



GOVERNMENT SERVICES GROUP, INC.

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Martin County Fire Assessment Methodology Study

July 10, 2018

Topics of Discussion

- Special Assessment Case Law Requirements
- Court-Approved Methodologies
- Data Components
- Apportionment Methodology
- Rate Scenarios
- Policy Direction
- Implementation Schedule

Case Law Requirements

Special benefit to property and fair and reasonable apportionment

- Fire service provides benefit to property, whereas EMS does not.
- Logically and factually driven method must be developed to spread the costs among the benefited properties.
- Does method of apportionment make sense in terms of what is being provided?
- Legislative determination receives judicial deference.

Historical Demand Methodology*

- Historical demand is the driving factor
- Most widely adopted
- Based on initial response; therefore, treats all calls equally
- One rate for single family residential structures regardless of size

*Methodology was upheld by the Fourth District Court of Appeals in in Desiderio Corporation, et al. vs. The City of Boynton Beach, Florida, et al., 39 So.3d 487 (Fla. 4th DCA 2010).

Data Components

Service Delivery

- Type of services provided
 - ALS with transport
 - Types of apparatus and fire flow available
- Benefit area
 - Unincorporated area, Village of Indiantown, and Town of Ocean Breeze

Fire Department Budget (FY 2018-19 through FY 2020-21)

- Status Quo
- Full Costs

Develop Cost Apportionment

- Call/Incident data (2016)

Develop Parcel Apportionment/Preliminary Assessment Roll

- Ad Valorem Tax Roll Data
 - Building/Property Use
 - Dwelling Units
 - Square Footage

