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CITY OF OAKLAND PARK

FIRE ASSESSMENT PROGRAM UPDATE

PROJECT STATUS

MAY 15, 2024

WHAT IS A FIRE ASSESSMENT?

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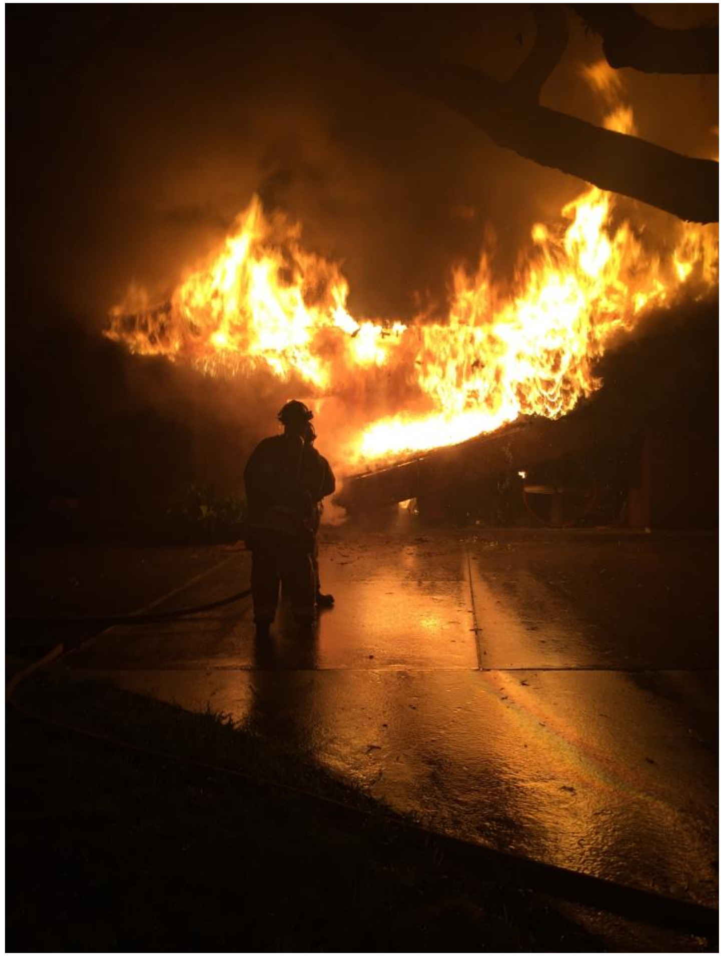
- **A charge imposed against real property to pay for fire services provided by the local government.**
  - Fire services include:
    - Fire suppression
    - Hazmat response
    - Fire prevention
    - Emergency response and disaster preparedness
    - Fire safety education
  - Does not include EMS-type services above the level of first responder
  - Not a tax



- **Oakland Park’s Fire Assessment Program began in FY 2001**

BACKGROUND

- **Case Law Requirements**
    1. Special benefit to property – fire services only
    2. Fair and reasonable apportionment among property classes

- **Court Approved Historical Demand Methodology**
    - Historical demand is the driving factor
    - Most widely adopted and prevalent methodology in the state

SUMMARY

- The weighted call demand for residential and industrial/warehouse properties has increased, commercial and institutional have decreased.
- The City’s total assessable costs for Fire-Rescue have increased from $7.75m in FY 21 to $10.24m, a $2.49m or 32% increase.
- Maintaining the historical recovery rate (91%) of assessable costs would result in a residential rate increase to $402, an increase of $126 (46%), and would generate approximately $11.08m after exemptions, an estimated increase of $3.35m.
- Assessable costs not funded through the fire assessment are funded through property tax and other legally available revenues.
- Potential option to reduce the exemption of institutional, tax-exempt properties from 100% exempt to 50% exempt.

