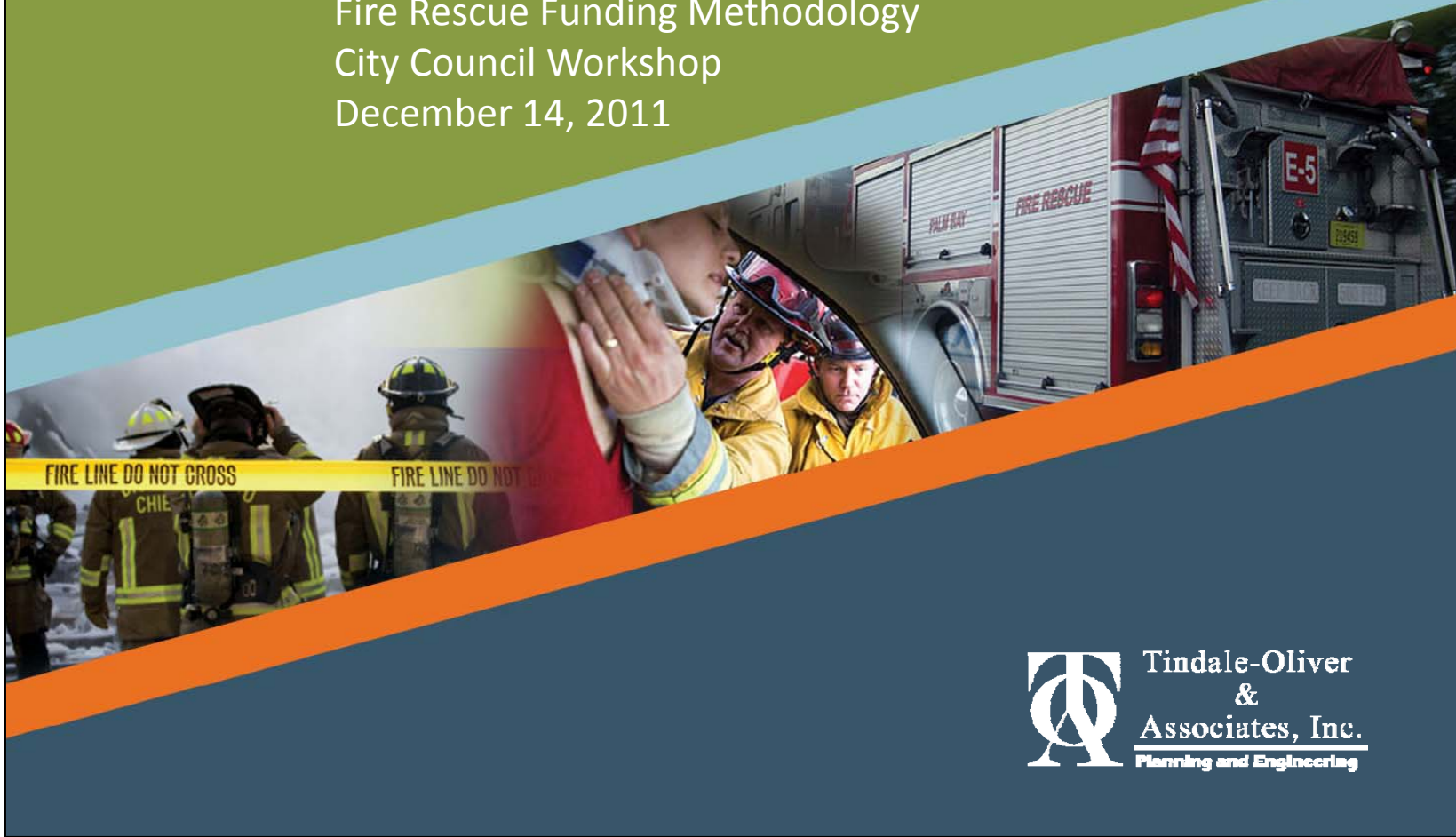




# City of Palm Bay

Fire Rescue Funding Methodology  
City Council Workshop  
December 14, 2011



Tindale-Oliver  
&  
Associates, Inc.  
Planning and Engineering



# Presentation Overview

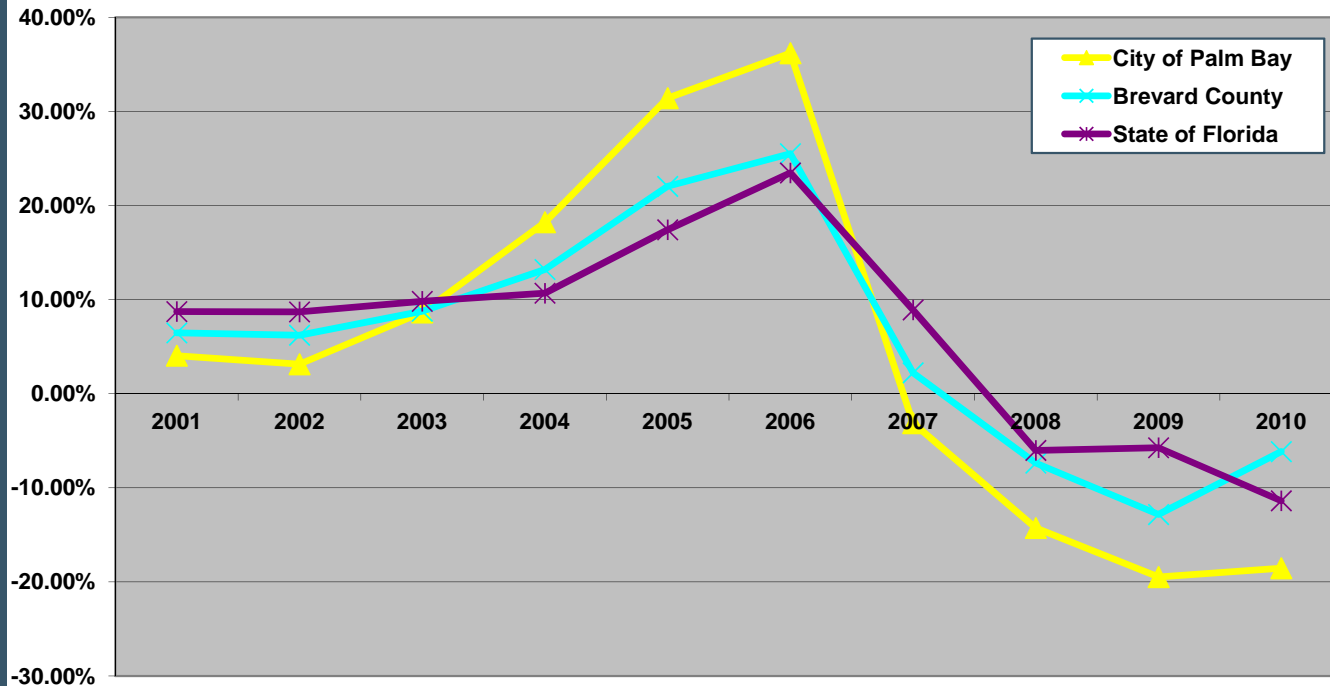
- 1 Background & Study Goals**
- 2 Technical Study**
- 3 Next Step**





# Background Review

% Change in Per Capita Municipal Taxable Value 2001 - 2010





# Background Review

- Current funding for Fire Rescue Department is General Fund
  - ✓ Fire Department FY 12 budget is equivalent to 62% of ad valorem revenues
  - ✓ 5.58 mils





# Study Goals

- **Evaluate Several Funding Options:**
  - Property Taxes (Current)
  - Fire Utility Fee
  - Non-ad Valorem Assessment





