

RESOLUTION NO. 18-37

A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, RELATING TO THE AVAILABILITY AND FUNDING OF FIRE PROTECTION AND RELATED ESSENTIAL SERVICES WITHIN THE CITY; PROVIDING FOR THE IMPOSITION OF SPECIAL ASSESSMENTS WITHIN THE CITY TO FUND, IN PART, THE SERVICES, FACILITIES AND PROGRAMS ASSOCIATED WITH THE CONTINUAL READINESS TO PROVIDE FIRE PROTECTION; IDENTIFYING BENEFITS, BURDENS AND COSTS TO BE ASSESSED; ESTABLISHING THE METHOD OF APPORTIONING BENEFITS, BURDENS AND COSTS AMONG SPECIALLY BENEFITED PROPERTY; ADOPTING AN ASSESSMENT ROLL; PROVIDING THE METHOD OF COLLECTION; PROVIDING FOR ASSOCIATED POLICY DIRECTION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AS FOLLOWS:

ARTICLE I

INTRODUCTION

SECTION 1.01. AUTHORITY. This Resolution of Panama City Beach, Florida (the "City") is adopted pursuant to Ordinance No. 1444 (the "Assessment Ordinance"), Sections 166.021 and 166.041, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. This Resolution constitutes the Annual Assessment Resolution as defined in the Assessment Ordinance. All capitalized words

and terms not otherwise defined herein shall have the meaning set forth in the Assessment Ordinance, unless the context hereof otherwise requires.

SECTION 1.03. INTERPRETATION. Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this Resolution. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared as follows:

(A) The constant and continued preparedness to provide fire protection services, facilities and programs possesses a logical relationship to the value, use and enjoyment of real property by: (1) protecting the value of the improvements and structures through the continual availability of fire control and provision of fire protection and associated rescue services; (2) protecting the life and safety of intended occupants in the use and enjoyment of real property; (3) lowering or stabilizing the cost of casualty or liability insurance by the presence of a professional municipal fire protection and associated rescue program within the City; (4) providing protection for uninsured or underinsured property and property owners; and (5) containing the spread of fire incidents, sometimes occurring on vacant or undeveloped property, with the

potential to spread and endanger the structures and occupants of nearby improved property, thereby limiting liability.

(B) The sharing of benefits, burdens and costs for fire protection services and facilities based upon the relative value of improvements for each Tax Parcel in the City as compared to the value of improvements for all Tax Parcels in the City could conceivably serve alone as a fair and reasonable means to apportion entirely the Fire Service Assessed Cost. Such approach substantially removes the underlying land values from consideration and reasonably focuses upon the built, improved, or husbanded environment on the land protected by fire services, facilities and programs. This is a direct and logically related means to share benefits, burdens and costs of fire protection services, facilities and programs.

(C) It is also clear that the relative improvement value of improvements to land may be utilized as one factor among others considered in a given formula or calculus since the resulting Assessments are formed from a reasoned or logical base against which the special benefits, burdens and costs may be multiplied or determined.

(D) Apportionment on the basis of relative improvement value (as determined by data derived from the Tax Roll prepared by the Property Appraiser) recognizes and fairly shares the relatively higher benefit accruing to properties which face greater financial loss in the event of fire incident.

(E) Besides the advantage of relying upon data prepared by the Property Appraiser in the normal conduct of his or her responsibilities, an approach based in whole or in part upon relative improvement value is also advantageous because it is self-correcting. Relative value of improvements may change from year to year in accordance with market conditions and other factors and such variation will be adjusted automatically each subsequent year in accordance with the updated improvement value determined by the Property Appraiser. If the improvements on a given Tax Parcel were to increase or decrease in value with the passage of time relative to the updated improvement value city-wide, that Tax Parcel's relative percentage to the total amount assessed for that Tax Parcel and all Tax Parcels would also increase or decrease proportionately.

(F) The mere availability of fire protection services and facilities benefits each Tax Parcel of real property in the City in a substantially uniform fashion by relieving the common burden placed upon City services and facilities collectively created by individual Tax Parcels whether a fire event occurs or not. Fundamentally, the presence of each Tax Parcel within the City creates a comparable and similar requirement to stand ready to serve and continually maintain a preparedness to provide fire protection and associated services and facilities for all Tax Parcels.

(G) The City's core preparedness costs are generally those necessary to maintain the readiness of fire personnel, equipment and facilities to respond in the event

of random emergency calls and to assure an effective network of coverage, a metric used by insurance ratings organizations for calculation of basic insurance ratings. Such preparedness is continual and predominantly lies in wait for the emergency of a fire incident.

(H) The Council has carefully considered the report prepared by GAI Consultants, Inc. describing a special assessment apportionment methodology designed to fund all or some portion of the City's annual budget expenditures corresponding to fixed (as opposed to more variable) costs incurred in maintaining common or similar continual readiness to provide fire protection to all parcels.

(I) These core preparedness costs of lying in wait are largely recurring, almost fixed over the course of a budgetary period, because they are strongly associated with wages, salaries, administration, and overhead which support the constant availability of fire protection related services and facilities. Such core costs must be absorbed even when firefighting capabilities remain exclusively in standby mode.

(J) Fixed costs can generally be described as those costs incurred in providing services, facilities or programs required for readiness to provide fire protection which do not necessarily vary from parcel to parcel based upon property classification, parcel-specific physical characteristics (improvements) or actual demand in the event of deployment. Variable costs are those dependent upon or which more closely bear a direct

relationship to property classification and/or parcel-specific physical characteristics such as value of improvements, and therefore are more likely to vary from parcel to parcel.

(K) The constant potential for the outbreak of a fire represents the predominant requirement for service. When and where a fire incident occurs is essentially an unknown and difficult variable to accurately predict. The scale of this potential defines the basic underlying cost of being prepared to limit fire loss and to protect property values. From a policy and public purpose standpoint, preparedness is the predominant activity of the City's fire services and facilities. The City, in this state of readiness, must consider the committable personnel, necessary equipment and facilities, and the time likely required to extinguish a fire (planning or preparing for the potential incident or event) prior to the emergency allocation of direct resources enabling a fire to be extinguished as quickly as possible (deploying to or intervening in the incident or event itself). The amount of resources for fire protection service, facilities and programs made available in such a continual preparedness exercise each year is a public administration and policy decision which necessarily focuses in the aggregate on all property within the City.

(L) In developing a recurring revenue source to fund a portion of the core fixed cost component of the City's annual budget associated with a continued readiness to provide fire protection services, facilities and programs, it is not necessary to solely focus on the size, value or physical characteristics of individual Tax Parcels for fire protection. Instead, in this context, each individual Tax Parcel contributes similarly to the required

state of readiness, and similarly and substantially shares the same benefits from such core fixed cost component; and, therefore it is fair and reasonable to ask the owner of each Tax Parcel to contribute equally toward funding all or a portion of the core fixed costs associated with such continual readiness to provide fire protection services and facilities.

(M) The findings contained herein are premised upon information, input, analysis and review from City staff, officials and experts, and public comment, as well as careful consideration by the City Council. A combination of the foregoing yields a reasoned apportionment methodology premised upon two distinct tiers or classes of apportionment allocation: Tier 1 – a sharing of benefits, burdens and costs for fire protection services and facilities based upon the relative value of improvements for each Tax Parcel in the City as compared to the value of improvements for all Tax Parcels in the City; and, Tier 2 – a sharing of benefits, burdens and costs for fire protection services and facilities on a per Tax Parcel allocation premised upon maintaining a continual state of preparedness and readiness to serve whether or not a request for actual assistance is ever received. Although either of these two tiers might be used singularly to address a significant portion of the budget for special assessment apportionment purposes, together they provide a simplified and powerful equity tool for the City to fairly and reasonably share assessable benefits, burdens and costs among all assessable Tax Parcels in the City.

(N) Allocating a portion of the fixed costs attributable to the City's continual readiness to provide fire protection services and facilities on a Tax Parcel basis reasonably avoids cost inefficiencies and unnecessary administration, and is a fair, efficient and reasonable mechanism to allocate such costs among all Tax Parcels.

(O) The use of data derived from the Tax Roll (both in form and content), which is a statutorily required and uniformly maintained database of all Tax Parcels employed by the Property Appraiser and Tax Collector, represents a reasonably accurate, fair and efficient means to allocate or distribute Fire Service Assessed Costs associated with standing ready to provide fire protection and associated services and facilities.

(P) It is fair, reasonable, effective, and efficient for all Tax Parcels, including statutorily defined parcels such as individual condominium or cooperative units with extraordinary alienability, to share equally in the core fixed costs represented by the special assessments to be imposed hereby, particularly since such costs are not necessarily dependent upon or determined by physical characteristics or demand in the event of deployment.

(Q) It is also fair and reasonable that some portion of fixed costs and variable costs be shared and distributed among Tax Parcels, including statutorily defined parcels such as individual condominium or cooperative units with extraordinary alienability, using apportionment methods which are weighted more heavily on the Fire Assessment

Roll (using data from the Tax Roll) toward physical characteristics, such as those represented by the relative value of improvements.

