

Understanding the
St. Lucie County Fire Department
Assessment



Referendum

On August 30, 2016, all St. Lucie County registered voters will have the opportunity to vote on an annual fire assessment **not to exceed**:

- \$50 per dwelling unit
- 9 cents per sq.ft. for commercial property
- 2 cents per sq.ft. for industrial/warehouse
- 11 cents per sq.ft. for institutional property
- \$22.77 for vacant land less than 160 acres,
plus 10 cents per sq.ft. from 161-640 acres

The assessment will fund the District's fire protection services.





Why is the Fire District seeking this assessment?

The District is currently funded through **Property Tax Revenue and Ambulance Billing**

- **More than 70%** of the District's \$65 million in budgeted revenue **comes from property taxes**
- Approximately \$10 million comes from ambulance transport charges.
- These **two sources** of revenue are highly dependent on the economy.
- These sources were sufficient until **The Great Recession** and increased homestead exemptions **dramatically reduced property values**.
 - In 2006, the District received approximately \$57 million in property taxes
 - By 2010, property tax revenue had fallen to \$36 million – a loss of more than \$21 million



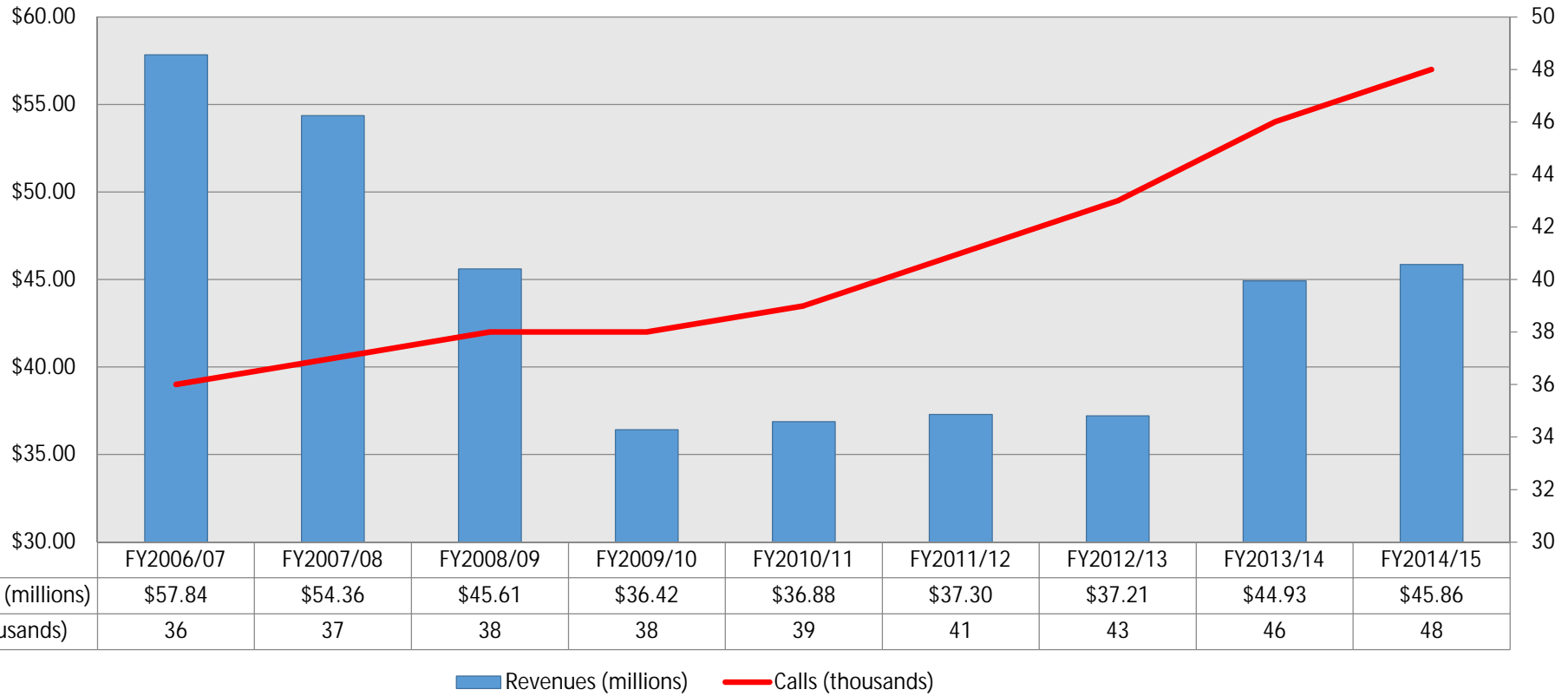
Why is the Fire District seeking this assessment?

