



## Agenda Item Summary

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**File ID:** 21-0549

**DEPT-4**

**Meeting Date:** 4/13/2021

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**PLACEMENT:** Departmental

**TITLE:**

**DISCUSSION ON LETTER RECEIVED FROM THE MAYOR FOR THE VILLAGE OF INDIANTOWN TO NEGOTIATE FUTURE PROVISION OF FIRE/EMS SERVICES WITHIN THE VILLAGE OF INDIANTOWN**

**EXECUTIVE SUMMARY:**

On March 3, 2021, the Board of County Commissioners' (Board) Chair, Commissioner Stacey Hetherington, received a letter from the Village of Indiantown (Village) requesting an opportunity to negotiate future provisions for Fire/EMS services from Martin County (County) within the Village of Indiantown. If the Board desires to have a meeting to discuss the issue, then staff would recommend a joint meeting of the Board of County Commissioners and Village Council.

**DEPARTMENT:** Administration

**PREPARED BY:** **Name:** Taryn G. Kryzda  
**Title:** County Administrator

**REQUESTED BY:**

**PRESET:**

**PROCEDURES:** None

**BACKGROUND/RELATED STRATEGIC GOAL:**

The Village of Indiantown incorporated in 2017. Prior to its incorporation, a feasibility study was performed to demonstrate to the legislature how the Village could be a viable and sustainable community. The feasibility study reflected that Village operations would be 'government light' from the aspect that services, such as Fire Rescue/EMS, would continue to be provided by the County. The initial study reflected fire rescue services being calculated on a per-capita basis, showing a large savings to the residents of the planned incorporated area, due to the estimated population for the incorporated Village. The County Administrator (Administrator) communicated to the consultant, that this was not an accurate reflection of how fire rescue services are provided and funded, since ad valorem taxes fund most of the fire and rescue services, which are calculated based upon taxable value, not a per capita formula. The feasibility study was amended but was still incorrect due to an indication that there could be a 'discounted rate' for fire rescue services being provided by the County with an off-setting 'savings' in ad valorem taxes that the Village could then factor into their operational budget, or provide as an overall reduced tax rate to their property owners. The feasibility study for the Village indicated that this 'discounted rate' could be negotiated and could be similarly structured

based upon an agreement that the County has with the Town of Jupiter Island (Town). What was missing from the report was the fact that the Town is not a comparable example, does not mirror the circumstances within the Village, and operates completely differently. The Town is mostly residential, there are no large industrial facilities located there, the Town law enforcement personnel are dual certified, so they have their Emergency Medical Technician (EMT)/Firefighter certifications, and their personnel are the first responders in an event. The Town has a separate public safety facility, purchased their apparatuses, and as a matter of equity, the Town also pays for the ability to have other stations provide an additional level of service for Advanced Life Support that is provided to the Town from the fire rescue response system (eleven other stations). The Town via an Interlocal Agreement (Interlocal) with the County pays the full cost for a 24-hour paramedic, 7 days a week. The Interlocal has been in place for decades and is reviewed on a regular basis to ensure parity for all that are part of the funding for the Fire/Rescue Municipal Services Taxing Unit (Fire Rescue MSTU), the ad valorem funding source for fire/rescue services in the County.

Staff would like to provide additional information to the Board based upon the letter dated March 3, 2021 (included) as well as comments heard from the Village's February 27, 2021 special meeting when fire rescue services were discussed.

The letter from the Village dated March 3, 2021 indicates that the Administrator was unwilling to negotiate. What was communicated to the Village Manager (Manager) by the Administrator, was how Fire Rescue services are provided to the residents of the County, and the funding structure does not provide for the ability to 'negotiate' since any reduced rate for the residents of the Village would shift the resulting fiscal burden to the remaining residents within the unincorporated area and the Town of Ocean Breeze in Martin County. Due to the concerns over the legal defensibility of such request, County staff contacted our special assessment counsel, Nabors & Giblin, who pointed to the County's ordinance for Fire Prevention and Protection, Article 7 - Fire/Rescue Municipal Service Taxing Units, Section 79.254A, Contracting for Services, which states: 'Any municipality, special district, or other unit of local government contracting for services provided by a fire/rescue MSTU shall be required to pay for such services in an amount equal to that amount which would be levied by the Fire/Rescue MSTU if the area of said municipality, special district, or other unit of local government served was included in the Fire Rescue MSTU'.