(R) City staff and consultants have reviewed current and prior year budget information related to the provision of fire protection services, which reveals the City advanced life support services (“ALS”) fall almost exclusively to emergency medical units operated by parties other than the City. Nevertheless, the budgetary review and analysis considered by the Council conservatively excluded even the appearance of funding any advanced life support services by eliminating costs associated with ALS training, certifications or special pay from the Fire Service Assessed Cost. Because the City’s Fire Department does not endeavor to provide, and the exemplary budget conservatively excludes any cross-over costs of, ALS services separately funded through the county government, the City’s exemplary budget used to determine the Fire Service Assessed Cost, on its face, avoids any question that the Fire Service Assessed Cost improperly includes emergency medical services other than first response medical services routinely delivered by fire fighters. This factually serves to isolate such advanced life support medical services from fire service related responses and avoids debate as to case law validity of the resulting Fire Service Assessment.

(S) GAI Consultants, Inc. and Ennead, LLC reviewed current and prior year budget information related to the provision of fire protection services and facilities and shared a reasoned analysis of fixed and variable cost budget components, resulting in the

determination that all Tax Parcels benefit in a substantially uniform manner from services, facilities and programs characterized as fixed and otherwise necessary to provide a continual readiness to provide fire protection. In light of how the community handles ALS and emergency medical services, and the exclusion of cross-over costs from the exemplary budget, GAI Consultants, Inc., Ennead, LLC and the City Council have determined that as much as 40% of the exemplary fire department budget could be reasonably allocated per Tax Parcel to core fixed cost expenditures incurred in maintaining readiness to provide fire protection and associated services and facilities (Tier 2); and as much as 50% of the fire department budget could be reasonably allocated to both fixed and variable cost expenditures based upon the relative value of improvements associated with each Tax Parcel (Tier 1). In any event, the remainder of the exemplary budget for fire services can be provided through other legally available funds.

(T) It is fair and reasonable to fund all or a portion of the Fire Service Assessed Cost on the basis of the relative value of improvements associated with each Tax Parcel compared to the total value of all improvements in the City in order to recognize the proportional benefit accruing to properties which face greater financial loss in the event of fire incident.

(U) It is fair and reasonable to multiply the estimated budget for fire protection services, facilities and programs by an identified proportion of the core fixed costs

associated with the continual readiness to provide fire protection, in order to determine a proportional amount of the estimated budget allocable to such core fixed costs; and, then divide such amount by a reasonable estimate of the total number of Tax Parcels within the City in order to determine the proposed annual rate of assessment per Tax Parcel in an attempt to uniformly and proportionally fund such core fixed costs.

(V) The City is not required to fully fund any given essential service or capital cost through a special assessment. So long as the application of funds is for a public purpose and funds are legally available, the City may alternatively determine to fund all or some discrete portion of an essential service or capital cost, such as fire protection services, facilities and programs, with general fund or other legally available revenues. The determination as to whether to contribute other legally available revenues, and how much to contribute, lies solely in the discretion of the City Council.

(W) There is no requirement that the City impose an assessment for the maximum amount of the budget that can be funded by special assessments. Stated in the alternative, the City Council may annually determine as a tax equity tool to impose special assessments at a rate less than necessary to fund all or any specific portion of the costs which might otherwise be funded by special assessments associated with fire protection services and facilities. Costs incurred in providing fire protection services, facilities and programs not otherwise funded through Fire Service Assessments may be paid with general fund or other legally available revenues. Such legally available

revenues as a matter of policy may be applied exclusively to any tier or class of budget allocation or expense otherwise funded by a special assessment, in part to one tier or class of any budget allocation or expense, or in any combination thereof, and maintain the validity of each apportionment approach used for the remaining portion of the budget attributed to the Fire Service Assessed Cost. This flexibility is implemented through a policy and legislative determination employed through careful adherence to case law, statutory law, and the State Constitution, as well as the exercise of annual budget responsibility, discretion and equity vested in the City Council. However, in no event shall any annual rate of special assessment exceed that previously noticed to the affected land owners without further notice and public hearing pursuant to the Assessment Ordinance.

(X) The City Council is cognizant that any system, metric or analytical view of appraising benefits or assessing costs will be open to some criticism or suggestion of alternative methods or approaches, and has labored to educate itself as to the facts, analysis, law and policy latitudes available to it in determining the Fire Service Assessed Cost and the rate of the Fire Service Assessment in the process of approving the Fire Service Assessment Roll.

(Y) The apportionment among Tax Parcels of a portion of the City's annual budget for fire protection services, facilities and programs represented by the assessment rates and Fire Service Assessments hereby adopted (sometimes called "Simplified Fire"),

are reasonably characterized as necessary for providing the continual readiness to provide fire protection, notwithstanding whether fire incidents or fire calls materialize or not; and, is hereby determined to be a fair and reasonable means to annually allocate and share such benefits, burdens and costs.

(Z) The benefits derived or burdens relieved from the continual readiness to provide fire protection services, facilities and programs as to each Tax Parcel subjected to the Fire Service Assessments equal or exceed the amount of the special assessments levied and imposed hereunder. The Assessment for any Tax Parcel within the City in employing such an approach also does not exceed the proportional benefits (or corresponding relief of burdens) that such Tax Parcel will receive (or cause) compared to any other Tax Parcel so assessed within the City.

(AA) The Council hereby finds and determines that the Fire Service Assessments to be imposed in accordance with this Resolution provide a proper and equitable method of funding associated fire protection services and facilities by fairly and reasonably allocating a portion of the cost thereof among specially benefited property.

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**ARTICLE II
NOTICE AND PUBLIC HEARING**

SECTION 2.01. ESTIMATED FIRE SERVICE ASSESSED COST; RATE OF ASSESSMENT.

(A) The estimated Fire Service Assessed Cost to be recovered through Fire Service Assessments for the Fiscal Year commencing October 1, 2018 is \$2,198,791 (for Tier 1 – relative value of improvement for each Tax Parcel for variable costs) and \$1,529,892 (for Tier 2 – per Tax Parcel for fixed, readiness to serve costs).

(B) The exemplary budget shared by GAI Consultants, Inc. and Ennead, LLC. in their updated Executive Summary, dated January 4, 2018, fairly comports with the direction and net amount contained in Resolution 18-19 and is initially established for the fiscal year beginning October 1, 2018, for the purposes of this Resolution only. The Fire Service Assessments established in this Annual Assessment Resolution are determined by the assessment rates prepared for consideration by the public and City Council in the preparation of the Fire Service Assessment Roll for the Fiscal Year commencing October 1, 2018.

(C) The rate of Fire Service Assessment is (1) \$0.63 per thousand dollars of improvements, or fraction thereof, for each Tax Parcel as reflected in the Tax Roll (Tier 1), plus (2) \$78.00 per Tax Parcel (Tier 2).

SECTION 2.02. FIRE SERVICE ASSESSMENT ROLL

(A) The Assessment Coordinator has prepared a preliminary Fire Service Assessment Roll that contains the following information:

(1) a summary description of each Tax Parcel (conforming to the description contained on the Tax Roll maintained by the Property Appraiser for the purpose of levying and collecting ad valorem taxes) which is intended to be subject to the Fire Service Assessment;

(2) the name of the owner of record of each Tax Parcel, as shown on the Tax Roll; and

(3) the proposed amount of the total Fire Service Assessment for each affected Tax Parcel for the fiscal year commencing October 1, 2018, exclusive of anticipated costs of collection and administration.

(B) In the event the City also imposes or collects an impact fee upon new growth or development for capital improvements related to fire protection, the special assessments provided for hereunder shall not include costs attributable to capital improvements necessitated by new growth or development which were included in the computation of such impact fee or which are otherwise funded by such impact fee.

(C) Copies of the Assessment Ordinance, this Resolution and the preliminary Fire Service Assessment Roll have been made available in the City Clerk's office at City Hall Annex, George C. Cowgill Bldg., 110 South Arnold Road, Panama City Beach,

Florida, 32413, or have been open to public inspection in a manner consistent with the Assessment Ordinance. The proposed approach and amount of Assessment for each Tax Parcel has been noticed since November 22, 2017 at or through the City's website and accessible through the internet at www.pcbgov.com and at the City Clerk's office located at City Hall Annex, George C. Cowgill Bldg., 110 South Arnold Road, Panama City Beach, Florida.

(D) In the event the Assessment Coordinator makes any corrections, exemptions, administrative hardship deferrals or other modifications to the Assessment Roll authorized by the Assessment Ordinance, this Resolution or otherwise, all funding for such changes to the Assessment Roll shall be funded by legally available funds other than direct proceeds of the Assessments. Such changes shall not require any recalculation or change in the rate or rates of assessment otherwise considered or adopted pursuant to the Assessment Ordinance or any Annual Assessment Resolution.

SECTION 2.03. NOTICE BY PUBLICATION AND MAILING.

The Council directed the publication and mailing of notice of a public hearing in the manner and time provided in the Assessment Ordinance. Proof of timely and compliant publication of the notice is attached hereto as Appendix A. Proof of timely and compliant mailing of the notice is attached hereto as Appendix B.

