HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
Tuesday, May 07, 2024
2:00 PM
600 S. Commerce Ave. Sebring, FL 33870
AGENDA

(Please turn off pagers and cell phones

1 MEETING CALLED TO ORDER

2 INVOCATION:

3 PLEDGE OF ALLEGIANCE

4 WORKSHOP TO CONSIDER THE FIRE ASSESSMENT STUDY

4.A *Workshop to consider the Fire Assessment Study conducted by Anser Advisory Services.*
Tanya Cannady, Business Service Director
Rosa Morales, Budget Analyst II / NAV
Highlands County Workshop Presentaton 05-7-24-Call Weighting-5-4-24.pdf

5 PUBLIC COMMENTS

6 ADJOURN

Any person who decides to appeal any decision made by this Board of County Commissioners of Highlands County, Florida, in public hearing or meeting is hereby advised that he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record will include the testimony and evidence upon which such appeal is to be based.

The Board of County Commissioners of Highlands County, Florida, does not discriminate upon the basis of any individual's disability status. This non-discrimination policy involves every aspect of the Board's functions, including one's access to, participation, employment or treatment in its programs or activities. "Anyone requiring reasonable accommodation as provided for in the Americans With Disabilities Act or Section 286.26 Florida Statutes should contact Human Resources, ADA Coordinator at: 863-402-6509 (voice), or via Florida Rely Service 711, or by e-mail: hrmanager@highlandsfl.gov." Requests for CART or interpreter services should be made as soon as possible but no later than 48 hours in advance to permit coordination of the service.

Please note our new website address: www.highlandsfl.gov/

Any invocation that may be offered before the official start of the Commission meeting shall be the voluntary offering of a private citizen, to and for the benefit of the Commission. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the Commission, and the Commission is not allowed by law to endorse the religious beliefs or views of this, or any other speaker.

HIGHLANDS COUNTY

COUNTY COMMISSION AGENDA ITEM

DATE OF ACTION REQUEST: May 7, 2024

PRESENTER:	**Tanya Cannady, Business Service Director** **Rosa Morales, Budget Analyst II / NAV**
SUBJECT/TITLE:	**Workshop to consider the Fire Assessment Study conducted by Anser Advisory Services.**

STATEMENT OF ISSUE

This workshop is to consider the Fire Assessment Study conducted by Anser Advisory Services, formerly Government Services Group (GSG). The Study conducted reviewed our current assessment methodology and did a thorough analysis of the Fire call data.

RECOMMENDED ACTION

No Suggested Action

Attachments: Highlands County Workshop Presentaton 05-7-24-Call Weighting-5-4-24.pdf

