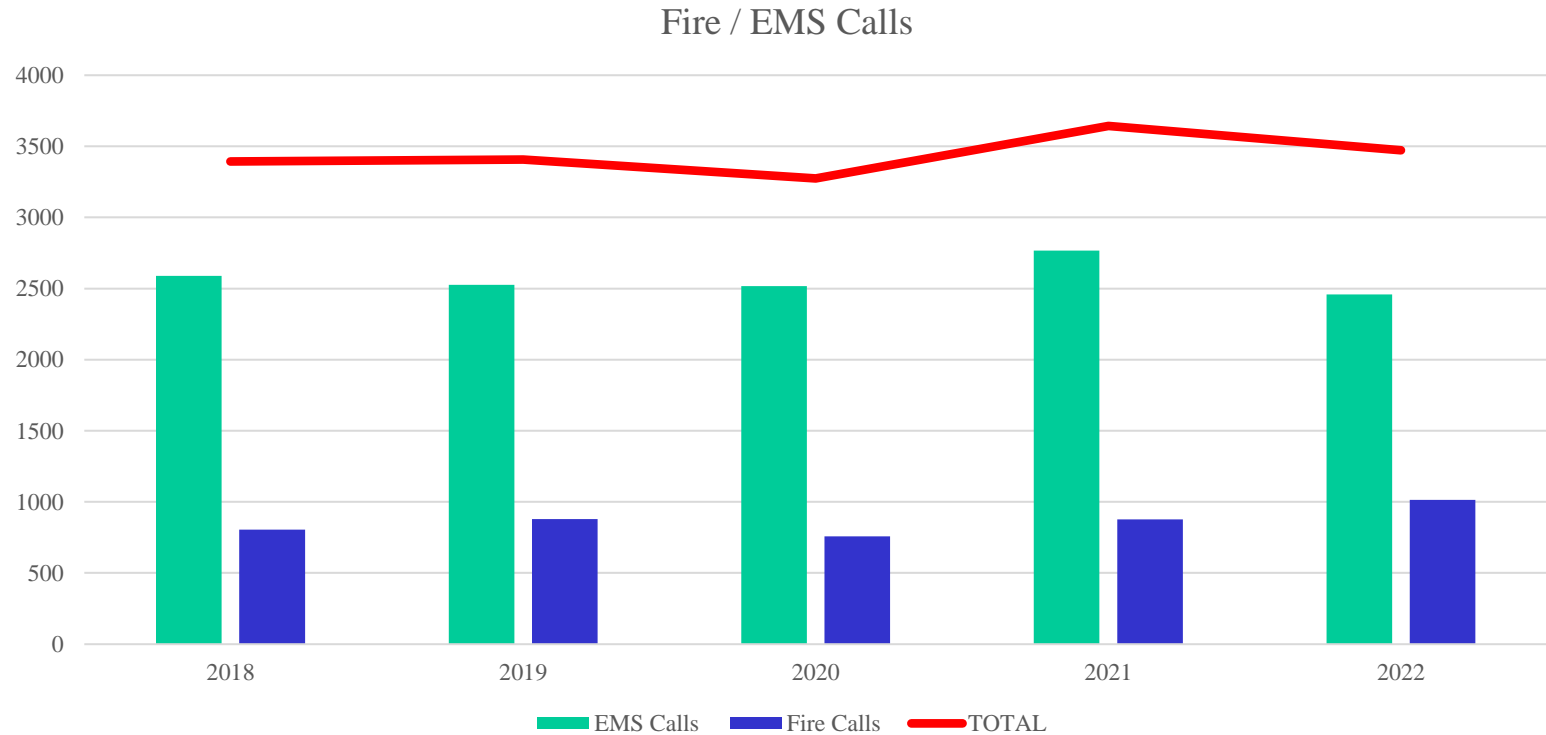
KEY GOALS FOR FIRE / EMS FUNDING

1. Support adequate full-time staffing levels – transition away from part-time
2. Maintain adequate response times and strong service levels
3. Improve personnel recruiting & retention
4. Maintain adequate Fire Fund cash reserves (Approx. 25% - 30% of annual operating expenses)