SECTION 2.04. PUBLIC HEARING. A public hearing was held on January 11, 2018 commencing at or about 6:00 p.m. in City Hall Council Chambers, 110

South Arnold Road, Panama City Beach, Florida 32413, at which time the Council received and considered information and comments on the Fire Service Assessments from City officials, staff, experts and advisors, as well as the public and affected property owners, and considered imposing Fire Service Assessments and the method of collection thereof as required by the Assessment Ordinance.

ARTICLE III

ASSESSMENTS

SECTION 3.01. IMPOSITION THROUGHOUT CITY. Upon adoption hereof, Fire Service Assessments are to be levied and imposed throughout the entire area within the boundaries of the City and this Resolution shall be deemed to be adopted and confirmed for all purposes.

SECTION 3.02. IMPOSITION OF ASSESSMENTS. Fire Service Assessments shall be imposed against Tax Parcels located within the City, the annual amount of which shall be computed for each Tax Parcel in accordance with this Resolution and shall include all administration and collection costs, fees and adjustments provided for in Section 2.01(B) of the Ordinance. When imposed, the Fire Service Assessment for each Fiscal Year shall constitute a lien upon Assessed Property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments as provided in the Assessment Ordinance.

SECTION 3.03. APPORTIONMENT APPROACH.

(A) As provided for herein, the Fire Service Assessed Cost shall be apportioned among all Tax Parcels within the City, not otherwise exempted hereunder, and including any statutorily defined parcels such as individual condominium or cooperative units with extraordinary alienability. The estimated Fire Service Assessed Cost and rate of Fire Service Assessment shall be that described in Section 2.01 hereof.

(B) It is hereby ascertained, determined, and declared that the method of determining the Fire Service Assessments as set forth in this Annual Assessment Resolution is a fair and reasonable method of paying for, recovering and apportioning the Fire Service Assessed Cost among Tax Parcels of Assessed Property located within the City.

(C) The Fire Service Assessment Roll is hereby approved.

SECTION 3.04. APPLICATION OF ASSESSMENT PROCEEDS. Proceeds derived by the City from the Fire Service Assessments, after payment of costs and expenses associated with collection and administration of the Assessments, shall be utilized for the provision of fire protection related services, facilities, and programs associated with maintaining continual readiness to serve. In the event there is any fund balance remaining at the end of the Fiscal Year, such balance shall be carried forward and used only to fund costs associated with fire protection related services, facilities, and programs.

SECTION 3.05. COLLECTION OF ASSESSMENTS; VALIDATION.

(A) Unless otherwise determined by the Council, collection of the Fire Service Assessments shall take place pursuant to the uniform method of collection described in Article III of the Assessment Ordinance.

(B) The amount of the Assessment imposed, levied, and billed to each owner of Assessed Property may additionally include a pro rata share of the City's costs and expenses associated with development, implementation, notice, collection and administration of the Assessments, but not to exceed five dollars (\$5.00) per Tax Parcel to defray such City costs.

(C) Capital equipment and facilities are fundamental components to the preparedness necessary to continually stand ready to provide fire protection services, facilities and programs. Following adoption of this Annual Assessment Resolution, but prior to the date on which the Fire Service Assessment Roll is certified for collection, the Assessment Coordinator and counsel for the City are directed and authorized to promptly institute proceedings pursuant to Chapter 75, Florida Statutes, for validation of any Obligations to be secured by proceeds of the Assessments. Unless directed otherwise by resolution of the City Council, the further imposition and collection of Assessments as provided herein shall be contingent upon the validation associated with any such Obligations and the appeal period having expired without an appeal having been taken and/or any appeal having been resolved in favor of the City. Any Obligations issued by

the City shall contain a covenant by the City to adopt an Annual Assessment Resolution imposing Assessments for each Fiscal Year until the Obligations have been paid in full.

SECTION 3.06. DIRECTION CONCERNING ANY EXEMPTION.

(A) Tax Parcels which are statutorily exempted from the payment of ad valorem taxes are in most circumstances subject to the Fire Service Assessments contemplated hereunder. Tax Parcels classified or described by the Property Appraiser as institutionally tax exempt, have been previously included in other non-ad valorem assessments imposed by the City, and are subject to the Fire Service Assessments contemplated hereunder.

(B) Tax parcels comprising Government Property are not subject to the Fire Service Assessments contemplated hereunder. Such Tax Parcels include those classified or described by the Property Appraiser as government-owned, including the following: (1) military, (2) forest, parks, recreational, (3) public county schools, (4) public colleges, (5) public hospitals, (6) other county-owned property, (7) other state-owned property, (8) other federal-owned property, and (9) other municipal-owned property. Provided, however, each such Government Property owner may be approached by the Mayor, or his designee, and asked to pay as a fee or charge an amount comparable to the Assessment for each such Government Property. Said amount may be invoiced annually, quarterly or monthly in accord with Section 3.04 of the Assessment Ordinance.

(C) The following Tax Parcel classifications are special designations used by the Property Appraiser for recordkeeping purposes and do not represent actual or assessable Tax Parcels and are not subject to the Fire Service Assessments contemplated hereunder: (1) common element, (2) header record, and (3) notes parcel.

(D) Certain Tax Parcels associated with the following classifications used by the Property Appraiser typically do not receive a special benefit from the provision of fire protection services and facilities or are infeasible or impractical to assess, and therefore are not subject to the Fire Service Assessments contemplated hereunder: (1) right-of-way (including beach access), (2) rivers, lakes & submerged land, (3) sewage disposal & waste lands, and (4) outdoor recreation or parkland.

(E) Tax Parcels associated with the following classifications used by the Property Appraiser receive a special benefit from the provision of fire protection services and facilities and are subject to the Fire Service Assessments contemplated hereunder: (1) cropland, (2) timberland, (3) grazing land, (4) orchards and groves, (5) apiary, aquaculture, fowl, horse, and other animals, and (6) nursery, floriculture, sod production, and hydroponics. As the assessments contemplated hereunder are not imposed pursuant to chapter 170, Florida Statutes, the exemption from assessment for certain agricultural lands described therein does not apply. In the event a court of competent jurisdiction determines that such agricultural lands are not subject to the Fire Service Assessments, the imposition of the Fire Service Assessments on such properties or portions of

properties not subject to the Fire Service Assessments shall be severed from this Resolution and an amount equivalent to that which would have been raised by such levy shall be paid from other legally available funds.

(F) The classifications of properties in this Section which are or may be exempted, in whole or in part, are reasonably determined to be inappropriate, infeasible or impracticable to assess, and either benefit marginally or create a lesser or nominal demand or burden on the City's costs associated with readiness to serve, do not merit the expenditure of public funds to impose or collect the Fire Service Assessments, are exempt and/or otherwise generally serve in some respect to promote the public health, safety, morals, general welfare, security, prosperity and contentment of the inhabitants or residents of the City. The Assessment Coordinator, or his designee, is authorized and directed to use sound judgment in extending such determinations and guidance as the Fire Service Assessment Roll is collected. The foregoing classifications of properties not to be assessed do not include Government Property that is leased for private use.

(G) Based upon the foregoing, there are relatively few exempt properties within the City. Using legally available funds other than the proceeds of the Fire Service Assessments, the City shall otherwise fund or contribute an amount equal to the Fire Service Assessments that would have been otherwise derived, in whole or in part, from such exempt properties.

(H) Provided, however, the City Council reserves the right and ability in the

future to impose Fire Service Assessments against Tax Parcels determined to be exempt, in whole or in part, hereunder to the extent permitted by law, for any reason including lack of reasonable cooperation or willingness to pay for a share of the Fire Service Assessment Cost, or otherwise in the event required or directed to do so by a court of competent jurisdiction.

SECTION 3.07. EFFECT OF ANNUAL ASSESSMENT RESOLUTION.

The adoption of this Annual Assessment Resolution shall be the final adjudication of the issues presented herein (including, but not limited to, the method of apportionment and assessment, the rate or rates of assessment, the Assessment Roll, the levy and lien of the Assessments, and method of collection and enforcement), unless proper steps are initiated in a court of competent jurisdiction to secure relief within twenty (20) days from the date of City Council's adoption of this Annual Assessment Resolution.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. AUTHORIZATIONS. The Mayor and any member of the City Council, the City Attorney, the City Manager, the Clerk, the Fire Chief and such other officials, employees or agents of the City as may be designated by the City Council are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the City that are necessary or desirable in connection with the imposition and collection of the Fire Service Assessments contemplated hereunder, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 4.02. CONFLICTS. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4.03. SEVERABILITY. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are declared to be severable.


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SECTION 4.04. EFFECTIVE DATE. This Annual Assessment

Resolution shall take effect immediately upon its passage and adoption.

PASSED and ADOPTED in regular session of the City Council of the City of Panama City Beach, Florida, this 11th day of January 2018.

