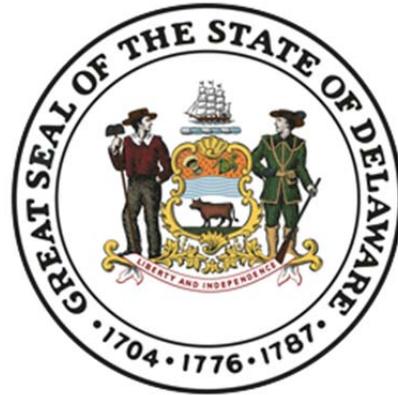


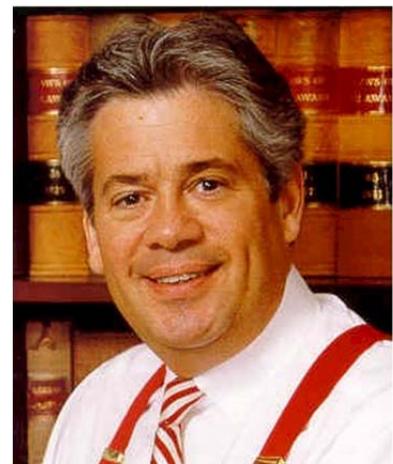
State of Delaware Office of Auditor of Accounts



Delaware Volunteer Fire Service 2012 Annual Report

Released in conjunction with the Delaware Volunteer Firefighter's Association Annual Conference
September 2012

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





STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

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September 10, 2012

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

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

Dear Mr. Frampton and Ms. Krystopolski:

I am honored and pleased to release the Delaware Volunteer Fire Service 2012 Annual Report to you.

The citizens of Delaware are privileged to have the services provided by firefighters, ladies auxiliary members, and ambulance attendants, who selflessly volunteer to serve and protect them. I believe that all citizens are indebted to these volunteers for their dedication and generosity.

As the following report details, these volunteers also save the State taxpayers a significant amount of money. My office estimates a savings of more than \$289,000,000 for the State's fiscal year ending June 30, 2012.

With this year being the 91st anniversary of the Delaware Volunteer Firefighter's Association and the 75th anniversary of the Ladies Auxiliary Association, I would like to, once again, express my personal appreciation to these courageous heroes for their commitment to their communities and the entire State of Delaware.

Sincerely,

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).¹

The State of Delaware offers a variety of benefits to recognize 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;
- membership in the Delaware Blood Bank;
- participation in a pension plan²;
- worker's compensation for disabilities received in the line of duty;
- a special "Delaware Volunteer Firefighter's License Plate" for personal vehicles; and
- membership in the Delaware Federal Credit Union.

In the unfortunate event that a service member suffers a death in the line of duty, further benefits include:

- reimbursement for funeral expenses, up to \$7,000;
- life insurance payments of \$150,000 for deaths in the line of duty; and
- reimbursement for college tuition expenses for dependent children.

¹ Delaware Volunteer Firefighter Association, Executive Manager, Warren Jones

² After firefighters have served a minimum of ten years, they are eligible to receive a pension at the age of 60.

It would cost \$323,797,439 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 ³	\$	280,648,368
Equipment Purchases and Maintenance		18,264,926
Building Purchases and Maintenance		14,833,143
Fuel and Utilities		5,285,982
Insurance Premiums		2,944,500
Employee Apparatus		1,820,520
		1,820,520
 Total Projected Cost	 \$	 323,797,439

³ See page 6 for details.

Property Tax would increase by \$13.65 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	\$	13.23
Equipment Purchases and Maintenance		0.86
Buildings Purchases and Maintenance		0.70
Fuel and Utilities		0.25
Insurance Premiums		0.14
Employee Apparatus		0.09
Subtotal		15.27

Less Current Revenue Sources:

Grant-in-Aid	\$	(0.22)
Insurance Tax		(1.06)
County Subsidies		(0.34)
Subtotal		(1.62)

Net Increase		\$ 13.65
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Volunteer Fire and Ambulance Service in Delaware saves Delaware Taxpayers \$289,378,767:



Photo Courtesy of Warren Jones

Cost of Full Time Employed Statewide Service ⁴	\$	323,797,439
Revenue Sources:		
Grant-in-Aid ⁵	\$	4,706,727
Insurance Tax ⁶		22,467,375
County Subsidies ⁷		7,244,570
		34,418,672
 Total Cost Avoidance	 \$	 <u><u>289,378,767</u></u>

⁴ See page 3 for details.

⁵ Fiscal Year 2012 Grant-in-Aid Bill

⁶ Office of the State Treasurer

⁷ Fiscal Year 2012 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 ⁸	71,305
Current number of Wilmington Fire Stations ⁹	7
Population served per Station (Wilmington Population/Fire Stations)	10,186
Current number of paid firefighters ¹⁰	177
Estimated employees per Station (8 employees per shift * 3 shifts per day)	24
Average salary and fringe benefits for current WFD employees ¹¹	\$ 149,919

State Demographics

State population ¹² (excluding Wilmington)	835,830
Assessed property value ¹³ (excluding Wilmington)	\$ 21,220,671,164
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, \$149,919, by the total employees needed, 1,872. The total estimate is \$280,648,368.

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	237,500	6	13	3,087,500
Brush Truck	142,500	10	7	997,500
Rescue Truck	662,500	15	5	3,312,500
Aerial Truck	762,500	18	4	1,525,000 **
Tanker	550,000	15	5	1,375,000 **
Utility Vehicle	37,500	8	9	337,500
Equipment Total				13,197,500
Plus Maintenance				5,067,426
Grand Total				<u>\$ 18,264,926</u>

*Averages were truncated to whole numbers.

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

⁸ Estimate provided by the Delaware Economic Development Office (DEDO)

⁹ Fiscal Year 2012 Grant-in-Aid Bill

¹⁰ City of Wilmington – includes 5 civilian positions

¹¹ Total Salary and Fringe Benefit information provided by City of Wilmington

¹² Estimate provided by DEDO

¹³ State Department of Education

Buildings and Maintenance

Building purchases and annual maintenance were estimated at \$14,833,143 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. The statewide equivalent for 1,872 firefighters is \$1,820,520 annually.

Fuel and Utilities

Fuel and Utilities were estimated at \$5,285,982 per year. The fuel and utilities were estimated based on annual reports submitted by the fire companies.

Insurance Premiums

Insurance Premiums were estimated at \$2,944,500, 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.¹⁴ 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 2012, the Delaware State Fire School trained 7,361 students in Fire and Rescue and 8,215 in Emergency Medical Services.¹⁵

Due to the effective training of firefighters and other fire service volunteers, the State of Delaware proudly recognized there were no fire service personnel casualties in the line of duty during Fiscal Year 2012.¹⁶



Photo Courtesy of Warren Jones

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

¹⁴ <http://statefireschool.delaware.gov/fromdirector.shtml>, Letter from the Director, Robert Newman

¹⁵ Delaware State Fire School Annual Report

¹⁶ Delaware Volunteer Fire Association, Warren Jones, Executive Manager