



City of Venice

401 West Venice Avenue
Venice, FL 34285
www.venicegov.com

Meeting Minutes City Council

Monday, April 10, 2017

1:30 PM

Community Hall, Room 114, Venice City Hall

Fire Fee Assessment Special Meeting

CALL TO ORDER

Mayor Holic called the meeting to order at 1:30 p.m.

ROLL CALL

- Present:** 6 - Mayor John Holic, Council Member Kit McKeon, Council Member Jeanette Gates, Council Member Bob Daniels, Council Member Richard Cautero and Council Member Fred Fraize
- Absent:** 1 - Council Member Deborah Anderson

ALSO PRESENT

City Attorney Dave Persson, City Clerk Lori Stelzer, City Manager Ed Lavallee, Fire Chief Shawn Carvey, Finance Director Linda Senne, and Controller Joe Welch.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Administrative Battalion Chief Frank Giddens.

I. PRESENTATION

17-2625

Erick van Malssen, Manager, Stantec Consulting: Review Scenarios and Request Council Direction on Next Steps

Mr. van Malssen reviewed the process for today's meeting, including background, methodology discussion, preliminary assessment calculations, property impact analysis, scenarios, and next steps.

Mr. van Malssen explained the reason for an assessment, property owner paying their fair share, possibility of freeing up general fund revenues, and a possible millage rate reduction, legal requirements, properties being assessed must be within city limits, noted property exclusions and exemptions.

Mr. van Malssen explained how the assessment would work, assigning a

lower cost recovery goal, availability methodology, tier 1 benefit apportioned to all parcels and tier 2 benefit is apportioned in proportion to the value of the structures on the parcel, and response readiness availability and protection from loss of structures.

Mr. van Malssen reviewed the calculation of assessable costs, including working with fire and finance to determine those costs, identified \$9,159,624 in total fire expenditures, discounts, administrative costs, and mailing costs, with maximum cost of \$9,607,484.

Mr. van Malssen reviewed the tier 1 and 2 charges and its applicability to a property, revenue estimates at 25% cost recovery increments, and various categories of parcel type at 100% cost recovery.

Mr. van Malssen noted comparisons of non-residential facilities, possible exemptions, various fire assessment and millage offset scenarios, and current budget funding for fire department. Mr. van Malssen further noted if the city wishes to proceed, dates would need to be set for additional workshops or public outreach, mailings and adoption of resolutions, and key deadlines, with September 15, 2017 as the final date to submit to the tax collector.

Discussion followed on capital costs, depreciation schedule, replacement of existing equipment, pension shortfall, items being considered in the assessment that may not be considered this budget year, how this assessment will affect the budget, fiscal year (FY) 2017 budget for fire not including major capital items, impact on general fund, and millage impact.

Discussion continued on fire costs, difference in cost to move forward and costs included in this year's budget, reliance on one-cent sales tax funding source, \$1.6 million beyond what is currently allocated, funding options, level of funding desired, and pension shortfall not being an issue if starting a department from scratch.

Discussion ensued regarding properties exempt from paying property taxes, paying their fair share, county expenses, administrative fee for processing ad valorem taxes, using the 100% will leave the fire department short \$1 million, possibility to not include pension shortfall in the calculations, retirement contributions included in the calculations, and fire impact fee being studied.

Discussion took place regarding replacement of vehicles.

Discussion followed on underfunded portion of the pension and paying portion from the general fund to make up the difference, current liability in the assessment fee, vehicle replacement, one-cent sales tax, use of

impact fees, not being comfortable until FY18 financial profile is presented without a fire assessment fee and with various scenarios of a fire assessment fee, possibility of gradually phasing in a fee over the next several years, funding sources, approved bond referendums being billed, data averages used based on the city's numbers, and public schools versus private schools.

Discussion followed on placing a time limit on the fire assessment fee and the need to readopt the fee every year, Sarasota County's plan to impose a fire assessment and impact fee, new way to fund the fire service, variables of funding 50% and using other funding sources, development on airport property, leaseholds being required to pay this fee, gradual phase in as an option, and notice requirement for a gradual phase in.

Ms. Senne noted figures are received on July 1, 2017 from the property appraiser's office, numbers used by Mr. van Malssen, estimate used for FY18, departmental budgets have not been submitted yet, reviewed scenarios in the presentation, voted bond referendums, and millage increase from last year.

Mr. Lavallee noted the two decisions that need to be made, at what level to fund and what to do with the millage rate, and impact to property owners.

Mr. van Malssen reviewed scenario 2 on assessment versus millage impact, net impact with millage reduction, non-residential properties, impact to property owner since all properties will be paying their fair share, fire fee is intended to provide transparency to the taxpayers, and having the true cost provided to operate the fire department, and passing of bonds.

Mr. van Malssen discussed level of cost recovery and dollar allocation, monies that cannot be recovered due to exemptions, discounts for early payment, administrative costs, and showed 90% recovery if unfunded pension amount is pulled out of the calculations. Mr. van Malssen reviewed a dollar for dollar assessment scenario.

Mr. Lavallee reviewed the dollar for dollar scenario providing the city with \$1.6 million and noted the fire assessment fee's intent is to give the city flexibility for the method to collect the money.

Discussion followed regarding approving the fire assessment fee and considering it at 100% cost recovery.

Discussion took place on billing for units to go on a call, Municipal Service Taxing Unit, adopting fee for EMS services, and fire assessment

fee supporting fire suppression.

Mayor Holic requested to see 90% and 50% cost recovery.

Discussion took place on limitations on fire budget, 90% recovery will give what exists today, 100% will give \$1 million for capital costs, concern with the public understanding this information, fire department has been underfunded for a number of years, offsetting fire assessment fee with millage reduction, largest funding needs are pension and equipment, actuarial figures, flexibility, reviewing 25%, 50% and 100% scenarios, and FY18 known figures.

Ms. Senne explained the scenarios and estimated revenues and expenses, property tax values, desire to mitigate the increase on the TRIM notice for the bonds, fire assessment fee, millage rate decline, and whether the city can afford that reduction in the millage rate or a higher reduction.

Mr. van Malssen discussed a scenario that has zero impact on the average property owner, scenarios are meant to achieve a revenue goal, desire for a budget with the various cost recovery options presented for FY18, other revenue options, need for more data, and ad valorem taxes.

II. AUDIENCE PARTICIPATION

Janine Joyner asked what the millage rate is and how high the millage rate would have to go to fund the fire department.

Discussion followed on half a millage rate increase, benefit for changing the system, homestead cap, unused money rolled over to the next year, impact on fire budget, capital and expanded capacity, new properties add to the tax roll, non ad valorem taxes, whether this assessment is tax deductible, impact on taxpayer, itemizing, and impact and fire assessment fees on new developments.

A motion was made by Council Member Daniels, seconded by Council Member McKeon, to move ahead with the fire assessment fee at 100% recovery as next step and get analysis of 90, 50 and 25%.

Discussion followed on knowing what an affordable millage rate offset would be, being conservative to fund the rest of the general fund, and being comfortable with the offset and millage rate reduction.

The motion carried unanimously by voice vote.

Ms. Gates left the meeting at 3:49 p.m. and did not return.

Discussion followed on mobile home properties, and including those

who are landowners and those who rent the property. Mr. van Malssen noted the notice will have to show the maximum rate to be set.

III. ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 3:54 p.m.

ATTEST:


Mayor - City of Venice


City Clerk