PANAMA CITY BEACH CITY COUNCIL

By: 
Mike Thomas, Mayor

ATTEST:

Jo Smith, City Clerk

APPENDIX A
PROOF OF PUBLICATION

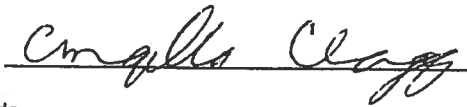
The News Herald

501 W 11th Street
P.O. Box 1940, Panama City, FL 32401
Published Daily
Panama City, Bay County, Florida

State of Florida County of Bay

Before the undersigned authority personally appeared Angella Clagg, who on oath says that she is a Legal Advertising Representative of The News Herald, a newspaper published at Panama City in Bay County, Florida; that the attached copy of advertisement, being a Legal Advertisement #1175342 in the matter of NOTICE OF HEARING - City of Panama City Beach in the Bay County Court, was published in said newspaper in the issue of December 15, 2017.

Affiant further says that the said The News Herald is a newspaper published at Panama City, in said Bay County, Florida, is a direct successor of the Panama City News and that the said newspaper, together with its direct predecessor, has heretofore been continuously published in said Bay County, Florida, each day (except that the predecessor, Panama City News, was not published on Sundays) and has been entered as periodicals matter at the post office in Panama City, in said Bay County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that (s)he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in said newspaper.



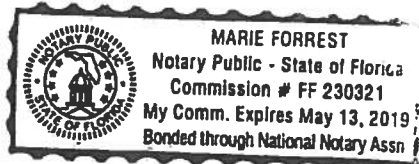
State of Florida

County of Bay

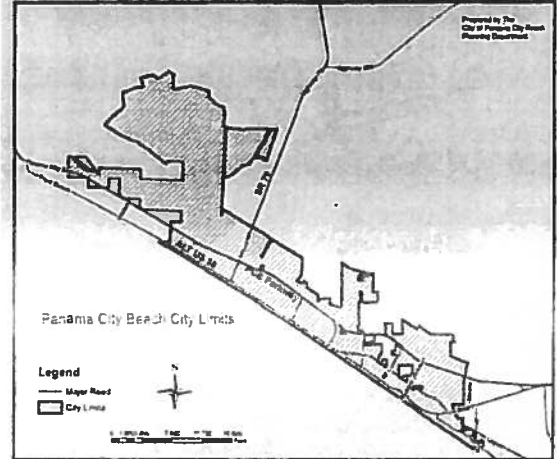
Sworn to and subscribed before me this 15th day of December, A.D., 2017. By Angella Clagg, Legal Advertising Representative of The News Herald, who is personally known to me or has produced N/A as identification.



Notary Public, State of Florida at Large



NOTICE OF HEARING TO IMPOSE AND PROVIDE FOR COLLECTION OF NON-AD VALOREM SPECIAL ASSESSMENTS TO FUND IN PART THE COSTS ASSOCIATED WITH THE CONTINUAL READINESS TO PROVIDE FIRE PROTECTION



The property subject to assessment lies within the City of Panama City Beach, Florida.

This notice concerns the process the City Council of the City of Panama City Beach, Florida (the "City"), is using to address the challenge of funding essential City services and facilities with means other than funding solely through the collection of business tax receipts (and to continue to put off the pressure to consider ad valorem property taxes). This published Notice is compliant with the requirements of law, and at the same time shares and directs the reader to an overview and explanation of how our community funds and provides essential public safety services and functions, such as the constant availability of fire protection.

The City is preparing to adopt a non-ad valorem assessment (sometimes called a fire service assessment) to defray a large portion of the annual operating and capital costs associated with the Panama City Beach Fire Department. The City Council's goal is to put in place a supplemental and alternative means to deal with budget needs through the adoption of assessment rates that can remain reasonable and flexible, and that might be changed efficiently over time with extraordinary notice beforehand. By considering City policies, practices, the annual fire department budget, the City's overall budget, and other economic conditions, our community will continue to make fire protection services and facilities available while showing financial stewardship. Accordingly, provision of fire services, facilities, and improvements will likely continue in ensuing years to be funded, in large part, by special fire service assessments levied on property located within the City limits. The remainder of the fire protection budget can then be funded with other legally available revenues (some of which could be both the City's business tax receipts and other non-ad valorem revenues) of the City. This is a solid approach which addresses a challenging balancing process that must be addressed annually and always with an eye on our future.

These special assessments for each parcel of property are based on a two-tier benefits or burdens analysis approved by the Florida Supreme Court. They are associated with the continual availability of fire protection services and facilities made available every day to all tax parcels within the City. The City will assess properties based on a two-tier rate structure. Tier 1 is based on the relative improvements value associated with each tax parcel (no land value is generally used in this calculation) and is focused on variable, and possibly some, fixed costs. Tier 2 is a flat rate per tax parcel focused on fixed costs. If you wish to learn more, a detailed description of the assessment program is available on the City's website at <http://www.pcbgov.com> which includes a copy of the relevant City Ordinance and Resolution to be considered for adoption after a public hearing in January. **Please note, revenue from the fire service assessment will be segregated and can only be used to fund the Panama City Beach Fire Department, as required by law.**

Florida Supreme Court. They are associated with the continual availability of fire protection services and facilities made available every day to all tax parcels within the City. The City will assess properties based on a two-tier rate structure. Tier 1 is based on the relative improvements value associated with each tax parcel (no land value is generally used in this calculation) and is focused on variable, and possibly some, fixed costs. Tier 2 is a flat rate per tax parcel focused on fixed costs. If you wish to learn more, a detailed description of the assessment program is available on the City's website at <http://www.pcbgov.com> which includes a copy of the relevant City Ordinance and Resolution to be considered for adoption after a public hearing in January. **Please note, revenue from the fire service assessment will be segregated and can only be used to fund the Panama City Beach Fire Department, as required by law.**

On January 11, 2018, at 6 p.m. the City Council will hold a public hearing in the City Council Chambers at City Hall, 110 South Arnold Road, Panama City Beach, Florida, for the purpose of receiving comments on the proposed assessments.

You are invited to attend or appear at the public hearing, and/or to file written objections with the City Clerk and addressed to the City Council within 20 days of this Notice. You may send your written objections to the Clerk at PCBFireFund@pcb.gov. If you decide to appeal any decision made by the City Council with respect to any matter considered at or after the hearing, you will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made.

In this approach each parcel of property assigned an identification number by the Bay County Property Appraiser is considered one (1) tax parcel. If approved by the City Council after the hearing, the rate of assessment for each tax parcel is proposed to be the sum of (i) sixty-three cents (\$0.63) per \$1,000 of the value of improvements attributed to the tax parcel by the Bay County Property Appraiser (Tier 1), plus (ii) \$78.00 per tax parcel (Tier 2), plus (iii) \$5.00 to defray City notice, administrative and implementation costs.

Any fire service assessment imposed will by law be only imposed by the City Council, and not the County, nor its Constitutional Officers, the Property Appraiser or Tax Collector. Any activity of the Property Appraiser or Tax Collector under the provisions of this process are purely ministerial.

The dollar amount attributed to each affected tax parcel in the City and other information concerning the proposed fire service assessment is available online at <http://quicksearch.enrhead-data.com/pcbfire> or accessible by computer terminal upon inquiry at the office of the City Clerk, at City Hall.

The amount of revenue the City expects to collect using the specific assessment rates described in this Notice, net of cost for statutory discount for early payment necessarily associated with the use of the uniform method of collection (by law up to 4%) and statutory commissions and fees charged by the County or its Constitutional Offices (by law up to 4%), and the City's cost to defray associated program development, advertising, implementation and administrative costs (\$5 per tax parcel) is closely approximated to be \$3,681,019, and, such revenue must be used exclusively to fund the associated budget for the City's fire department.

This annual assessment is for the purpose of funding a large part of the City's budget for the continual readiness and availability of essential services and capital facilities and equipment associated with fire protection. This is a fundamental aspect of the financial stewardship approach that will allow the City to use its other revenues for an even higher purpose to design, build, equip, and operate a needed central, storm-resistant public safety facility for our community, which will reduce emergency and fire call response times in our City.

Payment of the fire service assessment is anticipated to be due and collected as a special assessment on the same bill as taxes to be mailed late next year around November 1, 2018. This collection process is called the uniform method. General law requires that affected property owners be reminded that: Until paid, the fire service assessment will constitute a lien against assessed property equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. Assessments become delinquent in the same manner as for unpaid taxes, and failure to pay the upcoming assessment will cause a tax certificate to be issued against the property which may result in loss of title.

Thank you for your review. Please view <http://www.pcbgov.com> for more information. The City's website is designed to share information and further inform you. It also provides an interactive assessment roll, so you can view how each property to be assessed is expected to be affected by the fire service assessment.

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN THESE PROCEEDINGS SHOULD CONTACT THE CITY CLERK AT LEAST 48 HOURS IN ADVANCE OF THE MEETING AT (850) 233-5100.