HIGHLANDS COUNTY

FIRE ASSESSMENT PROGRAM UPDATE

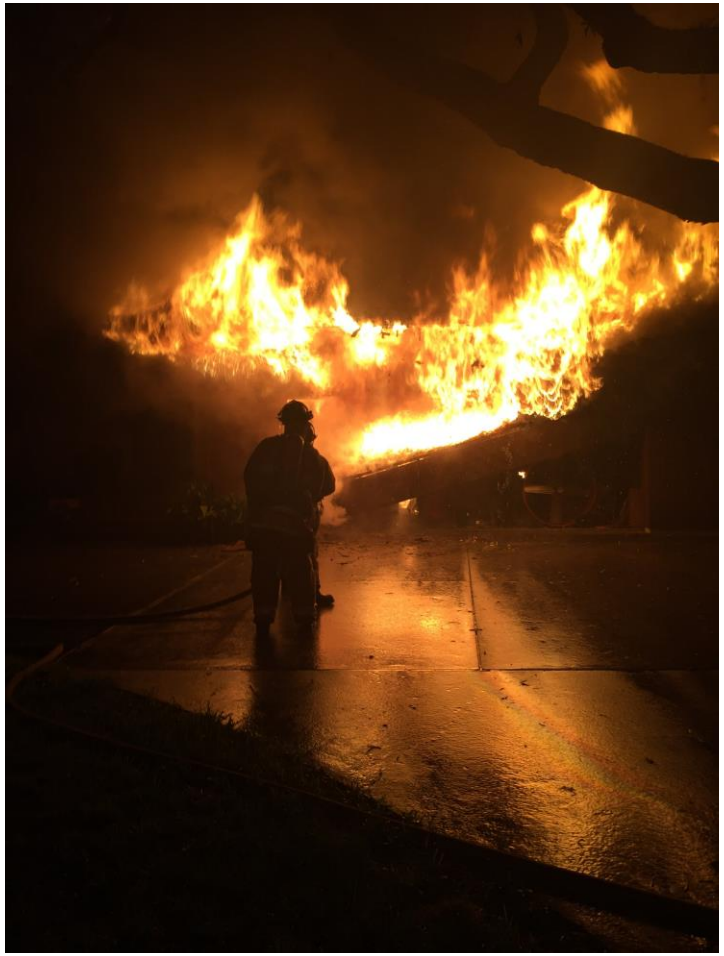
MAY 7, 2024

WHAT IS A FIRE NON-AD VALOREM ASSESSMENT?

- A charge imposed against real property to pay for fire protection services.
  - Does **<u>not</u>** include EMS-type services above the level of first responder.

- **Case Law Requirements**
  1. Special benefit to property

     and
  2. Fair and reasonable apportionment



PURPOSE AND GOALS OF FIRE ASSESSMENT PROGRAM

- 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 ASSESSMENT PROGRAM UPDATE

ANSER ADVISORY

- Study conducted 2017
  - Implemented in 2018
- FY 2023-24 Estimated Fire Assessment Revenue – $7.4 Million
  - Exemptions
    - Government Parcels
  - Do Not Exempt
    - Institutional Tax-Exempt Buildings
    - Vacant Ag or Developed Non-Residential Buildings on Ag Parcels
      - County obtained loan in 2019 – secured with Fire Assessment – 15 years (8/2034)
        - Fire equipment, apparatus and stations

FY 23-24 Adopted Rates

Residential Property Use Category	**Rate Per Square Foot**
Residential	$0.05610
Non-Residential Property Use Categories	**Rate Per Square Foot**
Commercial	$0.08414
Industrial/Warehouse	$0.07209
Institutional	$0.08414
Vacant Land Property Use Category	**Rate per Parcel**
Vacant Land	$28.84

HISTORICAL DEMAND METHODOLOGY*

ANSER ADVISORY

- 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 in Desiderio Corporation, et al. vs. The City of Boynton Beach, Florida, et al., 39 So.3d 487 (Fla. 4th DCA 2010).

DATA COMPONENTS

1. Service Delivery

- ALS with transport
- 18 Stations
  - 5 paid
  - 2 paid/volunteer
  - 11 volunteer
- Apparatus and fire flow available
  - Unlimited capacity – no square foot cap
- Benefit Area
  - Unincorporated Highlands County and Town of Lake Placid

2. Fire Assessable Budget

- Fire vs. EMS expenditures
- Develop 5-year assessable budget for fire protection services

3. Develop Cost Apportionment

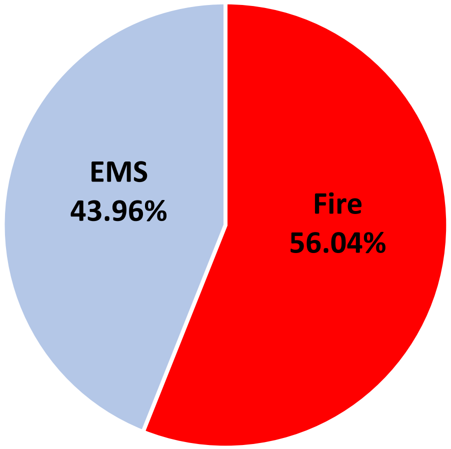
- Call/Incident Data

4. Develop Parcel Apportionment

- Ad Valorem Tax Roll Data
  - Building/Property Use
  - Square footage
  - Land parcels

