

CITY OF VENICE INFORMATION OPEN FORUM

August 16, 2017

Presented By:

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Joe Welch, Controller

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You Received a Notice of a Proposed City of Venice Fire Special Assessment

- Every owner of a tax parcel in the City received the notice
 - New proposed annual fire special assessment
 - Will only be used for fire protection services and facilities
 - The maximum amount you will be assessed for fiscal year 2018 (FY18) is \$____. It includes a 2-tier calculation (Tier 1 = \$93.92; Tier 2 = \$4.81 per EBU)
 - The maximum for future years could be twice that amount
 - Public hearings are set for 9:00 a.m. 8/21/17 & 10:00 a.m. 9/7/2017
- Included two pages of “Frequently Asked Questions”
 - Purpose – Fire Department
 - Partially offset by .50 mill property tax reduction



The Fire Assessment Notice and Public Hearing Comes after Numerous Public Meetings - This is Our Budget Season

Meetings to Date:

Fire Assessment Workshops:

- March 17, 2017
- April 10, 2017
- May 15, 2017
- July 10, 2017

Budget Workshops:


- June 26 – 28, 2017 (all day)
- June 29, 2017

Also: Discussed in other City Council meetings

Future Meetings:

- Public Hearing:
 - August 21, 2017 (9:00 a.m.)
 - September 7, 2017 (10:00 a.m.)
- Budget Adoption Public Hearings:
 - September 13, 2017 (5:01 p.m.)
 - September 27, 2017 (5:01 p.m.)





Next, we'll explain why we need the additional revenues, show how much money is generated annually, and what the new revenues will be used for.

How We Got Here

- The Great Recession produced lower general fund revenues. Growth slowed.
- Property values dropped.

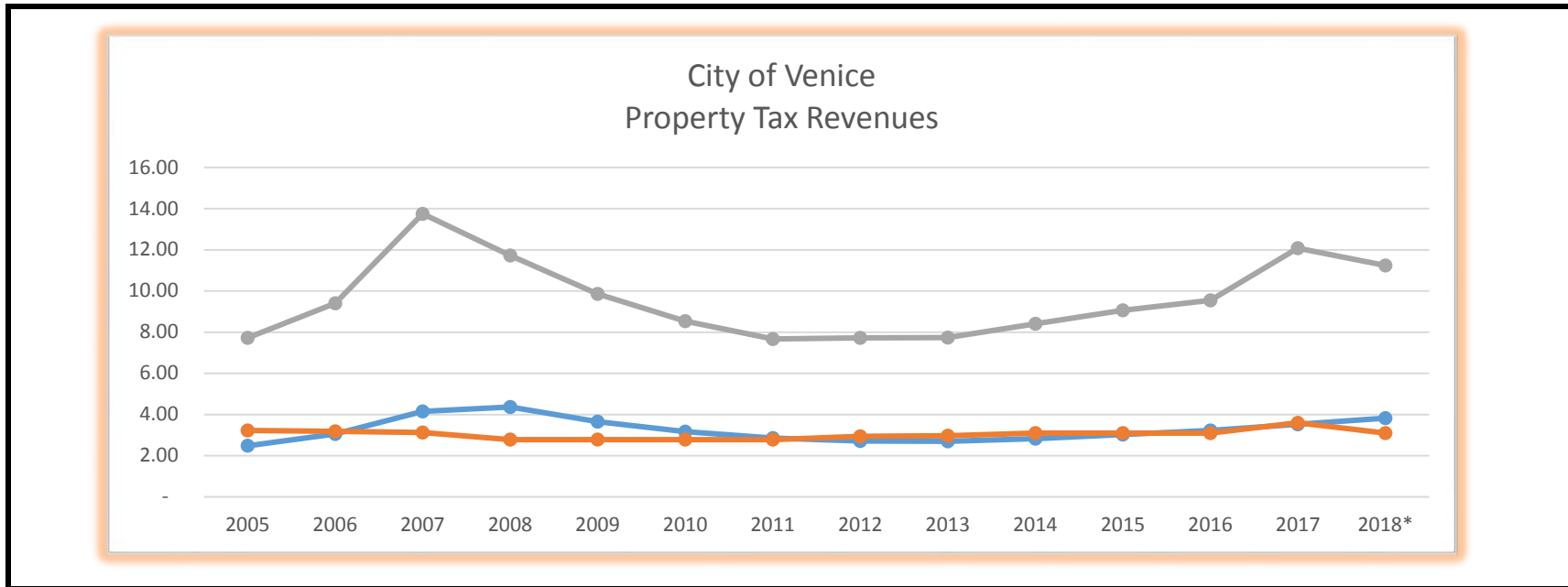
City's response:

- Millage rates held steady or increased only slightly
- Personnel (FTE's) were reduced by 20%, including police, fire, parks, administration
- Capital projects and building/equipment replacement were deferred
- Major maintenance projects were deferred
- Pension obligations were funded at minimum required levels

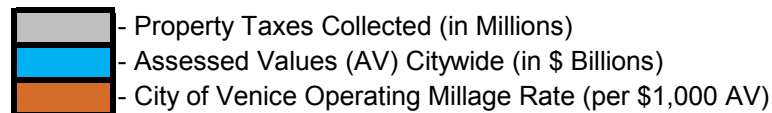


City of Venice, Florida
PROPERTY TAX COLLECTIONS

	Fiscal Year														
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*	
Assessed Values (Billions)	2.48	3.06	4.15	4.37	3.65	3.17	2.86	2.71	2.70	2.82	3.03	3.23	3.53	3.82	
Operating Millage Rate	3.225	3.177	3.129	2.779	2.779	2.779	2.779	2.935	2.965	3.100	3.100	3.100	3.600	3.100	
Revenue (Millions)	7.72	9.41	13.75	11.72	9.86	8.53	7.67	7.72	7.74	8.40	9.06	9.54	12.08	11.24	

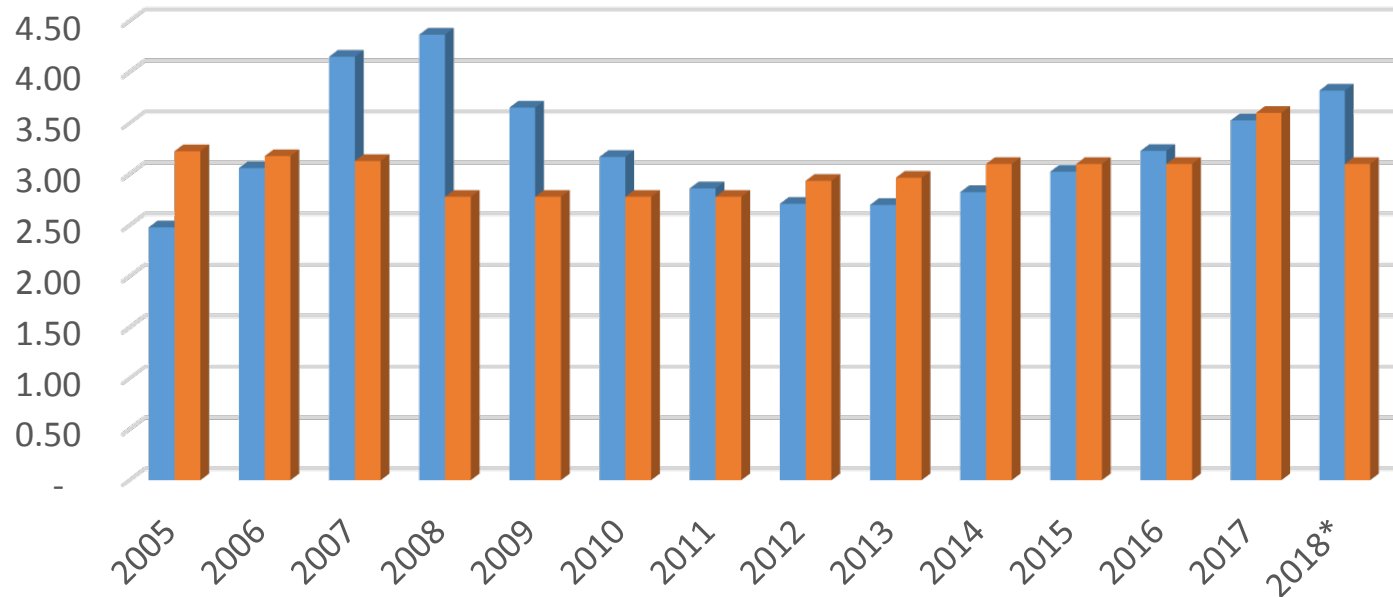


* Proposed.



The top (gray) curve is the General Fund property tax revenues for the past 13 years and proposed (at 3.1 mills). The high was \$13.75 million in 2006. The low was \$7.67 million in 2011. During this period, some capital projects were deferred and pension contributions were made at minimum levels.

City of Venice Property Taxes - Assesses Values & Millage Rates

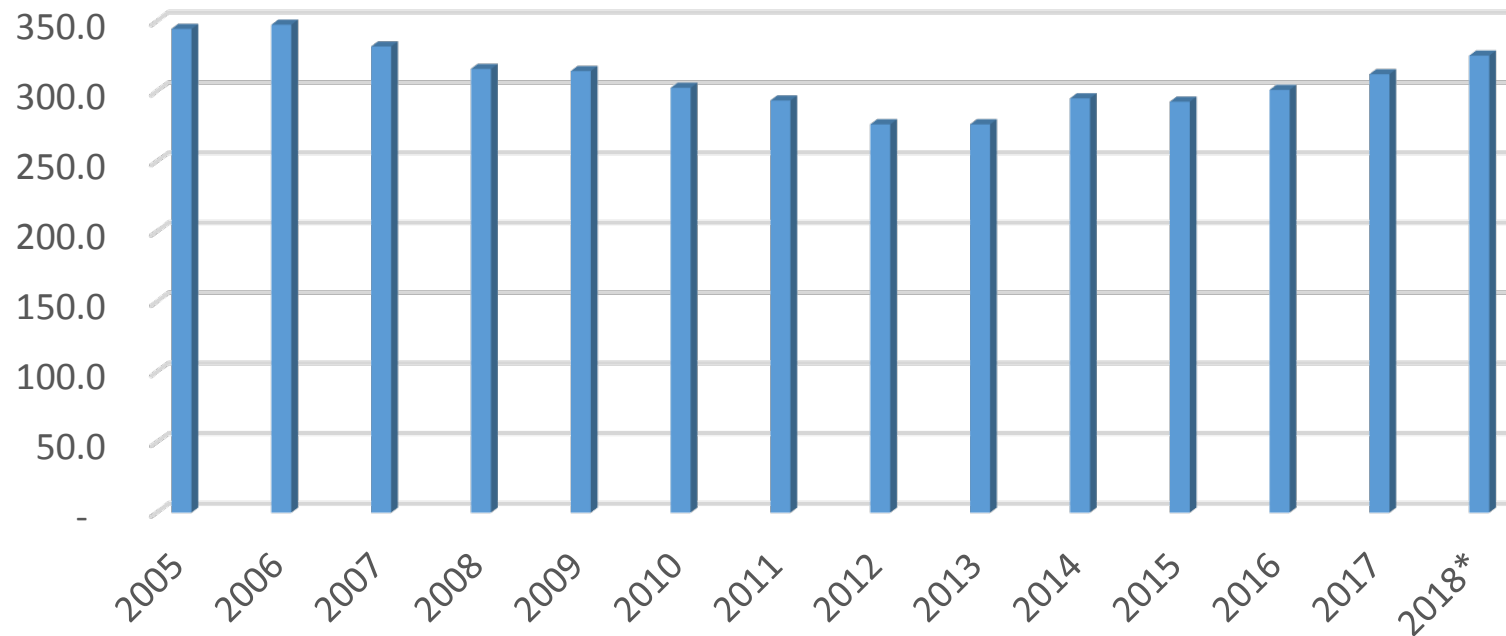


- Assessed Values (AV) Citywide (in \$ Billions)
- City of Venice Operating Millage Rate (per \$1,000 AV)

This graph shows the relationship between Citywide assessed valuations and imposed millage rates.

