

Town of Elmira Fire District No. 1

Long-Term Planning

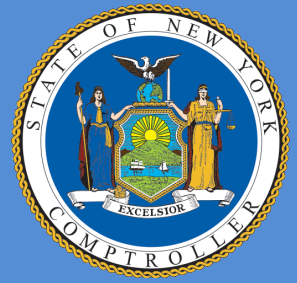
2025M-51 | November 2025

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Audit Results

Town of Elmira Fire District No. 1



Audit Objective	Audit Period
Did Town of Elmira Fire District No. 1 (District) officials establish long-term capital and financial plans?	January 1, 2022 – December 31, 2024. We extended the audit period back to January 1, 2007 to determine Board-estimated replacement costs, January 1, 2020 to analyze reserve balance trends and forward to April 2, 2025 to estimate vehicle replacement costs, useful life and the creation of a new capital plan.
Understanding the Audit Area	
A fire district (district) should have written long-term capital and financial plans to balance capital priorities with fiscal constraints while also transparently communicating a district board's (board's) intentions to taxpayers, residents and other interested parties. The District is governed by an elected five-member Board of Fire Commissioners (Board), responsible for the general management and control of the District's financial operations including adopting annual budgets and establishing long-term capital and financial plans. The Fire Chief (Chief) oversees all firefighters and other administrative staff and is responsible for providing budget input and information for operational and capital needs to the Board. The District's budgeted appropriations for 2025 totaled \$920,505 and the District's vehicle capital reserve (Reserve) fund balance totaled \$971,000 as of December 31, 2024.	

Audit Summary

District officials did not establish or adopt up-to-date long-term capital and financial plans. As a result, the Board did not convey long-term goals to taxpayers, residents and interested parties in a transparent manner.

The District had five vehicles at or beyond their useful life estimates in 2025. We estimated that the total vehicle replacement cost of these five vehicles was approximately \$2.3 million¹ in 2025. However, the Reserve fund balance totaled \$971,000 as of December 31, 2024. If all five vehicles at or beyond their useful life estimates were replaced in 2025, the District may face a shortfall of approximately \$1.3 million.

¹ We recognize there are numerous variables that will affect this estimation. The intent of this estimation is to illustrate the potential financial impact on the District's identified capital needs. See Appendix B for additional information on the calculation methodology.

Because District officials did not maintain a long-term capital plan for vehicles or plan for future financial operations, the Board's ability to effectively manage the District's finances was hindered. Therefore, potential large increases to real property tax levies may occur when assets are needed in the future. As a result of our audit, the Board and Chairman of the Board (Chairman) created a new capital plan that projected reserve contributions, vehicle replacement costs and useful life through 2054.

The report includes two recommendations that, if implemented, will improve the District's long-term capital and financial planning. District officials generally agreed with our recommendations and indicated they have initiated corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review.

Long-Term Planning: Finding and Recommendations

The board, with assistance from other district officials, should develop written long-term capital and financial plans to estimate the future costs of ongoing services and capital needs. Long-term capital planning enables the board and district officials to identify all capital and major equipment needs, establish a maintenance cycle to sustain current assets and develop a process for prioritizing and financing capital projects and equipment purchases. Long-term financial planning enables the board and district officials to identify revenue and expenditure trends and establish long-term priorities and goals.

Long-term plans should be reviewed, updated when necessary and approved by the board annually to help decision makers set long-term priorities and work towards goals rather than making choices based on the needs of the moment.

More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 2), are included in Appendix A.

Finding 1 – District officials did not establish or adopt up-to-date long-term capital or financial plans.

In 2007, District officials created an informal long-term capital plan for vehicles that projected funding amounts, vehicle replacement costs and the Reserve balance through 2037. In addition, the Board and Chief regularly discussed capital needs and financial operations at monthly meetings and periodically made decisions to replace vehicles in the fleet. However, the Board did not follow or update this long-term capital plan or create a financial plan to address the District's ongoing and future needs. As a result, officials did not have a full understanding of the District's capital and financial needs for vehicle replacements.

Vehicle costs increased significantly since the District created the long-term capital plan in 2007, and since officials last acquired a major piece of firefighting equipment. For example, in 2007, the Board anticipated replacing the District's engine truck in 2026 at an estimated cost of \$400,000. However, inflation and advances in firefighting technology increased the actual replacement cost of the engine truck to \$862,019 (116 percent) in 2022. The Chairman told us that District officials could not have predicted the increase in 2007. However, had the long-term capital plan been reviewed and updated and a long-term financial plan been created, officials could have better understood the District's capital and financial needs for vehicle replacements. Without adequate, up-to-date long-term planning, officials may not have the funds available in District reserves to meet the District's capital needs, which could result in sudden property tax increases to address funding shortfalls.

