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**Sent:** Monday, July 30, 2018 5:28 PM

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**Subject:** A sustainable, reliable, dedicated revenue source to support the Venice Fire Department.

### Background and History

During the 2019 City of Venice Budget Workshops it was discussed that the financial needs for the Fire Department will be nine million dollars for 2019 and following years with out consideration for inflation. Nine million Dollars is approximately thirty one percent of the total revenue of the general fund. Also discussed and I presumed agreed by Council was a plan to reconvene the Citizens Advisory Group to study and advise the City Council on the implementation of a fire fee to support twenty five percent of the annual financial needs of the Fire Department. During the last Council meeting this plan was eliminated in a vote 4 no to 3 yes. This vote positioned the Fire Department with no plan for a sustainable, reliable, dedicated revenue source.

### Concerns and Challenges

The revenue source for the general fund is largely supplied by unreliable sources. The Real Estate tax and One Cent Sales Tax. The property tax is subject to assessed value of real estate and will change based on the ups and downs of the economy. The one cent sales tax is subject to voter approval and may or may not be approved in the future.

Today increased revenue to fund City operations in coming from additional homes being added to the City. There is an end in site to additional homes and that growth in revenue.

Additional pressure on future budgets come from the proposed increase in the Home Stead Property Tax exemption. The expected increase is twenty five thousand dollars and will reduce tax revenue to the City by more than four hundred thousand dollars per year.

The asset assessment report completed by the City Manager and Staff shows significant maintenance and capital needs for the City's Real Estate and equipment. These coming expenses are largely unfunded due to the absence of a amortization and depreciation schedule except for the City's Vehicle fleet.

The question of responsibility for parks maintenance continues. Recent newspaper reports, if accurate, say the City of Sarasota has reached an expensive agreement with the County and the City of North Port is nearing an agreement to assumed responsibilities for parks previously maintained by the County. The City of Venice will likely face a similar financial situation requiring additional funding and revenue. Our City Manager and staff have developed a frame work plan to manage the additional Parks but the funding remains a question.

### Funding Debate

In the absence of a Fire Fee the Millage would need to increase by approximately fifty basis points to fund twenty five percent of the operational costs of the Fire Department and the Capital needs. Remember the costs continue to increase by three percent annually. The longer Council postpones a plan the greater the cost.

The reluctance to increase the millage is influenced by Council concerns on the impact to low income residence of Venice.

Arguably many if not most low income residence have a living situation that they do not participate in property tax. People living in manufactured home communities, assisted living

communities and facilities, apartments and other rental situations and extended care do not participate in property tax.

The ten basis point increase planned for the 2019 budget is not sufficient to begin the process to a stable revenue source for the Fire Department and may lead to more drastic increases in the Property Tax in future years.

I agree with Mayor Holic that we earmark the ten basis point property tax increase in the 2019 budget for Fire Department Funding. I also support Mrs. Fiedler's recommendation, pending the space needs assessment by the City Manager and Staff, sell the Hamilton Building, use the revenue to help fund the new Fire Station #1 and place that real estate back on the property tax revenue schedule avoiding ongoing maintenance costs. I Also suggest we sell all City Real Estate not projected to be needed for City Operations for the next five years avoiding on going maintenance expenses and gaining capital for current needs and returning the properties to generate property tax revenue.

My recommendation is Council agrees to a twenty basis point increase in property tax in the 2020 budget and earmark the revenue increases for Fire Department operations.

#### Editorial

Doing nothing is not an option.

Delaying important decisions is not a plan.

Anylisis creating paralysis put future funding decisions on future councils and future safety and effectiveness of our first responders at risk.

Starting now with a multiphased plan will help to make future tax and revenue increases less controversial and easier for property owners to manage.

Remember many if not all property owners living in Venice since 2006 payed less property tax in 2017 than 2006.

My support for the 2019 budget was to a large degree based on my belief that there was going to be a plan for a dedicated, reliable, sustainable funding source for the Fire Department in 2020 City Budget.