# Purpose of Workshop

- Review Study Findings
- Discussion / Input





# Presentation Overview

- 1 Background & Study Goals
- 2 **Technical Study**
- 3 Next Step





# Technical Study

## Criteria:

1. Eligible expenditures
2. Impact to ratepayers & trade-off
3. Exemptions
4. Legal defensibility
5. Compatibility and ease of use
6. Time frame to implement





# 1. Eligible Expenditures

- **Non-Ad Valorem Assessment**
  - Non-ALS incidents
  - Resources used: **86%**
- **Fire Fee**
  - All incidents, but motor vehicle accidents
  - Resources used: **97%**





# 1. Eligible Expenditures: FY 2012 Budget

Description	Figure (in millions)
<b>Expenditures:</b>	
- Personnel	\$12.08
- Operating	<u>\$1.08</u>
<b><i>Subtotal -- Expenditures</i></b>	<b><i>\$13.17</i></b>
<b>Less Revenues:</b>	
- Fire Inspection Fees	\$0.02
<b>Total Net Expenditures</b>	<b>\$13.15</b>





# 1. Eligible Expenditures: Budget for Assessment

Description	Total Budget (in 000s)	Adj Factor	Assessable Budget (in 000s)
<b>Expenditures:</b>			
- Personnel	\$12,083	86%	\$10,391
- Operating:			
- Non-ALS	\$54	100%	\$54
- ALS & Non-ALS	\$949	86%	\$816
- <b>Administrative Cost Allocation</b>	<b><u>\$850</u></b>	<b>86%</b>	<b><u>\$731</u></b>
<b>Subtotal -- Expenditures</b>	<b>\$13,936</b>		<b>\$11,992</b>
Less: Fire Inspection Revenues	\$22	100%	\$22
<b>Total Net Expenditures</b>	<b>\$13,914</b>		<b>\$11,970</b>





# 1. Eligible Expenditures: Budget for Assessment (Cont'd)

Description	Assessable Budget (in 000s)
<b>Total Net Expenditures</b>	<b>\$11,970</b>
<b>Misc. Assessment Exp:</b>	
- Study Reimbursement	\$36
- Statutory Discount	\$420
- Assessment Collection Costs	\$360
<b>Total Assessment Funding Requirement</b>	<b>\$12,786</b>





# 1. Eligible Expenditures: Budget for Fire Fee

Description	Total Budget (in 000s)	Adj Factor	Assessable Budget (in 000s)
<b>Expenditures:</b>			
- Personnel	\$12,083	97%	\$11,720
- Operating	\$1,083	97%	\$1,050
- Administrative Cost Allocation	<u>\$850</u>	97%	<u>\$825</u>
<b>Subtotal -- Expenditures</b>	<b>\$14,016</b>		<b>\$13,595</b>
<b>Less Revenues:</b>			
- Fire Inspection Revenues	\$22	100%	\$22
<b>Total Net Expenditures</b>	<b>\$13,994</b>		<b>\$13,573</b>





# 1. Eligible Expenditures: Budget for Fire Fee (Cont'd)

Description	Assessable Budget (in 000s)
<b>Total Net Expenditures</b>	<b>\$13,573</b>
<b>Misc. Fire Fee Expenditures</b>	
- Study Reimbursement	\$36
- Contingency	\$476
- Fire Fee Collection Costs	\$88
<b>Subtotal – Misc Exp</b>	<b>\$560</b>
<b>Total Fire Fee Funding Requirement</b>	<b>\$14,173</b>





# 1. Eligible Expenditures -- Summary

- **Total FY 12 Fire Budget = \$13.1 million**
- **Assessment = \$12.8 million**
  - **86%** of the budget incl admin cost allocation
  - Misc. program expenditures
- **Fire Fee = \$14.2 million**
  - **97%** of the budget incl admin cost allocation
  - Misc. program expenditures





