



# Special Assessment for Fire Services July 16, 2008

#080146



## *Growth in the Fire Service Area: Doing More with Less*

- In 1975 there were 165 personnel serving 50,000 citizens in 26 sq. miles of city and 15,000 citizens in an extended suburban area around Gainesville
- Today there are 155 personnel serving 122,700 citizens in 60 sq. miles of city and responding in a service territory which extends into suburban Alachua County

# Special Assessment for Fire Services



## *Impact to Public Protection Classification*

- Established through inspections of the Fire Department and water system by the Insurance Services Office (ISO)
- Gainesville's ISO rating is a Class 3 on a Scale of 1 to 9 with 1 being the best
- A loss in our class rating could result in higher property insurance rates

# Special Assessment for Fire Services



## *Achieving Recommended National Standards*

- National Fire Protection Association (NFPA) 1710 has a travel time performance standard of 4 minutes 90% of the time
- While we do not consistently meet that standard, it is a performance goal we continue to work towards
- GFR met the standard 47% in 2006 and 41% in 2007

# Special Assessment for Fire Services



## *Fire-Rescue FY08 Current Annual Budget*

- \$13,380,061 for Personnel and Operating
- Partially funded through property taxes
- Revenue: Airport Contract for Aircraft Fire Rescue Services, Fire Services Area Agreement with Alachua County, Fire Safety Inspection & False Alarm Fees
- 155 personnel
- Seven Fire Stations

# Special Assessment for Fire Services



- Fire Rescue FY08 Adopted Budget

Personal Services	\$11,373,869
Non-discretionary (such as Fleet)	\$ 1,324,924
Operating	\$ 679,943

Total FY08 \$13,378,736

Operations Portion	\$10,621,488
Special Operations	\$ 194,545
Training	\$ 407,052
Risk Reduction	\$ 591,110

- **Target Budget for FY09 is \$14,561,167**  
(Includes two months of staff for Fire Station 8)

# Special Assessment for Fire Services



## *Why Does Gainesville Need a Special Assessment Now?*

- It Can Provide a Stable, Dedicated Revenue Source for Fire Services
- The City Has a High Percentage of Tax Exempt Property Value
- New State Limitations on Property Tax & Potential for Further Limitations
- Property Tax Revenue is Not Adequate to Fund Fire Services
- It Diversifies Revenue & Further Reduces Reliance on Property Tax
- Assessments are Based on Specific Services & Benefit to Property
- Properties With Comparable Demands for Services Pay Comparable Assessments
- There Have Been Successful Implementations in Other Jurisdictions for Many Years

# Special Assessment for Fire Services



## *Status of Special Assessment Project*

- **October 22, 2007:** Presentation to Commission by Staff and 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
- **April 7, 2008:** Presentation of Draft Special Assessment Study Results; Commission Authorizes Preparation of Ordinance and Assessment Resolution



# Special Assessments for Fire Services



## *Status of Special Assessment Project (cont.)*

- **May 12, 2008:** Commission Approves Ordinance on First Reading
- **June 9, 2008:** Commission Approves Ordinance on Second Reading and Approves Initial Assessment Resolution Establishing Proposed Rates for FY 09
- **June 17, 2008:** Notices Mailed to Property Owners
- **June 30 and July 7, 2008:** Informational Meetings Held
- **July 16, 2008:** Public Hearing on Final Assessment Resolution

# Special Assessment for Fire Services



## Which Properties Would be Included in a Special Assessment?

- o All Property Receiving Benefit From Fire Services Except Government Property, Vacant Land & Agricultural Property

