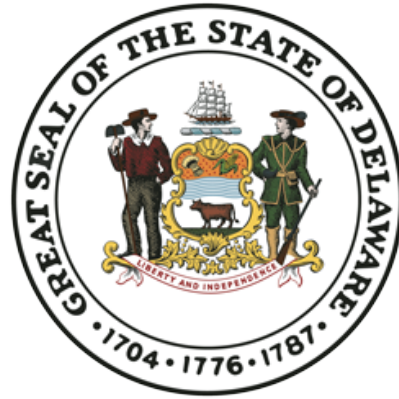


State of Delaware Office of Auditor of Accounts



Delaware Volunteer Fire Service 2011 Annual Report

Released in conjunction with the Delaware Volunteer Firefighter's Association Annual Conference
September 2011

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts





**STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS**

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September 12, 2011

Mr. William Tobin
President
Delaware Volunteer Firefighter's Association
122A South Bradford Street
P.O. Box 1849
Dover, DE 19903

Ms. Janice Marvel
President
Ladies Auxiliary Association
Delaware Volunteer Firefighter's Association
122A South Bradford Street
P.O. Box 1849
Dover, DE 19903

Dear Mr. Tobin and Ms. Marvel:

It is with great pleasure that I issue the Delaware Volunteer Fire Service 2011 Annual Report.

Firefighters, ladies auxiliary members, and ambulance attendants play a significant role throughout the State. These volunteers selflessly serve and protect the citizens of Delaware, repeatedly demonstrating their individual courage and commitment. I believe that all citizens owe these volunteers eternal gratitude for their dedication.

The work these individuals do as volunteers also saves the State's taxpayers a significant amount of money. The attached report details an estimate of \$251,022,309 in savings for the State's fiscal year ending June 30, 2011.

I feel that all of these volunteers are heroes who deserve recognition for their generosity. Once again, I would like to express my personal appreciation for what the volunteers do for both their communities and the entire State of Delaware.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom", written over a horizontal line.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts

Background

The State of Delaware has 78 volunteer fire companies comprising approximately of 3,000 volunteer firefighters, 1,400 Emergency Medical Technicians (EMT), and 2,000 additional members (e.g. life, auxiliary, juniors, cadets, and social).

The State of Delaware offers a variety of benefits to compensate volunteer firefighters, ladies auxiliary members, and EMTs for the sacrifices they make through their volunteer services. The benefits include:

- a \$400 tax credit on personal income taxes each year;
- participation in the State of Delaware health care plans;
- membership in the Delaware Blood Bank;
- participation in a pension plan¹;
- worker's compensation for disabilities received in the line of duty;
- reimbursement for funeral expenses, up to \$7,000;
- life insurance payments of \$150,000 for deaths in the line of duty;
- reimbursement for college tuition expenses for dependent children;
- a special "Delaware Volunteer Firefighter's License Plate" for personal vehicles; and
- membership in the Delaware Federal Credit Union.

¹ After firefighters have served a minimum of ten years, they are eligible to receive a pension at the age of 60.

It would cost 284,476,751 to replace Delaware's Volunteer Fire Service with an Employed Statewide Service:



Photo Courtesy of Warren Jones

Projected Costs of Employed Statewide Fire Service:

| | |
|---|----------------|
| Salary and Fringe Benefits ² | \$ 240,553,872 |
| Equipment Purchases and Maintenance | 18,315,779 |
| Building Purchases and Maintenance | 14,794,974 |
| Fuel and Utilities | 5,190,588 |
| Insurance Premiums | 3,801,018 |
| Employee Apparatus | 1,820,520 |
| | <hr/> |
| Total Projected Cost | \$ 284,476,751 |
| | <hr/> |

² See page 6 for details.

Property Tax would increase by \$11.92 per \$1,000 of assessed property value for each household for an Employed Statewide Service:



Photo Courtesy of Warren Jones

Projected Costs and Current Revenue Sources per \$1,000 of assessed property value:

Projected Costs:

| | | |
|-------------------------------------|----|--------------|
| Salary and Fringe Benefits | \$ | 11.41 |
| Equipment Purchases and Maintenance | | 0.87 |
| Buildings Purchases and Maintenance | | 0.70 |
| Fuel and Utilities | | 0.25 |
| Insurance Premiums | | 0.18 |
| Employee Apparatus | | 0.09 |
| Subtotal | | <u>13.50</u> |

Less Current Revenue Sources:

| | | |
|------------------|----|---------------|
| Grants-in-Aid | \$ | (0.19) |
| Insurance Tax | | (1.06) |
| County Subsidies | | <u>(0.33)</u> |
| Subtotal | | <u>(1.58)</u> |

| | | |
|--------------|----|--------------|
| Net Increase | \$ | <u>11.92</u> |
|--------------|----|--------------|

Volunteer Fire and Ambulance Service in Delaware saves Delaware Taxpayers \$251,022,309:



