

New Castle County Fire Service Strategic Planning Committee
Thursday, January 15, 2026, at 2:00pm
Location: Government Center – Executive Conference Room
87 Reads Way, New Castle, DE 19720

MEETING MINUTES

Present Voting Members (In-Person or Virtual): Co-Chairman Kenny Dunn, Co-Chairman Dennis Godek, Dave Del Grande, Bruce Pinkett, Joe Day, Councilman Brandon Toole, Councilman Kevin Caneco, Kevin Cowperthwait, Gordon Edwards, Fran Williams, Dan Burris, Lynn Wells and John Adams.

Non-Voting Members present: Staff Person Stephanie Warren, County Attorney Aaron Goldstein, and members of the public.

1. Call to Order and Roll Call

- a. The meeting was called to order at 2:00pm by Co-Chair Kenny Dunn.

2. Quorum Requirements

- a. Committee members raised concerns that the current quorum of 5 members does not represent most of the 13-member board.
- b. Discussion was held on whether voting should take place when less than 7 members are present.
- c. A motion was made to request that the County Executive amend the Executive Order to state a quorum shall be 7 members instead of 5 members.
 - i. Moved by: Gordon Edwards
 - ii. Seconded by: Fran Williams
 - iii. Vote: In Favor – Unanimous, Opposed – None.
 - iv. Motion carried.
- d. Once the Executive Order is executed by the County Executive, the Committee's By-Laws will need to be amended and placed on the next meeting agenda.

3. Committee Reporting Timeline and Executive Order Deadline

- a. Committee members reiterated concerns previously raised that completion of the Committee's work by March 1, 2026, is not feasible.
- b. Members emphasized that the scope and importance of the work warrant sufficient time to ensure thoughtful and accurate recommendations.
- c. It was noted that the original March 1 deadline was set based on assumptions that the Committee would begin work earlier and align with the Finance Department's budget timeline for potentially incorporating a fire fee into the upcoming budget.
- d. Members acknowledged that the timeline was ambitious and agreed it is no longer realistic.

- e. The Committee discussed alternative deadlines, considering fiscal planning needs, summer schedules, and the desire to avoid December as a reporting month.
- f. After discussion, consensus emerged around extending the deadline to January 31, 2027, which would provide adequate time for deliberation while still allowing the County sufficient time for review and planning.
- g. A motion was made to request that the County Executive amend the Executive Order to move the Committee's reporting deadline from March 1, 2026 to January 31, 2027.
 - i. Moved by: Gordan Edwards
 - ii. Seconded by: Fran Williams
 - iii. Vote: In Favor – Unanimous, Opposed – None.
 - iv. Motion carried.

4. Budget and Funding Stabilization: Short-Term Approach (FY27)

- a. The Committee intends to request continued Grant-In-Aid and engage in discussions with the Administration regarding potential increases.
- b. As a temporary funding stabilization measure for FY27, the Committee plans to request a percentage of total salaries and benefits paid by all 21 fire companies.
- c. This request would be based on verified calendar year 2025 figures.
- d. Data Collection and Verification
 - i. Co-Chair Dennis Godek reported that salary and benefits data submissions from the fire companies have largely been received.
 - ii. A small number of companies were contacted to clarify submitted information; overall, companies were noted to maintain excellent records.
 - iii. A meeting with the County Executive is scheduled for the following week, at which time finalized figures are expected to be available.
 - iv. It was acknowledged that a verification process will be required if the proposal is advanced.
- e. The scope of included costs and proposed calculation would include:
 - i. Salaries (full-time and part-time, including overtime)
 - ii. Health insurance costs
 - iii. Pension contributions paid by fire companies
- f. The scope would exclude:
 - i. Training costs
 - ii. Uniforms
 - iii. Payroll taxes
 - iv. Other non-salary related expenses
- g. Financial Estimates
 - i. Preliminary data received from the fire companies indicates total salaries and benefits in the range of \$35-40 million.
 - ii. The final percentage request (e.g., 5%, 10%) determines the total funding amount and will be discussed further with the Administration and/or this Committee.

