

**CITY OF TAVARES
PUBLIC WORKSHOP AND CITY COUNCIL MEETING**

ON

**PROPOSED RESIDENTIAL & COMMERCIAL
FIRE ASSESSMENT**

**APRIL 25, 2012
4:00 PM
CITY COUNCIL CHAMBERS**

Welcome	Mayor Wolfe
1. PUBLIC WORKSHOP	
A. Staff Presentation	John Drury
B. Public Input	Mayor Wolfe
2. CITY COUNCIL MEETING	
3. Discuss proposed Fire Assessment	Mayor Wolfe
4. Adjournment	

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk at least two (2) working days in advance of the meeting date and time at (352) 253-4546.

F.S. 286.0105 If a person decides to appeal any decision or recommendation made by Council with respect to any matter considered at this meeting, he will need record of the proceedings, and that for such purposes he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

**AGENDA SUMMARY
PUBLIC WORKSHOP AND CITY COUNCIL MEETING
TAVARES CITY COUNCIL
DATE OF MEETING: April 25, 2012**

**AGENDA TAB NO. 1 A
SUBJECT TITLE: Fire Assessment**

OBJECTIVE: To hold a Public Workshop and City Council meeting on the establishment of a Fire Assessment.

SUMMARY: Previously the City Administrator requested Broad Budget Direction from the City Council on, among other things, its General Governmental Operations budget for Fiscal Year 2013 (October 1, 2012-September 30, 2013 - See Exhibit A – March 21, 2012 Agenda Summary)

As part of that request the City Administrator provided the following information:

For fiscal year 2013 the city can expect a shortfall of approximately \$540,000 to balance the budget at the current millage rate of 6.89 mills. The city will need to make up that shortfall by either increasing revenues or decreasing expenses or a combination of both. A couple of options were presented as follows:

- OPTION 1: Raise Millage Rate by .8871 mills from 6.8900 to 7.7771**
- OPTION 2: Institute a Fire Assessment and lower millage rate**
- OPTION 3: Lower Service Levels to the Community**

The Council provided broad budget direction at that previous meeting and requested a Public Workshop on the following Fire Assessment option:

- 1. Churches/Not For Profits/Governmental blds. 100% exempt from Fire Service fee**
- 2. Residential pay ½ what study recommended (\$76.50 per year)**
- 3. Commercial pay ½ what study recommended (\$0.14 cents per square foot)**
- 4. Industrial would pay ½ what the study recommended (.03 cents PSF)**
- 5. City maintains a Similar Level of Service**
- 6. Millage rate goes down**

NOTE #1: The City of Tavares does not have a Fire Assessment Fee. Lake County does have a Fire Assessment fee of \$181.00 per year per house as well as a sliding commercial rate (Example: \$0.22 Per Square Foot for 3,500 square feet or \$0.15 Per Square Foot for 5,000 square feet).

STAFF RECOMMENDATION: That Council conducts a Public Workshop and then provides direction to staff on the Fire Assessment.

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: April 4, 2012**

AGENDA TAB NO. 12

SUBJECT TITLE: Establishment of FY 2013 Broad Budget Priorities

OBJECTIVE: To establish the City Council's broad budget priorities for the City Administrator to use in developing the FY 2013 budget (October 1, 2012 through September 30, 2013).

SUMMARY: It has been the practice of the Council to set the broad budget priorities for the City Administrator to use as guiding principles in developing a budget that is commensurate with the Council's over all budgetary goals.

By way of background, the City operates six (6) governmental operations as follows:

1. General Government (Revenues derived by property taxes, other taxes and fees)
2. Utilities - Water, Sewer & Reclaim (Revenues derived by fees – no property taxes)
3. Garbage Collection (Revenues derived from fees – no property taxes)
4. Storm Water (Revenues derived from fees – no property taxes)
5. Seaplane and Marina Enterprise (revenues derived from sales, rental income, general fund and CRA TIF Fund (Incremental tax revenues within the CRA District).
6. Capital Projects. Revenues are derived from grants, impact fees, special tax revenues like "Infrastructure Sales Tax" and property taxes.