3-Year Pro Forma Summary Budget

Status Quo

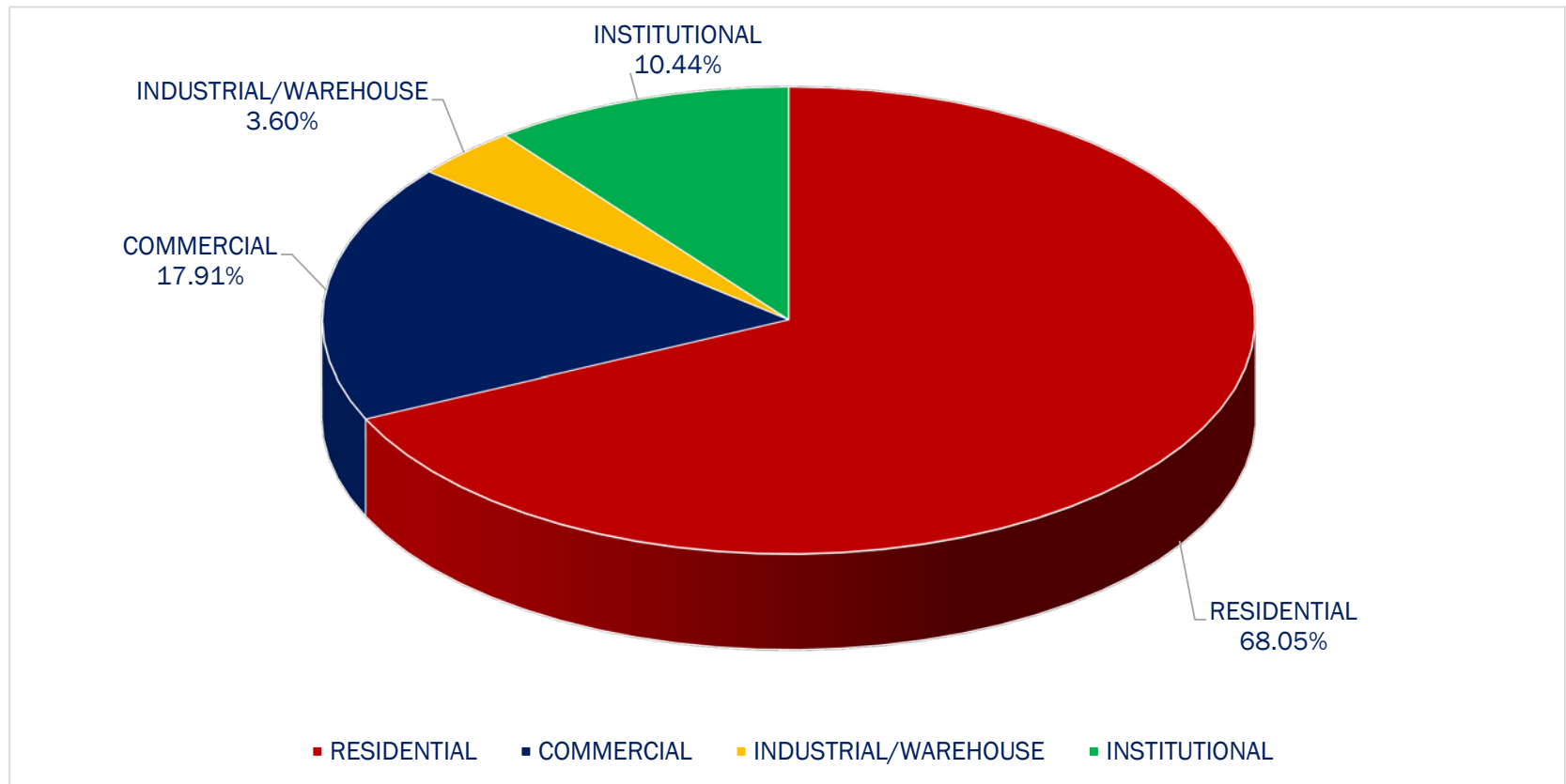
	FY 2018-19	FY 2018-19 Assessable	FY 2019-20 Assessable	FY 2020-21 Assessable	3 Year Average Assessable
Total Expenditures	\$43,764,036	\$20,791,057	\$21,414,788	\$22,057,232	\$21,421,026
Total Revenues	\$7,468,240	\$856,506	\$856,506	\$856,506	\$856,506
Total Net Expenditures	\$36,295,796	\$19,934,551	\$20,558,282	\$21,200,726	\$20,564,520
Collection Costs @ 2% (Tax Collector)		\$447,767	\$458,148	\$472,448	\$459,454
Collection Costs @ 1% (Property Appraiser)		\$221,622	\$226,760	\$233,838	\$227,407
Statutory Discount @ 5% (4% early payment/1% non-collection)		\$1,154,767	\$1,181,539	\$1,218,418	\$1,184,908
Study Reimbursement		\$68,500	-	-	\$22,833
Ongoing Maintenance		\$24,500	\$24,500	\$24,500	\$24,500
First Class Notice Costs		\$88,860	-	-	\$29,620
Additional Expenditures		\$2,006,016	\$1,890,947	\$1,949,204	\$1,948,722
Assessable Expenditures		\$21,940,567	\$22,449,229	\$23,149,930	\$22,513,242

3-Year Pro Forma Summary Budget

Full Costs

	FY 2018-19	FY 2018-19 Assessable	FY 2019-20 Assessable	FY 2020-21 Assessable	3 Year Average Assessable
Fire Rescue Operational Expenditures	\$43,764,036	\$20,791,057	\$21,414,788	\$22,057,232	\$21,421,026
CIP - Vehicle/Equipment Replacement	\$1,759,865	\$291,331	\$332,292	\$307,697	\$310,440
CIP - Buildings	\$7,198,008	\$3,875,850	\$905,091	\$928,206	\$1,903,049
Technology Improvement Plan (TIP)	\$359,227	\$193,430	\$199,233	\$205,210	\$199,291
Indirect Costs	\$4,421,296	\$2,380,698	\$2,452,119	\$2,525,682	\$2,452,833
Total Expenditures	\$57,502,432	\$27,532,366	\$25,303,523	\$26,024,027	\$26,286,639
Total Revenues	\$7,468,240	\$856,506	\$856,506	\$856,506	\$856,506
Total Net Expenditures	\$50,034,192	\$26,675,860	\$24,447,017	\$25,167,521	\$25,430,133
Collection Costs @ 2% (Tax Collector)		\$597,820	\$544,707	\$560,744	\$567,757
Collection Costs @ 1% (Property Appraiser)		\$295,891	\$269,602	\$277,540	\$281,011
Statutory Discount @ 5% (4% early payment/1% non-collection)		\$1,541,747	\$1,404,769	\$1,446,129	\$1,464,215
Study Reimbursement		\$68,500	-	-	\$22,833
Ongoing Maintenance		\$24,500	\$24,500	\$24,500	\$24,500
First Class Notice Costs		\$88,860	-	-	\$29,620
Additional Expenditures		\$2,617,318	\$2,243,578	\$2,308,913	\$2,389,936
Assessable Expenditures		\$29,293,178	\$26,690,595	\$27,476,434	\$27,820,069