5-YEAR AVERAGE ASSESSABLE BUDGET

- Start with FY 2023-24 Adopted Budget
  - Split between Fire and EMS* to determine assessable expenditures
- Applied 3% annual increase
- Revenues used to reduce expenditures
- Included Miscellaneous Assessment Expenditures
  - Statutory discount
  - Collection costs
- Total Net Assessable Expenditures
- **Total 5-Year Average Assessable Costs**
  - **No Capital -- $10,625,968**
  - **Option 1 Capital -- $15,647,392**
    - 15 Year Apparatus, 5 Year Staff
  - **Option 2 Capital – $14,802,410**
    - 20 Year Apparatus, 8 Year Staff
  - **Option 3 Capital -- $13,271,180**
    - 25 Year Apparatus, 10 Year Staff

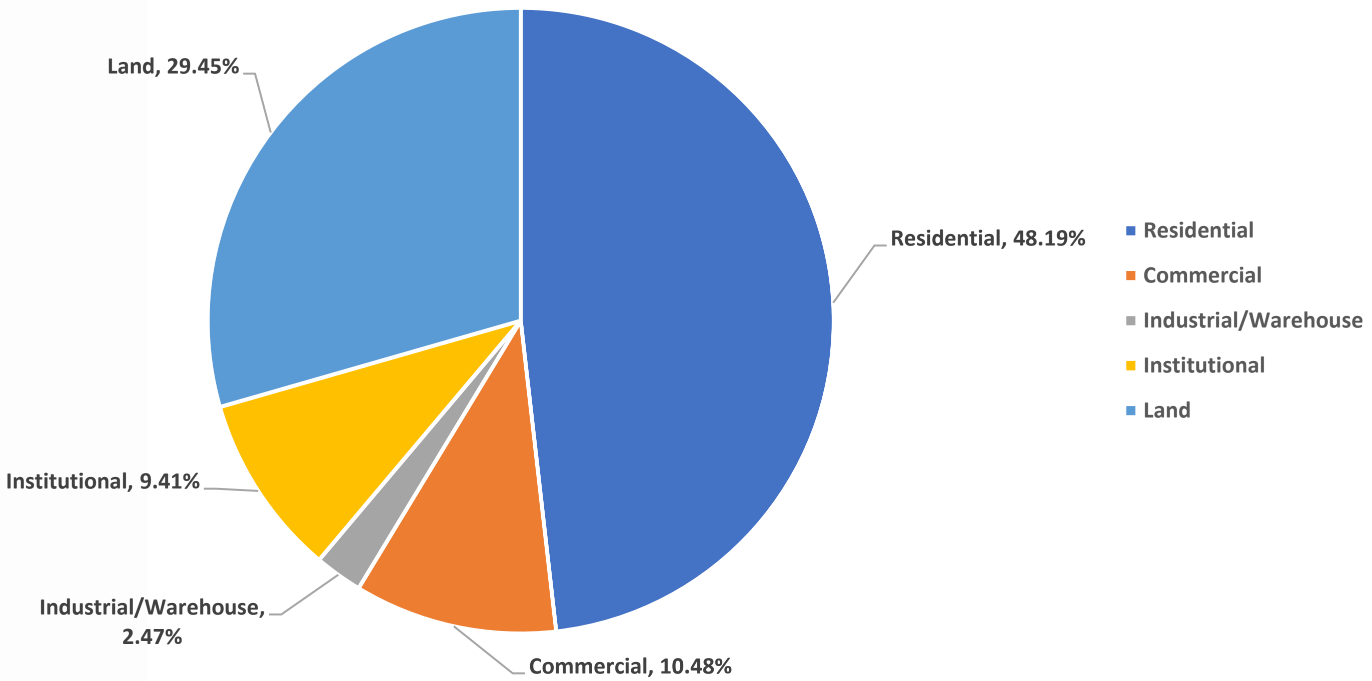


* In June 2000, in the case of SMM Properties, Inc. v. City of North Lauderdale, the Fourth District Court of Appeals concluded that EMS did not provide a special benefit to property; however, it reaffirmed that fire suppression, fire prevention, fire/building inspections and first response medical services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