For the purposes of this discussion, the agenda summary is broken up into the following four (4) attached sections for review:

- 1. Recent Historical Information Regarding The City Budgets**
- 2. Current Status Of The City Budget**
- 3. Future Budgetary Information**
- 4. Referenced Exhibits and Notes**

STAFF RECOMMENDATION: That Council discusses and then establishes broad budget priorities for the City Administrator to incorporate into the FY 2013 budgets for all funds including a discussion on:

1. Maintaining or not maintaining a similar level of service?
2. Adding or not adding new programs and services?
3. Raising, maintaining or reducing employee compensation and benefits?
4. Instituting or not instituting a Fire Assessment?
5. The millage rate
6. The Non property tax supported operations

Note: **Exhibit A** offers commentary on these six (6) discussion items.

FISCAL IMPACT: Impacts FY 2013 budget

LEGAL SUFFICIENCY: This is legally sufficient.

Recent Historical Information Regarding The City Budget

The economic conditions of the United States and Florida are beyond the control of Tavares. These economic conditions have affected all cities in Lake County. Each city has taken a different approach to dealing with these economic realities. Tavares took an approach of investing in itself by creating America's Seaplane City, developing a Seaplane base, marina, entertainment district, splash park for Children, adding 16 major events to the down town, developing the Pavilion on the Lake, recruiting manufacturing companies, medical related companies, sporting related companies, restaurants, retailers, upgrading its antiquated water and sewer systems, adding reclaimed water to its inventory of product and services it offers, investing in freight and commuter rail, paving its dirt roads, paver bricking its alleyways and creating a business friendly environment by removing barriers to the private sector to encourage private investment in Tavares. In addition, the city created an Economic Development Department to hand hold each and every investor's transactions and their relocations to the city as well as the elimination of Impact Fees and deferral of building permit fees.

The city has reaped the benefits of this approach including an unprecedented number of Grants obtained (\$20 million plus in grants), many business relocating to and starting up in Tavares: medical, seaplane manufacturing, hospitality, specialty retirement communities, restaurants, and retail. As a result many jobs were and are being created and, millions of private sector dollars have been and continue to be invested in Tavares. All of this economic activity created a significant shifting of the tax burden associated with operating this city from the residents to the business community (**Exhibit B**). Tavares is expecting stability in its tax base this year with no decrease in total valuation and a positive increase in total property values expected next year. **In summary, the economic conditions in Tavares are on the road to recovery in terms of business start-ups, jobs, property values and prosperity.**

The fruits of this Council's and its staff's labor have not come without challenges including depleting revenues and the use of reserves to balance the annual budget. In addition, Tavares has many properties exempt from taxes that require many City services (**See Exhibit B**). In addition to these issues, while the City was investing in itself and experiencing economic recovery it did it amongst the back drop of some very challenging realities. For example, in FY 2009 the City received \$5.4 million in property Tax Revenue. This year the city received \$4.2 million in property tax revenue. This \$1.2 million reduction in revenues was dealt with by reducing the city expenses \$1.3 million. During this same period of time that the City was experiencing a decrease in property tax revenues, the city was experiencing an increase in fixed cost to deliver services (fuel, electric, insurance, parts, contracted service, etc.....). In addition to the depleting revenues and increasing costs, the city added services (Seaplane base, marina. 16 special events, rail, reclaimed water, Pavilion On The Lake, irrigating and maintaining gateway medians, Aesop's Park, additional ball fields etc..).

