



# CITY OF MARGATE

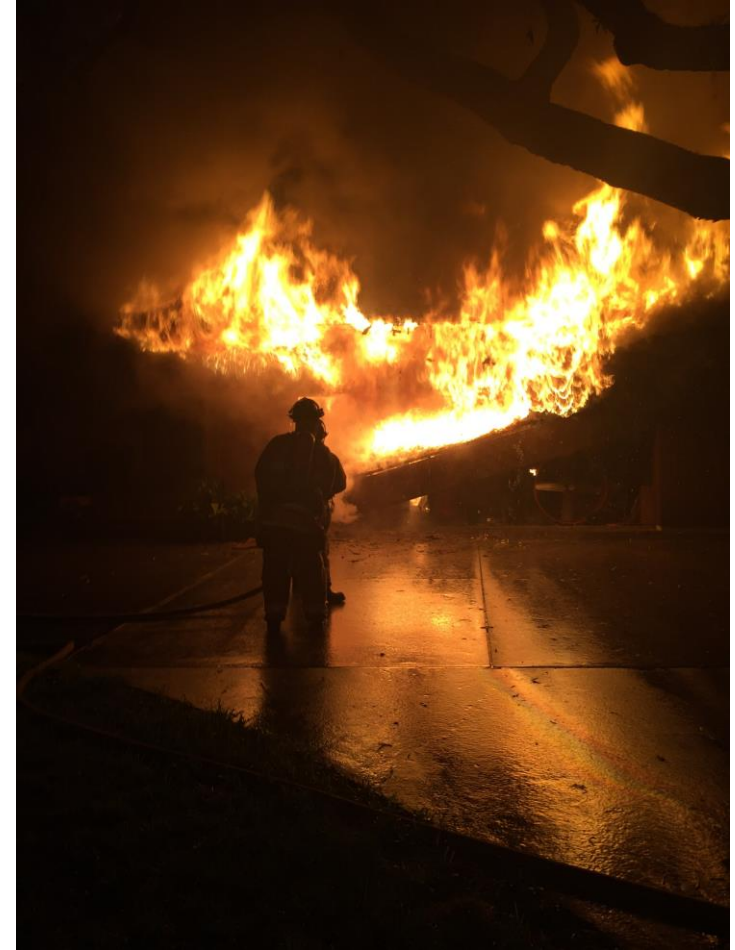
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FIRE ASSESSMENT PROGRAM UPDATE

MAY 2024

# WHAT IS A FIRE NON-AD VALOREM ASSESSMENT?

- A charge imposed against real property to pay for fire protection services.
  - Does **not** include EMS-type services above the level of first responder.
- **Case Law Requirements**
  1. Special Benefit to property and
  2. Fair and reasonable apportionment



- **Revenue**
  - Will generate revenue for fire protection services
- **Diversification**
  - Non-ad valorem revenue source
  - Dependent on cost of services, not taxable values
  - Broadens “tax base” of those paying for fire protection services
- **Accountability**
  - Legally restricted funds for the provision of fire protection services, facilities and programs
- **Equity**
  - Property value bears no relationship to the provision of or demand for fire services
  - Patchwork of exemptions from property taxes and limitations on fair valuation (Save Our Homes) further distort and limit those properties that pay for fire services under ad valorem system
  - Fire assessments are driven by service costs and demand
  - All property fairly and reasonably pays for the availability and provision of fire protection services regardless of taxable value or available exemptions

# CURRENT FIRE ASSESSMENT PROGRAM



- **History**

- First implemented in 1997
- 2011 through 2016 -- City imposed \$225 residential rate
- 2016 – City Updated Fire Assessment Program
  - With update non-residential rates increased due to shift in call data; kept residential rate @ \$225 and noticed all non-residential parcels
  - Explored NO EXEMPTIONS
    - At final hearing City Commission reimposed exemptions for government parcels and institutional tax-exempt buildings;
    - Added VA exemption; and
    - Changed Nursing Home buy-down – previously the City bought nursing home category down to commercial rate; now buy down to institutional rate
- 2017 – City increased rates -- \$300 residential rate
- 2021 – City explored increasing rates -- \$350 residential rate
  - At final hearing City Commission kept the \$300 residential rate
    - \$300 residential rate imposed for past 7 years
- Non-residential square foot cap – 179,446