CURRENT FIRE ASSESSMENT RATES

- **Last study implemented in 2021**
  - Increased residential from $199 to $251
  - Was 15th lowest in Broward County
  - Broward County average was $305.92
  - Rates implemented at about 91% assessable costs – same as prior studies
- **FY 2024 rates**
  - Residential rate increased to $276
  - Was 20th lowest in Broward County
  - Broward County average in last year was about $350.25
- **Net Assessment Revenue is approximately $7.73 million**

RESIDENTIAL PROPERTY USE CATEGORIES	Rate Per Dwelling Unit		
Residential	$276		
NON-RESIDENTIAL PROPERTY USE CATEGORIES	**Commercial**	**Industrial/ Warehouse**	**Institutional**
≤ 1,999	$405	$47	$674
2,000 - 3,499	$810	$94	$1,347
3,500 - 4,999	$1,416	$164	$2,357
5,000 - 9,999	$2,023	$234	$3,367
10,000 - 19,999	$4,046	$467	$6,733
20,000 - 29,999	$8,091	$933	$13,466
30,000 - 39,999	$12,137	$1,400	$20,198
40,000 - 49,999	$16,182	$1,866	$26,931
50,000 - 59,999	$20,228	$2,333	$33,664
60,000 - 69,999	$24,273	$2,799	$40,396
70,000 - 79,999	$28,319	$3,266	$47,129
80,000 - 89,999	$32,364	$3,732	$53,862
90,000 - 99,999	$36,410	$4,199	$60,594
≥ 100,000	$40,455	$4,665	$67,327