**PUBLISHED AT THE DIRECTION OF THE CITY COUNCIL,
CITY OF PANAMA CITY BEACH**

APPENDIX B
PROOF OF MAILING

AFFIDAVIT OF MAILING

BEFORE ME, personally appeared the undersigned affiant, who after being duly sworn, deposes and says:

I, Shann M. Edmonds (as Director of Operations of Municode) ("Affiant"), have been designated and directed by the City of Panama City Beach, Florida, to mail the Notice of Public Hearing concerning the City's FY 2018-19 Fire Service Assessment as required by s. 197.3632, Florida Statutes (sometimes called the "Uniform Assessment Collection Act"). As directed, on December 20, 2017, I respectively mailed or directed the mailing of the foregoing Notice by first class mail to each owner of property included on the City's proposed Fire Service Assessment Roll in conformance with the requirements of Uniform Assessment Collection Act, at the address shown on the real property assessment tax roll maintained by the Bay County Property Appraiser for the purpose of the levy and collection of ad valorem taxes. Each Notice provided variable information as to each affected parcel derived from the proposed Fire Service Assessment Roll. An exemplary form of such Notice is attached hereto, and is self-explanatory.

FURTHER AFFIANT SAYETH NAUGHT.

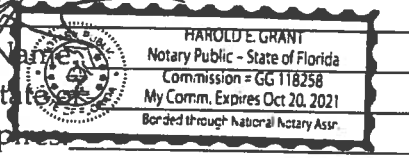
Shann M. Edmonds
Shann M. Edmonds, affiant

STATE OF FLORIDA
COUNTY OF BAY

The foregoing Affidavit of Mailing was sworn to and subscribed before me this 21st day of December 2017, by Shann M. Edmonds. He/She is personally known to me or has produced _____ as identification and did take an oath.

(SEAL)

Harold E. Grant
Printed/Typed Name _____
Notary Public-State of Florida _____
Commission Expires _____



City of Panama City Beach
Panama City Beach City Hall
110 South Arnold Road
Panama City Beach, FL 32413



TEMP - RETURN SERVICE REQUESTED



13604 1 AB 0.403

Seq. # D07492

Harris Holdings, LLC
1649 E Roy Parker Rd
Ozark AL 36360-4716

**FISCAL YEAR 2018-19 NOTICE OF ANNUAL HEARING
CONCERNING THE IMPOSITION AND PROVISION FOR
COLLECTION OF NON-AD VALOREM ASSESSMENTS
RELATED TO FIRE PROTECTION SERVICES
AVAILABLE TO PARCELS OF PROPERTY WITHIN
THE CITY OF PANAMA CITY BEACH, FLORIDA**

December 20, 2017

Parcel Number: 34796-125-200

Property Address, if available: 520 RICHARD JACKSON BLVD 3012

Greetings, and thank you for reading this time-sensitive notice. This notice concerns the process our City is using to address the challenge of funding essential City services and facilities with means other than funding solely through the collection of business tax receipts (and to continue to put off the pressure to consider ad valorem property taxes). We have tried to keep this mailed notice compliant with the requirements of law, and at the same time share an overview and an explanation of how our community funds and provides essential public safety services and functions, such as the constant availability of fire protection.

The City is preparing to adopt a non-ad valorem assessment (Fire Service Assessment) to defray a large portion of the annual operating and capital costs associated with the Panama City Beach Fire Department. The City Council's goal is to put in place a supplemental and alternative means to deal with budget needs through the adoption of assessment rates that can remain reasonable and flexible, and that might be changed efficiently over time with extraordinary notice to you beforehand. By considering City policies, practices, the annual fire department budget, the City's overall budget, and other economic conditions, our community will continue to make fire protection services and facilities available while showing good financial stewardship. Accordingly, the provision of fire services, facilities, and improvements will likely continue in ensuing years to be funded, in large part, by special fire service assessments levied on property located within the City limits. The remainder of the fire protection budget can then be funded with other legally available revenues (some of which could be both the City's business tax receipts and other non-ad valorem revenues) of the City. This is a solid approach which addresses a challenging balancing process that must be addressed annually and always with an eye on our future. *Please read further.*

The FY 2018-19 rates for Fire Service Assessments discussed in this Notice are the maximum rates the City can impose for next year or in the future without another public hearing. These special assessments for each parcel of property are based on a benefits or burdens analysis approved by the Florida Supreme Court. They are associated with the continual availability of fire protection services and facilities made available every day to all tax parcels within the City. The City will assess properties based on a two-tier rate structure. Tier 1 is based on the relative improvements value associated with each tax parcel (no land value is generally used in this calculation) and is focused on variable, and possibly some, fixed costs. Tier 2 is a flat rate per tax parcel focused on fixed costs. If you wish to learn more, a detailed description of the assessment program is available on the City's website which includes a copy of the relevant City Ordinance and Resolution to be considered for adoption after a public hearing in January. ***Please note, revenue from the Fire Service Assessment will be segregated and can only be used to fund the Panama City Beach Fire Department, as required by law.***

On January 11, 2018, at 6:00 p.m. the City Council will hold a public hearing in the City Council Chambers at City Hall, 110 South Arnold Road, Panama City Beach, Florida, for the purpose of receiving comments on the proposed assessments. You are invited to attend or appear at the public hearing, and/or to file written objections with the City Clerk and addressed to the City Council within 20 days of this notice. You may send your written objections to the Clerk at 110 South Arnold Road, Panama City Beach, Florida 32413 or via email at PCBFireFund@pcb.gov. If you decide to appeal any decision made by the City Council with respect to any matter considered at or after the hearing, you will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made.

* * * * * DO NOT SEND PAYMENT - THIS IS NOT A BILL * * * * *



Thank you for reading further. Each parcel of property assigned an identification number by the Bay County Property Appraiser is considered one (1) tax parcel. If approved by the City Council after the hearing, the rate of assessment for each tax parcel is proposed to be the sum of (i) sixty-three cents (\$0.63) per \$1,000 of the value of improvements attributed to the tax parcel by the Bay County Property Appraiser (Tier 1), plus (ii) \$78.00 per tax parcel (Tier 2), plus (iii) \$5.00 to defray City notice, administrative and implementation costs. Here is the proposed assessment for the tax parcel shown below:

FY 2018-2019 Projected Fire Service Assessment Rates (to be billed next year in November 2018)

Parcel Number: 34796-125-200

Location: 520 RICHARD JACKSON BLVD 3012

(1) Tier 1 (Variable Rate)	x	\$0.63/\$1000 in relative improvement value	=	\$91.04
(2) Tier 2 (Fixed Rate)				
One (1) tax parcel	x	\$78.00 per tax parcel	=	\$78.00
(3) Defrays City Notice, Administration and Implementation Cost				
One (1) tax parcel	x	\$5.00 per tax parcel	=	\$5.00
Total of (1), (2), and (3) above			=	\$174.04

The dollar amount attributed to each affected tax parcel in the City and other information concerning the proposed Fire Service Assessment is available online at <http://quicksearch.ennead-data.com/pcbfire> or accessible by computer terminal upon inquiry at the office of the City Clerk, at City Hall. The amount of revenue the City expects to collect using the specific assessment rates described in this Notice, net of cost for statutory discount for early payment necessarily associated with the use of the uniform method of collection (by law up to 4%) and statutory commissions and fees charged by the County or its Constitutional offices (by law up to 4%), and the City's cost to defray associated program development, advertising, implementation and administrative costs (\$5 per tax parcel) is closely approximated to be \$3,681,019; and such revenue must be used exclusively to fund the associated budget for the City's fire department. This annual assessment is for the purpose of funding a large part of the City's budget for the continual readiness and availability of essential services, capital facilities and equipment associated with fire protection. This is a fundamental aspect of the financial stewardship approach that will allow the City to use its other revenues for an even higher purpose to design, build, equip, and operate a needed central, storm-resistant public safety building/facility for our community, which will reduce emergency and fire call response times in our City.

This is not a bill. Payment of the Fire Service Assessment is anticipated to be due and collected on the same bill as taxes to be mailed late next year around November 1, 2018. This collection process is called the uniform method. General law requires that you be reminded that: Until paid, the fire assessment will constitute a lien against assessed property equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. Assessments become delinquent in the same manner as for unpaid taxes, and failure to pay the upcoming assessment will cause a tax certificate to be issued against the property which may result in loss of title.

Please view <http://www.pcbgov.com> for more information. The City's website is designed to share information and further inform you. It also provides an interactive assessment roll so you can view how each property to be assessed is affected by the Fire Service Assessment. If you still have questions, please contact me, Mario Gisbert, at (850) 233-5100 or PCBFireFund@pcbgov.com.

Your review is sincerely appreciated.
Mario Gisbert, City Manager

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE CITY CLERK AT LEAST 48 HOURS IN ADVANCE OF THE MEETING AT (850) 233-5100.

* * * * * DO NOT SEND PAYMENT - THIS IS NOT A BILL * * * * *

January 4, 2018

Honorable Mayor Mike Thomas and
City Council, City of Panama City Beach, Florida
110 South Arnold Road
Panama City Beach, Florida 32413

CC: Mario Gisbert, City Manager; Amy Myers, City Attorney; Mark G.
Lawson P.A., Special Counsel; Ennead LLC, Special Consultant

Executive Summary Report

Overview of Simplified Fire Protection Assessment Apportionment Strategy City of Panama City Beach, Florida

Dear Honorable Mayor Thomas and City Council Members:

This is a written executive summary report, which among other things, summarizes a budget analysis, describes a simplified apportionment method and provides funding (amount) scenarios for decision-making purposes. This information then necessarily will allow for the resultant determination of the proposed assessment for any specific tax parcel, whether developed or undeveloped, in the entire community. Based upon your review and direction in early November, we have researched, updated and restated this executive summary report to apply your rate determination and directions concerning the fire protection non-ad valorem assessment for the upcoming fiscal year.