## 2. Impact to Rate Payer

- Review of Demand
  - **Property Taxes (current):** Based on Property Value
  - **Non-Ad Valorem Assessment:** Based on Incident Data and Property Value
  - **Fire Utility Fee:** Based on Incident Data and Property Value





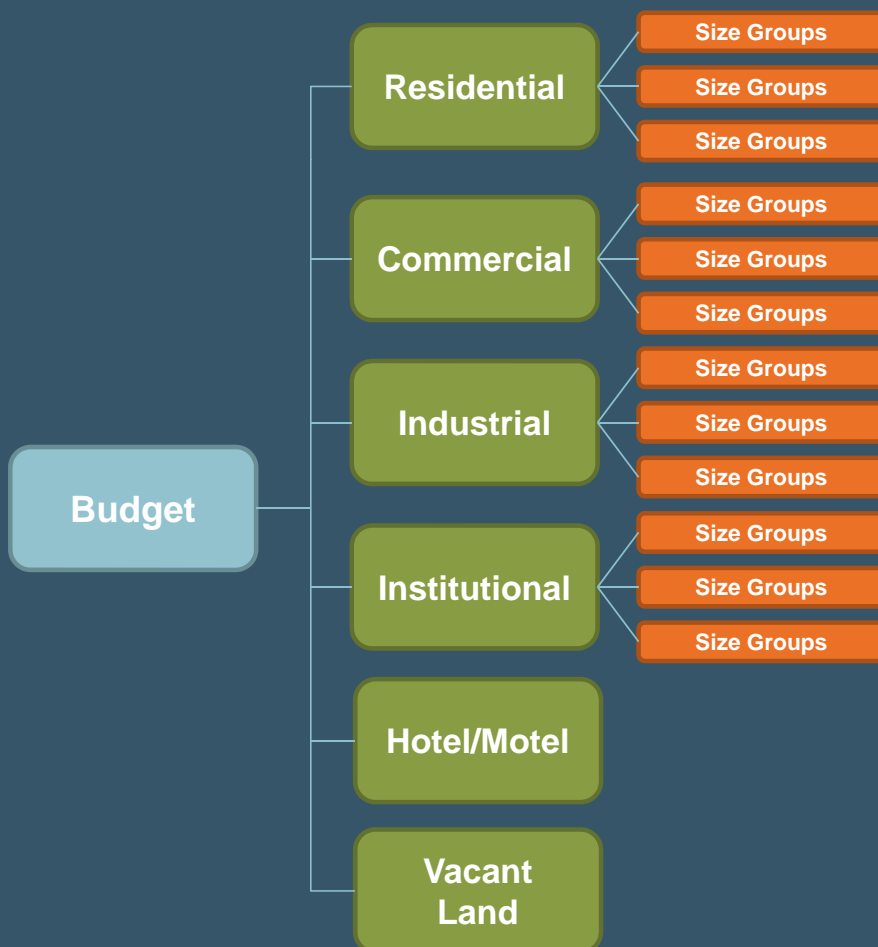
## 2. Impact to Rate Payer: Ad Valorem vs. Resources

Land Use	Funding Options		
	Property Taxes (Current)	NA Assessment	Fire Fee
Residential	69.6%	71.2%	73.1%
Commercial	13.1%	3.6%	3.5%
Hotel/Motel	0.4%	0.3%	0.3%
Industrial	6.8%	1.6%	1.8%
Institutional	1.4%	9.8%	9.8%
Vacant	<u>8.7%</u>	<u>13.5%</u>	<u>11.5%</u>
Total	100.0%	100.0%	100.0%





## 2. Impact to Rate Payer: Study Methodology





## 2. Impact to Rate Payers (Residential)

Groups (sf)	Residential Land Use (Per DU)		
	Property Taxes (for Fire)	Assessment	Fire Fee
0 – 800	\$74	\$102	\$184
801 – 1,100	\$115	\$157	\$211
1,101 – 1,300	\$153	\$182	\$223
1,301 – 1,600	\$187	\$206	\$235
1,601 – 1,800	\$218	\$231	\$247
1,801 – 2,100	\$267	\$257	\$260
> 2,100	\$430	\$292	\$276