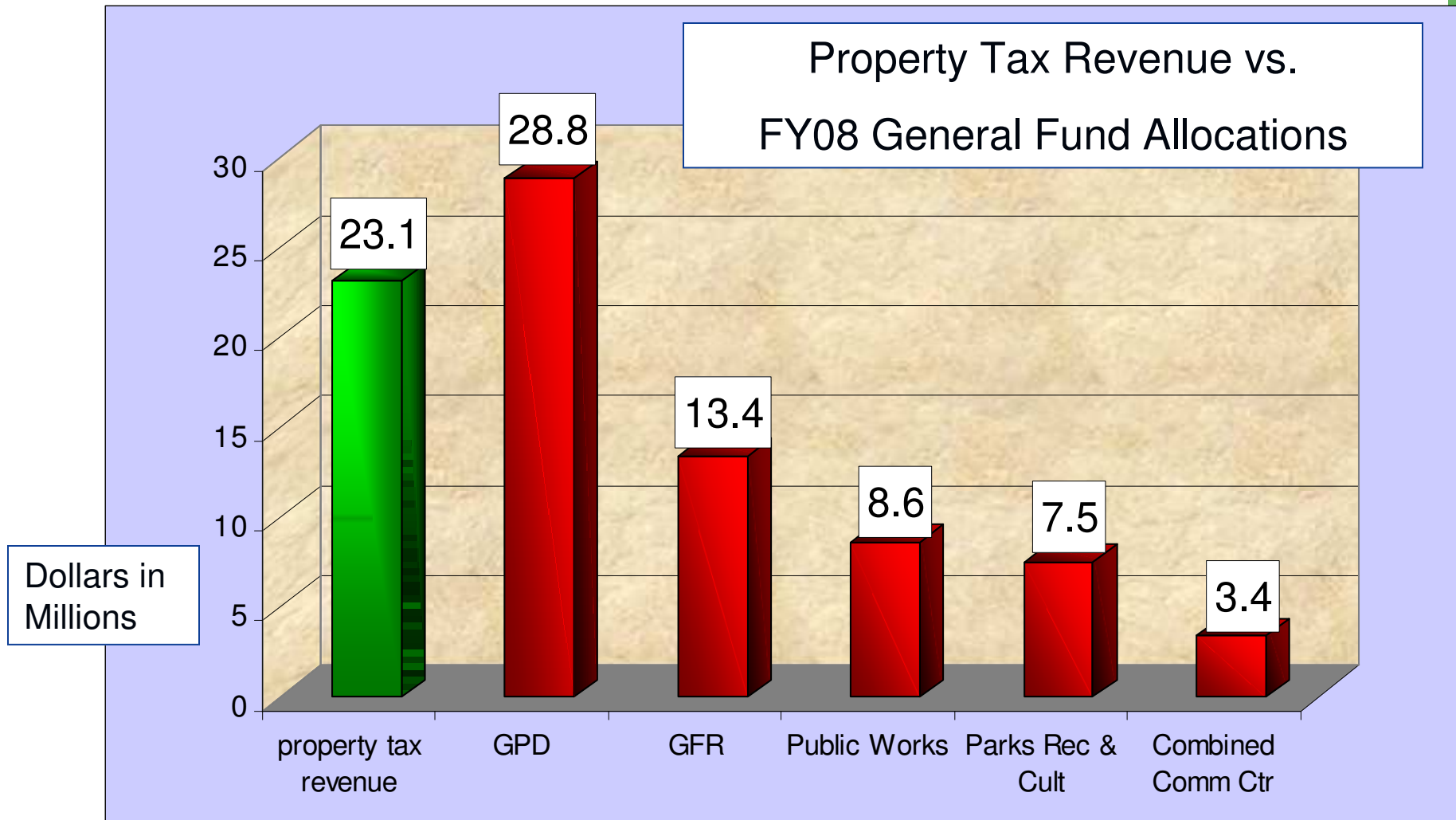
### Separate Agreements

- o Updated Fire Services Contract With the Gainesville-Alachua County Regional Airport Authority
- o Negotiations with the University of Florida