INTRODUCTION AND PURPOSE

The City of Panama City Beach, Florida (City) in Bay County has expressed an interest in exploring and better understanding a reasoned special assessment methodology to fund a portion of the annual operating and capital costs associated with the Panama City Beach Fire Department (PCBFD). Special assessments are levies made against certain real property to recover all or part of the cost of a specific service or capital improvement deemed to benefit those real properties which may be collected either through the City's direct billing of affected property owners or by inclusion on the annual property tax bill, a procedure known as the uniform collection method.

The City directed and has approved GAI Consultants (GAI) to describe and analyze those special benefits associated with the provision of fire protection services and facilities to each of the various tax parcels of property in the City using the simplified approach described herein.¹ Our work represents a reasoned alternative

¹ The use of the maintained database of tax parcels employed by the local property appraiser and tax collector is a relatively accurate, fair and efficient means to annually allocate or distribute costs. For apportioning benefits and allocating costs to property as discussed herein, the use of tax parcels is

and equity tool for allocating and sharing all or some portion of benefits, burdens, and the budgeted annual costs associated with the availability of PCBFD's essential services and facilities. This analysis is unique to the PCBFD and its historical and forecasted budget data.

This memorandum is provided for initial planning and decision-making purposes though it forms the foundation for implementation should the City determine to proceed with imposition of this alternative methodology. Included is a summary of the Florida law governing special assessments, a description of the special benefits conveyed by the budgeted availability of fire protection services and facilities and a reasoned apportionment methodology reflecting two distinct tiers or classes of assessment allocations:

- Tier 1 – a sharing of benefits, burdens and costs for fire protection services and facilities based upon the *relative value of improvements* for each tax parcel in the City as compared to the value of improvements for all tax parcels in the City.
- Tier 2 – a sharing of benefits, burdens, and costs for fire protection services and facilities on a *per tax parcel* apportionment.

Both are premised upon maintaining a continual state of preparedness and *readiness to serve* whether or not a request for actual assistance is ever received.² These two distinct tiers are used to digest an exemplary PCBFD budget after a reduction for potential advanced life support costs (ALS) to avoid any misunderstanding that emergency medical services are being funded improperly with the resulting special assessments.³

The three funding examples included in our November 2, 2017 transmittal illustrated application of, and the flexibility offered by, the two-tiered apportionment methodology. As a result of your review and determination in November, we have narrowed the funding illustration to the specific funding example you selected.⁴ This is the same proposed partial funding regime from non-ad valorem assessments as has been posted on your City website since late November at www.pcbgov.com.⁵ We have confirmed that the exemplary budget is both historically comparable to prior budgets and, among other things, implements the direction to defer initial imposition for one fiscal year and serves to reapply the Simplified Fire funding regime looking forward to a projected FY 2018-2019 budget, instead of applying it to FY 2017-18.

reasonable, fair, effective, and efficient for all tax parcels, including statutorily defined parcels such as individual condominium or cooperative units.

² Although either of these two tiers might be used by itself to address a significant portion of the budget for special assessment apportionment purposes, the two together provide a simplified equity tool for the City to share assessable benefits, burdens and costs among assessable tax parcels in the City. The combination of these two tiers itself demonstrates equity.

³ See ADDRESSING THE COST OF EMS on page 13 of this report.

⁴ See Appendix B.

⁵ See Appendix C.

Assuming the City Council moves forward with the imposition of the non-ad valorem assessment early this year, the City will be practically and legally constrained with the rates and revenue based on this early budget, and will need to fund any budget modifications or additional amounts with other legally available funds. If the City were to later lower the budget, which we understand is unlikely, it will need to accordingly consider reducing any assessments imposed before certifying the assessment roll for collection in September.

SPECIAL ASSESSMENTS IN GENERAL, FLORIDA LAW

Special assessments are a dedicated revenue source available to general purpose local governments to fund capital improvements or essential services. While discussion of the law governing special assessments included herein should not be construed as a legal opinion, there are legal guidelines to draw upon in laying out an assessment methodology which conforms to accepted principles and practices necessary to achieve legal validity. As established by Florida case law, two requirements exist for the imposition of a valid special assessment.

- The property assessed must derive a *special benefit* from the improvement or service provided; and
- The assessment must be *fairly and reasonably apportioned* among the properties receiving the special benefit.

Under both Florida's case law and certain statutory components, it is well settled that the benefit required for a valid special assessment may be measured or benchmarked against something other than simply an increase in real property market value. The concept of benefit also includes the relief of a burden or demand created by property as well as added use and enjoyment of the real property. The benefits then can be conceptual but they must be capable of being evaluated by some metric and being apportioned in some reasonable manner. It is not necessary that the benefits be direct or immediate, but they must be substantial, certain, and capable of being realized within a reasonable time.

The benefits must be distinguishable or different from those of non-assessed properties but they may coincidentally extend to non-assessed properties. Specifically, Florida's case law, as well as its statutory regime relating to special assessments, supports substantial latitude both in the means by which *benefit to or relief of burden created by* real property is identified and determined and the subsequent manner by which an assessment itself is *calculated or apportioned*. Though Florida law requires that special assessments which fund improvements or services must be fairly and reasonably apportioned, the State's Supreme Court has held the method of apportionment is immaterial and may vary provided the amount of the assessment for each property *does not exceed the proportional benefits it receives compared to other properties*.

BENEFIT TO PROPERTY DESCRIBED

Under Florida law, fire protection activities indisputably create special benefits for real property. For the purposes of this memorandum, the reference to benefits specifically includes the annually occurring obligation to underwrite and share the relief of a burden to continually stand in readiness created in the aggregate by the very existence of the various tax parcels in the City. In the aggregate and overall the benefits described equal or exceed the costs of readiness to serve and could be rationally apportioned using *either or both* of the methodology tiers described herein.

Although several of the benefits realized may overlap, it is useful for informational and analytical purposes to articulate them separately since they respond to or satisfy different expectations or needs and assume varying qualities. Through agreements with other jurisdictions or agencies, these benefits may be available beyond the assessment area, but they are coincidental, address imperfect or impractical boundaries, or can be difficult to plan for in advance. For example, we have confirmed an agreement does exist between Panama City Beach and Bay County for the provision of mutual aid. Properties in the unincorporated area not paying a specific assessment would receive obvious - but totally coincidental, unintended, and relatively immaterial - benefit. This circumstance applies in the converse as well. While a typical arrangement for mutual aid generates no compensation for services exchanged, it is possible that PCBFD or any similarly positioned department could be reimbursed for coverage beyond the assessment area. Or, on the other hand, it is worthy to acknowledge the objective of typical mutual aid relationships between jurisdictions presents bargained for consideration among providers for service availability. Mutual aid arrangements are an accepted means to address such jurisdictional and interlocal boundary circumstances and cooperatively supplement service missions to protect properties in a practical manner.

The collective and relative benefits listed below are among those enjoyed by the various tax parcels in the incorporated area of Panama City Beach through the availability of fire protection services and facilities budgeted for continual readiness to serve. These benefits apply to improved and unimproved properties.

- **Assured Fire Protection On Call.** First and foremost, PCBFD has a department of approximately 32 personnel, including two dedicated fire inspectors, the Fire Chief, Deputy Chief and 28 firefighters. PCBFD firefighter's primary responsibilities are to continually stand in readiness to secure individual properties in this community from the threat of fire and to render fire suppression services if required. These firefighters are the dedicated *first responders* charged with continually being available to provide fire protection and associated basic medical aid.
- **Assured First Response Medical Aid On Call.** Among the responsibilities of the department and its staff is to stand in readiness to provide *first response* medical aid stemming from fire incidents or related emergency

conditions to persons visiting, residing in, working in, occupying, or otherwise associated with the residential and non-residential properties in its service area. As with fire protection services that are always on call, the obvious special benefit to real property is assured life safety and health for residents, visitors, and employees of protected parcels, residences, businesses, and institutions within the City. All PCBFD firefighters are certified EMTs, and three firefighters are certified paramedics, who are available to stabilize victims until an ambulance arrives.