Cost Apportionment Based on Historical Demand for Fire Services



Cost Apportionment Status Quo

Category	Number of Incidents	Percentage of Calls	Proportion of 3-Year Average Assessable Costs
Residential	984	68.05%	\$15,320,214
Commercial	259	17.91%	\$4,032,455
Industrial/Warehouse	52	3.60%	\$809,605
Institutional	151	10.44%	\$2,350,968
Total	1,446	100%	\$22,513,242

Cost Apportionment

Full Costs

Category	Number of Incidents	Percentage of Calls	Proportion of 3-Year Average Assessable Costs
Residential	984	68.05%	\$18,931,499
Commercial	259	17.91%	\$4,982,986
Industrial/Warehouse	52	3.60%	\$1,000,445
Institutional	151	10.44%	\$2,905,139
Total	1,446	100%	\$27,820,069

Parcel Apportionment

Category	Parcel Apportionment	Units
Residential	Dwelling Unit	62,905
Non-Residential		
Commercial		7,941,719
Industrial/Warehouse	Square Footage	10,235,737
Institutional		5,939,489

Preliminary Assessment Rates

Status Quo (Fiscal Year 2018-19)

	100% Rates	75% Rates	50% Rates	25% Rates
Residential	\$244.00	\$183.00	\$122.00	\$61.00
Non-Residential				
Commercial	\$0.51	\$0.39	\$0.26	\$0.13
Industrial/Warehouse	\$0.08	\$0.06	\$0.04	\$0.02
Institutional	\$0.38	\$0.29	\$0.19	\$0.10
Estimated Gross Revenue	\$22,513,242	\$16,884,931	\$11,256,621	\$5,628,310
Estimated Buy-down (Government, Institutional Tax Exempt, and Agricultural Parcels)	\$1,982,974	\$1,512,079	\$992,933	\$519,146
Estimated Net Revenue	\$20,530,268	\$15,372,852	\$10,263,688	\$5,109,164

Preliminary Assessment Rates

Full Costs (Fiscal Year 2018-19)

	100% Rates	75% Rates	50% Rates	25% Rates
Residential	\$301.00	\$226.00	\$151.00	\$76.00
Non-Residential				
Commercial	\$0.63	\$0.48	\$0.32	\$0.16
Industrial/Warehouse	\$0.10	\$0.08	\$0.05	\$0.03
Institutional	\$0.47	\$0.35	\$0.24	\$0.12
Estimated Gross Revenue	\$27,820,069	\$20,865,052	\$13,910,035	\$6,955,017
Estimated Buy-down (Government, Institutional Tax Exempt, and Agricultural Parcels)	\$2,453,623	\$1,834,632	\$1,249,308	\$630,735
Estimated Net Revenue	\$25,366,446	\$19,030,420	\$12,660,727	\$6,324,282

