

Fire Assessment Program

The Fire Assessment Program is a 27 percent dedicated revenue source to fund fire protection and services for our citizens. In doing this, \$1.6 million will become available annually in the general fund to pay debt service on bonds that impact the Winter Haven community through capital improvements. The purpose is not to increase fund balance accounts, provide raises, create new positions, increase reserves, etc., but to fund important capital projects to enhance the Winter Haven quality of life through recreation and cultural amenities. To move forward on these community projects, the City requires a dedicated source of funding for fire services, which frees up funding for much needed community improvements.

Although the City can legally collect 10 percent, which for a 1,500-square foot single family home amounts to \$274.51 per property owner, the administration is only recommending the Commission approve the 27 percent rate, which is \$75.03 per property owner (amounts are estimates). If the City were to collect the total amount, it would bring in \$5.8 million; the 27 percent rate will generate \$1.6 million – the amount that will be freed up in the general fund for community improvements.

A May 26, 2015 City Commission Workshop presentation was conducted by Raftelis Financial Consultants, Inc. and Susan Schoettle-Gumm, PLLC. Below is a synopsis.
(All Amounts Shown are Preliminary.)

A Fire Assessment program is a mechanism to collect a portion of the Fire Services budget as a more equitable way to recover costs as most properties in the City will contribute. This is conducted through special benefit assessments.

Special Benefit Assessment...

- Can only be charged where an identified special benefit can be related to property
- Costs are apportioned in a fair and reasonable manner to all properties that benefit from availability of fire protection services
- Methodology is reviewed and selected by staff and the attorney based on similar ones used by other Florida local governments, and which is fair and reasonable for properties in Winter Haven

Four Steps to How It Works

1. Identify Assessable Costs

2. Identify parcels receiving special benefits
3. Identify Effort provided by Fire Department
4. Apportion Assessable Costs to all parcels based on Effort

1. Assessable Costs

- Consists of the Fire/Basic Life Support (BLS) portions of the City's Fire Protection Services budget and related Fire Assessment expenses. Can also include billing and collection expenses
- Assessable Cost does not include Advance Life Support (ALS)

Description	Amount
Total Fire Budget	\$7,436,910
Less: ALS Costs	(875,923)
Fire/BLS Costs	\$6,560,987
Program Costs	635,738
Assessable Costs	\$7,196,725

2. Identify parcels receiving special benefits

- Exempt properties consist of all government and sanctuary portion of religious classifications.
- Exempt properties are included in the apportionment process; however, they are not billed.

Parcels - Classifications and Assessment Units

Classification	Parcels	Assessment Units		
		DUs	SQFT	Acres
Single Family	10,793	11,544		
Multi-Family	1,419	5,193		
Commercial	939		7,945,737	
Industrial	117		3,295,791	
Vacant	5,020			12,689
Institutional	394		1,611,039	
Government	46			769
Misc./Utility	57			79
Agricultural	307			5,799
Total	19,092	16,737	12,852,567	19,337

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3. Fire Department Effort Factors

- The consultants worked with the Fire Chief and Assistant Fire Chief to identify the Effort Factors based on five years of Calls for Service, Apparatus and Man-Hours. This is a weighting process where the Effort Factor represents the relative benefits provided by the Fire Department to each parcel classification.

Classification	Calls		Effort			Effort Factor	
	Total	Fire/BLS	Apparatus	Man-hours	Effort		
Residential	15,475	13,476	16,021	1.19	25,297	1.88	2.23
Commercial	5,928	5,083	6,011	1.18	8,384	1.65	1.95
Industrial	143	136	227	1.67	386	2.84	4.74
Vacant	474	450	673	1.50	1,186	2.64	3.95
Institutional	1,117	1,000	1,448	1.45	1,731	1.73	2.51
Government	1,701	1,554	1,947	1.25	3,021	1.94	2.44
Misc./Utility	33	31	35	1.13	69	2.21	2.50
Agricultural	15	15	26	1.75	55	3.75	6.59
Total	24,886	21,744	26,387		40,128		

(Apparatus/Total Calls)x(Man-hours/Total Calls) = Effort Factor

SF Example: (16,021/13,476 = 1.19)x(25,297/13,476 = 1.88) = 2.23 Effort Factor

Assessable Cost Allocation

Allocation of Assessable Cost to each parcel classification using the Effort Factors.