- **FY 2023-24 Fire Assessment Certified Revenue -- \$9,440,304**

- Exemptions
  - Government parcels -- \$498,578
  - Institutional tax-exempt buildings -- \$340,921
  - Totally and permanently disabled veterans and their surviving spouses
  - Nursing Home buy-down to Institutional rate -- \$586,137
- Aztec RV Park
  - Capture new buildings based on permitting/CO

<b>Residential Property Use Category</b>	<b>Rate Per Dwelling Unit</b>
Residential	\$300.00
<b>Non-Residential Property Use Categories</b>	<b>Rate Per Square Foot (179,446 sq. ft. cap)</b>
Commercial	\$0.30
Industrial/Warehouse	\$0.03
Institutional	\$0.69
Nursing Home (\$2.17)	\$0.69

- Court tested and approved
- Most widely adopted
- Easy for property owners to understand
- Historical demand is the driving factor

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

## 1. Service Delivery

- ALS with transport
- 3 Stations
  - Station 18
  - Station 58
  - Station 98
- Benefit Area
  - Incorporated City of Margate
- Apparatus and Fire Flow
  - Unlimited capacity – no square foot cap

## 2. Fire Assessable Budget

- Allocation between Fire and EMS
- Develop 5-year average assessable budget

## 3. Cost Apportionment

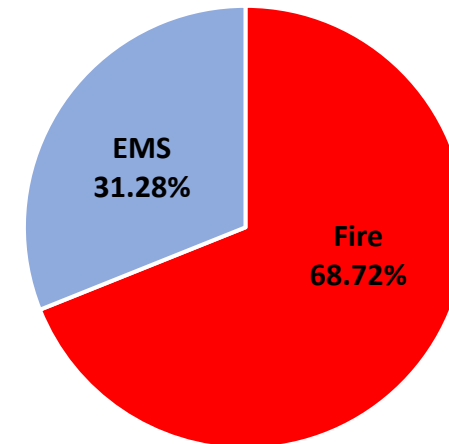
- Call/Incident Data

## 4. Parcel Data

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

# 5-YEAR AVERAGE ASSESSABLE BUDGET

- Start with FY 2024 Adopted Budget
  - Split between Fire and EMS\* to determine assessable expenditures
- Applied annual increase
  - 4% personnel
  - 3% operating
- Revenues used to reduce expenditures
- Included Miscellaneous Assessment Expenditures
  - Study costs
  - Statutory discount
  - Collection costs
- Total Net Assessable Expenditures
- **Total 5-Year Average Assessable Costs -- \$12,812,190**