## 2. Impact to Rate Payers (Commercial)

Groups (sf)	Commercial Land Use (Per 1,000 sf)		
	Property Taxes (for Fire)	Assessment	Fire Fee
0 – 3,499	\$562	\$164	\$144
3,500 – 4,999	\$446	\$141	\$133
5,000 – 19,999	\$290	\$114	\$120
20,000 & Greater with a Cap of 50K	\$242	\$88	\$107





## 2. Impact to Rate Payers (Industrial)

Groups (sf)	Industrial Land Use (Per 1,000 sf)		
	Property Taxes (for Fire)	Assessment	Fire Fee
0 – 4,999	\$225	\$147	\$143
5,000 – 19,999	\$166	\$114	\$124
20,000 & Greater with a Cap of 50K	\$102	\$80	\$106





## 2. Impact to Rate Payers (Institutional)

Groups (sf)	Institutional Land Use (Per 1,000 sf)		
	Property Taxes (for Fire)	Assessment	Fire Fee
0 – 1,999	\$202	\$424	\$527
2,000 – 29,999	\$359	\$588	\$607
30,000 – 39,999	\$254	\$550	\$588
40,000 & Greater with a Cap of 50K	\$299	\$476	\$553





## 2. Impact to Rate Payers (Vacant Land)

Unit	Vacant Land (per Parcel)		
	Property Taxes (for Fire)	Assessment	Fee
Parcel	\$32	\$50	\$47





## 3. Exemptions

- Non-Ad Valorem Assessment:
  - Public schools & state-owned properties
- Fire Fee:
  - No exemptions required by law





## 4. Legal Issues

- Non-Ad Valorem Assessment:
  - More Common / Tested
- Fire Fee:
  - Novel
  - Recommend Bond Validation





## 5. Administration

- Non-Ad Valorem Assessment:
  - Through Property Tax Bill
  - Estimated Collection Rate: 97%
- Fire Fee:
  - Through Utility Billing System
  - Stormwater Fee Collection: 75% – 80%





## 6. Time Frame

- Non-Ad Valorem Assessment:
  - Available for FY 13
- Fire Fee:
  - FY 13 or later





# Summary of Criteria

Criteria	Property Taxes (Current)	Assessment	Fire Fee
1. Eligible Expenditures	100% w/10-mil cap	86%	97%
2. Impact to Payer	Varies	Varies	Varies
3. Exemptions	Institutions & Other	Public Schools & State Owned	N/A
4. Legal Issues	In Effect	Tested	Novel
5. Administration	In Effect 97% collections	Tax Bill 97% collections	Utility Bill 75-80% collection
6. Time Frame	In Effect	FY 13	FY 13 or later