- **Maintenance of Minimum Insurance Rating(s).** The Insurance Service Office, Inc. (ISO) sets minimum standards for fire and emergency response teams. These standards can be a positive or favorable determinant in actual insurance rates imposed by Florida's insurers for various classes of properties. A basic complement of coverage from the PCBFD is necessary to assure that a minimum fire rating is achieved for actuarial purposes. There are distinct differences in insurance ratings for properties protected by trained full time personnel and those protected by voluntary staff with comparably less equipment and training. That such ratings and the cost of individual coverage for fire insurance vary by location and structural conditions is itself an indicator of the value to property implied in a well-staffed and easily deployed fire unit. As well, the greater or lesser available insurance ratings correspondingly and continuously benefit the attractiveness of unimproved properties for potential improvement or development.
- **Assured Coverage for Other Emergency Conditions.** As with most departments engaged in fire protection and associated life safety activities, the sworn fire personnel and their support team provide coverage to improved and unimproved real property, providing incidental services (often to individuals living, working and visiting thereon) associated with a wide range of emergency and potentially hazardous conditions, for example, fire events, terrorist attacks, accident clearance, spilled contaminants, and control of noxious or incendiary materials.
- **Protection for the Uninsured.** Those tax parcels without mortgages and/or fire insurance are materially advantaged by supporting a fire assessment program which becomes, by default, an alternate means to shield equity in property. In this case, the benefits associated with continual readiness to deploy are easily evaluated by the value of the residential, commercial, or other improvements, features, or enhancements which are the measure of potential loss when a fire incident is experienced.
- **Enjoyment of Property and Protection of Value Therein.** The combination of available fire protection for tax parcels in the City - regardless of insurance ratings, enhanced life safety, personal security and financial advantage - yields materially greater enjoyment in real property. As the basic complement of fire protection is enhanced through

GAI Consultants, Inc.
618 E. South Street
Suite 700
Orlando, Florida 32801

T 407.423.8398
gaiconsultants.com

the assessment, the *reduced potential* for fire losses or liabilities stemming from a wide variety of incidents occurring thereon become their own benefits to real property.

When calls are actually received and personnel deployed to a scene of an incident, the economic value of the department's ability to act becomes more apparent as losses are minimized or contained. The losses, or potential losses, or liability can be reasonably measured in terms of the value attributed to any improvements, enhancements, or features on the underlying real property and the parcel itself, but the cost of availability of fire protection services and facilities remains fairly static in the City's budget.

- **Protection for Improved and Unimproved Properties.** Clearly any improvements or enhancements on a tax parcel benefit from the readiness to provide fire protection, but unimproved properties also benefit. Unimproved tax parcels benefit from fire protection services and facilities when the PCBFD is ready to put out yard waste or brush fires, fires resulting from illegal dumping or arson or other similarly isolated instances, and, in addition, is ready to stop the spread of fires from unimproved to improved properties.
- **Relief of Burden.** The benefits, burdens and costs reasonably associated with an annual and recurring budget that underwrites a continual readiness to serve the various tax parcels in the City in the event of fire incidents can be addressed through a direct assessment vehicle. The burden of these costs is assigned to all tax parcels to which services in the event of a fire are continually available throughout each fiscal year, while other alternative funding sources are relieved of this financial encumbrance.
- **Economic Leverage.** The above benefits, viewed in the aggregate, provide a distinct economic advantage to the various improved residential and non-residential tax parcels, as well as unimproved tax parcels in the City. Additionally, properties protected by the availability of full time departments with trained personnel typically receive, or are more easily capable of receiving, more attractive insurance rates than those properties that are not so protected resulting in direct benefit to property. The availability of more attractive insurance rates positively impacts both already improved tax parcels as well as making unimproved tax parcels more attractive for development.

To be clear, the impact of insurance rates is just one of several overall benefits involved in the annual budgeting and provision of fire protection service with a lower numerical score or rating preferable to a higher one. Currently, the City maintains a level 2 out of 10 for fire protection based on the ISO's Public Protection Classification (PPC) rating.

Though at times difficult to quantify, the ISO's PPC rating for fire departments helps provide a way to determine benefit to property. ISO assesses risk based on a series of criteria grouped into categories of the fire alarm and communications system, the fire department including staff, and the water supply system. The rating standardizes levels of fire protection, with Public Protection Classification of 1 being the best and 10 being equivalent to the lowest rating. Many insurance companies consider the ISO rating of the local fire department when determining the premium for property insurance. Insurance rates are, in part, a function of the insurance carrier and the impact of the ISO's PPC rating, and can vary considerably. However, a two to three point shift in ISO rating can have a notable effect on the price of insurance.

The PCBFD, like virtually every fire department, provides fire protection benefits through its available capacity to respond. That is, PCBFD stands alert, ready to respond to the potential of a fire and associated basic life support in such an emergency event. The constant *potential* for the outbreak of a fire represents the predominant requirement for service.

The scale of this potential defines the basic underlying cost of the department's fire infrastructure. Even *prior* to an incident - without regard to what the nature of the incident or call may require - PCBFD's personnel and equipment remain in readiness or preparedness. From a policy and public purpose standpoint, this is the predominant activity of the PCBFD. The amount of resources made available each year, including committable personnel and necessary equipment, is a public administration and policy decision. To limit fire loss and to preserve property values, the City and its fire unit, in this state of readiness, must consider the committable personnel, necessary equipment, and the time likely required to extinguish a fire (*planning or preparing* for the potential incident or event) prior to allocating the direct resources enabling the fire to be extinguished as quickly as possible (*deploying to or intervening* in the incident or event itself). As suggested by the standards of ISO, there are minimal capabilities that must be maintained at all times.

Consequently, an apportionment stemming from a fire department's continual readiness to serve is premised largely on the fact that PCBFD must maintain and the City must underwrite its preparedness *whether or not* a fire-related distress call is ever received. Indeed, records of many departments affirm that a significant portion of the benefit derived or burden relieved occurs through readiness or preparedness and *not* deployment. PCBFD's preparedness costs are generally those *necessary to maintain the readiness of PCBFD's fire personnel to respond* to periodic calls, with the level of service being a policy or budget decision from year to year.

The constant *potential* for the outbreak of a fire represents the predominant requirement for service. Even *prior* to an incident - without regard to what the nature of the incident or call may require - PCBFD's personnel and equipment continually remain in readiness or preparedness to provide fire protection services and facilities to all property within the City.

OVERVIEW OF PROPOSED APPORTIONMENT METHOD

Local governments are afforded great latitude under Florida law with respect to legislative determinations concerning special benefit, and reasonable apportionment is well settled law. No single apportionment methodology has emerged as preferable in the governing case law for a given service or improvement. So long as the apportionment is reasonable and not arbitrary, the assessment is generally capable of withstanding legal challenge.

This should not be construed to mean local governments which consider the use of special assessments should adopt, without reasoned analysis, a particular apportionment methodology solely on the basis of its use elsewhere. Florida's local governments vary in their needs, composition, and policies. The well settled implication is local governments are free to select an apportionment methodology which provides competent and substantial means to share the benefits, burdens, and costs of the fire protection budget and represents the best fit in terms of cost and ease of implementation, not only with respect to affected landowners but also in consideration of the staff required and resources involved with maintenance of the assessment program from year to year.

The parcel identification and classification system required by law to be maintained by the local property appraiser and tax collector will always be sustained and updated over the years as properties within Panama City Beach develop and change. The use of such classification and appraisal system and description of tax parcels is publicly prepared, stable, readily accessible, reasonably consistent and accurate, maintained without cost to the City and capable of being used from year to year without extraordinary consumption of resources better expended to address other fire protection related issues. Accordingly, the assessment approach contemplated herein relies upon such system as a stable, reasonable and standardized resource.

The recommended approach does not rely upon attempted statistical analysis of demand-based fire call data maintained by the City or State Fire Marshal for other purposes or attempt to categorize demand among affected parcels. The *current* analysis instead emphasizes that fire protection service, first and foremost, stands ready to serve and protect real property, and is not actually mobilized to fight fires as frequently as the average citizen might think. As an alternative to demand-based approaches to fire assessment (which attempt to allocate costs among different property classifications), the simplified fire protection assessment approach focuses instead upon the relative value of the improvements⁶ protected and the costs associated with maintaining a *continual state of readiness to serve*.

This logistically appealing and simplified approach focuses upon an understandable and reasoned two-tiered approach involving the relative value of

⁶ Such values are fundamental to appraisal systems used by the local property appraiser and are updated, or self-correcting, annually.

improvements protected and the annually budgeted core costs of continual readiness to serve – not the random and indiscriminate results of these unique and expensive public services and facilities.

APPORTIONMENT METHOD: RELATIVE VALUE OF IMPROVEMENTS (TIER 1)

The manner of apportioning a given assessment is immaterial and may vary from jurisdiction to jurisdiction, as long as the assessment for each tax parcel is not in excess of the proportional benefits *as compared to the assessments on other tax parcels*. Therefore fire protection assessments, like other service or capital assessments, may be apportioned in any number of different ways. Conceivably, the entire cost of fire protection services *could* be apportioned among benefited property *exclusively* on the basis of the value of improvements on each parcel relative to the total value of improvements throughout the jurisdiction and those measures could themselves be substantially varied or weighed.

The simplified fire protection assessment approach removes the severable underlying land from the calculus and focuses upon the built or improved environment targeted each year to be protected by fire services and facilities. Focusing on relative improvement value is a direct and logically related means to share costs, benefits and burdens of availability of fire protection services and facilities. It is also clear that improvement value may be utilized as one factor among several considered in a given formula or means since the resulting assessments form a logical base against which the special benefits, burdens, and costs may be multiplied or determined.