COST APPORTIONMENT

- **Develop Call and Incident Profile**
  - **Call Data – Fiscal Year 2022-23**
    - **Situation Found Codes** – used to identify EMS vs. Fire calls
      - Total Calls – 19,206
        - Average Monthly Calls – 1,700
      - EMS Calls – 17,524
      - **Fire Calls – 1,682**
        - Non-Specific Calls – 382
        - **Specific Fire Calls – 1,300**
    - **Fixed Property Use Codes** – used to identify type of property responded to
      - Residential
      - Commercial
      - Industrial/Warehouse
      - Institutional
      - Vacant Land
    - **Call Duration** – used to apply a cost factor to account for resources required

Highlands County
FY 2022-23 Call Data



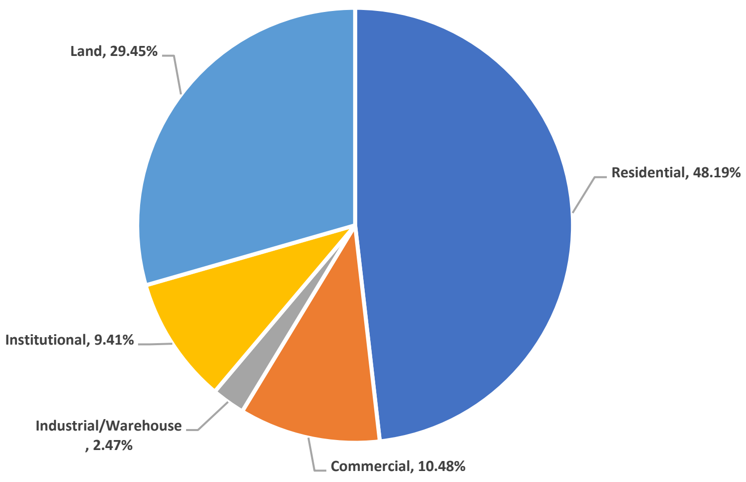
	# Incidents	Average Call Duration	Weighting Factor	Weighted Calls	Percentage Weighted Calls	2017 Study	Difference
Residential	808	27.61	1.00	808.00	48.19%	52.32%	-4.13%
Commercial	139	34.91	1.26	175.71	10.48%	11.57%	-1.09%
Industrial/Warehouse	28	40.89	1.48	41.46	2.47%	3.17%	-0.69%
Institutional	131	33.25	1.20	157.75	9.41%	9.79%	-0.38%
Land	194	70.28	2.55	493.77	29.45%	23.15%	6.30%
Total	**1300**			**1676.69**	**100.00%**	**100.00%**	

PARCEL APPORTIONMENT

Category	Parcel Apportionment
Residential	Square footage
Non-Residential Commercial Industrial/Warehouse Institutional	Square Footage
Vacant Land	Parcel

RATE CALCULATIONS

Category	% Incidents	% Budget	Billing Units	Per Unit Rate
Residential	48.19%	$5,120,674	80,857,916	$0.0634
Commercial	10.48%	$1,113,556	5,127,183	$0.2172
Industrial/Warehouse	2.47%	$262,751	7,491,298	$0.0351
Institutional	9.41%	$999,735	3,111,537	$0.3213
Vacant Land	29.45%	$3,129,251	61,188	$51.15
Total	**100.00%**	**$10,625,968**		
Estimated Government Buy-down		$800,679		
Total Estimated Net Revenue		**$9,825,289**		