Calls for Service History

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
EMS Calls	2552	2604	2488	2391	2716	2459
Fire Calls	734	792	926	890	927	1013
TOTAL	3286	3396	3414	3281	3643	3472





Costs Associated with Fire Fighter / EMT Staff (12 Person Shift)

1 Part-Time Fire Fighter / EMT Position:

Personnel Costs (Wages, Benefits, etc.)	\$50,700
Turnout Gear	\$4,300

1 Full-Time Fire Fighter / EMT Position:

Personnel Costs	\$97,000
Turnout Gear	\$5,600
Uniforms	\$2,700

Current Staffing Levels Per Shift:

- 4 Part-time Firefighter / EMT (*If Available*)
- 8 Full-time Firefighter / EMT

Part-Time Staffing Challenges

- Since 2018 we have hired **45 different** part-time personnel – *only 13 are still on the part-time list*
- Of the 32 that have left, the average tenure was 15 months
- Part-time staffing challenges can lead to closure of Station 42
- It costs approximately \$5,000 to outfit a new employee
- This is a regional issue that all fire departments are facing





Annual Operational Expense Overview (2023 Operating Budget)

Personnel Expenses:

Wages / Worker's Comp, Medical, PERS: **\$3,850,000**

Training: **\$50,500**

Contractual Services:

Vehicle & Equip. Operation, Repair, Maintenance: \$196,575

EMS Billing Fees / Support: \$44,000

Facility Maintenance / Insurance: \$61,000

Auditors Fees: \$50,000

Medical Consulting & Supplies \$59,500

Other Misc. \$360,000

TOTAL **\$771,075**

Materials & Supplies (Uniforms, Minor Tools, Equipment): **\$69,500**

Radios, Turnout Gear, Tools, Major Repairs: **\$175,000**

Debt Service, Administrative Recovery, Etc.: **\$976,625**

Total Operating Budget: \$5,892,700

Fire Funding Options Summary

Option: 11.0 Mil 5-year Levy:

Costs the owner of a \$200,000 home an additional \$250 per year

Pros:

Supports hiring 10 new full-time staff: *12 full-time / 2 part-time per shift*

Cons:

20% cash reserve level (marginally acceptable)



Fire Funding Options Summary

Option: 0.5% income tax increase (90% directed to Fire Fund), 0.5% income tax credit payment maintained, Fire Levy reduced by 3 mill:

Pros:

Supports hiring 10 new full-time staff: *12 full-time / 2 part-time per shift*

Supports Fire Fund cash reserve goals

Directs portion of tax burden for Fire Operations onto non-residents (income tax vs. property tax)

Lessens tax burden on fixed-income / retired residents

1.5% income tax considered below average for Southwest Ohio

Cons:

Multi-faceted approach can be difficult to communicate & understand



Income Tax Rates in Surrounding Communities

<u>City</u>	<u>Rate (%)</u>	<u>Credit (%)</u>
Oakwood	2.50	0.9
Centerville	2.25	Full
Miamisburg	2.25	Full
Xenia	2.25	1.5
Hamilton	2.00	Full
Monroe	2.00	Full
Franklin	2.00	Full
Middletown	2.00	Full
Oxford	2.00	Full
Carlisle	1.50	Full
Fairfield	1.50	Full
Wilmington	1.50	Full
Springboro	1.50	1.0
Blue Ash	1.25	Full
Mason	1.12	Full
Milford	1.00	None
South Lebanon	1.00	0.5
Lebanon	1.00	0.5
Loveland	1.00	Full

*Average Income Tax
Rate is 1.66%*



Income Tax Revenue Breakdown

2022: Total of \$12.60 Million collected

- 15% is from Business net profits
- 20% is from Individual filed returns
- 65% is from employer withholdings

