



# Exploring a Special Assessment for Fire Services

April 7, 2008

#070623

# Review Agenda

- Review Agenda
- Status of Fire Services
- Background Information
- Fire Assessment Report
- Properties Subject to a Special Assessment
- Key Issues
- Budgetary Implications & Millage Rollback Options

# Review Agenda

- Expected Impacts on Property Owners
- Payment Options & Potential Hardship Provisions
- Community Outreach Plan
- Commission Decision Points
- Questions

# Status of Fire Services

- Current Budget & Service Levels
- Coordination with Alachua County
- Fire Service Ratings
- Current & Future Resource Needs
- Capital Needs Built Into Rate Calculations
- Possible Budget Reductions for FY 09

# Status of Fire Services

- *Fire-Rescue FY08 Budget*
  - \$13,380,061 for Personnel and Operating
  - Partially funded through property taxes
  - Revenue: Airport Contract for Aircraft Fire Rescue Fire Services, Fire Services Area Agreement (ACFR), Fire Inspection & False Alarm Fees
  - 155 personnel
  - Seven Fire Stations

# Status of Fire Services

- *Current capital projects that have been approved and funded:*
  - Fire Station 8 - \$5,000,000
  - Station Disinfecting Equipment - 20k in FY09, 20k in FY10 and 85k in FY11
  - Replacement of Fire Station Alerting System - \$300,000
  - Special Operations Equipment - 20k in FY09, 20k in FY10 and 40k in FY11
  - Mobile Computers - \$200,000

# Status of Fire Services

- Administration: Office of the Fire Chief, Budget & Information Technology
- Operations: Fire Suppression, Advanced Life Support EMS, Haz Mat Technical Rescue & Urban Search and Rescue
- Risk Reduction: Fire Inspections, Fire Investigation, Public Education & PIO
- Support Services: Training, Recruitment, Hiring & Promotional Processes

# Status of Fire Services

- In 1975, there were 165 personnel serving 50,000 citizens in 26 sq. miles of city and also urban areas outside the city.
- Today there are 155 personnel serving 122,671 citizens in 60 sq. miles of city and also urban areas outside the city.



# Status of Fire Services

- *Insurance Services Organization (ISO)*
  - Gainesville's ISO rating is a Class 3 on a Scale of 1 to 9 with 1 being the best.
  - Last inspection was in 2004: Stated the need for 3 additional engine companies. At risk of losing Class 3 rating.
  - A lowering in our class rating could result in higher property insurance rates.
  - Added an NFPA compliant Fire Station Alerting System to gain enough points to keep Class 3 rating.

# Status of Fire Services

- *National Fire Protection Association (NFPA)*
  - NFPA 1710 has a response time performance standard of 4 minutes 90% of the time.
  - While we do not currently meet that standard, it is a performance goal we continue to work towards (currently at 49%).

# Status of Fire Services

- *Fire-Rescue FY09 Budget*
  - Target Budget for FY09 is \$14,561,167.
  - Includes Personnel and Operating costs for Station 8 in the 3<sup>rd</sup> and 4<sup>th</sup> quarters
  - City Departments have been asked to submit a 5% budget decrement for FY09.
  - GFR's decrement is \$646,810 for FY09. This would likely result in a reduction in people and services.

# Status of Fire Services

- *Capital Needs Built into the Fire Assessment Rate Structure*
  - o Includes capital items that we have sought for several years.
  - o Will allow us to provide more efficient and effective Fire-Rescue services.
  - o Most of these items would need Commission approval prior to purchasing.
  - o Capital items listed can be modified if priorities change.

# Status of Fire Services

## *Examples of capital requests:*

- Replacement of mobile and portable radios.
- Emergency power for Fire Stations
- Asset maintenance for Buildings and Grounds
- Special Operations Equipment

# Status of Fire Services

- *Coordination with Alachua County Fire Rescue*
  - Share personnel and operating costs under an inter-local agreement.
  - Working on an opportunity to combine the ACFR and GFR Public Information Officer Position. Both are currently open.
  - Agreed upon Job Description and Job duties.
  - We are looking at other areas where we can combine functions and share costs.

# Status of Fire Services

- *Current and Future Resource Needs*
  - 4 person engine companies. NFPA Standard 1710 and Florida Statute 633 requires 4 persons to be on scene before beginning operations.
  - Aging Fire Station Replacement
  - Station 9
  - Replacement of GRU Radio System

# Status of Fire Services

- *Fire Assessment for GFR*
  - Stable funding source
  - Ability to fund capital needs
  - Ability to meet future fire service needs
  - Assist in meeting City Commission's Strategic Initiative on appropriate staff levels for fire-rescue
  - We ask that you move forward on establishing the fire assessment to diversify and stabilize funding for fire services.