The ordinance was passed in 1997 to establish a countywide Fire Rescue MSTU. In 1997, the Board agreed that fire rescue services should be funded based upon an unincorporated countywide approach. The ability for one taxing unit to levy more taxes and provide a higher level of service to the residents of that area was rejected because residents expect the same level of service, regardless of where they reside. Prior to 1997, fire rescue was initially broken down into two disciplines: Advanced Life Support (ALS) and Fire/Basic Life Support (BLS). Each of these were funded by a combination of District A Fire, Hutchinson Island Fire, North County BLS, Ridgeway BLS, Hobe Sound BLS, Ranch Colony, Consolidated Fire, Volunteer Fire and BLS MSTU. All these various funding avenues were allocated toward providing fire rescue ALS and BLS services utilizing a combination of firefighters, emergency medical technicians (EMTs), and paramedics. In 1997, fire rescue was divided into three districts with five stations in District 1 and District 2, and four stations in District 3. Staff believes that this was done to begin the transition of a funding structure that is reflected in the FY98/99 budget whereby the established revenues for the operations were the utilization of ad valorem from a consolidated Fire/EMS MSTU. Budgets since that time have consistently reflected the Fire Rescue MSTU as the funding source for the services being provided to those that are being assessed by the established millage rate within the area defined for fire and rescue services (including the Town of Ocean Breeze and currently the Village of Indiantown).

The Village's letter asserts that 'the Village's taxpayers have paid substantially more for fire and EMS services than it costs for the County to provide such services within the Village'. The Administrator has explained to the Village Manager, that due to the structure of fire and rescue services, any cost analysis must include, the total of the cost of a complete and integrated 'system' to provide a full complement and delivery of services. The County will stage-up resources when a unit is out of a service territory throughout the County, not just Indiantown. This is done to ensure responding within a given timeframe can always be achieved. The industrial and commercial taxpayer in the Village represents 95.4% of the tax base and pay roughly \$5.1M in taxes to the Fire Rescue MSTU (includes Tangible Personal Property). The ad valorem (property taxes) collected within the Fire Rescue MSTU and millage rate (tax rate) is based upon the taxable values for each property owner. The County does factor in revenues that are received from other sources: ambulance fees, Public Emergency Medical Transport (PEMT) fee, state shared revenues, fire protection services and others. The ad valorem for the Fire Rescue MSTU, in total, is roughly \$47.2M, ambulance and PEMT fees equate to an estimated \$6.8M and the fund's total revenues reflected in the FY21 adopted budget are estimated to be \$54.8M. The taxable values for the Fire Rescue MSTU with the Village and Town of Ocean Breeze included is \$18.4B. The Village's taxable value is \$2.2B or 11.7% of the Fire Rescue MSTU tax base. The Village, based upon their taxable value for FY21, will contribute \$5.3M (at the 95% discounted rate due to pre-payment reductions established by the State), which is roughly 11.3% of the total ad valorem for the Fire Rescue MSTU. The Village's largest industrial property owner recognizes the level of service that is being provided and the ability to have additional resources available to respond to an incident and thus has advised the Administrator that their institutional compliance requirements are met. Martin County Fire Rescue personnel train with them and have the expertise and depth to provide ample coverage and special services required for such a large industrial plant(s).