The positive economic conditions that Tavares is beginning to enjoy today did not materialize without a tremendous amount of hard work, civic entrepreneurialship, calculated risks, fiscal challenges and budget cuts. The city balanced the growth of the city with its fiscal challenges through budget cuts (**See Exhibit C**) reducing staff, instituting furloughs for the remaining staff, increasing the employee's costs for benefits, putting off the purchase of aging equipment and vehicles, utilizing reserves, an increase to the millage rate from 6.25 to 6.89 (this year it was reduced from 6.95 down to the 6.89) and the city took out loans for the larger capital projects pledging Utility Tax revenues to cover the debt service.

Current Status Of The City Adopted Budgets For this Fiscal Year 2012

1. **Utilities: Water, Sewer & Reclaim:**

The adopted budget is \$6,504,203 and fees are set based on an independently created rate study that sets all fees so that the "enterprise" breaks even. The rate study is updated every five years and presented to and adopted by the City Council.

2. **Garbage Collection:**

The budget is \$2,458,390 and residential rate is \$21.17 per month. Commercial services are contracted out to Waste Management.

3. **Storm Water:**

The current budget is 488,248. The rate is \$4.50 per month per parcel per

4. **Seaplane and Marina Enterprise:**

The budget is \$564,639 and is made up of the following components:

- (1) Marina/Airport = \$383,665
- (2) Splash Park \$73,013
- (3) Park Maintenance \$107,961.

Revenues are made up of \$281,000 from sales/rent and 283,639 from CRA TIF Fund and General Fund.

5. **Capital Projects:**

1. General Government is \$319,146. Revenues are derived from grants, impact fees, special tax revenues like "Infrastructure Sales Tax" and property taxes.
2. Utilities is \$5,393,838. Revenues are derived from loans, grants and impact fees

6. **General Fund:**

The adopted budget is \$11.5 million and revenues of \$11.5 million were made up of

- \$6,851,000 (*other) 60%
- \$4,237,000 (property tax) 37%,
- \$434,000 (reserves) 3%.

In addition the city maintains a General Fund reserve of \$1,400,872 which represents 12.1% of the adopted General Fund Budget.

*Other = electric tax, sales tax, gas tax, communications tax, utility fund transfers, permit fees, recreation fees etc...

Future Budgetary Information

1. **Utilities: Water, Sewer & Reclaim:** Council previously addressed adequate future funding for this program by developing a five (5) year rate study and then instituting an automatic Consumer Price Index (CPI) plus 1% annual rate increases. These automatic rate increases provide sufficient revenues to keep up with the increased cost of delivering utility services of water, sewer and reclaim. The rate study will be updated in a year.
2. **Garbage Collection:** Council previously addressed adequate future funding for this program by adopting automatic CPI increase annually. It is anticipated that the residential rate of \$21.17 per month for this service will go up by the CPI of 2.7% to \$21.74 per month for the next fiscal year and the contracted Commercial operations part of this service will be re-negotiated for next year.
3. **Storm Water:** It is anticipated that the \$4.50 per parcel rate will need to be increased to keep up with increased cost of delivering the service and making the necessary improvements.
4. **Seaplane base and Marina Enterprise:** It is anticipated that revenues from sales will keep up if not surpass the increased cost of delivering products and services thereby reducing the CRA TIF and General Fund contribution. The goal of this Enterprise is self sufficiency over the next five years.
5. **Capital Improvement Projects:** The City Council previously developed a five year program which will be presented to Council and updated as required.
6. **General Fund:** At this early point in time, it is virtually impossible to predict with precision the actual revenue or expenses that will occur for next Fiscal Year 2013 (October 1, 2012 through September 30, 2013) because the city does not know:
 1. how much property values will decrease if any?.
 2. what the State shared revenues will be?
 3. what the increased cost for insurance will be?
 4. what future fuel prices will be in 2013?
 5. What the increased cost for electricity will be?