- iii. All figures will be reviewed to ensure consistency and accuracy across companies.
- h. Members discussed variations among fire companies, including differences in staffing levels, healthcare plans, pension structures (20-year vs. 30-year plans), and career ladders.
- i. It was acknowledged that disparities exist, but similar challenges were addressed in prior funding discussions.
- j. Leadership explained that major funding proposals are developed by the leadership committee and, if necessary, brought back to the fire companies for approval, consistent with policies unanimously adopted by the companies.
- k. Questions were raised regarding whether excluding benefits and pensions would simplify the approach; it was noted that doing so would require a higher percentage request to achieve the same funding level.
- l. Members emphasized that, from a fiscal planning perspective, the key concern is the total dollar amount rather than internal allocation among companies.

5. Long-Term Funding Considerations, Sustainable Funding Models and Movement of Funding to a Budget Line Item

- a. Co-Chair Kenny Dunn introduced discussion on long-term funding sustainability and the potential movement of fire service funding from Grant-In-Aid to a formal budget line item.
- b. Co-Chair Kenny Dunn reported extensive discussions with Chief Financial Officer Dave Del Grande over the prior week.
- c. It was noted that the Department of Community Services administers funding for contractual libraries through a contractual services line item, rather than Grant-In-Aid.
- d. Members discussed the possibility of moving fire service funding to a similar structure under the Department of Public Safety's budget, either as contractual services line item or as a separate division with a contractual line.
- e. Finance staff explained that contractual services lines are supported by formal agreements and that fire companies already execute funding agreements, including insurance certification requirements.
- f. It was clarified that moving the funding would not create operational control over the fire companies and would not change reporting or oversight requirements.
- g. Members emphasized that the intent of the change is to recognize the fire service as an essential governmental function rather than a charitable recipient, and to improve transparency and stability in funding.
- h. Finance staff noted that, during difficult budget years, reductions are considered department-wide regardless of line placement, and that the change is largely optical but meaningful from a policy perspective.

- i. Questions were raised regarding reporting structure; it was clarified that funding would fall under the Public Safety budget, administered through Public Safety Finance, consistent with current practices.
- j. A motion was made to request that the Budget Director seek approval to change the fire service funding terminology and placement to the Department of Public Safety budget under a contractual services line item.
 - i. Moved by: Gordon Edwards
 - ii. Seconded by: Fran Williams
 - iii. Vote: In favor – Unanimous; Opposed – None
 - iv. Motion carried.

6. Impact Fees – Overview and Future Considerations

- a. Co-Chair Kenny Dunn invited Joe Day, the Land Use representative, to provide an overview of fire service impact fees and future considerations.
- b. Presentation Highlights
 - i. Impact fees were originally adopted in 1999 and apply to residential and non-residential development for fire, EMS, police, and other public facilities.
 - ii. Initial residential impact fees were uniform; subsequent updates introduced differentiated rates based on housing type.
 - iii. Impact fees are subject to strict statutory and case law requirements and must be used for growth-related capital needs, not replacement or operating expenses.
 - iv. Fire companies have ten years to utilize collected impact fees before funds revert to the payer.
 - v. Significant updates occurred in 2006, 2024 (redevelopment ordinance), and 2025, with the most recent ordinance requiring annual reporting to County Council and a full review every five years.
 - vi. Certain developments, including workforce housing and low-income housing, are exempt under current law.
 - vii. Impact fee collections and distributions are now made quarterly.
 - viii. Charts showing historical collections and distributions by Fire Company were reviewed and will be distributed to Committee members following the meeting.
- c. It was emphasized that while impact fees are a valuable funding source, legal limitations significantly restrict their use.
- d. Members noted that absent fundamental restructuring and impact fees cannot be relied upon for long-term operational funding.
- e. Transparency Improvements Proposed
 - i. Post current impact fee balances online so fire companies can view balances at any time without submitting requests.
 - ii. Provide clearer, more consistent reporting on collections and distributions.
- f. Pre-Application Meetings