According to equipment useful life estimates² and discussions with the Chairman, five vehicles in the District's fleet were at or beyond their estimated useful life (Figure 1).

² <https://fasny.com/wp-content/uploads/2023/03/FASNY-Economic-Study-2023.pdf>

Figure 1: District Vehicles as of January 31, 2025

Vehicle	Estimated Useful Life ^a	Age (Years)	Years Past Useful Life
1991 Pumper Truck	15	34	19
2010 Sport Utility Vehicle	8	15	7
2012 Pickup Truck	8	13	5
2007 Utility Task Vehicle	18	18	0
2007 Ladder Truck	18	18	0
2020 Rescue Truck	15	5	Under Useful Life
2022 Engine Truck	20	3	Under Useful Life
a) All estimates were based on the Firefighters Association of the State of New York (FASNY) guidance except for the Utility Task Vehicle, which was based on discussions with the Chairman.			

Vehicle Capital Reserve – As of December 31, 2024, the District's Reserve fund balance totaled \$971,000. Although the Board planned to contribute \$80,000 to the Reserve each year, the Board added an average of \$50,400 to the Reserve each year from January 1, 2020 through December 31, 2024. According to the Chairman and two Board members, the Board preferred to acquire District assets with cash to avoid financing costs being passed onto taxpayers. Additionally, the Chairman and three Board members told us they intend to maintain the same or improved level of services and plan to replace vehicles at the end of their useful life. However, the District's Reserve is underfunded. For example, the cost to replace the five vehicles at or beyond their useful life in 2025 is approximately \$2.3 million. If all five vehicles at or beyond their useful life were replaced in 2025, the District may face a shortfall of approximately \$1.3 million.

The Chairman told us that in 2020, the West Elmira Volunteer Fire Department (Department) began staffing shifts with two paid employees in response to declining volunteer numbers and the Board avoided overriding the New York State tax cap³ to limit the burden on taxpayers, which limited the amount of funds available to be placed in the Reserve.

The Chairman told us the Board did not consider creating a written plan for long-term financial operations. He also stated that the Board may explore overriding the tax cap to generate additional revenue that can be added to the District's Reserve. Additionally, District officials said that to prolong the need to replace certain vehicles, they may consider restoring them to extend their useful life, as well as replacing the pumper truck with one that has a lower water carrying capacity because it would cost less. Furthermore, the Chief told us the vehicles are very well maintained, which may prolong current estimated useful lives.

³ New York State General Municipal Law Section 3-c establishes a tax levy limit for local governments. The law generally precludes local governments from adopting a budget that requires a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law, or resolution in the case of a district, to override the tax levy limit.

Without comprehensive written long-term capital and financial plans that include specific estimates for revenues and expenditures based on actual historical trends and long-term capital needs based on accurate capital asset inventories, replacement costs and replacement schedules, the Board's ability to effectively manage the District's finances was hindered. Additionally, creating and maintaining written plans allows the Board to convey long-term goals to residents, taxpayers and other interested parties in a transparent manner. As a result of our audit, the Board and Chairman created a new capital plan that projected reserve contributions, vehicle replacement costs and useful life through 2054.

Recommendations

The Board and District officials should:

1. Develop a written long-term financial plan to help ensure financial resources are available to replace capital assets, such as vehicles, in a timely manner.
2. Annually review, update (as necessary) and adopt long-term capital and financial plans.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in, and provides fire protection and emergency response services to, a portion of the Town of Elmira (Town) in Chemung County. The District is governed by an elected five-member Board responsible for the general management and control of the District's financial operations, including adopting annual budgets and establishing long-term capital and financial plans. The Chief oversees all firefighters and other administrative staff and is responsible for providing budget input and information for operational and capital needs to the Board.

The District contracts with the Department to provide fire protection and emergency response services to a portion of the Town.

Criteria – Long-Term Planning

Planning on a long-term basis allows the board and district officials to identify all capital and major equipment needs, establish a maintenance cycle to sustain current assets and develop a process for prioritizing and financing capital projects and equipment purchases. Long-term planning also enables the board and district officials to identify developing revenue and expenditure trends, set long-term priorities and goals and consider the impact of current budgeting decisions on future years.

When developing long-term plans, district officials should consider useful life estimates and the current condition of district vehicles and equipment. District officials can use the FASNY approximate cost of typical capital items table⁴ to help determine when the replacement of assets could be expected. This document provides an estimated optimal usable life, in years and cost of apparatus and equipment. Although usable life may not always indicate how long a particular vehicle or piece of equipment will last, district officials should develop their own estimated usable life criteria based upon their individual experience and consider this information when developing a long-term plan for equipment replacement.