Certified Revenue - $7,734,681

ASSESSABLE COSTS FROM PRIOR STUDY

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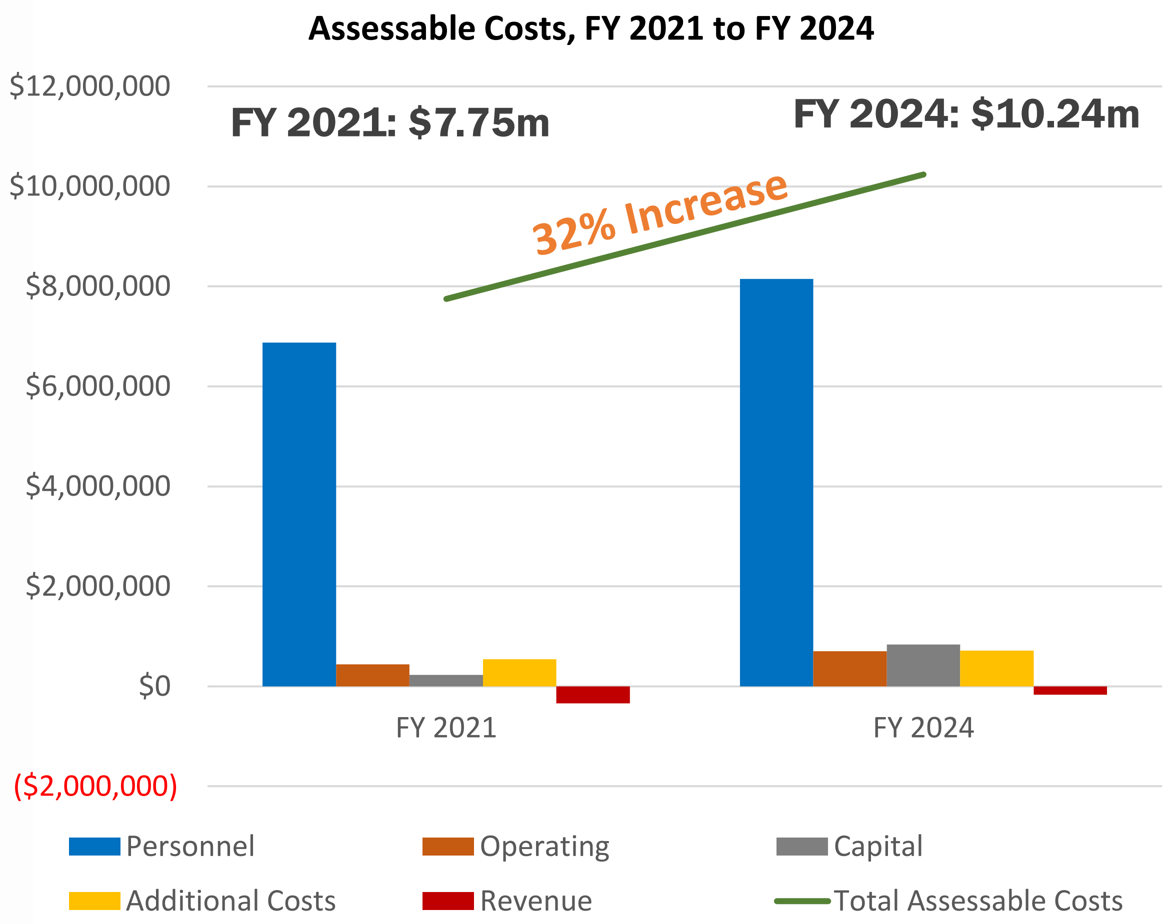
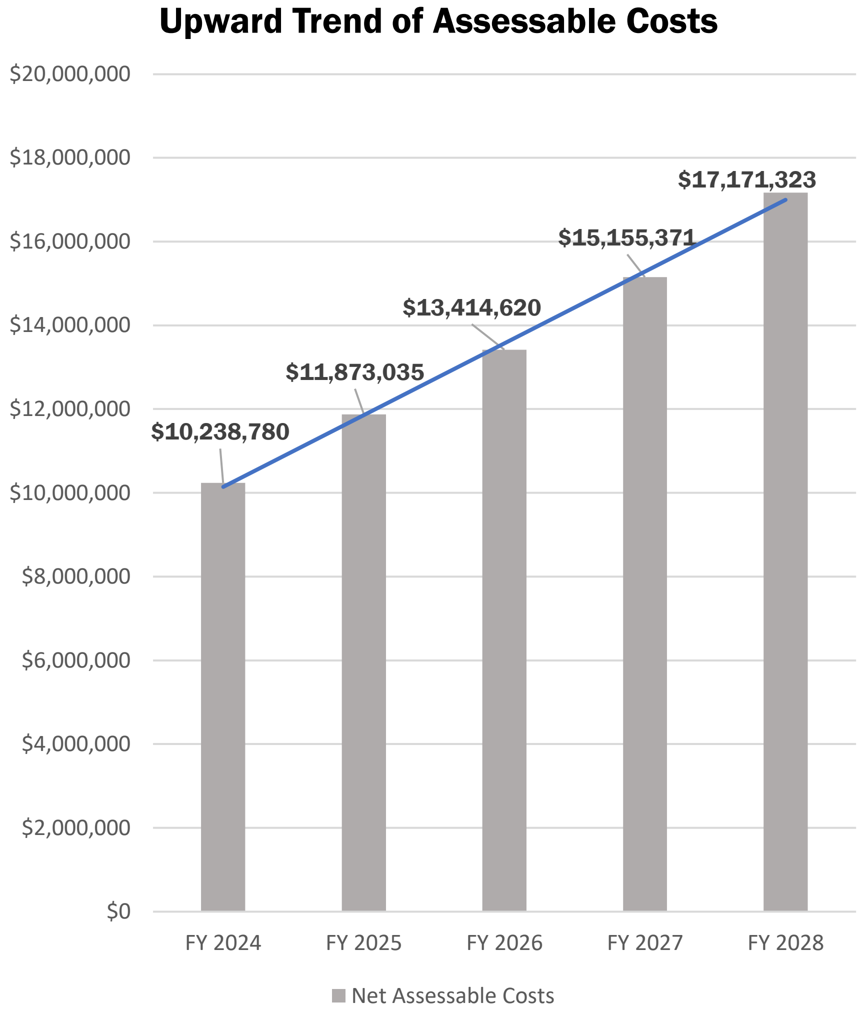
- **Assessable costs exclude EMS and non-fire suppression costs**
- **Assessable Costs have increased from $7.75m in FY 2021 to $10.24m in FY2024 (32% or $2.49m increase)**
  - Personnel costs have increased by approx. 19%, or $1.28m, due to increases in compensation and retirement benefits
  - Operating costs have increased by approx. 59%, or $260k
  - Capital, including debt service, costs have increase by over double due to timing on apparatus
  - Decreases in offsetting revenues (grants)



ASSESSABLE COSTS

(Fiscal Year 2024 through 2028 & 5-Year Average)