RATE SCENARIOS- WITHOUT CAPITAL

Category		FY 23-24 Adopted Rates	100%	95%	90%	Difference 90% v. FY 23-24	82.5%	Difference 82.5% v. FY 23-24
Residential		$0.05610	$0.0634	$0.0602	$0.0570	$0.0009	$0.0523	-$0.0038
Commercial		$0.08414	$0.2172	$0.2064	$0.1955	$0.1114	$0.1792	$0.0951
Industrial/Warehouse		$0.07209	$0.0351	$0.0334	$0.0316	-$0.0405	$0.0290	-$0.0431
Institutional		$0.08414	$0.3213	$0.3053	$0.2892	$0.2051	$0.2651	$0.1810
Vacant Land		$28.84	$51.15	$48.59	$46.03	$17.19	$42.20	$13.36
Total			**$10,625,968**	**$10,094,670**	**$9,563,371**		**$8,766,424**	
Estimated Government Buy-down			$800,679	$760,760	$720,634		$660,616	
Total Estimated Net Revenue		**$7,463,540**	**$9,825,289**	**$9,333,910**	**$8,842,737**		**$8,105,808**	
Additional Revenue			**$2,371,749**	**$1,880,370**	**$1,389,197**		**$652,268***	
Examples								
Residential	1,500 sq. ft.	$84.15	$95.10	$90.30	$85.50	$1.35	$78.45	-$5.70
	2,000 sq. ft.	$112.20	$126.80	$120.40	$114.00	$1.80	$104.60	-$7.60
	2,500 sq. ft.	$140.25	$158.50	$150.50	$142.50	$2.25	$130.75	-$9.50
Commercial	5,000 sq. ft.	$420.70	$1,086.00	$1,032.00	$977.50	$556.80	$896.00	$475.30
Industrial/Warehouse	5,000 sq. ft.	$360.45	$175.50	$167.00	$158.00	-$202.45	$145.00	-$215.45
Institutional	5,000 sq. ft.	$420.70	$1,606.50	$1,526.50	$1,446.00	$1,025.30	$1,325.50	$904.80

*7% additional net revenue from FY 23-24

RATE SCENARIOS- WITH CAPITAL

ANSER ADVISORY

Category		FY 23-24 Adopted Rates	Option 1 15 Year	Difference Option 1 v. FY 23-24	Option 2 20 Year	Difference Option 2 v. FY 23-24	Option 3 25 Year	Difference Option 3 v. FY 23-24
Residential		$0.05610	$0.0933	$0.0372	$0.883	$0.0322	$0.0791	$0.0230
Commercial		$0.08414	$0.3199	$0.2358	$0.3026	$0.2185	$0.2713	$0.1872
Industrial/Warehouse		$0.07209	$0.0517	-$0.0204	$0.0489	-$0.0232	$0.0439	-$0.0282
Institutional		$0.08414	$0.4732	$0.3891	$0.4476	$0.3635	$0.4013	$0.3172
Vacant Land		$28.84	$75.31	$46.47	$71.25	$42.41	$63.88	$35.04
Total			**$15,647,392**		**$14,802,410**		**$13,271,180**	
Estimated Government Buy-down			$1,179,111		$1,115,397		$1,000,025	
Total Estimated Net Revenue		**$7,463,540**	**$14,468,281**		**$13,687,013**		**$12,271,155**	
Additional Revenue			**$7,014,741**		**$6,233,473**		**$4,817,615**	
Examples								
Residential	1,500 sq. ft.	$84.15	$139.95	$55.80	$132.45	$48.30	$118.65	$34.50
	2,000 sq. ft.	$112.20	$186.60	$74.40	$176.60	$64.40	$158.20	$46.00
	2,500 sq. ft.	$140.25	$233.25	$93.00	$220.75	$80.50	$197.75	$57.50
Commercial	5,000 sq. ft.	$420.70	$1,599.50	$1,178.80	$1,513.00	$1,092.30	$1,356.50	$935.80
Industrial/Warehouse	5,000 sq. ft.	$360.45	$258.50	-$101.95	$244.50	-$115.95	$219.50	-$140.95
Institutional	5,000 sq. ft.	$420.70	$2,366.00	$1,945.30	$2,238.00	$1,817.30	$2,006.50	$1,585.80

CRITICAL EVENTS SCHEDULE

Event	Date
Workshop	May 7, 2024
Adopt Amended and Restated Initial Assessment Resolution	June 4, 2024
Mail First Class Notices (at least 20 days prior to public hearing)	July 16, 2024
Advertise Notice of Public Hearing on Final Assessment Resolution (at least 20 days prior to public hearing)	July 16, 2024
Adopt Amended and Restated Final Assessment Resolution	August 6, 2024
Certify Assessment Rolls to Tax Collector	By September 13, 2024
Tax Bills Mailed	November 2024

POLICY DIRECTION

- Notice to Proceed with Implementation
  - Rates
- Exemption Policy
  - Government Parcels
- Schedule
- Other