However, “possible” scenarios for the purpose of starting the discussion on the Council’s broad budget priorities based on staff following trends, receiving reports from the state and conducting research could result in the following possible budget scenario:

Revenues:

1. Property values stabilizing - no loss/no gain in tax revenue over current year (See Note #1).
2. All other revenues increase 2% over current year.
3. Dental Self Insurance Program surplus applied and recognized (See Note #2)

Expenses:

1. Operational expense increase by 1.2% (fuel, electric, insurance, contractual services...)
2. The Fire Station #2’s last debt service payment (Note #3)
3. Wooton Park’s Debt Service Payment (Note #4)

If the above frame work occurs with same millage rate, no employee cost of living adjustments and no use of reserves then the city's shortfall would be approximately **\$540,000**. The city will need to make up that shortfall by either increasing revenues or decreasing expenses or a combination of both. There are many options and combinations of options available to extinguish the \$540,000 shortfall thereby establishing a balanced budget for next year. It is important to note that one (1) mill brings in approximately \$600,000 in revenue. A couple of scenarios are presented below without using reserves to get the broad budget discussions going:

SCENERIO A: (Millage Rate Increase/No Employee Cost of Living Adjustment)

1. **Similar Level of Service**
2. **Similar revenue sources**
3. **No employee pay adjustment**
4. **\$540,000 Shortfall**

In order to make up a short fall of \$540,000, the millage rate would need to be increased by .8871 mills from 6.8900 to 7.7771

SCENERIO B: (50% Fire Assessment/No Employee Cost Of Living Adjustment)

1. **Churches/Not For Profits/Governmental blds. 100% exempt from Fire Service fee**
2. **Residential pay ½ what study recommended (\$76.50 per year)**
3. **Commercial pay ½ what study recommended (\$0.14 cents per square foot)**
4. **Similar Level of Service**
5. **No employee pay adjustment**

The \$540,000 shortfall is eliminated and the millage rate goes down by .3978 mills from 6.8900 down to 6.4922 mills. (See Note # 5)

SCENERIO C: (50% Fire Assessment/2.5% Employee Cost Of Living Adjustment)

1. **Churches/Not For Profits/Governmental blds. 100% exempt from Fire Service fee**
2. **Residential pay ½ what study recommended (\$76.50 per year)**
3. **Commercial pay ½ what study recommended (\$0.14 cents per square foot)**
4. **Similar Level of Service**
5. **2.5% employee pay adjustment (\$180,000)**

The \$540,000 shortfall is eliminated and the millage rate goes down by .1024 mills from 6.8900 down to 6.7876 mills. (See Note #5)

SCENERIO D: (Reduced Level of Service)

The Council could lower its level of service and once the Council identifies what service it wants to lower and to what lower level, it could identify the correlating cost savings, which could address the \$540,000 shortfall.

SCENERIO E (Further Budget Cuts): The city has reduced the municipal budget by \$1.3 million since 2009 while adding additional service including:

1. Seaplane Base
2. Marina
3. Splash Park
4. Dog Park
5. Sister City Program
6. Senior Center
7. Entertainment District
8. New Special events
9. Concerts
10. Electric Vehicle Charging Stations

Any additional budget cuts to the municipal budget will result in a reduction of service and therefore this scenario is essentially Scenario D above – “A Reduction in Level of Service”. Exhibit C, attached, identifies how the city cut the budget by \$1.3 million previously.

EXHIBIT A

1) Maintaining or not maintaining a similar level of service?

The City Provides the following services out of the General Fund:

Police, 911 Communications Center, Code Enforcement, Fire, Parks, Streetscape/ROW Maintenance, Street Lighting, Recreation, Library, Streets/Sidewalks, Public Records, Special Events, Community Events, Economic Development, Building Permitting/Inspections, Seaplane Base and Marina.

The cost to maintain a similar level of service goes up each and every year due to increased cost in fuel, insurance, maintenance, equipment and personnel. Increased cost is offset by increased efficiencies and increased revenues. Over the past several years the Council has maintained a similar level of service and addressed increased cost through increased efficiencies (reducing staff, equipment, maintenance cycling, insurance, etc...).

2) Adding or not adding new programs and services?