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5-Yr Average
Personnel	$8,151,071	$9,739,741	$11,108,307	$12,693,506	$14,532,957	$11,245,116
Operating	$699,609	$734,589	$771,319	$809,885	$850,379	$773,156
Capital Outlay	$73,000	$58,824	$61,765	$64,853	$68,096	$65,307
Total Debt Service	$765,916	$660,298	$693,313	$693,313	$693,313	$722,376
Additional Costs	$716,715	$831,112	$939,023	$1,060,876	$1,201,993	$949,944
Gross Assessable Costs	**$10,406,310**	**$12,024,564**	**$13,573,726**	**$15,322,432**	**$17,346,737**	**$13,755,900**
Non-Assessment Revenues	$167,529	$151,529	$159,106	$167,061	$175,414	$164,128
Net Assessable Costs	**$10,238,780**	**$11,873,035**	**$13,414,620**	**$15,155,371**	**$17,171,323**	**$13,591,772**



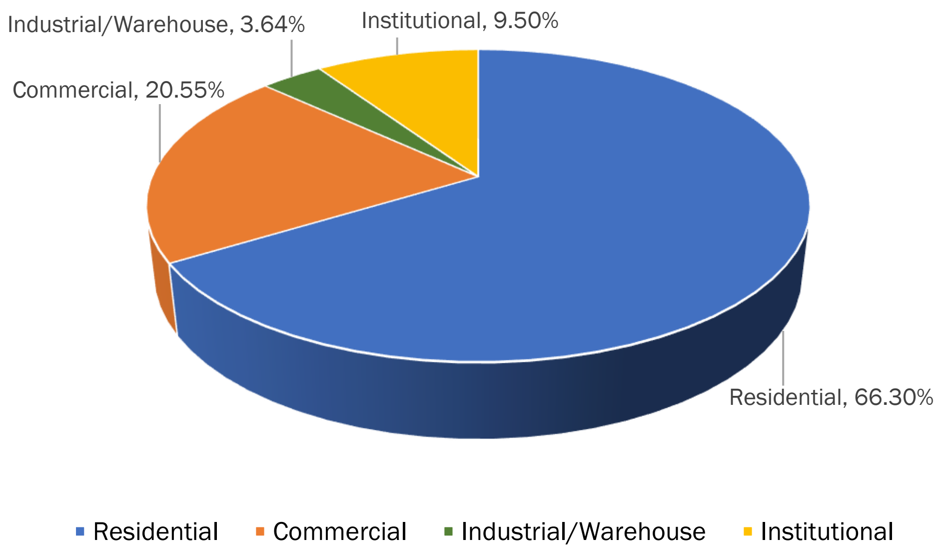
COST APPORTIONMENT

- **Residential and Industrial/Warehouse demand has increased**
- **Commercial and Institutional demand has decreased**

	Prior Study*		**Current Updated Study**		
	Number of Weighted Calls	**Percentage of Weighted Calls**	**Number of Weighted Calls**	**Percentage of Weighted Calls**	**5-yr Average Assessable Cost Allocation**
Residential	870.00	63.71%	1,135.00	66.30%	$8,997,816
Commercial	297.68	21.80%	351.81	20.55%	$2,789,018
Industrial/Warehouse	38.24	2.80%	62.39	3.64%	$494,570
Institutional	159.70	11.69%	162.62	9.50%	$1,289,222
Total	**1,365.62**	**100.00%**	**1,711.82**	**100.00%**	**$13,570,626**

*Prior Study Data Included for Comparison Purposes Only

Weighted Call Data (FY 2022-23)



PRELIMINARY ASSESSMENT RATES

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Maximum Assessment Rates* based on 100% of the 5-yr Average Assessable Budget

Residential Property Use Categories	Rate Per Dwelling Unit			
Dwelling Unit	$441			
Non-Residential Property Use Categories	**Building Classification (in square foot ranges)**	**Commercial**	**Industrial/ Warehouse**	**Institutional**
	≤ 1,999	$655	$136	$684
	2,000 - 3,499	$1,310	$271	$1,367
	3,500 - 4,999	$2,293	$474	$2,391
	5,000 - 9,999	$3,275	$677	$3,416
	10,000 - 19,999	$6,550	$1,353	$6,831
	20,000 - 29,999	$13,099	$2,705	$13,661
	30,000 - 39,999	$19,648	$4,057	$20,491
	40,000 - 49,999	$26,198	$5,409	$27,322
	50,000 - 59,999	$32,747	$6,761	$34,152
	60,000 - 69,999	$39,296	$8,113	$40,982
	70,000 - 79,999	$45,846	$9,465	$47,813
	80,000 - 89,999	$52,395	$10,817	$54,643
	90,000 - 99,999	$58,944	$12,169	$61,473
	≥ 100,000	$65,493	$13,521	$68,304