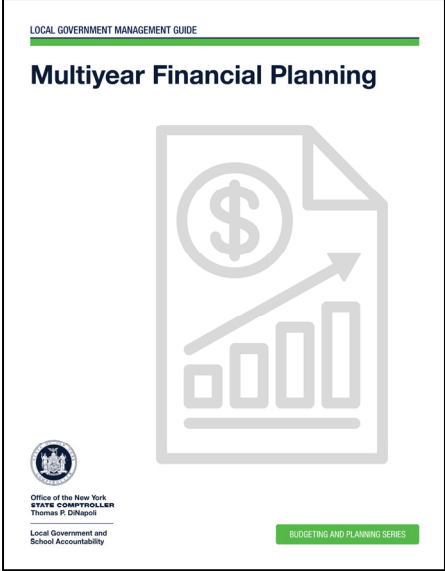
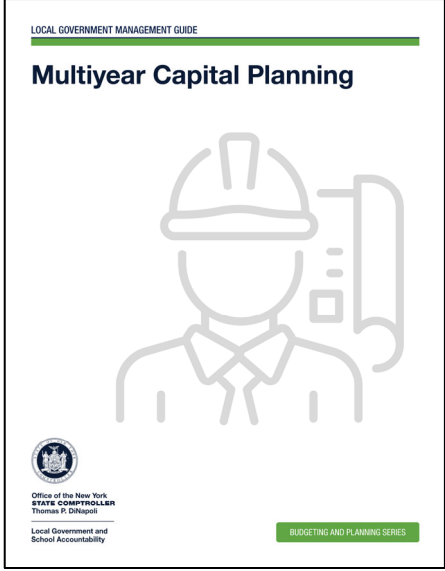
The board should periodically review and update these long-term plans to estimate the future costs of ongoing services and capital needs. Long-term plans should provide a reliable framework for preparing budgets so that information used to guide decisions is current and accurate. After approving the plans, the board should incorporate its decisions affecting the annual operating budget into the budget process. The plans help officials decide what funding choices to make in advance, while avoiding sudden tax increases or dramatic budget cuts and accumulating excessive fund balance.

⁴ <https://fasny.com/wp-content/uploads/2023/03/FASNY-Economic-Study-2023.pdf>

Additional Planning Resources

Figure 2: OSC Publications

OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities.

Multiyear Financial Planning	Multiyear Capital Planning
	
https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-capital-planning.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials

Fire District #1, Town of Elmira

1299 West Water Street

Elmira, New York 14905

607-734-2204

607-734-5502 (fax)

October 28, 2025

(Audit 2025-M51)

District Response to the State Comptroller Audit:

The District appreciates the comments contained in the audit. Addressing the everyday and annual challenges facing the District, it is certainly possible to be less focused on the challenges which lie further down the road and we appreciate the Comptroller's reminder that we must address all such challenges on a regular basis.

The District has a history of attempting to pay cash for equipment, thus saving the taxpayers borrowing expenses. The cost of fire equipment has skyrocketed. The first fire engines owned by the District (1971) cost in the neighborhood of \$20-40,000. The latest engine purchased by the District in 2022 cost in excess of \$870,000. There has been no borrowing for current trucks.

The District budgets each year for money to fund a reserve account specified for the purchase of new fire trucks. While we budget in advance for this money, we traditionally have waited until the end of the year to place that money into the reserve account. That has allowed flexibility to react to unexpected expenses which might arise during the year (beyond that which might be covered by the small miscellaneous budget line). Once placed in the reserve account, money can only be withdrawn pursuant to a permissive referendum.

We attempt to be frugal with taxpayer funds. We have cut discretionary spending. We are taxpayers in the District ourselves. All but one of the Commissioners has also been a volunteer fire fighter. In this light, we have pushed all of the service we could obtain from equipment. We have purchased custom fire trucks which we believe last longer than commercial equipment. We have used stainless steel and aluminum fire truck bodies which resist corrosion on our snowy and salt-treated roads. We regularly maintain equipment with an eye toward obtaining the maximum useful life possible. The FASNY schedule (used by the Comptroller) says that utility vehicles should be replaced after 8 years. At that point they would have little resale value and are generally easily available. Thus, we have pressed them further. The Fire Chief reports monthly to the Fire Commission on the condition of fire equipment.