# Background Information

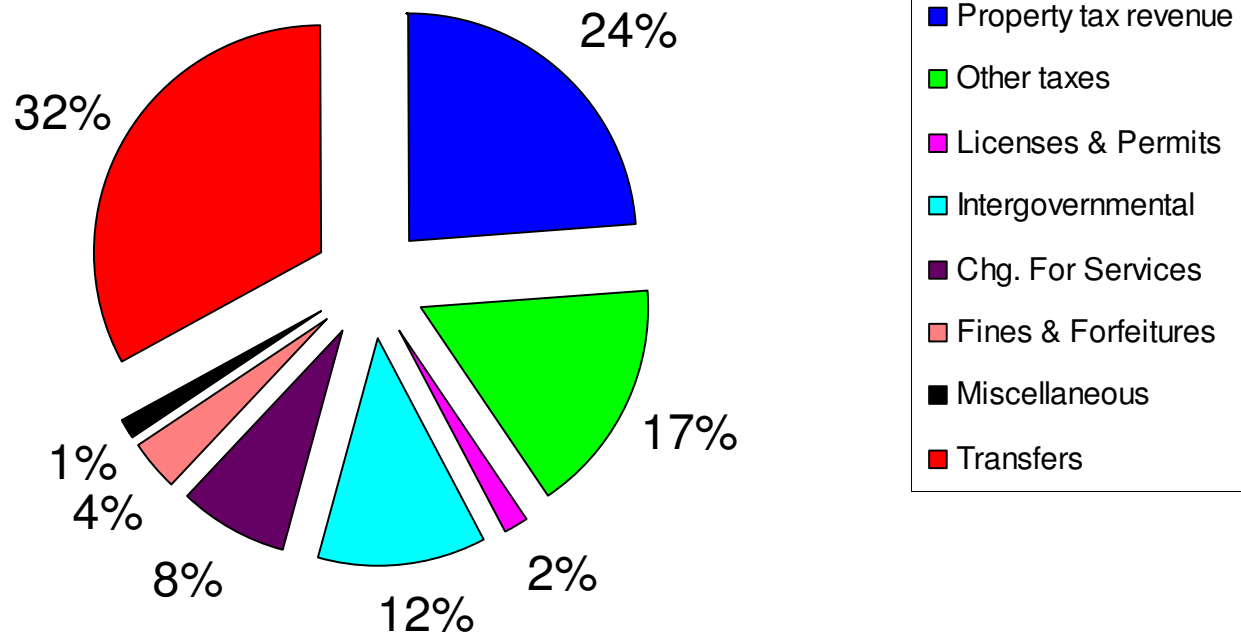
- What is a Special Assessment?
- Why Consider a Special Assessment?
  - Lack of Funding to Support Current & Future Fire Service Needs; Potential Budget Reductions in FY 09
  - Stable, Dedicated Revenue for Fire Services
  - Bonds Can be Issued Based on Assessment Revenue
  - Property Tax Revenue Inadequate to Fund Fire Services
    - High Percentage of Tax Exempt Property Value
    - State Limitations on Property Tax & Potential for Further Limitations
    - Diversifies Revenue & Further Reduces Reliance on Property Tax

# Background Information

- Assessments Based on Specific Services & Benefit to Property
- Properties With Comparable Demands for Services Pay Comparable Assessments
- Successful Implementation in Many Jurisdictions
- What Actions Has the Commission Taken So Far?
  - October 22, 2007; Presentation to Commission by Staff & Government Services Group (GSG)
  - November 19, 2007; Commission Approval of GSG Contract
  - December 17, 2007; Commission Approval of a Resolution of Intent to Use the Uniform Method for Collecting Non-Ad Valorem Special Assessments