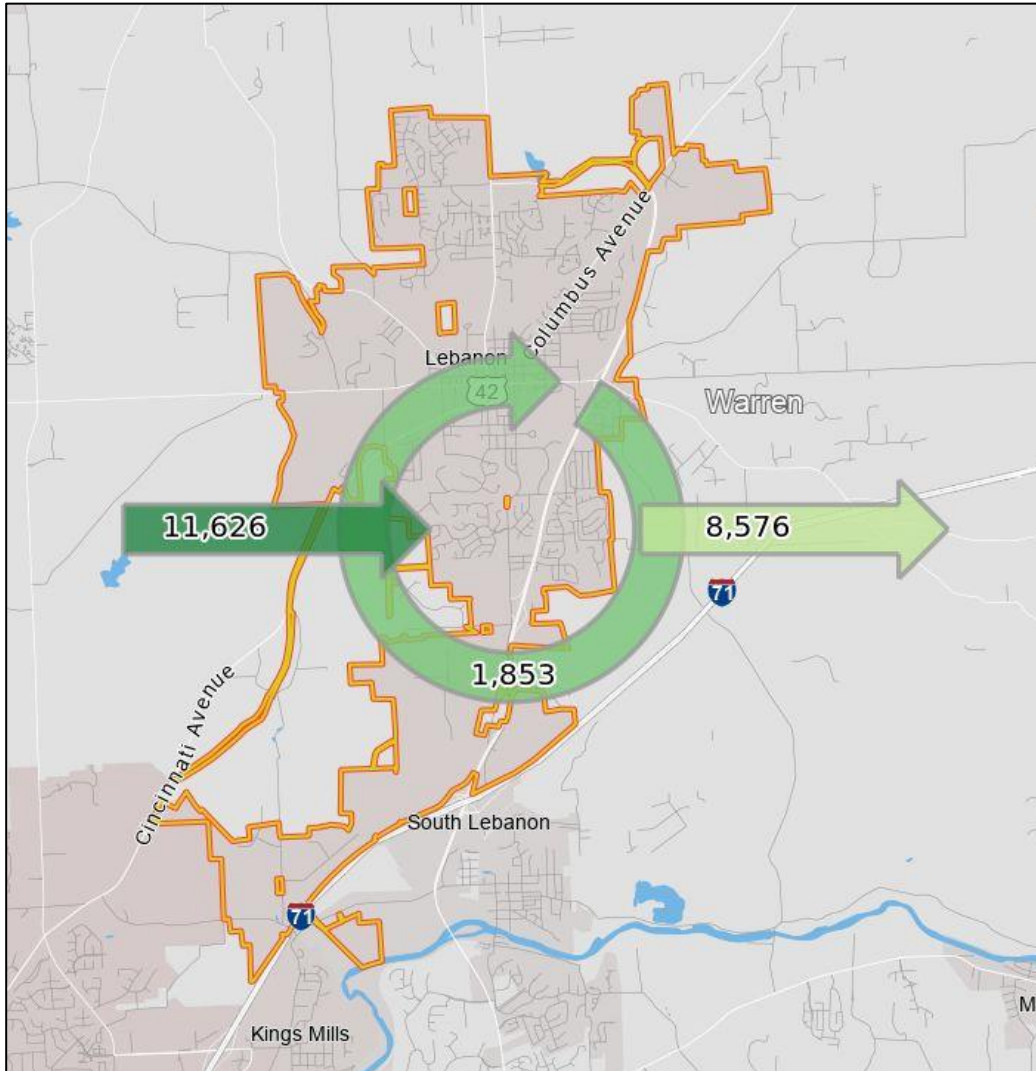
Of the income taxes collected from Individual Filed Returns:

- 10% is from individuals living and working in Lebanon
- 11% is from individuals living in Lebanon & receiving work city credit
- 6% is from nonresident filed returns