# Special Assessment for Fire Services



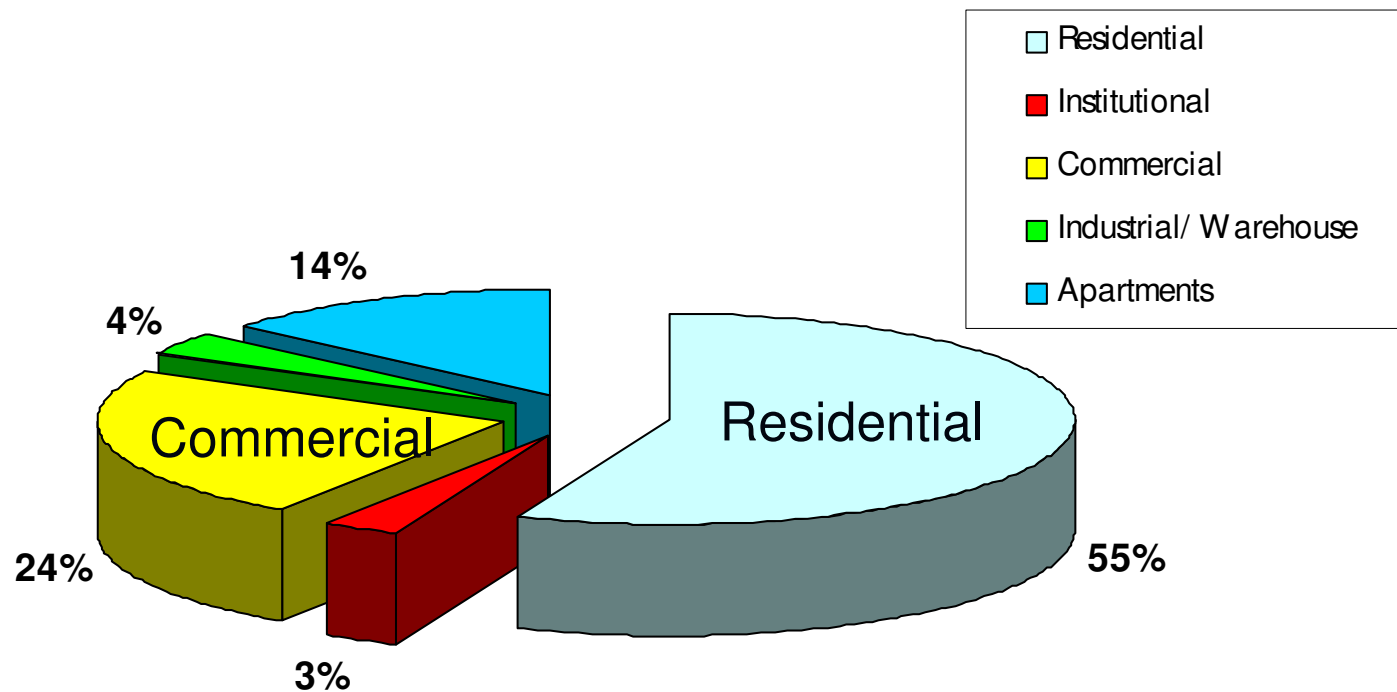
Property Tax Revenue vs.  
FY08 General Fund Allocations



# Special Assessment for Fire Services



## City Property Tax Distribution 2008



# Special Assessment for Fire Services



## Community Outreach

- Press Releases
- Designated Web Page
- Frequently Asked Questions
- Speakers' Bureau
- Meetings with Community Groups
- Community12
- Public Service Announcements
- Interviews with Media
- Mailing to Property Owners
- Phone Hotline/Bank
- Informational Meetings

# Special Assessment for Fire Services



## Communications From Mailings

- 32,000 Notices Mailed to Property Owners
- 650 Notices Returned
- 200 Calls to Phone Hotline/Bank
- Informational Meetings

# GSG Presentation



# Fire Assessment Rate Options



# Rate Options

	30%	25%	22%
	<b>Per Unit</b>		
<b>Residential</b>	<b>\$30</b>	<b>\$25</b>	<b>\$22</b>
	<b>Per Sq. Ft.</b>		
<b>Commercial</b>	<b>\$0.04</b>	<b>\$0.03</b>	<b>\$0.03</b>
<b>Industrial/Warehouse</b>	<b>\$0.02</b>	<b>\$0.02</b>	<b>\$0.02</b>
<b>Institutional</b>	<b>\$0.06</b>	<b>\$0.05</b>	<b>\$0.04</b>
<b>Revenue Generated</b>	<b>\$2,079,960</b>	<b>\$1,838,117</b>	<b>\$1,584,983</b>