Demand for Services

- While property tax revenues have fallen, **calls for service have steadily increased.**
 - In 2015, the District responded to **48,022 emergencies** – more than Indian River County Fire Rescue and Martin County Fire Rescue combined.
 - Historically, the District's responses have grown, on average, at **4.8% a year** for more than 20 years – and there is **no peak in sight.**
 - In the first 4 months of this year, the District responded to 17,900 emergencies. **By the end of this year, we will have handled more than 50,000.**



Property Tax Revenues and Calls





Why is the Fire District seeking this assessment?

- Due to the **instability of property tax revenue and the increased demand for service**, a stable source of revenue is needed to ensure that we provide effective, high-quality levels of service to our citizens.



What does this mean to me?

- If the referendum passes, almost **all property owners** (residential, commercial, institutional, industrial/warehouse, and vacant land) will pay a non-ad valorem assessment on their **2017** property tax bill.
- All rates are maximum amounts and could be less as determined by the annual budget. **For the homeowner**, the amount **will not exceed \$50** - less than .14 cents a day.
- The assessment is **not linked to home values** and more **fairly distributes the cost** of the service.
 - 10,891 property owners paid nothing for fire protection services in 2014
 - 42% contributed less than \$75 a year



What will the money be used for?

- Over the next four years, the District needs to replace **27 fire trucks**. In today's dollars, the approximate cost is **\$13 million**.
- **2 aging fire stations** need to be replaced – estimated cost for both is **\$5 million**.
- Current **firefighting** turnout/bunker **gear is more than 10 years old** – 300 sets must be replaced at a cost of nearly **\$500,000**.
- Emission and carcinogen removal equipment must be added.
- 800 MHz radios must be upgraded.



What else has the District done to save money?

To compensate for the effects of the Great Recession, the District:

- **Reduced firefighter staffing** from a high of 404 in 2008 to a low of 359 in 2014.
 - 45 fewer firefighters handling almost 9000 more calls annually.
- **Negotiated with the firefighters union regarding benefits:**
 - Between 2009-2014, the employees postponed and then **gave back** previously agreed upon wage increases totaling more than **7% of their pay**.
 - In 2015, the employees agreed to **contribute more towards** their own **retirement**.



What else has the District done to save money? cont.

- **Applied for numerous Federal Grants** to cover the costs of firefighters and equipment securing more than **\$4.6 million**.
- **Suspended our Capital Improvement Plan**
 - No plans for the replacement of outdated and inadequate fire stations.
 - No major refurbishments to address safety, exposure to carcinogens, or inefficiencies.
- **Suspended Vehicle Purchases**
 - Since 2008, only 3 fire trucks have been replaced.
 - With the current backlog, 27 fire trucks need to be replaced over the next 4 years.



What else has the District done to save money? cont.

- **Extended the maintenance cycle** and service life of our fire trucks
 - Expended more time, effort, and money on maintenance and repairs.
 - Pushed service life to the maximum – **some are nearly 20 years old.**
- **Used Reserves** to balance the budget
 - This funding gap still exists today.



What may happen if the referendum fails?

If funding for the Fire District **fails to cover the costs**, public safety could be affected by:

- **Staffing cuts** - as was done between 2008 and 2014
- Continued **deferral of critical equipment purchases** necessary for emergency response.
- **Higher homeowner and commercial fire insurance premiums** because of the inability to replace fire trucks and equipment.



For more information, go to www.slcfcd.com



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