As assessed valuations dropped during the "Great Recession" millage rates held steady or increased minimally, resulting in less revenues for the City.

City of Venice Personnel - Full Time Equivalents



Full-time equivalents dropped from 347.5 in 2006 to 276.5 in 2012 and 2013.

This is a reduction of 71 positions or 20% of the workforce.

FTE's in the 2018 budget are 325.5, which is still 22 positions less than 2006.

From 2005 to 2016 (latest information available), the City's population increased by 9%.

City of Venice, Florida
PERSONNEL SUMMARY - ALL FUNDS
FULL TIME EQUIVALENTS

**This schedule shows the City's budgeted FTE's from
2005 to 2018 (proposed), by Department.**

	Fiscal Year													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Department:														
Mayor and Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Manager	7.5	5.5	6.5	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.2	3.2	3.3	4.0
Historical Resources	0.5	0.5	1.0	1.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
City Clerk	6.5	6.5	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Finance	18.5	18.5	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	14.0
Public Works Admin	4.0	4.5	4.0	4.0	4.0	4.0	4.0	1.0	3.0	3.0	2.0	2.0	2.0	3.0
General Maintenance	16.5	16.0	15.0	15.0	15.0	13.0	13.0	12.0	11.0	11.0	9.6	9.6	12.6	11.6
Parks Maintenance	13.5	15.0	15.0	15.0	14.0	12.0	11.0	9.0	10.0	12.0	11.7	12.7	13.0	13.0
Engineering	9.5	10.5	9.0	10.0	10.0	9.0	9.0	6.0	5.0	5.0	3.2	4.7	4.1	4.1
Police	80.5	80.5	77.0	73.0	73.0	73.0	72.0	64.0	66.0	66.0	58.0	61.0	61.0	68.0
Fire	46.0	46.5	46.5	46.0	46.5	46.5	45.5	42.5	41.5	45.0	44.3	44.3	44.3	45.5
Planning & Zoning	5.5	5.0	5.0	5.0	4.0	5.0	4.0	8.0	7.0	6.0	8.0	9.0	11.0	11.0
Information Technology	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	6.0
Administrative Services	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building & Code Enf.	14.5	14.0	14.0	8.0	8.0	7.0	6.0	6.0	7.0	10.0	12.6	12.6	15.6	15.4
Airport	7.5	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	8.0	8.3	8.2	8.3	8.0
Utilities Administration	-	2.5	2.0	2.0	2.0	2.0	6.0	8.0	7.0	9.0	9.0	10.1	10.2	10.0
Distribution / Collection	20.0	21.0	23.0	28.0	28.0	26.0	21.0	20.0	21.0	25.0	24.0	25.0	25.0	25.0
Water Production	21.0	19.0	17.0	15.0	15.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0
Water Reclamation	26.0	26.0	25.0	21.0	21.0	20.0	17.0	17.0	17.0	18.0	18.0	17.0	17.0	17.0
Utility Eng/ Constructn	2.0	3.0	3.0	-	-	-	-	-	-	-	-	-	-	-
Solid Waste	11.5	12.0	13.5	13.5	13.5	13.5	13.5	11.0	12.5	11.5	12.0	14.0	11.5	13.0
Recycling	11.5	12.0	10.5	10.5	10.5	9.5	9.5	11.0	8.5	9.5	10.0	9.0	12.5	13.0
Stormwater	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	5.8	5.7	8.0	9.0
TOTAL	344.5	347.5	332.0	316.0	314.5	302.5	293.5	276.5	276.5	295.0	292.7	301.1	312.3	325.5