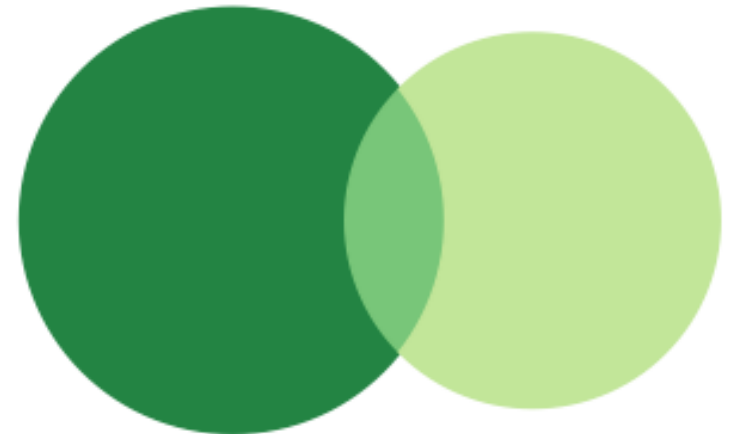
Of the Withholdings collected: 65% is from non-residents

Based on 2020 Census: 16% of Lebanon's population is 65 years or older (approx. % of those on fixed income)

Workforce Analysis



Inflow/Outflow Job Counts in 2019



- 11,626 - Employed in Lebanon, Live Outside
- 8,576 - Live in Lebanon, Employed Outside
- 1,853 - Employed and Live in Lebanon

Current Taxes Paid (Income and Fire Levy Property Tax Combined)

Works Inside the City:

For \$200,000 home value where owner earns \$50,000: \$1,020

For \$200,000 home value where owner earns \$75,000: \$1,270

For \$300,000 home value where owner earns \$100,000: \$1,780

Works Outside the City (Assume paying 1.5% to other jurisdiction):

For \$200,000 home value where owner earns \$50,000: \$1,520

For \$200,000 home value where owner earns \$75,000: \$2,020

For \$300,000 home value where owner earns \$100,000: \$2,780



Fire Funding Options Summary

Property Tax Increase Option Cost Analysis:

*For \$200,000 home value where owner earns \$50,000 working **inside** the City:*

11 Mil Replacement Levy Cost: \$770 (Fire levy property tax)

1.0% Income Tax Cost: \$500

Total Annual Tax: \$1,270

*For \$200,000 home value where owner earns \$75,000 working **inside** the City:*

11 Mil Replacement Levy Cost: \$770

1.0% Income Tax Cost: \$750

Total Annual Tax: \$1,520

*For \$300,000 home value where owner earns \$100,000 working **inside** the City:*

11 Mil Replacement Levy Cost: \$1,155

1.0% Income Tax Cost: \$1,000

Total Annual Tax: \$2,155



Fire Funding Options Summary

Property Tax Increase Cost Analysis:

*For \$200,000 home value where owner earns \$50,000 working **outside** the City:*

11 Mil Replacement Levy Cost:	\$770	<i>(Fire levy property tax)</i>
1.5% Income Tax Cost:	\$750	<i>(1.5% average for Southwest Ohio)</i>
.05% Credit Payment to Lebanon:	<u>\$250</u>	
Total Annual Tax:	\$1,770	

*For \$200,000 home value where owner earns \$75,000 working **outside** the City:*

11 Mil Replacement Levy Cost:	\$770	<i>(Fire levy property tax)</i>
1.5% Income Tax Cost:	\$1,125	<i>(1.5% average for Southwest Ohio)</i>
.05% Credit Payment to Lebanon:	<u>\$375</u>	
Total Annual Tax:	\$2,270	

*For \$300,000 home value where owner earns \$100,000 working **outside** the City:*

11 Mil Replacement Levy Cost:	\$1,155	<i>(Fire levy property tax)</i>
1.5% Income Tax Cost:	\$1,500	<i>(1.5% average for Southwest Ohio)</i>
.05% Credit Payment to Lebanon:	<u>\$500</u>	
Total Annual Tax:	\$3,155	

Fire Levy Options Summary



Income Tax Option Cost Analysis:

*For \$200,000 home value where owner earns \$50,000 working **inside** the City:*

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate:

Reduced Fire Levy Cost: \$325 (approx.)