Throughout the year new programs and services are discussed by Council members, staff and constituents. During this discussion phase an opportunity is provided for Council to identify any new programs and services that they would like incorporated into the budget. A few of the past, present and future "New Programs" are identified below:

Past "New Programs" previously added:

11. Seaplane Base
12. Marina
13. Splash Park
14. Dog Park
15. Sister City Program
16. Senior Center
17. Entertainment District
18. New Special events
19. Concerts
20. Electric Vehicle Charging Stations

Upcoming "New Programs" approved by Council:

1. Pavilion On The Lake
2. Train Station
3. Expanding Wooton Park
4. Expanding the ball fields
5. Wayfinding program and Kiosks
6. Alfred Streetscape maintenance program

Future "New Programs" not in the budget but discussed recently:

1. Paramedic Services? \$ _____?

2. Road Maintenance Division \$ _____ ?
3. Golden Triangle Super Special Event? \$ _____ ?
4. Ingraham Park Improvements? \$ _____ ?
5. Community Concerts \$ _____ ?
6. Public safety Complex \$ _____ ?
7. Public Works facility \$ _____ ?
8. Tavares Nature Park restrooms \$ _____ ?

3) Raising, maintaining or reducing employee compensation and benefits?

The below reflects employee compensation/benefits adjustments over the last four (4) years:

- FY 09 = 2% Cost of Living increase / 0% merit
- FY 10 = (-2.3%) decrease (Furlough) 0% COLA / 0% merit
- FY 11 = 2% Cost of Living increase / 0% merit
- FY 12* = 0% Cost of Living Increase/0% merit
- FY 13 = ?

* Some employees were charged 3% more for their retirement programs (excluding Police and Fire employees) however the City adjusted the pay for those employees by 3% to make the take home pay remain neutral.

Employee Benefits:

- Tuition Reimbursement Program was eliminated in 2010
- Family healthcare premium contributions by the city were decreased from 78% to 50% and Employee's contributions increased from 22% to 50%. Employee contributions to Single coverage went from \$0 to \$60.91 per month for PPO and \$0 to \$27.76 per month for HMO .
- Retirement Benefits for general FRS employees has been downwardly adjusted by the state. Police and Fire remain the same. Hartford Plan employees were brought up to contributational parity with general employees.

4) Instituting or not instituting a Fire Assessment?

In 2009, the City Council considered instituting a Fire Assessment based on an independent study that recommended \$153 per year for a residential property and .28 Per Square Foot for Commercial. The Council did not however adopt a Fire Assessment at that time. Attached is the 2009 agenda summary on this issue which included the following statement:

“All residents and entities receive benefit of fire suppression services, but some provide little or no contribution toward maintaining these services. With the adoption of a Fire Assessment, costs of providing fire services will be more equitably distributed to those receiving the benefit of fire services.”

Lake County has a Fire Assessment of \$181.00 per year per house as well as a sliding commercial rate (Example: \$0.22 Per Square Foot for 3,500 square feet or \$0.15 Per Square Foot for 5,000 square feet). Recently other cities have adopted Fire Assessments. For

example, Gainesville adopted a Fire Assessment in 2010: “ *Gainesville property owners will again have to pay the fire service assessment in the coming fiscal year after city commissioners voted Monday to renew the program they established last year to raise nearly \$5 million*”. – Gainesville Sun

At the Golden Triangle Summit meeting this year between Tavares, Eustis and Mt. Dora, the cities requested that the three City Fire Departments work with Lake County to develop a plan that creates a Fire Service Area in the Golden Triangle Area. This may or may not lead to a discussion in the future regarding Fire Assessments as Lake County charges a Fire Assessment in this area whereas the three cities collect for fire service as part of the property tax bill.

It takes many months to institute a Fire Assessment. If the city wanted to collect it as part of the tax bill notice it could not establish the assessment until FY 2014. If the city collected by utility bill notice then it could begin collecting in FY 13.