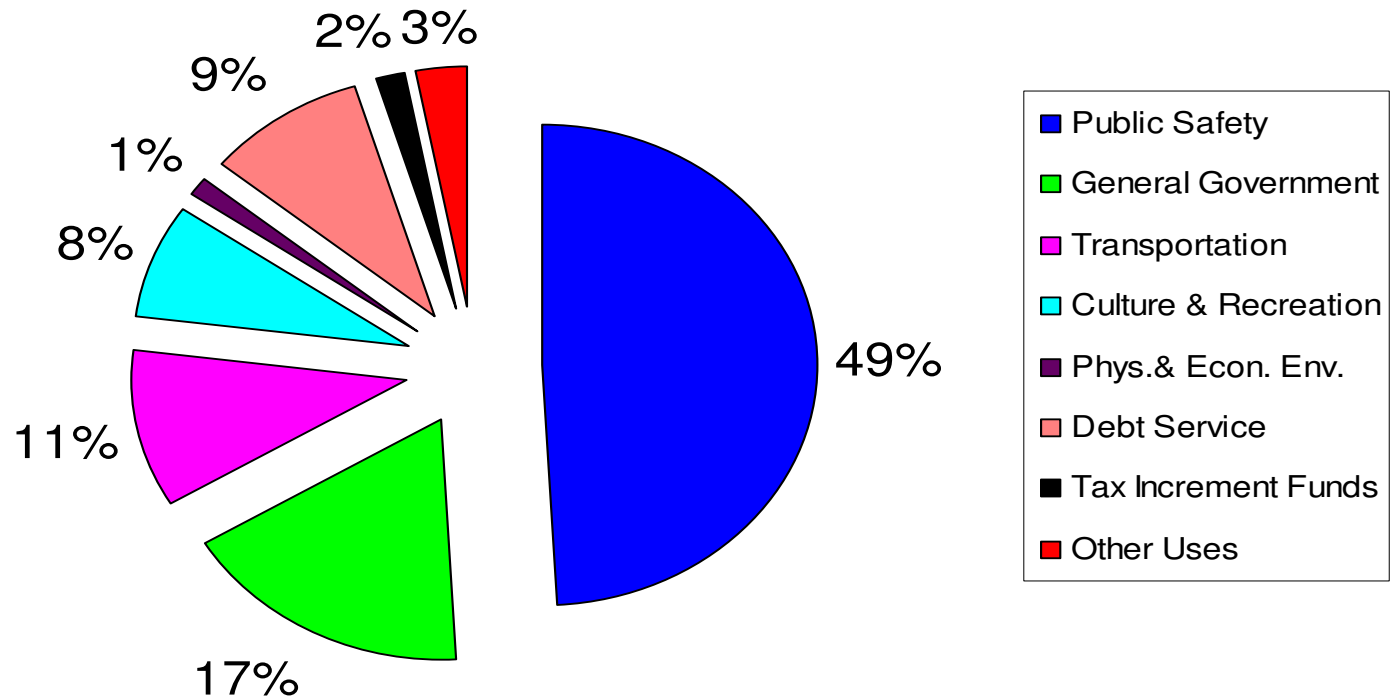
# Revenue

**FY08 GENERAL FUND BUDGET  
Revenue Composition**

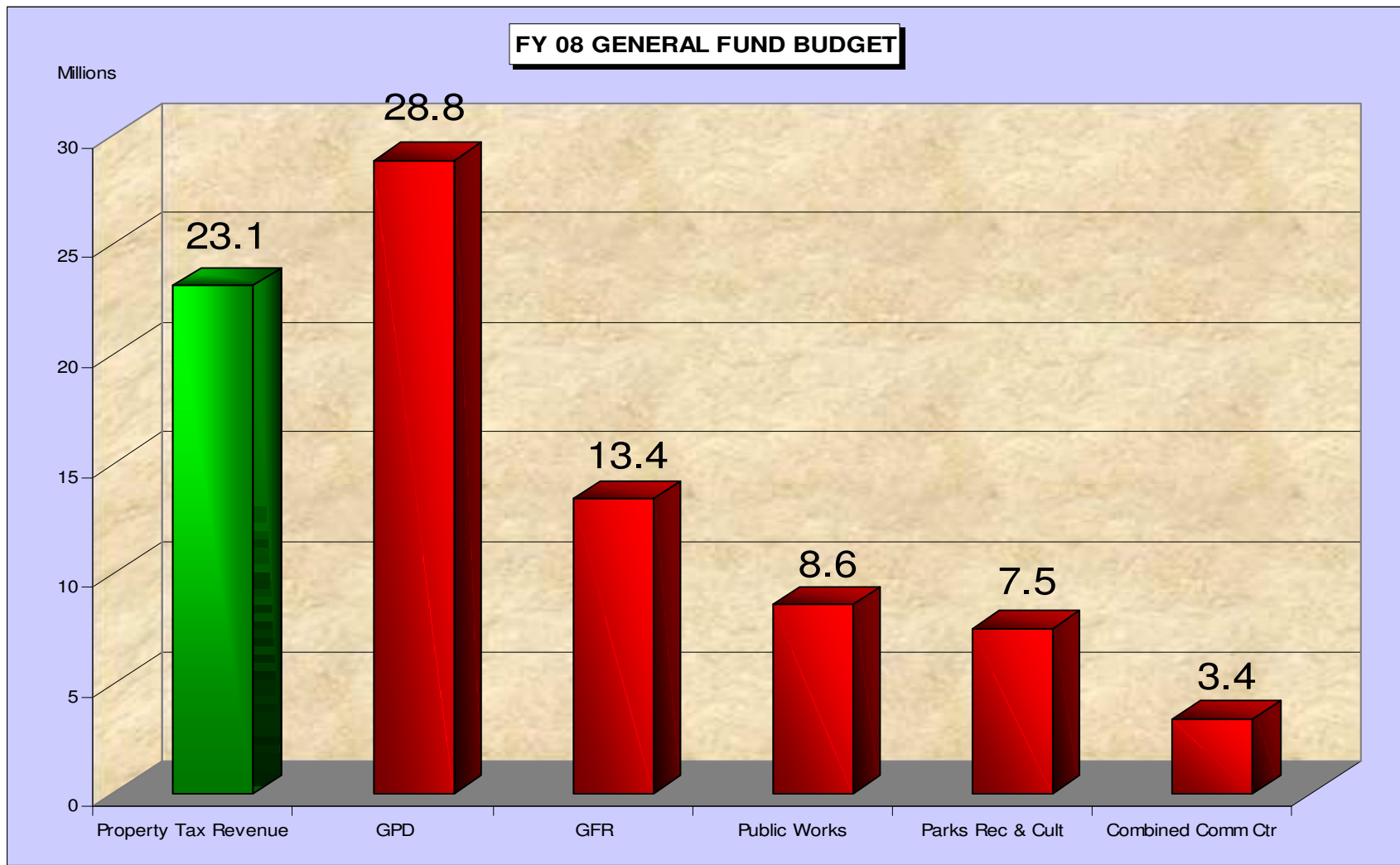


# Expenses

**FY08 GENERAL FUND BUDGET  
Expenditure Composition**



# General Fund



# Fire Assessment Report

## Government Services, Inc.

- Camille Tharpe, Vice President & Director of Government Services
- Marguerite McCauley, Senior Project Manager

# Properties Subject to a Special Assessment

- A Special Assessment would apply to ALL properties except Government-Owned, Non-Assessable Properties
  - Fire Services for Non-Assessable Properties would be funded through the General Fund.
  
- Fire Service Negotiations/Agreements with Large, Complex Entities on Government-Owned Property
  - Updated Contract with Gainesville Regional Airport
  - Negotiations with University of Florida

# Key Issues

- More Equitable & More Regressive
- Impact on Non-Profit Organizations
- Negotiations with University of Florida
- Percentage Funding of Assessable Budget
- Millage Rollback Options



# Budgetary Implications & Millage Rollback Options

## Fire Assessment Rates at 100%

Fire Assessment Rates @ 100%	Millage Rate Rollback Options					
	No Rollback	1 Mill	1/2 Mill	1/4 Mill	1.0885 mills	1.3825 mills
<b>Proposed Fire Assessment Revenue</b>	\$7,499,338	\$7,499,338	\$7,499,338	\$7,499,338	\$7,499,338	\$7,499,338
<b>Proposed Millage Rates</b>	4.2544	3.2544	3.7544	4.0044	3.1659	2.8719
<b>Reduction in Property Tax from Millage Rate Rollback</b>	\$0	\$5,423,688	\$2,711,844	\$1,355,922	\$5,903,684	\$7,498,248
<b>Net Revenue Realized from Fire Assessment and Millage Rate Rollback</b>	\$7,499,338	\$2,075,650	\$4,787,494	\$6,143,416	\$1,595,654	\$1,090

- 1.0885 option would fund GFR required 5% decrement and scheduled CIP
- 1.3825 option is the dollar for dollar rollback