* Budget



CITY OF VENICE FIRE RESCUE

20 YEARS OF GROWTH FOR THE CITY OF VENICE

- 1997- 18,165 RESIDENTS 10.2 SQ MILES 500 INCIDENTS 11 FF
- 2007- 20,833 RESIDENTS 16 SQ MILES 2400 INCIDENTS 13 FF
- 2017- 22,465 RESIDENTS 16.8 SQ MILES +3500 INCIDENTS 13 FF
- PROJECTION OF ANOTHER 5000 HOMES

VENICE FIRE 2018 BUDGET

TOTAL OVERALL VENICE FIRE BUDGET - \$9,342,975

- 11.12% CAPITAL OUTLAY
- 79.89% SALARIES AND WAGES
- 8.99 % OPERATIONAL



REASON FOR INCREASE

- CAPITAL OUTLAY- 11.12 %
 - APPARATUS
 - COMMUNICATION EQUIPMENT
 - BUNKER GEAR/SCBA/PPE
 - STATION MAINTENANCE/PREVENTION
 - SAFETY EQUIPMENT
 - PROACTIVE INSTEAD OF REACTIVE

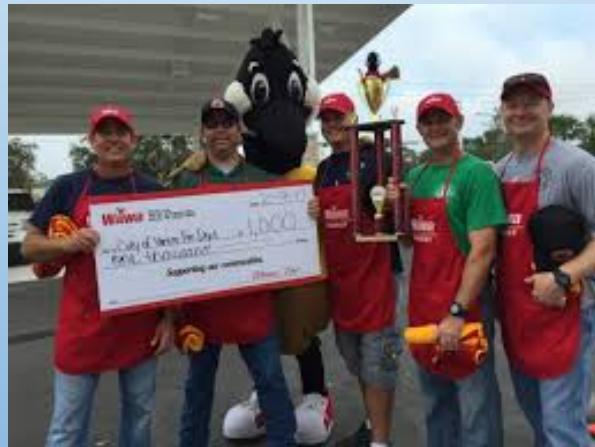


CONSOLIDATION/PRIVATIZATION/VOLUNTEER

- **WHY NOT CONSOLIDATE, PRIVATIZE OR ESTABLISH A VOLUNTEER FIRE DEPARTMENT**
 - LOCAL CONTROL
 - FIRE ASSESSMENT FEE
 - SERVICES FOR THE COMMUNITY
 - TRAINING
 - HIDDEN FEES/SUBSCRIPTION FEES
 - STILL HAVE OPERATIONAL COSTS
 - HIGHER TURNOVER AND COSTS ASSOCIATED WITH IT
 - NO GUARANTEED STAFFING

VENICE FIRE OPERATIONS

- 39 FF, 4 ADMIN STAFF, 2 FIRE INSPECTORS- THREE STATIONS
- COMMUNITY OUTREACH PROGRAMS
- FIRE SUPPRESSION/EMS
- MARINE RESPONSE
- EMERGENCY MANAGEMENT
- COMMUNITY INVOLVEMENT
- ISO RATING- “2”



WHY VENICE?

- LOCAL CONTROL “DEDICATED TO VENICE”
- FIREFIGHTER’S TRAINED FOR THE COMMUNITY
- ISO RATING
- RESPONSE TIMES
- LOCAL KNOWLEDGE
- FIRE PREVENTION