The city previously took a standard approach to Fire Assessments with its study. Another option that has not been explored is the flat fee approach for commercial as is done with residential. This too could be explored, however, the flat fee approach has not been used in Florida and it could take a significant amount of time to develop and then institute.

5) The millage rate:

A one mil increase brings in approximately \$600,000 and likewise a ½ mill increase brings in approximately \$300,000. The current millage rate is 6.89. A one (1) mill increase on a homesteaded house valued at \$150,000 would equal an additional \$100 per year or \$8.33 per month.

The “roll back” tax rate is the millage rate levy required to bring in the same amount of tax revenue as the prior year. For the 2013 budget discussions, the roll back rate would be 6.89 (the same tax rate as 2012) because tax revenues are anticipated to stabilize in Tavares (be the same as current year tax revenues).

6) Non Property Tax Supported Operations

Utilites
Garbage Collection
Storm Water
Seaplane Base and Marina*
Capital Program*

*These programs do have some tax revenues contributing to their operational cost

EXHIBIT B

Properties Exempt From Taxes: Tavares has many properties exempt from taxes which results in a higher tax rate. Tavares is the County Seat and as such is home to many tax exempt government buildings including all government buildings, Sheriff buildings, judicial buildings, jail, Water Authority, School Board Administrative buildings, the elementary school, Middle school and high school, hospital, not for profits, churches, etc. No property taxes are collected from these entities; yet all of their facilities require roads, sidewalks, traffic lights, street lights, Police and Fire services that the City provides and tax payers pay for. Most of these properties are classified as a "large assembly of people" facility and thus become drivers on the need and cost for adequately sized police and fire protection - yet these facilities are tax exempt.

Residential to Commercial tax shifting burden: Historically Tavares tax revenues were comprised of approximately 80% residential and 20% commercial which places a heavy burden on the residents to pay for public services like Police, Fire, Parks, and Road maintenance. Tavares has worked hard over the last five years to change that unbalanced ratio and has been successful in changing it to 25% commercial contribution and 75% residential contribution in 2010 and then 31% commercial contribution and 69% residential in 2011. The goal is a 40% commercial contribution and 60% residential contribution. Industry experts assert that for every dollar a resident pays towards their municipal tax services contribution they use \$1.20 in services and for every dollar a commercial business pays for their municipal tax services contribution they use .80 cents worth of services. For example the commercial property tax collected goes towards paying the library and recreation expenses but the commercial property owners don't necessarily use those services. Thus, a community with a higher commercial tax contribution ratio has a lower tax rate.

In summary, communities with excessive properties exempt from paying taxes and low commercial ratios have higher tax rates than those communities who have few properties exempt from paying taxes and high commercial to residential ratios

EXHIBIT C

BUDGET/STAFF REDUCTIONS

Over the past four years, budget cuts have been addressed by a combination of the following:

- Lowering the operating budget
- Reduction in forces (RIF)
- Instituting furlough programs
- Increasing employee's contribution to healthcare cost
- Eliminating the employee merit program
- Reducing Overtime
- Reducing training
- Renegotiating vendor contracts
- Deferring capital equipment replacement (not replacing police vehicles, mowers, Fire engine, etc.)
- Mowing rights-of-way less frequently
- A reduction in operations and maintenance across the board
- Elimination of new programs, like the establishment of a Road Maintenance Department
- Millage rate adjustments
- Use of reserves

Personnel reductions included the following positions:

1. Assistant Police Chief (Major)
 2. Police Officer
 3. Police Officer
 4. Police Officer
 5. Executive Assistant to City Administrator
 6. General Services Supervisor
 7. Public Works Construction Coordinator
 8. Public Works General Services Crew Foreman
 9. Public Works Sanitation Driver
 10. Public Works Sanitation Driver
 11. Public Works P.T. Staff Assistant
 12. Community Development GIS Analyst
 13. Community Development Administrative Assistant
 14. Community Development Permitting Technician
 15. ½ Community Development Building Inspector (contractual position)
 16. Computer Services Director
 17. Community Services Parks Maintenance Worker (outsourced some landscaping)
 18. Community Services Parks Supervisor
 19. Community Services Library Youth Services Specialist
 20. Utility Wastewater Treatment Plant Operator
- In the General Fund side, during this period of time, the city added 1.5 positions (Public Communications Director and a Part-time City Hall Receptionist. (contractual). This resulted in a net reduction of 18.5 positions or 11% decrease in staffing.