# Budgetary Implications & Millage Rollback Options

## Fire Assessment Rates at 50%

Fire Assessment Rates @ 50%	Millage Rate Rollback Options				
	No Rollback	1/2 Mill	1/4 Mill	.3975 Mills	.6915 Mills
<b>Proposed Fire Assessment Revenue</b>	\$3,749,669	\$3,749,669	\$3,749,669	\$3,749,669	\$3,749,669
<b>Proposed Millage Rates</b>	4.2544	3.7544	4.0044	3.8569	3.5629
<b>Reduction in Property Tax from Millage Rate Rollback</b>	\$0	\$2,711,844	\$1,355,922	\$2,155,916	\$3,750,480
<b>Net Revenue Realized from Fire Assessment and Millage Rate Rollback</b>	\$3,749,669	\$1,037,825	\$2,393,747	\$1,593,753	(\$811)

- .3975 option would fund GFR required 5% decrement and scheduled CIP
- .6915 option is the dollar for dollar rollback

# Expected Impacts on Property Owners

## Industrial/Warehouse (Examples)

Value	FY2008 Taxes	Sq Footage	Fire Assessment	Net Cost (Savings)				
				1 Mill	1/2 Mill	1/4 Mill	1.0885 mills	1.3825 mills
322,900	\$1,374	10,900	\$654	331	493	573	303	208
3,981,400	\$16,938	56,907	\$3,414	(567)	1,424	2,419	(919)	(2,090)
3,590,000	\$15,273	142,956	\$8,577	4,987	6,782	7,680	4,670	3,614
5,030,200	\$21,400	97,422	\$5,845	815	3,330	4,588	370	(1,109)

Fire Assessment Rate @ 100% = \$.06/Sq. Ft

# Expected Impacts on Property Owners

## Commercial (Examples)

Value	FY2008 Taxes	Sq Footage	Fire Assessment	Net Cost (Savings)				
				1 Mill	1/2 Mill	1/4 Mill	1.0885 mills	1.3825 mills
371,700	\$1,581	3,045	\$396	24	210	303	(9)	(118)
224,600	\$0	2,970	\$386	386	386	386	386	386
1,847,700	\$7,861	24,325	\$3,162	1,315	2,238	2,700	1,151	608
467,500	\$1,989	11,796	\$1,533	1,066	1,300	1,417	1,025	887
9,051,600	\$38,509	185,790	\$24,153	15,101	19,627	21,890	14,300	11,639

Fire Assessment Rate @ 100% = \$.13/Sq. Ft

# Expected Impacts on Property Owners

## Institutional (Examples)

Value	FY2008 Taxes	Sq Footage	Fire Assessment	Net Cost (Savings)				
				1 Mill	1/2 Mill	1/4 Mill	1.0885 mills	1.3825 mills
249,500	\$0	7,287	\$1,239	1,239	1,239	1,239	1,239	1,239
6,762,500	\$0	88,192	\$14,993	14,993	14,993	14,993	14,993	14,993
66,700	\$0	1,640	\$279	279	279	279	279	279
96,100	\$409	2,996	\$509	413	461	485	405	376
5,279,200	\$22,460	66,840	\$11,363	6,084	8,723	10,043	5,616	4,064

Fire Assessment Rate @ 100% = \$.17/Sq. Ft

# Expected Impacts on Property Owners

## Residential (Examples)

Value	FY2008 Taxes	Sq Footage	Fire Assessment	Net Cost (Savings)				
				1 Mill	1/2 Mill	1/4 Mill	1.0885 mills	1.3825 mills
500,000	\$1,914		\$99	(351)	(126)	(14)	(391)	(523)
250,000	\$851		\$99	(101)	(1)	49	(119)	(178)
100,000	\$213		\$99	49	74	87	45	30
75,000	\$106		\$99	74	87	93	72	64
50,000	\$106		\$99	74	87	93	72	64
25,000	\$0		\$99	99	99	99	99	99
<b>22,969,200</b>	<b>\$97,720</b>	<b>252 units</b>	<b>\$24,948</b>	<b>1,979</b>	<b>13,463</b>	<b>19,206</b>	<b>(54)</b>	<b>(6,807)</b>