# Presentation Overview

- 1 Background & Study Goals
- 2 Technical Study
- 3 **Next Step**



# Next Step

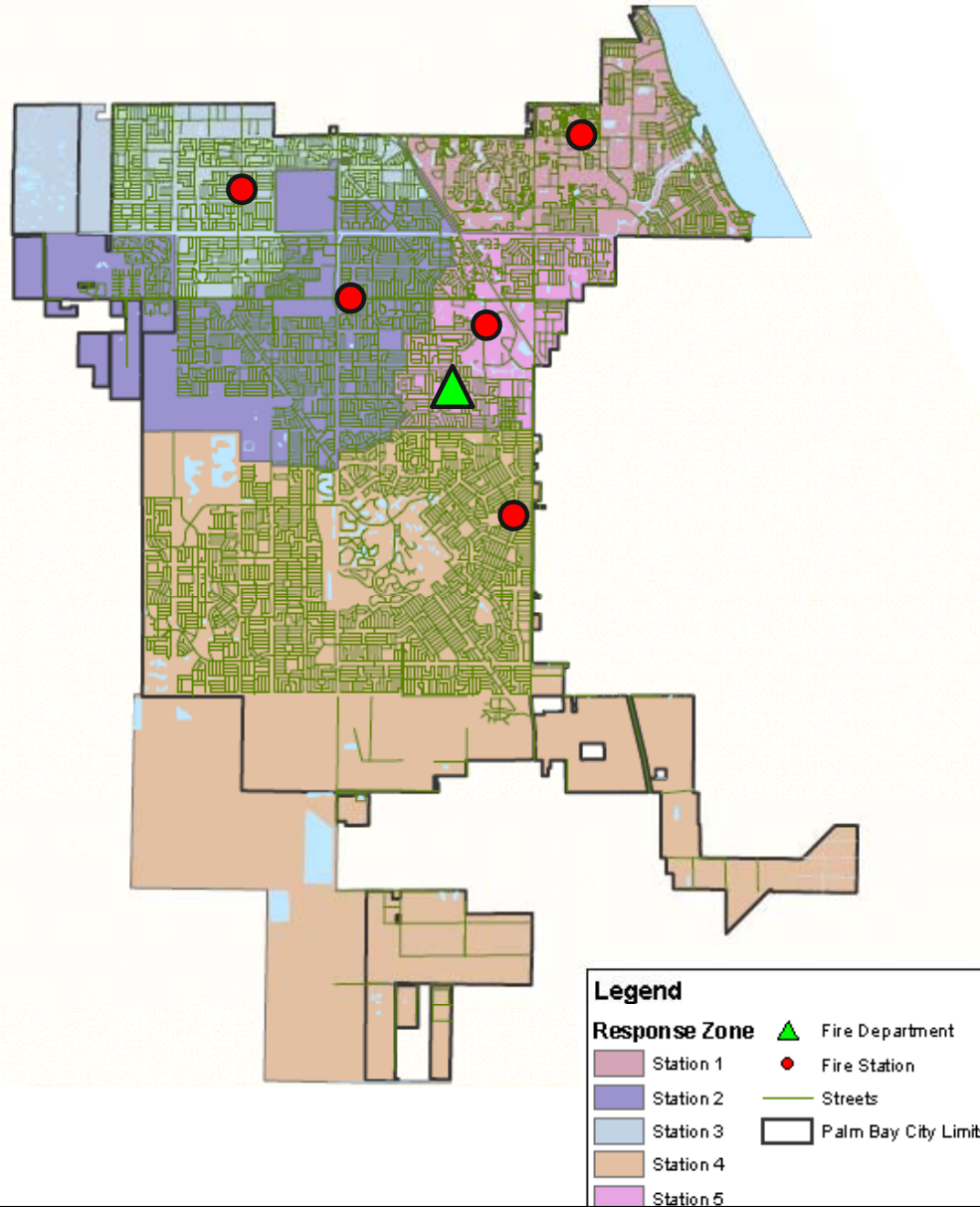
- Direction from City Council





# Q & A / Discussion







## 2. Impact to Rate Payer: Budget Distribution

Land Use	Funding Options			
	NA Assessment	Assessment Budget (\$1,000s)	Fire Fee	Fire Fee Budget (\$1,000)
Residential	71.2%	\$9,103.4	73.1%	\$10,360.0
Commercial	3.6%	\$460.3	3.5%	\$496.0
Hotel/Motel	0.3%	\$38.4	0.3%	\$42.5
Industrial	1.6%	\$204.6	1.8%	\$255.1
Institutional	9.8%	\$1,253.0	9.8%	\$1,388.9
Vacant	<u>13.5%</u>	<u>\$1,726.1</u>	<u>11.5%</u>	<u>\$1,629.8</u>
<b>Total</b>	<b>100.0%</b>	<b>\$12,785.8</b>	<b>100.0%</b>	<b>\$14,172.3</b>