The Village's contention that they pay more than what it costs to provide the services to that area, is one all taxpayers in the County could make, given that each property owner pays an amount that differs from property owner to property owner based upon the value of their property. Property owners in Hobe Sound are paying based upon the same calculation as are property owners in Palm City, Jensen Beach, etc. In fairness to those that participate in receiving fire and EMS services from the County, the same millage rate is assessed to all participating in the Fire Rescue MSTU. For instance, if a home is assessed at \$300,000 with \$50,000 homestead exemptions, the annual amount that is contributed to the Fire Rescue MSTU based upon the current millage rate, would be \$675.03. If a home is assessed at \$200,000 and has the \$50,000 homestead exemptions, then annually the taxes paid to the Fire Rescue MSTU would be \$405.02. The two homes shown, are similar in square footage and location, but one owner has owned the home and has had the homestead exemption longer than the higher valued home. The County in the past has considered a Fire Assessment Fee, which is structured on a more equitable formula; an EMS fee is not allowable by law. The rationale for that prohibition is an assessment fee must be based upon the direct benefit to property, not a person.

The Village states in its letter that they are working with the Center for Public Safety Management (CPSM), a public safety consultant firm, to provide options for the Village to consider. The presentation given to the Village at the special meeting did not contain accurate facts. The following facts are offered based upon the current fiscal year for each of the options presented:

**Option #1 - Maintain Martin County Contract (Inspections and 911 Dispatch included)**

- The Village has seven personnel assigned to Station 24 in Indiantown; most other stations have five personnel.
- The County also has a new tanker that has been purchased to replace the existing tanker at Station 24. The County has two brush trucks also assigned to Station 24 to ensure adequate

fire flow to the area.

- The County has ladder trucks and Hazardous Material (HazMat), special extrication abilities and other specific response abilities should an event warrant such use and has had to do so at an industrial site as well as along the beeline highway within Village limits due to auto accidents between automobiles and semi-tractor trailer trucks and dump trucks.
- The Village's slide presentation, Option #1 states \$5.93M as the cost the County charges the Village. The actual dollar amount is \$5.35M, and the slide shows the rebate for FP&L TPP is \$500,000, not the actual amount of \$783,029.23 that the County is providing at the discounted rate.
- Total Village cost according to the Village is \$5.93M. If the current accurate numbers are used, the Village's cost is \$5.35M less \$783K (TPP the County paid) or \$4.57M.

**Option #2 - Create New Indiantown Fire Department (Inspection & 911 Dispatch Not Included)**

- The Village's number of \$500,000 as Additional Paid by Village for FP&L TPP is wrong and should be \$783,029.23.
- The annual savings for Year 2 and beyond is not the correct number. If the accurate amount for ad valorem and FP&L TPP is used the County's cost is less than the \$5.1M shown for Year 2 operations after Year 1 expense of \$8.57M that is reflected to be spent by the Village for contracted services and some start-up costs.

**Option #3 - Outsource Fire & EMS to Private Provider (Inspection and Dispatch Not Included)**

- Using the correct numbers for the calculations, the County is less than the \$6.3M shown for Year 1 and the \$5.6M shown for Year 2.

**Option #4 - Indiantown Fire/Outsourced EMS (Hybrid) (Inspection & Dispatch Not Included)**

- The County would be less than the \$6.6M reflected for Year 1 and the \$4.8M shown for Year 2 if the correct numbers are used.

Based upon the detail provided for each option, it appears there is no estimate for costs that would be incurred by the Village for Martin County Fire Rescue to back-up any calls within the Village boundary. There have been statements made by the Village that the County would provide such coverage at no cost because of mutual aid agreements, but if the compliment of services are not mutual (number of personnel, equipment, level of service, response time, etc.), then the Village would have to pay the actual cost of the service(s) provided to ensure the requirements of the ordinance are upheld. The County and the Village would have to have an Interlocal Agreement with an automatic aid provision, not mutual aid, so as not to delay any response. The County anticipates this would be the case when there is an incident within the Village boundary that requires a patient or patients to be transported to the hospital which is not within proximity to the Village. Another component in a mutual aid agreement is the fact that the County has a contract with a Medical Director (Director) to ensure all protocols and licensing requirements are met. The Director also reviews calls to ensure all protocols are adhered to and if a concern of compliance is evident, then an individual(s) can be placed back into training until the Director is comfortable with the individual(s) skill to administer care. A mutual aid agreement cannot be executed until the Director is confident the protocols are being met by any employee or contracted service the Village may have for their fire rescue services. The only obligation the County would have to provide services without a reimbursement, is if there is a need to respond to a major incident, under State Mutual Aid provisions, which occurs when the request goes to the State, and the State requests the County or other Counties to assist.