We test our fire hoses under pressure annually but now must replace them every ten years even though they may pass testing with no signs of wear or failure. Likewise, fire fighter protective gear, is replaceable on the same NFPA schedule whether it is used by FDNY or WEVFD.

As the number of volunteer members has decreased over the years, we must add additional paid personnel through the Fire Department to maintain first response protection. That has negatively impacted the district budget. We would call upon people to volunteer to serve their community.

Fire departments have traditionally worked together through mutual aid to help each other. We currently regularly give and receive mutual aid with the City of Elmira and the Golden Glow Fire Department (along with other departments). Manpower constraints and equipment costs make a county department seem more sensible. How many aerial devices do we need in the county?

We have attempted to be supportive of the state tax cap legislation. When costs are increasing and manpower costs are higher it is difficult to find money for reserves when current needs are so pressing and revenues are limited.

We appreciate the audit findings that we should address future expenses on a more regular basis and will review capital and multi-year plans annually. We believe that given the quality of equipment we purchase and the maintenance it receives that there is some ground between the FASNY schedule and our schedule which might be prudent. Part of our schedule was driven by making the schedule meet our ability to fund the truck reserve account. We may have been too optimistic, in an attempt to be frugal.

We seek the support of our community as we attempt to do our best to serve its emergency needs and that part of that support is an increase in new volunteers in our department.

We appreciate the work of the Comptroller's Office and as volunteers and longtime providers of community service we will take the recommendations to heart.

Corrective Action Plan: (Audit 2025-M51) (Commission approved Res. 25-95; 10-28-25)

The Fire Chief will continue to report monthly on the condition of fire equipment and any maintenance or service performed on that equipment.

The Fire Commission, in conjunction with the Fire Chief, will annually review the vehicle replacement schedule (considering the FASNY useful life schedule, equipment status and equipment history) and make any necessary adjustments to the schedule. Likewise, we will address an overall multi-year financial plan beginning in 2026 and annually thereafter.

The Fire Commission, in conjunction with the Fire Chief, will continue to consider the amount to be placed in reserve accounts annually as part of the budget process. Best attempts will be made to place at least the budgeted amount into the reserve accounts, realizing that unexpected events and expenses may affect such deposits.

Brian Dovi
Chairman, Board of Fire Commissioners

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed the Board members, Chief and Treasurer and reviewed Board meeting minutes and supporting documents, including written plans, to gain an understanding of the Board's oversight of long-term capital and financial planning.
- We determined the District's fleet of vehicles by touring the District's buildings and grounds. We selected the one vehicle acquired during the audit period and analyzed the District's 2007 estimated vehicle replacement cost for the engine truck with the 2022 actual replacement cost.
- We determined which vehicles met or exceeded their useful life in 2025 based on FASNY estimates and discussions with the Chairman. We estimated the 2025 replacement cost of these vehicles based on discussions with District officials and similar sales. We then determined the Reserve's funding for fiscal years 2020 through 2024 and the District's Reserve balance as of December 31, 2024.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

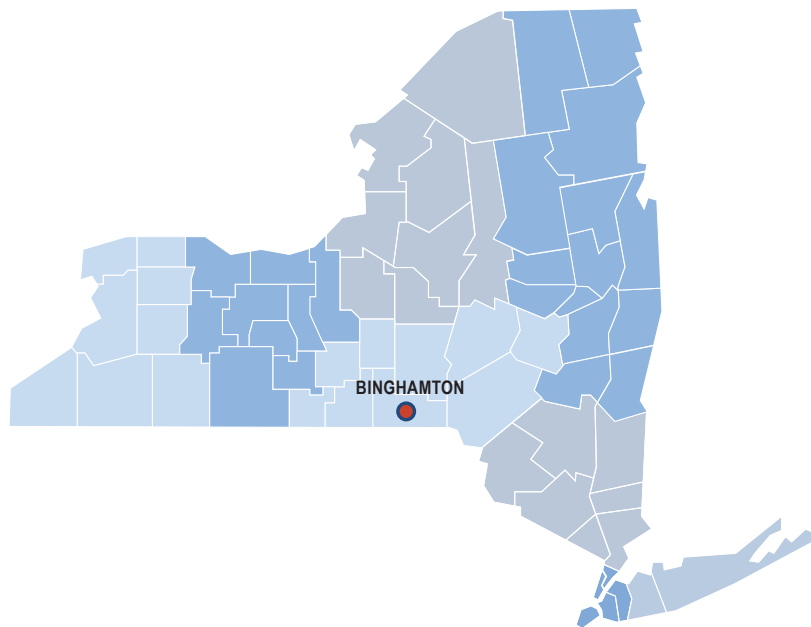
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