- i. Recommendation to hold pre-application meetings involving the Land Use Department, Fire Ambulance Advisory Board, Leadership Committee representatives and individual companies.
 - ii. Purpose would be to review proposed projects, eligible expenditures, and common issues that delay or prevent disbursement.
 - g. Application Requirement Concerns
 - i. Fire Companies are the only recipients among impact fee supported entities required to apply for funds.
 - ii. Explanation provided – Fire Companies are separate legal entities and not components of County Government; the Fire and Ambulance Advisory Board serves as the pass-through entity.
 - iii. Legislative changes would be required to fundamentally alter this structure; administrative or contractual changes may improve the process without statutory amendments.
 - h. Legal and Governance Considerations
 - i. The Committee reaffirmed that it is not the goal of the Fire Service to become an agency of County Government
 - ii. The objective remains achieving consistent, permanent, and adequate funding with appropriate accountability.
 - iii. Input from County Attorney Aaron Goldstein indicated that structural changes would require State and local legislative action and could introduce significant governance and compliance implications.
 - iv. Further exploration of options is appropriate for informational purposes only.
 - i. Financial Status Update
 - i. Approximately \$3.8 million collected in impact fees over the last five years.
 - ii. Approximately \$3.4 million distributed.
 - iii. Current undistributed balance: approximately \$745,000.
 - j. Impact Fees – Redevelopment, Brownfields, and Studies
 - i. Redevelopment and brownfield projects are subject to impact fees, with credits for existing square footage.
 - ii. Third-party impact fee studies are conducted periodically; the most recent study was completed in 2025.
 - iii. Committee members requested access to the fire-service-related portions of the most recent study.

7. Volunteer Fire Service Assistance Fund (Building Permit Fee)

- a. Program Overview
 - i. Established in 2010; surcharge applied to residential and non-residential building permits.
 - ii. Current rate is 0.5% of residential construction value and the first \$1 million of non-residential construction value.
 - iii. Distributed equally among the 21 Fire Companies and audits required prior to disbursement.
- b. Financial Performance

- i. Approximately \$7.3 million collected and distributed from 2021-2025.
 - ii. Average distribution per company: approximately \$345,000.
- c. Cap Analysis
 - i. Approximately 73 projects reached the \$1 million non-residential cap in 2025.
 - ii. Increasing the cap to \$5 million would have generated an estimated additional \$750,000 in 2025.
 - iii. Eliminating the cap entirely would have generated approximately \$1.2 million.
 - iv. Inflation-adjusted analysis suggests the original cap would equate to roughly \$4.5–\$5 million today.
- d. Exemptions
 - i. Limited statutory exemptions apply
 - ii. Redevelopment and brownfield projects are currently exempt from this fee; legislative reconsideration was discussed.
- e. Municipal Considerations
 - i. Some municipalities retain their own permit fees for the benefit of local companies.
 - ii. The Committee acknowledged the need for future discussion regarding equitable municipal participation and distribution formulas.

8. Capital Financing and Bonding

- a. Fire Companies cannot directly participate in the County capital bond program.
- b. Conduit Debt Financing
 - i. Fire Companies may access lower interest rates through Conduit Financial using County's AAA rating.
 - ii. This does not place financial risk on the County.
 - iii. Updated contracts support eligibility for this financing option.
- c. Grant Opportunities
 - i. The County's full-time grant writer has retired.
 - ii. A replacement is being hired; interim staff support remains available.
 - iii. Grant-writing assistance for Fire Companies will continue.
- d. Fire Service Fees, Taxes, and Statutory Authority
 - i. Review of enabling legislation confirmed
 - 1. State-owned property is statutorily exempt.
 - 2. County Council may grant additional exemptions
- e. Data for Policy Review
 - i. Fire district square milage, population, number of structures, and exemption categories were provided.
 - ii. General exemptions include Federal, State, County, and nonprofit properties; figures are preliminary and subject to refinement.
- f. Billing System Constraints
 - i. Currently billing system limitations preclude major new fee structures until replacement (targeted July 1, 2027)
 - ii. Adjustments to existing permit-based fees are feasible in the interim.