1.5% Income Tax Cost: \$750

Total Annual Tax: \$1,075

*For \$200,000 home value where owner earns \$75,000 working **inside** the City:*

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate:

Reduced Fire Levy Cost: \$325 (approx)

1.5% Income Tax Cost: \$1,125

Total Annual Tax: \$1,450

*For \$300,000 home value where owner earns \$100,000 working **inside** the City:*

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate:

Reduced Fire Levy Cost: \$500 (approx)

1.5% Income Tax Cost: \$1,500

Total Annual Tax: \$2,000

Fire Levy Options Summary



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Income Tax Options Cost Analysis:

For \$200,000 home value where owner earns \$50,000 working Outside the City:

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate and 0.5% Credit Payment:

Reduced Fire Levy Cost: \$325 (approx.)

1.5% Income Tax Cost: \$750

0.5% Credit Payment \$250

Total Annual Tax: \$1,325

For \$200,000 home value where owner earns \$75,000 working Outside the City:

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate and 0.5% Credit Payment:

Reduced Fire Levy Cost: \$325 (approx.)

1.5% Income Tax Cost: \$1,125

0.5% Credit Payment \$375

Total Annual Tax: \$1,825

For \$300,000 home value where owner earns \$100,000 working Outside the City:

3 Mil Fire Levy Reduction w/ 1.5% Income Tax Rate and 0.5% Credit Payment:

Reduced Fire Levy Cost: \$500 (approx.)

1.5% Income Tax Cost: \$1,500

0.5% Credit Payment \$500

Total Annual Tax: \$2,500

Combined Income and Property Tax Projections

Home Value	Annual Gross Income	CURRENT 1% Tax and 9 Mil Fire Levy		1% Tax & 11 Mill Fire Levy				1.5% Tax, .50% Credit and 3 Mil Fire Levy Rollback			
		Resident Lives and Works in Lebanon	Resident Works Outside Lebanon and Pays 1.50%	Resident Lives and Works in Lebanon	Estimated Annual Increase / (Decrease)	Resident Works Outside Lebanon and Pays 1.50%	Estimated Annual Increase / (Decrease)	Resident Lives and Works in Lebanon	Estimated Annual Increase / (Decrease)	Resident Works Outside Lebanon and Pays 1.50%	Estimated Annual Increase / (Decrease)
\$ 200,000	\$ 50,000	\$1,020	\$1,520	\$1,270	\$250	\$1,770	\$250	\$1,075	\$55	\$1,325	(\$195)
\$ 200,000	\$ 75,000	\$1,270	\$2,020	\$1,520	\$250	\$2,270	\$250	\$1,450	\$180	\$1,825	(\$195)
\$ 300,000	\$ 100,000	\$1,780	\$2,780	\$2,155	\$375	\$3,155	\$375	\$2,000	\$220	\$2,500	(\$280)

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Fire Funding Options Summary

Fire Levy Property Tax model increases total taxes by:

Amounts to approx. \$20 - \$30 per month increase

Fixed Income: For \$200k home, increases taxes by \$250/yr. (+\$20/month)

Income Tax model (w/ property tax reduction) changes total taxes by:

For Residents working in Lebanon: *Approx. \$5 - \$18 per month increase*

For Residents working outside Lebanon: *Approx. \$16 - \$23 per month decrease*

Fixed Income: For \$200k home, decreases taxes by \$170/yr. (-\$14/month)

Income tax model creates lower tax burden on residents compared to property tax model by shifting Fire Operations funding onto individuals who do not live in the City, but work in the City and therefore pay the income tax



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