**Estimated Gross Revenue: $13,570,626; Estimated Exempt Buy-down: $1,394,315; Estimated Net Revenue: $12,176,311.

Changes by Property Use Category

Residential: 60% increase ($165)
Commercial: 62% increase
Industrial: 190% increase
Institutional: 2% increase

***This scenario reflects the upper limit of the fire assessment based on the updated study.**

PRELIMINARY ASSESSMENT RATES

Assessment Rates based on 91% of the 5-yr Average Assessable Budget*

Residential Property Use Categories	Rate Per Dwelling Unit			
Dwelling Unit	$402			
Non-Residential Property Use Categories	**Building Classification (in square foot ranges)**	**Commercial**	**Industrial/ Warehouse**	**Institutional**
	≤ 1,999	$596	$124	$622
	2,000 - 3,499	$1,192	$247	$1,244
	3,500 - 4,999	$2,086	$431	$2,176
	5,000 - 9,999	$2,980	$616	$3,108
	10,000 - 19,999	$5,960	$1,231	$6,216
	20,000 - 29,999	$11,920	$2,461	$12,432
	30,000 - 39,999	$17,880	$3,692	$18,647
	40,000 - 49,999	$23,840	$4,922	$24,863
	50,000 - 59,999	$29,800	$6,152	$31,078
	60,000 - 69,999	$35,760	$7,383	$37,294
	70,000 - 79,999	$41,720	$8,613	$43,510
	80,000 - 89,999	$47,679	$9,843	$49,725
	90,000 - 99,999	$53,639	$11,074	$55,941
	≥ 100,000	$59,599	$12,304	$62,156

Estimated Gross Revenue: $12,349,270; Estimated Exempt Buy-down: $1,268,827; **Estimated Net Revenue: $11,080,433.

Changes by Property Use Category
Residential: 46% increase ($126)
Commercial: 47% increase
Industrial: 164% increase
Institutional: 8% decrease

***This scenario reflects maintaining the level of cost recovery from the previous study (approx. 91%).**

EXEMPTIONS

- **Current exemptions:**
  - Government-owned properties (considered exempt under State law)
  - Institutional properties determined by the Property Appraiser to be wholly exempted from property tax
  - Low-Income Senior Exemption
  - Total/Permanent Disabled Persons/Veterans/First Responders Full Property Tax Exemption
- **Option to reduce Institutional, tax-exempt property exemption**
  - Currently exempted at 100% of assessment fees
  - Option to reduce exemption to 50%

	Current 100% Exemption		Potential 50% Exemption	
Financial Classification	**100% 5-Year Average**	**91% 5-Year Average**	**100% 5-Year Average**	**91% 5-Year Average**
Estimated Gross Revenue	$13,593,364	$12,349,270	$13,593,364	$12,349,270
Estimated Buy-down for Institutional, Tax-Exempt	$276,730	$247,070	$135,753	$123,535
Estimated Buy-down for Governmental, Tax-Exempt	$790,638	$705,785	$790,638	$705,785
Estimated Buy-down for Exempted Residential	$350,556	$315,972	$350,556	$315,972
Estimated Net Revenue Generated	**$12,175,440**	**$11,080,443**	**$12,312,063**	**$11,203,978**

RECOMMENDATION

- The weighted call demand for residential and industrial/warehouse properties has increased, commercial and institutional have decreased.
- The City's total assessable costs for Fire-Rescue have increased from $7.75m in FY 21 to $10.24m, a $2.49m or 32% increase.
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NEXT STEPS

- July 17 - FY 2025 preliminary assessment rates adopted
- August 24 – Preliminary rates included in “Truth-in-Millage” (TRIM) Notice of Proposed Taxes distributed to property owners by BCPA
- September 12 – Special Commission Meeting, Public Hearing on Final FY 2025 rates

THANK YOU

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