9. Next Steps

- a. Members will individually review data and prioritize recommendations
- b. Deferring to the next meeting:
 - i. Operational study and consultant discussion.
 - ii. Prioritization of FACETS recommendations.

Action Items

1. Executive Order Amendment Request

- Prepare and transmit a formal request to the County Executive to amend the Executive Order, extending the Committee reporting deadline from March 1, 2026, to January 31, 2027.
- *Responsible:* Staff / Committee Support
- *Status:* Pending submission

2. Salary and Benefits Verification

- Complete follow-up with fire companies to clarify submitted salary and benefits data.
- Verify calendar year 2025 salary, health insurance, and pension figures in coordination with the Administration.
- *Responsible:* Fire Service Leadership / County Administration
- *Status:* In progress; final figures anticipated following meetings with the County Executive

3. FY27 Short-Term Funding Proposal Development

- Finalize proposed percentage-based funding request tied to total Fire Company salaries and benefits.
- Determine preferred distribution and administrative mechanism in consultation with the County Executive and CFO.
- *Responsible:* Fire Service Leadership Committee
- *Status:* Under development

4. Budget Line Reclassification Implementation

- Request the Budget Director and CFO to evaluate and implement the reclassification of Fire Service funding from a grant aid designation to a **Public Safety Administration – Contractual Services** budget line.
- *Responsible:* Budget Director / CFO
- *Status:* Approved by Committee; pending administrative action

5. Impact Fee Information Sharing

- Distribute presentation materials and data on impact fees to Committee members.
- Provide access to fire-service-specific portions of the most recent third-party impact fee study.
- *Responsible:* Land Use / Staff
- *Status:* Pending distribution

6. Transparency Improvements for Impact Fees

- Explore options to publicly post impact fee balances and improve reporting transparency for fire companies.
- *Responsible:* Administration / Staff
- *Status:* To be evaluated

7. Future Agenda Planning

- Schedule discussion on operational study/consultant engagement.
- Schedule prioritization of FACETS recommendations.
- Confirm ongoing meeting frequency.
- *Responsible:* Chair / Staff

Key Issues for Committee Consideration

1. **Reporting Timeline Realism**
 - Establish an appropriate deadline that balances thorough analysis with the County's fiscal planning needs.
2. **Short-Term Funding Stability (FY27)**
 - Determining the percentage of total salaries and benefits to request.
 - Defining the overall funding approach to stabilize operations in the near term.
3. **Long-Term Sustainable Funding Structure**
 - Transitioning from grant-based funding to a recognized budget line to reflect the Fire Service's role as a core governmental function.
4. **Budget Placement and Oversight**
 - Implementing placement within the Public Safety contractual services budget.
 - Clarifying reporting, administration, and fiscal oversight while maintaining Fire Company independence.
5. **Equity Among Fire Companies**
 - Addressing differences in staffing levels, compensation models, healthcare, and pension structures when allocating funding.
6. **Impact Fee Constraints**
 - Navigating statutory and case law limitations on impact fee usage.
 - Determining whether legislative changes should be pursued.
7. **Impact Fee Administration and Transparency**
 - Improving reporting, balance visibility, application processes, and timing of reimbursements.
8. **Revenue Growth Opportunities**
 - Evaluating legislative changes to the Volunteer Fire Service Assistance Fund cap.
 - Considering redevelopment and brownfield participation in permit-based funding mechanisms.
9. **System and Infrastructure Limitations**
 - Managing funding reforms in light of the current billing system and planned system replacement (targeted July 1, 2027).
10. **Capital Financing Options**
 - Determining whether and how to encourage use of conduit debt financing as a strategic funding tool.
11. **Grant Capacity and Support**
 - Ensuring continuity of grant-writing assistance and maximizing external funding during staffing transitions.