Fire Assessment Rate @ 100% = \$99/unit

# Expected Impacts on Property Owners

<b>Rollback Option &amp; Assessment @ 100%</b>	<b>1 Mill</b>	<b>1/2 Mill</b>	<b>1/4 Mill</b>	<b>1.0885</b>	<b>1.3825 mills</b>
<b>Institutional</b>					
# Pay More	91	93	93	90	88
# Pay Less	2	0	0	3	5
<b>Industrial/Warehouse</b>					
# Pay More	421	429	432	418	381
# Pay Less	11	3	0	14	51
<b>Commercial</b>					
# Pay More	1,636	1,842	1,850	1,553	1,244
# Pay Less	220	14	6	303	612
<b>Residential</b>					
# Pay More	17,334	26,623	28,194	15,979	12,330
# Pay Less	10,936	1,647	76	12,291	15,940
<b>Apartments</b>					
# Pay More	268	269	269	266	260
# Pay Less	1	0	0	3	9
<b>Total Paying More</b>	<b>19,750</b>	<b>29,256</b>	<b>30,838</b>	<b>18,306</b>	<b>14,303</b>
<b>Total Paying Less</b>	<b>11,170</b>	<b>1,664</b>	<b>82</b>	<b>12,614</b>	<b>16,617</b>

# Expected Impacts on Property Owners

<b>Rollback Option &amp; Assessment @ 100%</b>	<b>1 Mill</b>	<b>1/2 Mill</b>	<b>1/4 Mill</b>	<b>1.0885</b>	<b>1.3825 mills</b>
<b>Institutional</b>					
Average Increase (Decrease)	\$734	\$1,523	\$1,918	\$594	\$130
<b>Industrial/Warehouse</b>					
Average Increase (Decrease)	\$443	\$646	\$747	\$407	\$288
<b>Commercial</b>					
Average Increase (Decrease)	\$570	\$878	\$1,032	\$516	\$335
<b>Residential</b>					
Average Increase (Decrease)	\$13	\$61	\$85	\$4	(\$24)
<b>Apartments</b>					
Average Increase (Decrease)	\$5,523	\$6,754	\$7,370	\$5,304	\$4,580



# Payment Options

- Tax Collector's Office offers the option to make quarterly installments based on estimated taxes (estimated taxes = actual taxes of preceding year, adjusted to actual on 3<sup>rd</sup> & 4<sup>th</sup> installments)
- Tax Bill must exceed \$100 per year per notice to be eligible
  - Apply for installment option by May 1, first payment notice sent to property owner before June 15
  - 1<sup>st</sup> quarter payment due June 30, discounted 6%
  - 2<sup>nd</sup> quarter payment due September 30, discounted 4.5%
  - 3<sup>rd</sup> quarter payment due December 31, no discount
  - 4<sup>th</sup> quarter payment due March 31
  - Interest shall apply after March 31

# Deferral Option

- Taxpayers may defer all or part of their taxes, with interest accruing until paid
- Deferral becomes a lien on the property
- Property must be homesteaded
- May defer taxes in excess of 5% of their income
- If 65 or older, may defer taxes in excess of 3% of their income
- Residents with income less than \$10,000 (\$12,000 if over 70) may defer the entire amount of taxes
- Mortgage may not exceed 70% of assessed value
- All liens and deferred may not exceed 85% of assessed value
- Proof of home insurance required
- Annual application required by January 31

# Potential Hardship Provisions

- **Alachua County Model**
  - Applies to Non Ad-valorem assessment for Solid Waste
  - Offered to low-income homeowners (property must be homesteaded)
  - Eligibility based on 150% of Poverty Income Scale
  - Annual application required
  - Payment of Assessment from funds appropriated by the BOCC
- **Clay County Model**
  - Applies to Solid Waste Collection Assessments
  - Property must be homesteaded
  - Eligibility based on poverty level income and asset guidelines utilized by County Social Service Programs
  - Renew Annually

# Potential Hardship Provisions

- GRU Project Share Model
  - Partners with Salvation Army, administer distribution of funds
  - Paid from Voluntary Donations
  - Assist elderly, handicapped, those in financial hardship due to illness
- Grant Program
  - Appropriate other general revenues for payment of assessment
  - Based on Poverty Income Scale
  - Apply Annually

# Community Outreach Plan

- Press Releases
- Designated Web Page
- Frequently Asked Questions
- Phone Hotline/Bank
- Speakers' Bureau
- Meetings with Community Groups
- Community12
- Public Service Announcements
- Requested Interviews With Media

# Commission Decision Points

- Proceed With a Special Assessment?
- If Proceeding, Provide Initial Guidance On:
  - Proposed Rate Structure & Rates
  - Percentage Funding of the Assessable Budget
  - Millage Rollback Options
  - Exploring Possible Hardship Provisions
  - Areas of Interest or Concern for GSG & Staff to Research

## Recommended Commission Action

Authorize the Clerk of the Commission to advertise and City Attorney to draft the Ordinance and Assessment Resolutions for a Special Assessment for Fire Services

Questions?