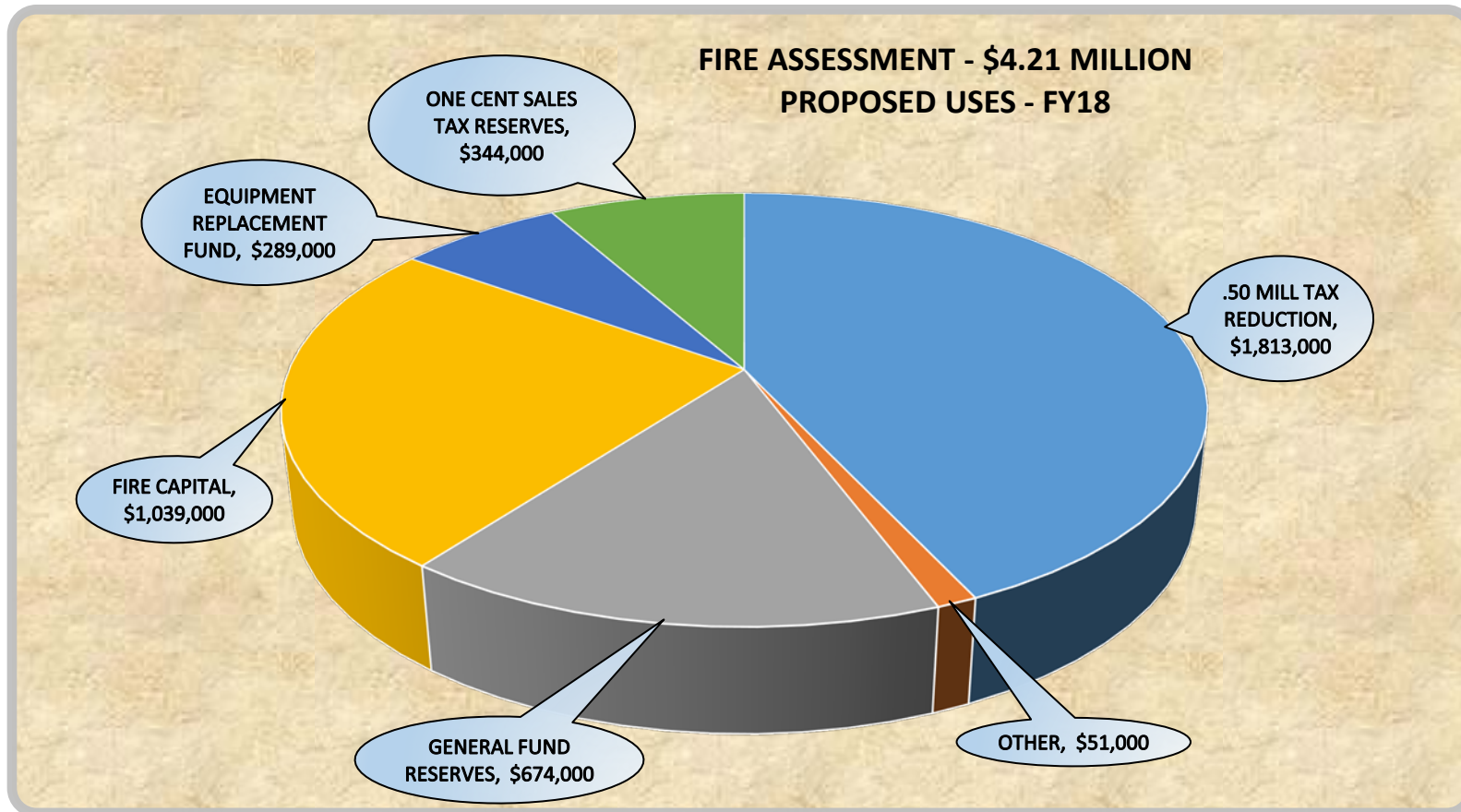


The Fire Assessment Calculation

- The Availability Method was selected over the Calls for Service Method in early Council workshops
- The Availability Method uses a two-tiered formula
- Tier 1 is \$93.92 per parcel as a *readiness benefit* to provide fire protection services
 - One parcel is as defined by the Sarasota County Property Appraiser (SCPA)
- Tier 2 is \$4.81 per \$5,000 of structure value on the parcel
 - Structure value is the appraised value of the buildings and extra features
 - There are no exemptions that reduce structure value as there are for taxable value



HOW MUCH MONEY AND WHAT WILL IT PAY FOR?



The fire assessment, as proposed, will generate \$4.21 million annually.
The funds will be used to fund less than half of the Fire Department's \$9.3M budget.
The fee creates a dedicated revenue source for Fire capital purchases and equipment reserves and "frees up" other revenues that historically funded the Fire Department's budget.
Listed above are the proposed uses in the 2018 Budget.
The amounts shown as "reserves" currently have not been appropriated.