Martin County is proud of the level of service it provides to those that are within the Fire Rescue MSTU service territory. The City of Stuart and the County have a reciprocal agreement to provide the same level of service on each call, and from time-to-time, analyze the call loads by service territory to

ensure the numbers are balanced: County responding within the City's service territory and the City responding within the County's area. The Administrator is in regular conversations with the City Manager on the subject, and there is a mutual understanding that both entities will continue to work together on the issue to maintain equity for the taxpayers. The County also has a reciprocal agreement with Palm Beach County fire rescue, the automatic aid provisions noted above, are at no cost to either entity, since both entities can reciprocate with the same level of service. Due to their isolated location, an automatic aid agreement with the Village would not be reciprocal, hence the need for compensation to the County to provide readiness and response.

Another concern is the impact to the Village's Insurance Services Office (ISO) rating, which is currently a 3 for those residents and/or business owners that are within five road miles of Station 24. The reason the Village has that rating is because of the entire system of resources available to that area including additional personnel, aerial apparatus, brush trucks, tankers, specialty units, communications, etc. The National Fire Protection Association (NFPA) 1710 sets the standard for the organization and deployment of fire suppression operations for career fire departments and requires 15 respondents on scene for safe operations on a structure fire. None of the models proposed addressed how that standard would be met with daily staffing of only 7 personnel and no automatic aid agreement in place to immediately dispatch the proper personnel and apparatus required for safe operations. The County dispatches an aerial apparatus to every structure fire along with additional personnel to meet this standard. Based on the proposals that were shown coupled with the absence of an automatic aid agreement with the County, the Village would not be able to maintain that rating and insurance claims, lives, and property would be at risk.

Staff would like to address other statements that were made at the Village special meeting. There were comments made referencing the Booker Park Fire Station and the fact that the County amended the language in the deed conveying the property to the Village after the Village's consideration of its own fire rescue. The language was changed to ensure that the language agreed to by the Village and County in the Interlocal agreement dealing with the transfer of the assets to the Village, was identical to the County language initially included on the deed. The County Attorney believed the language for the two documents should be the same and given the Interlocal agreement was the executed document by the Village, the language for the deed was modified to mirror the Interlocal. There was no change to what the Village had agreed to.

Another comment was made that the Booker Park restoration (resurfacing and drainage) improvements were removed from the County and used for other County projects rather than used in the Village. The Booker Park/New Hope Neighborhood Restoration (Booker Park) project was initially placed into the CIP on 4/12/2016 when the Capital Improvement Plan (CIP) for FY17 was approved by the Board; the CIP detail sheet (included), showed FP&L franchise fees being the main source of funding for this project in the year of FY19. There are no carry-forward funds reflected on that detail sheet. On 4/3/2017 the Booker Park CIP detail sheet (included) reflects the FP&L franchise fees again, as the source of funding and planned for in FY19 with no funds from the franchise fees being carried forward. The revenue sheet for the FY17 CIP approved on the same date (included), reflects annual collections of the FP&L franchise fees to be roughly \$8.3M to \$8.4M with a carry-forward amount of \$2.8M from FY17 into FY18 to fully fund the projects planned for in the FY18 CIP. Those projects funded by the FP&L franchise fees in FY18 were Golden Gate (\$3.0M), Palm City Farms (\$2.1M), Fisherman's Cove (\$1.8M), Vista Salerno (\$848K), Farm Road (\$505K) and other smaller scale projects to equate to what was estimated to be collected.