# Impact of Rates

# 30% Rate

2008 Assessed Value	\$50,000	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000
% of Fire Assessment Fee	30%	30%	30%	30%	30%	30%
Millage Rate	4.2308	4.2308	4.2308	4.2308	4.2308	4.2308
Property Value 2009*	51,500	103,000	206,000	309,000	412,000	515,000
Less: Homestead Exemption	(26,500)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Taxable Value	25,000	53,000	156,000	259,000	362,000	465,000
City Property tax	\$106	\$224	\$660	\$1,096	\$1,532	\$1,967
Proposed Fire Assessment	\$30	\$30	\$30	\$30	\$30	\$30
Total Property Tax and Fire Assessment	\$136	\$254	\$690	\$1,126	\$1,562	\$1,997
2008 Taxes @ 4.2544 mills	\$106	\$319	\$745	\$1,170	\$1,595	\$2,021
<b>Cost/(Savings) vs. 2008</b>	<b>\$30</b>	<b>(\$65)</b>	<b>(\$55)</b>	<b>(\$44)</b>	<b>(\$33)</b>	<b>(\$24)</b>

# 25% Rate

2008 Assessed Value	\$50,000	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000
% of Fire Assessment Fee	25%	25%	25%	25%	25%	25%
Millage Rate	4.2308	4.2308	4.2308	4.2308	4.2308	4.2308
Property Value 2009*	51,500	103,000	206,000	309,000	412,000	515,000
Less: Homestead Exemption	(26,500)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Taxable Value	25,000	53,000	156,000	259,000	362,000	465,000
City Property tax	\$106	\$224	\$660	\$1,096	\$1,532	\$1,967
Proposed Fire Assessment	\$25	\$25	\$25	\$25	\$25	\$25
Total Property Tax and Fire Assessment	\$131	\$249	\$685	\$1,121	\$1,557	\$1,992
2008 Taxes @ 4.2544 mills	\$106	\$319	\$745	\$1,170	\$1,595	\$2,021
Cost/(Savings) vs. 2008	\$25	(\$70)	(\$60)	(\$49)	(\$38)	(\$29)

# 22% Rate

2008 Assessed Value	\$50,000	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000
% of Fire Assessment Fee	22%	22%	22%	22%	22%	22%
Millage Rate	4.2308	4.2308	4.2308	4.2308	4.2308	4.2308
Property Value 2009*	51,500	103,000	206,000	309,000	412,000	515,000
Less: Homestead Exemption	(26,500)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Taxable Vaue	25,000	53,000	156,000	259,000	362,000	465,000
City Property tax	\$106	\$224	\$660	\$1,096	\$1,532	\$1,967
Proposed Fire Assessment	\$22	\$22	\$22	\$22	\$22	\$22
<b>Total Property Tax and Fire Assessment</b>	<b>\$128</b>	<b>\$246</b>	<b>\$682</b>	<b>\$1,118</b>	<b>\$1,554</b>	<b>\$1,989</b>
2008 Taxes @ 4.2544 mills	\$106	\$319	\$745	\$1,170	\$1,595	\$2,021
Cost/(Savings) vs. 2008	\$22	(\$73)	(\$63)	(\$52)	(\$41)	(\$32)

# Institutional

	30%	25%	22%
<b>Fire Assessment Rate</b>	<b>\$0.06</b>	<b>\$0.05</b>	<b>\$0.04</b>
<b>Square Footage</b>			
5,000	\$300	\$250	\$200
10,000	\$600	\$500	\$400
25,000	\$1,500	\$1,250	\$1,000
50,000	\$3,000	\$2,500	\$2,000
75,000	\$4,500	\$3,750	\$3,000
90,000	\$5,400	\$4,500	\$3,600

# Commercial

	30%	25%	22%
<b>Fire Assessment Rate</b>	<b>\$0.04</b>	<b>\$0.03</b>	<b>\$0.03</b>
<b>Square Footage</b>			
1,200	\$48	\$36	\$36
2,500	\$100	\$75	\$75
5,000	\$200	\$150	\$150
10,000	\$400	\$300	\$300
25,000	\$1,000	\$750	\$750
50,000	\$2,000	\$1,500	\$1,500
75,000	\$3,000	\$2,250	\$2,250
100,000	\$4,000	\$3,000	\$3,000

# Hardship Provision Models

- **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
- **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



# Special Assessment for Fire Services



## Recommended Commission Action

- Determine Appropriate Assessment Rate
- Adopt Final Assessment Resolution

# Special Assessment for Fire Services



# Questions and Comments