Rate Scenarios - Residential

Assumptions				
Average Single Family Taxable Value	\$ 236,980.00			
Homestead Exemption	\$ 50,000.00			
Assessed Taxable Value	\$ 186,980.00			
1 mil generates	\$ 15,902,986.00			
FY19 Tentative Fire MSTU Millage	2.6412			
FY19 Tentative Fire MSTU	\$ 42,002,965.00			
Average Single Family Fire MSTU Tax Paid	\$ 493.85			
Funding Level	25%	50%	75%	100%
Residential - Fire Assessment Rate	\$ 76.00	\$ 151.00	\$ 226.00	\$ 301.00
Estimated Net Revenue @ 68.05% of Total	\$ 4,303,673.90	\$ 8,615,624.72	\$ 12,950,200.81	\$ 17,261,866.50
New EMS MSTU Total	\$ 37,699,291.10	\$ 33,387,340.28	\$ 29,052,764.19	\$ 24,741,098.50
EMS MSTU Millage	2.370579406	2.09943845	1.826874789	1.555751762
EMS MSTU Revenue	\$ 443.25	\$ 392.55	\$ 341.59	\$ 290.89
Total Typical Household Payment	\$ 519.25	\$ 543.55	\$ 567.59	\$ 591.89
Net Difference Per Household	\$ 25.40	\$ 49.70	\$ 73.74	\$ 98.04

Rate Scenarios - Commercial

Assumptions	
Commercial Property Value	\$ 519,920.00
Homestead Exemption	\$ -
Assessed Taxable Value	\$ 519,920.00
Square Footage	1987.00
1 mil generates	\$ 15,902,986.00
FY19 Tentative Fire MSTU Millage	2.6412
FY19 Tentative Fire MSTU	\$ 42,002,965.00
Commercial Property Fire MSTU Tax Paid	\$ 1,373.21
Funding Level	25%
Commercial - Fire Assessment Paid	\$ 317.92
Estimated Net Revenue @ 17.91% of Total	\$ 1,132,678.91
New EMS MSTU Total	\$ 37,699,291.10
EMS MSTU Millage	2.370579406
EMS MSTU Revenue	\$ 1,232.51
Total Property Payment	\$ 1,550.43
Net Difference	\$ 177.22

Rate Scenarios – Industrial/Warehouse

Assumptions	
Industrial/Warehouse Property Value	\$ 914,270.00
Homestead Exemption	\$ -
Assessed Taxable Value	\$ 914,270.00
Square Footage	10850.00
1 mil generates	\$ 15,902,986.00
FY19 Tentative Fire MSTU Millage	2.6412
FY19 Tentative Fire MSTU	\$ 42,002,965.00
Industrial Property Fire MSTU Tax Paid	\$ 2,414.77
Funding Level	25%
Industrial - Fire Assessment Paid	\$ 325.50
Estimated Net Revenue @ 3.60% of Total	\$ 227,674.15
New EMS MSTU Total	\$ 37,699,291.10
EMS MSTU Millage	2.370579406
EMS MSTU Revenue	\$ 2,167.35
Total Property Payment	\$ 2,492.85
Net Difference	\$ 78.08

Policy Direction

- Notice to Proceed with Implementation
- Village of Indiantown and Town of Ocean Breeze
- Budget and Rates
 - Status Quo
 - Full Costs
- Exemption Policy
 - Government Parcels
 - Institutional Tax Exempt Parcels
- Hardship Program
- Other Issues

Implementation Schedule

Event	Date
Workshop	July 10, 2018
Notice to Proceed with Implementation	July 2018
County publishes notice of public hearing to adopt Service Assessment Ordinance	July 13, 2018
County adopts Service Assessment Ordinance	July 24, 2018
County adopts Initial Assessment Resolution	July 24, 2018
County Publishes Notice of Public Hearing to Adopt Final Assessment Resolution	August 21, 2018
GSG Mails First Class Notices to Property Owners	August 21, 2018
County adopts Final Assessment Resolution with final assessment rates	September 11, 2018
County certifies non-ad valorem assessment roll to Martin County Tax Collector	By September 14, 2018
Tax bills mailed	November 1, 2018