Classification	Calls	Fire/BLS		Percent	Cost Allocation
		Effort Factor	Effort		
Single Family:					
Tier 1 <=1500 SQFT	4,917	2.23	10,972	22.45%	\$1,615,747
Tier 2 >1500 SQFT	5,800	2.23	12,944	26.48%	1,906,024
MF/Res Condo/Apt	2,759	2.23	6,158	12.60%	906,796
Commercial	5,083	1.95	9,914	20.29%	1,459,952
Industrial	136	4.74	644	1.32%	94,849
Vacant	450	3.95	1,774	3.63%	261,258
Institutional	1,000	2.51	2,507	5.13%	369,141
Government	1,554	2.44	3,785	7.74%	557,335
Utility	31	2.50	78	0.16%	11,475
Agricultural	15	6.59	96	0.20%	14,147
Total	21,744		48,873	100.00%	\$7,196,725

4. Apportion Assessable Costs to all parcels based on Effort

Total Assessable Costs Apportionment

Classification	Units		All Parcels		Assessed Parcels	
	Number	Units	Costs ¹	Rate	Units	Revenue
Single Family:						
Tier 1 <=1500 SQFT	5,886	DUs	\$1,615,747	\$274.51	5,886	\$1,615,747
Tier 2 >1500 SQFT	5,658	DUs	1,906,024	\$336.87	5,658	1,906,024
MF/Res Condo/Apt	5,193	DUs	906,796	\$174.62	5,193	906,796
Commercial	6,952,910	SQFT	1,459,952	\$0.2100	6,952,910	1,459,952
Industrial	2,004,046	SQFT	94,849	\$0.0474	2,004,046	94,849
Vacant	1,617	Acres	261,258	\$161.61	1,372	221,701
Institutional	1,352,801	SQFT	369,141	\$0.2729	524,708	143,193
Government	36	Acres	557,335	\$15,376.49	0	0
Utility	25	Acres	11,475	\$463.05	0	0
Agricultural	207	Acres	14,147	\$68.29	207	14,147
Subtotal			\$7,196,725			\$6,362,409
Property Appraiser and Tax Collector Fee ²						190,872
Statutory Discount Offset ³						318,120
Net Assessment Revenue						\$5,853,417

1. Includes 1.0% for PCPA, 2.0% for PCTC, Statutory Discount Offset of 4.0% and 1.0% for under-collection.
2. Includes 1.0% for PCPA and 2.0% for PCTC
3. Includes Statutory Discount Offset of 4.0% plus 1.0% for under-collection.

Required to Proceed

Direction is needed from the City Commission as to the rate or amount of Assessable Cost to be recovered from Fire Assessments.

Classification	Rate				
	100%	75%	50%	27%	15%
Single Family:					
Tier 1 <=1500 SQFT per DU	\$274.51	\$205.88	\$137.25	\$75.03	\$41.18
Tier 2 >1500 SQFT per DU	\$336.87	\$252.65	\$168.44	\$92.08	\$50.53
MF/Res Condo/Apt per DU	\$174.62	\$130.96	\$87.31	\$47.73	\$26.19
Commercial per SQFT	\$0.2100	\$0.1575	\$0.1050	\$0.0574	\$0.0315
Industrial per SQFT	\$0.0474	\$0.0355	\$0.0237	\$0.0130	\$0.0071
Vacant per Acre	\$161.61	\$121.20	\$80.80	\$44.17	\$24.24
Institutional per SQFT	\$0.2729	\$0.2047	\$0.1365	\$0.0746	\$0.0410
Agricultural per Acre	\$68.29	\$51.22	\$34.15	\$18.67	\$10.24
Net Revenue to City	\$5,853,417	\$4,390,074	\$2,926,731	\$1,600,000	\$878,044

Calendar for Winter Haven Fire Assessments