Photo Courtesy of Warren Jones

| | | | |
|---|----|------------|---------------------------|
| Cost of Full Time Employed Statewide Service ³ | | \$ | 284,476,751 |
| Revenue Sources: | | | |
| Grants-in-Aid ⁴ | \$ | 4,057,139 | |
| Insurance Tax ⁵ | | 22,446,267 | |
| County Subsidies ⁶ | | 6,951,036 | |
| | | | <u>33,454,442</u> |
| Total Cost Avoidance | | \$ | <u><u>251,022,309</u></u> |

³ See page 3 for details.⁴ Fiscal Year 2011 Grant-in-Aid Bill⁵ Office of the State Treasurer⁶ Fiscal Year 2011 Budgets for each County

Detailed Cost Savings Calculations

Cost for a Non-Volunteer Fire Department

The basis for this analysis is the paid City of Wilmington Fire Department (WFD). The following statistics were used in the analysis:

| | |
|---|------------|
| Population of the City of Wilmington ⁷ | 70,851 |
| Current number of Wilmington Fire Stations ⁸ | 7 |
| Population served per Station (Wilmington Population/Fire Stations) | 10,121 |
| Current number of paid firefighters ⁹ | 172 |
| Estimated employees per Station (8 employees per shift * 3 shifts per day) | 24 |
| Average salary and fringe benefits for current WFD employees ¹⁰ | \$ 128,501 |

State Demographics

| | |
|--|-------------------|
| State population ¹¹ (excluding Wilmington) | 827,083 |
| Assessed property value ¹² (excluding Wilmington) | \$ 21,081,152,166 |
| Number of volunteer stations | 78 |
| Total employees needed (24 per station) | 1,872 |

Salary and Fringe Benefits

Salary and fringe benefits were calculated by multiplying the average salary and fringe benefits for current WFD employees, \$128,501, by the total employees needed, 1,872. The total estimate is \$240,553,872.

Equipment

Equipment purchases were calculated using the following:

| Equipment Type | Estimated Cost | Est. Life | Replacement | Annual Replacement |
|-------------------------|----------------|-----------|-------------|----------------------|
| Equipment Type | Equipment Type | (Years) | Per Year* | Cost |
| Fire Engine | 512,500 | 15 | 5 | 2,562,500 |
| Ambulance | 197,500 | 6 | 13 | 2,567,500 |
| Brush Truck | 135,000 | 10 | 7 | 945,000 |
| Rescue Truck | 625,000 | 15 | 5 | 3,125,000 |
| Aerial Truck | 950,000 | 18 | 4 | 1,900,000 ** |
| Tanker | 450,000 | 15 | 5 | 1,125,000 ** |
| Utility Vehicle | 55,000 | 8 | 9 | 495,000 |
| Equipment Total | | | | 12,720,000 |
| Plus Maintenance | | | | 5,595,779 |
| Grand Total | | | | <u>\$ 18,315,779</u> |

*Averages were truncated to whole numbers.

**Aerial trucks and tankers are required by approximately half of the companies for specialized needs

⁷ Estimate provided by the Delaware Economic Development Office (DEDO)

⁸ Fiscal Year 2011 Grant-in-Aid Bill

⁹ City of Wilmington

¹⁰ Total Salary and Fringe Benefit information provided by City of Wilmington

¹¹ Estimate provided by DEDO

¹² State Department of Education

Buildings and Maintenance

Building purchases and annual maintenance were estimated at \$14,794,974 per year. Buildings were estimated to have a life expectancy of 20 years.

Employee Apparatus

Employee apparatus was estimated to be \$9,725 per firefighter, with an estimated life expectancy of 10 years.

Fuel and Utilities

Fuel and Utilities were estimated at \$5,190,588 per year. The fuel and utilities were estimated based on annual reports submitted by the fire companies.

Insurance Premiums

Insurance Premiums were estimated at \$3,801,018, based on annual reports submitted by the fire companies.

Volunteer Fire Service and Ambulance Training

The Delaware State Fire School, under the guidance of the State Fire Prevention Commission, provides fire, rescue, emergency medical training, and public fire safety education to the fire and rescue service, as well as to industry and citizens of our State.¹³ Fire company training programs are conducted at one of three Delaware State Fire Training Centers. Classes are generally offered on weekends to accommodate the schedules of volunteer firefighters and ambulance attendants.

During 2011, the Delaware State Fire School trained 8,584 students in Fire and Rescue and 7,008 in Emergency Medical Services.

Due to the effective training of firefighters and other fire service volunteers, the State of Delaware proudly recognizes there were no fire service personnel casualties in the line of duty during Fiscal Year 2011.



Photo Courtesy of Warren Jones

**Report Fraud, Waste, and Abuse
in Delaware State Government
1-800-55-FRAUD**

¹³ <http://statefireschool.delaware.gov/>, Letter from the Director, Robert Newman