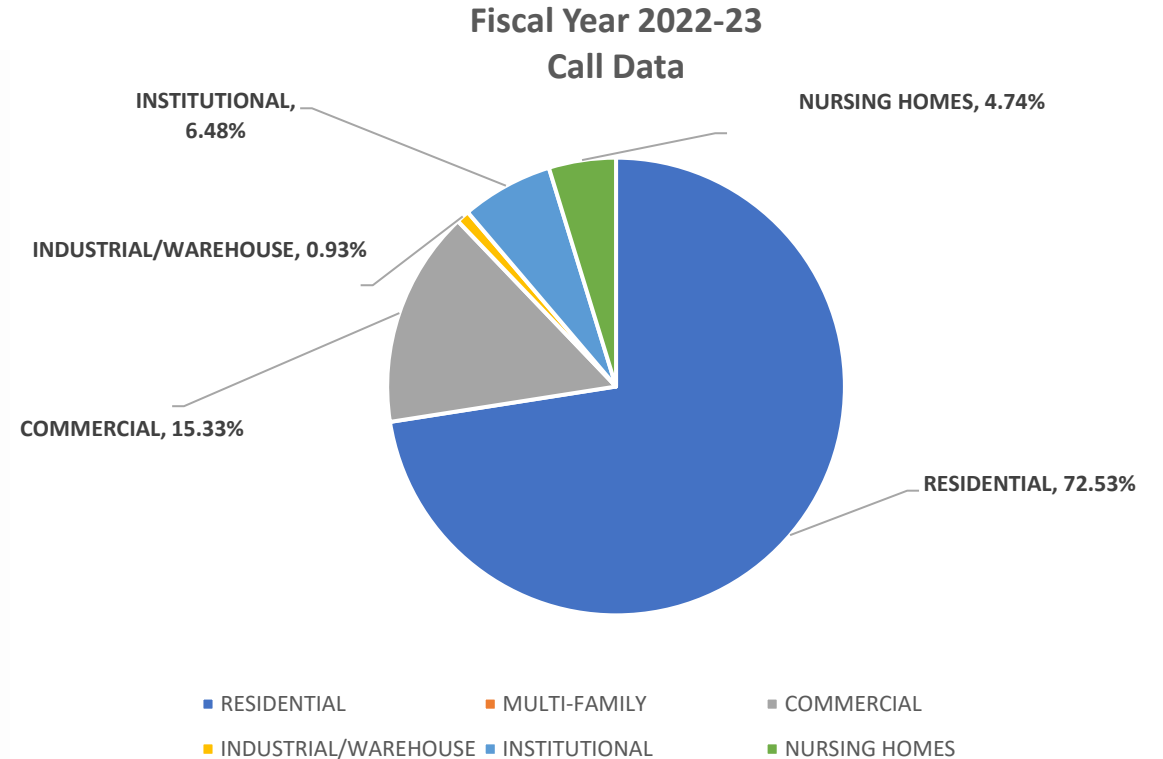


\* In June 2000, in the case of SMM Properties, Inc. v. City of North Lauderdale, the Fourth District Court of Appeals concluded that EMS did not provide a special benefit to property; however, it reaffirmed that fire suppression, fire prevention, fire/building inspections and first response medical services do provide a special benefit to property. Methodology was upheld by the 4<sup>th</sup> DCA in Desiderio Corporation, et al. vs. The City of Boynton Beach, Florida, et al., 39 So.3d 487(Fla. 4<sup>th</sup> DCA Jan. 2010).

# COST APPORTIONMENT

- **Develop Call and Incident Profile**

- Call Data – Calendar Year 2022-23
  - **Situation Found Codes** – used to identify EMS vs. Fire calls
    - Total Calls – 9,136
      - Average Monthly Calls -- 761
    - EMS Calls – 6,864
    - **Fire Calls – 2,272**
      - Non-Specific Calls – 538
      - Vacant Land – 5
      - **Specific Fire Calls – 1,729**
  - **Fixed Property Use Codes** – used to identify type of property responded to
    - Residential
    - Commercial
    - Industrial/Warehouse
    - Institutional
    - Nursing Home



Category	# Calls	% Calls	2016 Study	Difference
Residential	1,254	72.53%	69.96%	2.57%
Commercial	265	15.33%	13.19%	2.13%
Industrial/Warehouse	16	0.93%	0.45%	0.48%
Institutional	112	6.48%	8.09%	-1.61%
Nursing Homes	82	4.74%	8.31%	-3.57%
<b>Total</b>	<b>1,729</b>	<b>100%</b>	<b>100.00%</b>	

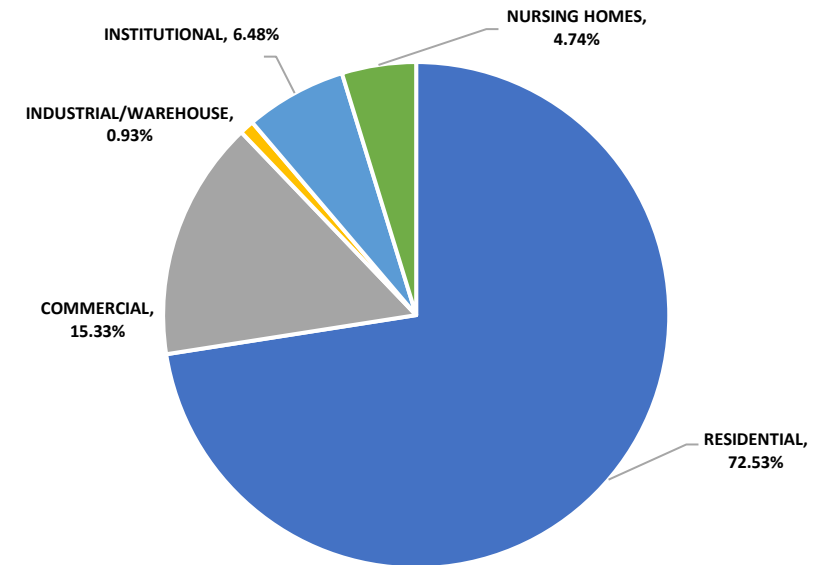


# PARCEL APPORTIONMENT

<b>Category</b>	<b>Parcel Apportionment</b>
Residential	Dwelling Unit
Non-Residential	
Commercial	
Industrial/Warehouse	Square Footage
Institutional	
Nursing Home	