PROPOSED FIRE ASSESSMENT - FUNDING QUESTIONS AND BUDGETS

Q1: How much revenue will be generated from the new fire assessment fee?

A: \$4,210,000

Q2: What will the new revenue be used for?

A: The revenues will be used to fund approximately 50% of the Fire Department (FD) budget

Q3: How much is the Fire Department budget and what was it in the prior year?

A: FY18: \$9.3 million. FY17: \$8.0 million. Detail below.

Q4: How were these costs funded in the prior year?

A: The FD personnel and operating costs were funded from the City's general fund. Historically, most of the FD capital costs have been funded from One Cent Sales Taxes, when available. But there have been no monies set aside for rehabilitation of Fire Station #1, and there have been minimal monies set aside for FD equipment replacement.

Q5: What monies are freed up from the new proposed fire assessment fee?

A: \$1.3 million of the fee will be used for FD capital and equipment reserves. In addition, the proposed fee will free up approximately \$2.5 million in the general fund and \$344,000 annually in the One Cent Sales Tax Fund for other purposes (based on FY17).

Q6: What are the "freed up" funds being used for?

A: In the general fund, a proposed .50 mill reduction will reduce property taxes by \$1.8 million and the remaining \$674,000 is currently in general fund reserves and has not been appropriated. In the One Cent Voted Sales Tax Fund, \$1 million has been allocated for building rehabilitation. A total of \$848,625 is available for appropriation, or for One Cent Sales Tax reserves.

	FY16 Actual	FY17 Budget	FY18 Budget	Change
Personnel				
Salaries	\$ 2,801,249	\$ 2,977,693	\$ 3,281,245	\$ 303,552
Pension Plans	3,436,203	2,898,376	2,928,286	29,910
Other Benefits	1,153,530	1,230,322	1,254,733	24,411
	<u>7,390,982</u>	<u>7,106,391</u>	<u>7,464,264</u>	<u>357,873</u>
Operating	<u>415,607</u>	<u>475,255</u>	<u>550,145</u>	<u>74,890</u>
Capital				
Fire Truck	517,107	-	554,359	554,359
Radios	-	-	293,000	293,000
Other	22,800	344,000	191,856	(152,144)
Equipment Reserve	-	37,887	289,151	251,264
	<u>539,907</u>	<u>381,887</u>	<u>1,328,366</u>	<u>946,479</u>
TOTAL COSTS	<u>\$ 8,346,496</u>	<u>\$ 7,963,533</u>	<u>\$ 9,342,775</u>	<u>\$ 1,379,242</u>
FUNDING				
Proposed Fire Assessment	-	-	4,210,000	4,210,000
General Fund	7,526,515	7,308,393	4,820,649	(2,487,744)
Misc. Fire Revenues	302,874	311,140	312,126	986
One Cent Voted Sales Tax	517,107	344,000		(344,000)
TOTAL FUNDING	<u>\$ 8,346,496</u>	<u>\$ 7,963,533</u>	<u>\$ 9,030,649</u>	<u>\$ 1,379,242</u>

Recap

- Tier 1 is a readiness to serve charge, not a land charge. The Fire Department is available to everyone equally
- The Tier 2 charge increases with structure value.

The methodology is:

- One of two methods approved by the courts
- Objective and reasonably easy to implement and update.

What's Next?

- August 21 & Sept 7, 2017: Fire Assessment Public Hearings:

Sept 7: Council votes on the Fire Assessment



- September 13, 2017: 1st Budget Public Hearing – Preliminary hearing to adopt the full budget
 - 1st reading of FY18 budget and operating millage
- September 27, 2017: 2nd Budget Public Hearing – Final hearing to adopt the full budget
 - Final adoption of FY18 budget and operating millage
- Future Years – Level determined in annual budget Public Hearings
 - Can't go higher than 100% level without another public notice