When the Village started the dialogue with the County on wanting to have Village assets transferred from County ownership to the Village (roads, parks and drainage) it was prior to the finalization of the

CIP which would have been brought to the Board in April of 2018 for the FY19 draft CIP. The County was already aware that some of the revenues that previously had been utilized for improvements to those assets would no longer be collected and available to the County, but rather would go directly to the Village. The County had some awareness of the impact for the FP&L franchise fees due to the fact that after the Village incorporated, the County experienced a reduction in state shared revenues (half-cent sales tax and revenue sharing) in the amount of \$304K (for a partial year timeframe). The following full year (FY19) a revenue reduction from all shared revenue sources (communication tax, half-cent sales tax, local option gas taxes, revenue sharing, and FP&L franchise fees) was roughly \$1.7M. In FY20 the shared portion of the revenues the Village received that previously the County would have received had the Village not incorporated, was again close to \$1.7M, and should be consistent for future years unless something significant changes. Since the FP&L franchise fees had been reduced by roughly \$300K, and all road assets had been transferred to the Village, the Booker Park project was removed from the FY19 CIP. The County did, however, complete Farm Road during the asset transition for the Village. Farm Road restoration project began in FY16 and was completed in FY18, after transferring the road to the Village. That project was funded with a combination of the FP&L franchise fees and ad valorem for a total of \$2.64M.

Staff has been asked if the Fire Rescue MSTU ordinance that has existed since 1997 could be changed to allow for the Village to receive fire rescue services from the County at a cost that would be less than the remaining tax payers in Martin County who receive the same level of service. Amending the ordinance would have to be based upon facts that are legally defensible and would open the County to similar requests from other municipalities.

There is no prohibition for the Board to participate in a joint meeting with the Village to discuss concerns of the Village, and the facts that have been presented, but there is no lawful ability to deviate from the ordinance unless the ordinance is amended to permit the shift of a larger tax burden to the residents of the unincorporated County and the Town of Ocean Breeze. The existing funding structure has been in place to provide fire rescue services in the same uniform manner for the past 24 years, staff does not recommend such an amendment.

### **ISSUES:**

The Village must place the County 'on notice' by or on May 1<sup>st</sup> of any given year their intent to withdraw from the Fire Rescue MSTU. Based upon comments that were made during the recent Village special meeting, the County would be placed on notice by May 1, 2022 by the Village and the Village would provide their own fire and rescue services beginning on October 1, 2022.

### **LEGAL SUFFICIENCY REVIEW:**

Legal has reviewed the item for legal sufficiency.

### **RECOMMENDED ACTION:**

### **RECOMMENDATION**

The Board provide further direction.

### **ALTERNATIVE RECOMMENDATIONS**

None

## **FISCAL IMPACT:**

## **RECOMMENDATION**

If the Village moves forward with having their own fire and rescue department, the Fire Rescue MSTU will no longer receive the ad valorem taxes that are generated from the Village's taxable value. The County has been aware of their intent for more than two years and has been preparing accordingly. The County would have an obligation to serve the unincorporated area of the western County and is assessing call loads to determine the most advantageous location to ensure call load and response times are maintained.

## **ALTERNATIVE RECOMMENDATIONS**

None

## **DOCUMENT(S) REQUIRING ACTION:**

- |  |                                       |   |
|--|---------------------------------------|---|
| <input type="checkbox"/> Budget Transfer / Amendment | <input type="checkbox"/> Chair Letter | <input type="checkbox"/> Contract / Agreement |
| <input type="checkbox"/> Grant / Application         | <input type="checkbox"/> Notice       | <input type="checkbox"/> Ordinance            |
| <input type="checkbox"/> Resolution                  |                                       |   |
| <input type="checkbox"/> Other:                      |                                       |   |

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