# RATE CALCULATIONS

Category	% Calls	% Assessable Budget	Billing Units	Rate Per Unit
Residential	72.53%	\$9,292,358	24,957	\$373.00
Commercial	15.33%	\$1,963,696	4,310,603	\$0.46
Industrial/Warehouse	0.93%	\$118,563	2,248,046	\$0.06
Institutional	6.48%	\$829,939	1,420,111	\$0.59
Nursing Home	4.74%	\$607,634	697,921	\$0.88
<b>Total</b>	<b>100.00%</b>	<b>\$12,812,190</b>		
<b>Exemption Buy-Down</b>		<b>\$1,053,162</b>		
Government		\$432,861		
Institutional Exempt		\$364,565		
Nursing Home		\$202,397		
Va Exempt		\$53,339		
<b>Net Certified Revenue</b>		<b>\$11,759,028</b>		



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Residential	72.53%	69.96%	2.57%
Commercial	15.33%	13.19%	2.13%
Industrial/Warehouse	0.93%	0.45%	0.48%
Institutional	6.48%	8.09%	-1.61%
Nursing Homes	4.74%	8.31%	-3.57%
<b>Total</b>	<b>100%</b>	<b>100.00%</b>	

# RATE SCENARIOS

Category	FY 23-24 Adopted Rates	100%	94%	87.25%	80.4%	Difference 80.4 v. FY 23-24
Residential	\$300.00	\$373.00	\$350.00	\$325.00	\$300.00	\$0.00
Commercial	\$0.30	\$0.46	\$0.43	\$0.40	\$0.37	\$0.07
Industrial/Warehouse	\$0.03	\$0.06	\$0.05	\$0.05	\$0.05	\$0.02
Institutional	\$0.69	\$0.59	\$0.55	\$0.51	\$0.47	-\$0.22
Nursing Home	\$0.69	\$0.88	\$0.82	\$0.76	\$0.70	\$0.01
<b>Total Gross</b>	<b>\$11,462,823</b>	<b>\$12,812,190</b>	<b>\$12,043,459</b>	<b>\$11,178,636</b>	<b>\$10,301,001</b>	
<b>Exemption Buy-down</b>		<b>\$1,053,162</b>	<b>\$981,761</b>	<b>\$910,245</b>	<b>\$678,208</b>	
Government		\$432,861	\$403,424	\$374,158	\$344,892	
Institutional Tax-Exempt		\$364,565	\$339,848	\$315,132	\$290,416	
Nursing Home (to inst. Rate)		\$202,397	\$188,439	\$174,480	\$0*	
VA Exempt		\$53,339	\$50,050	\$46,475	\$42,900	
<b>Total Estimated Net Revenue</b>	<b>\$9,440,304</b>	<b>\$11,759,028</b>	<b>\$11,061,698</b>	<b>\$10,268,390</b>	<b>\$9,622,793</b>	
<b>Additional Revenue</b>		<b>\$2,318,724</b>	<b>\$1,621,394</b>	<b>\$828,086</b>	<b>\$182,489</b>	

\*Nursing Home Buy-down to Institutional Rate for 80.4% Rates - \$160,522.

# CRITICAL EVENTS SCHEDULE

<b>Event</b>	<b>Data</b>
Workshop	May - June 2024
Adopt Amended and Restated Initial Assessment Resolution	June 5, 2024
Mail First Class Notices (at least 20 days prior to public hearing)	By June 19, 2024
Advertise Notice of Public Hearing on Amended and Restated Final Assessment Resolution (at least 20 days prior to public hearing)	By June 19, 2024
Adopt Amended and Restated Final Assessment Resolution	July 10, 2024
Certify Assessment Roll to Tax Collector	By September 13, 2024

- Notice to Proceed with Implementation
  - Rates
- Exemption Policy
  - Government Parcels
  - Institutional Tax Exempt
  - VA Exemption – totally and permanently disabled veteran and their surviving spouse
  - Nursing Home
- Schedule
- Other