- In the Sanitation Fund the city added one part –time Sanitation Staff Assistant.
- In the Seaplane Base and Marina Fund the city added five full-time and two part-time positions. (Note: The full time maintenance position remains vacant and those duties are being handled by the other employees).
- At the Splash Park, seven seasonal part-time employees were added during this time period.

NOTES

Note # 1: Tax Revenues: Staff anticipates tax revenues of approximately \$4.2 million (same as current year) for the FY 13 budget year. In the FY 14 budget year the city may see an increase in tax revenue as the following projects should be completed and on the tax rolls:

1. Osprey Lodge
2. Lakeside Hotel
3. Chet Lemon's "Big House" indoor sports complex
4. The new medical parks surgical facility
5. Shanti Niketan's phase two retirement community
6. Dollar General Store next to Palm Gardens

Note # 2 Employee Dental Insurance Program: The city previously funded an employee benefit referred to as the Employee Dental Insurance Program. It was self insured. Last year the city closed that self insurance program down and incorporated it into the Blue Cross Blue Shield plan. This year the city finished paying out all of the self insurance program claims. The balance in the self insurance program after all payouts is \$250,000.

Note # 3 Fire Station 2 Debt Service: The last debt service payment of \$112,382 for the construction cost of Fire Station 2 occurs in FY 13. Previously it was paid out of Fire Impact Fees. With no Fire Impact Fees collected this payment will have to be paid out of the general fund.

Note # 4 Wooton Park Debt Service \$300,000: \$1.7 million in utility tax revenues is collected each year and contributes to the General Fund. It's a part of the 63% "other revenue". \$450,000 of that utility tax revenue is pledged to cover the debt service for the Wooton Park Expansion project. (Seaplane Base, Marina, Prop Shop, Pavilion on the Lake, Special Events Pad, Children's Splash Park etc...). Next year \$300,000 of that \$450,000 debt service payment will transfer from being paid out of the Infrastructure Sales Tax fund to being paid from utility tax revenues. This will lower the \$1.7 million utility tax revenue down to \$1,400,000 next year.

Note # 5 Fire Assessment: Based on the last Fire Assessment Study conducted for Tavares the fees were established as follows:

- A. residential house would pay \$153 per year (\$12.75) per month for Fire Service
- B. Commercial would pay \$0.28 cents per square foot for fire service
- C. Industrial/Warehouse would pay \$0.06 cents per square foot for fire service
- D. Non Government Institutional would pay \$0.45 cents per square foot for fire service
- E. Government would pay \$0.57 cents per square foot for fire service

The county has a Fire Assessment. The current residential rate is \$181 per year.

**AGENDA SUMMARY
PUBLIC WORKSHOP AND CITY COUNCIL MEETING
TAVARES CITY COUNCIL
DATE OF MEETING: April 25, 2012**

**AGENDA TAB NO. 1 A
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For fiscal year 2013 the city can expect a shortfall of approximately \$540,000 to balance the budget at the current millage rate of 6.89 mills. The city will need to make up that shortfall by either increasing revenues or decreasing expenses or a combination of both. A couple of options were presented as follows:

- OPTION 1: Raise Millage Rate by .8871 mills from 6.8900 to 7.7771**
- OPTION 2: Institute a Fire Assessment and lower millage rate**
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The Council provided broad budget direction at that previous meeting and requested a Public Workshop on the following Fire Assessment option:

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- 2. Residential pay ½ what study recommended (\$76.50 per year)**
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