Apportionment on the basis of relative improvement value (as determined by the latest available real property assessment roll prepared by the county property appraiser) recognizes the relatively higher and proportionate benefit accruing to properties facing potentially greater financial loss in the event of fire incident. Besides the advantage of relying upon data prepared by the local constitutional property appraiser in the normal course of his or her responsibilities, an approach based in whole or in part upon value is advantageous and defensible because it is systematic in its estimation of *just value* as the basis for purpose of estimating the value of improvements or enhancements, treats properties with proportionate fairness, has an internal system of controls or appeals, and is self-correcting. That is, value and/or circumstances for each particular parcel may change from year to year in accordance with market conditions and other factors, some very discrete to individual parcels. Where conditions or needs dictate, such variation will be adjusted automatically each subsequent year in accordance with the latest relative value determined by the property appraiser. If the improvements or enhancements on a given tax parcel were to increase or decrease in value with the passage of time relative to the improvement value city-wide, that tax parcel's percentage of the total amount assessed would also increase or decrease proportionately to the whole. Using the improvement valuations employed by the local property appraiser is a fair and reasoned method and proxy for distributing and sharing the multitude of benefits described herein:

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There are several important considerations in this analysis of any affected improvements subject to Tier 1.

- Improvement value in the context of the Tier 1 assessment is in essence defined as the county property appraiser's officially recorded just market value *minus* any officially recorded land value. The resulting value is a proxy for a parcel's legal attributes or classification, physical characteristics, location, structural conditions and other special attributes or features of the structure or other enhancements, including crops or orchards for example.

In the case of condominiums or similar statutory regimes - where a land value can become a common element by law, is no longer easily severable from improvements and may be only nominally recognized by the property appraiser, may receive a minimal value, and/or simply not be recorded by the county property appraiser for valuation purposes at all - just value represents the measure for improvement value. This is reasonable because the common legal structure of condominium or cooperative ownership materially restricts the severability of a specific or individual unit from any associated parcel of land. Effectively this limitation conveys benefit that might otherwise exist from land and any other shared common features back to the unit itself in the form of improvement value. This valuation treatment differs from the example of a typical house and lot in which the house might be severed or removed physically by the owner in an unfettered fashion from any associated land to be subsequently replaced with a materially larger and more valuable improvement that can be appraised separately should it be necessary.

- Tier 1 is reasonably confined to a *maximum* improvement value of \$10,000,000 per parcel. Like other community resources, those of the fire department are plausibly limited based on planning and expectations. Based on our findings and conversations with fire officials elsewhere, it would be rare that a department would staff for or anticipate an event of this magnitude. Consequently, the consideration of valuations beyond this amount would defray any related cost and risk only minimally.

In Panama City Beach, there are approximately 20,056 tax parcels in the City that have the potential to be affected by the assessment and only eleven have an improvement value greater than \$10,000,000. Indeed, because these high value tax parcels represent much less than 1% of the tax parcel count overall, the ability to staff, serve and respond in any one circumstance becomes challenged where such concentration exists on an individual tax parcel. Based upon the foregoing, we believe it rational and reasonable to set this amount as the ceiling for calculating each respective tax parcel's potential assessment following the methods described for the Tier 1 assessment.

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Identifying and Apportioning Costs to Be Assessed Based upon Relative Value of Improvements (Tier 1)

These are costs of the PCBFD, many of which are largely, but not exclusively, variable and often indeterminate. Many are a direct function of annual negotiated contracts for service or may be the result of changing demand or needs. Even when they can be anticipated in the course of budgetary planning, they may show up as a sudden rise in the budget. In this category then would be infrequent purchases of capital items, gasoline, health contracts, repair and other similar services needed periodically or on demand as well as infrequent overtime labor which together may drive costs on an occasional or so-called "lumpy" basis. By their very nature and their level of use capital goods depreciate, lose value, and may need periodic replacement, so they are properly included in this tier or class. Although for increased equity purposes we do not recommend it, this tier or class could, in theory, logically justify the entirety of the assessable budget based upon the relative value of the improvements on each tax parcel.

APPORTIONMENT METHOD: READINESS TO SERVE (TIER 2)

Apportionment based upon continual readiness to serve is based primarily upon this premise: a significant portion of the benefit derived or burden relieved by fire protection services stems from the fact that the fire department maintains its preparedness *whether or not* a fire-related distress call is ever received. PCBFD's preparedness costs are generally those *necessary to maintain the readiness of PCBFD's fire personnel to respond to periodic calls.*

Though there is minor variation from year to year, core costs associated with readiness to serve are largely recurring, almost fixed over the course of a budgetary period, because they are strongly associated with wages, salaries, administration, and overhead which support the department's basic manpower infrastructure without regard to the nature of an event. That is, these core costs must be absorbed even when the department's firefighting capabilities remain exclusively in standby mode. In this context, these costs *are not* an accounting concept. Rather, they represent, or are associated with, a functional concept for purposes of classification. Their characterization as *fixed* serves only to distinguish basic and nominally changing costs correlated to the department's capacity to respond to a fire event or incident.

The PCBFD stands alert, ready to respond to the potential of a fire and associated basic life support in an emergency event. The constant *potential* for the outbreak of a fire represents the predominant requirement for service. The scale of this potential, in turn, defines the basic underlying cost of the department's fire infrastructure. Even *prior* to an incident, PCBFD's personnel and equipment remain in readiness or preparedness.

The emphasis on capacity as a kind of infrastructure that *may or may not* be called into service differentiates fire protection services from most other services normally offered by local government such as garbage collection or the provision of water

and wastewater treatment. In these other examples, demand is generated by discrete system users, is measurable within some level of accuracy, is typically constant, not random or sporadic, and can normally be more accurately programmed in advance. In any case, the immediate provision of these services is not typically required in an emergency circumstance to prevent substantial loss of property or life.

Stated somewhat differently, fixed costs associated with readiness to serve logically apply to every tax parcel of real property in the City and will be incurred absolutely without regard to that tax parcel's physical character, use, or composition. On the other hand, other fixed and more variable costs can be logically associated with the relative value of improvements assigned to the various tax parcels in the City. Most staffing stems from procedural specifications, and the associated costs are relatively fixed or predetermined for a budget period. The costs of fuel and equipment damage incurred in response to incidents, by contrast, are obvious examples of variable costs. Additionally, some costs may have both fixed and variable characteristics such as periodic capital expenditures which, to sustain a state of readiness, may be expended in a single year or over many years.

Identifying and Apportioning Costs to Be Assessed for Readiness to Serve (Tier 2)

In virtually every fire department, labor costs comprise the largest share of total costs on an annualized basis. Such costs are those associated with wages, salaries, general administration, payroll taxes and mandated contributions to retirement. Each year actuaries determine the participation rate to be contributed by firefighters toward pension accounts. Currently, PCBFD retirement accounts are approximately 90% funded.

The labor costs are relatively determinant based on an expected staffing level and are largely, but not altogether fixed. These are core costs of being continually ready to serve and must be incurred whether a fire event occurs or not. The functional fixed nature of these costs logically can be attributed to the existence of the number of tax parcels and not just their various improvements protected or any other physical characteristics. Thus, sharing these core fixed costs is equitably and reasonably shared by all of the tax parcels which benefit in a substantially similar degree from the predominant readiness to serve aspect of such costs. This allocation is further strengthened from an equitable standpoint in that other costs are also apportioned by the relative value of improvements approach in Tier 1.

THE USE OF TIER 1 AND TIER 2 TOGETHER

Prior fire protection budgets were analyzed during preparation of this summary memorandum, and in the anticipated budget expenses which appeared to be even remotely related to the provision of ALS were eliminated from consideration for assessment to observe the prohibitions set forth in Florida case law. The apportionment methodology contemplated and recommended herein involves a

two-tiered approach corresponding to any *remaining* reasonably fixed costs and those costs other than fixed.

By using Tier 2, together along with Tier 1, the City achieves a “blended” approach that achieves better equity and allows policy makers - with enhanced insight and understanding of their community’s funding needs - more flexibility in achieving both a reasoned and fair approach. The combination of both tiers has logical and identified relationships to the benefits, burdens, and costs of the affected tax parcels, creating a strong, rational, and proportionate vehicle that can be further linked to, or supplemented by, other legally available funding resources.

It is also well-settled in Florida case law that local governments, should they impose an assessment, are not required to *fully* fund that service or improvement through the special assessment itself. The local government may determine, entirely in its own discretion, to fund some portion of the overall cost with general fund or other legally available revenues. An example of other revenues would be impact fees charged to some new developments that may require the fire department to expend additional resources. Such impact fees often go towards the purchase of a new fire vehicle or the building of a new fire station. To be clear, a local government may not impose an assessment for any portion of capital items purchased with impact fees. For this reason, capital expenditures from impact fees are excluded from any budget to be underwritten from assessments.

Likewise, either of the two assessment tiers can be funded at a rate independent of the other. For example, the City could impose an assessment for 75% of the costs attributable to Tier 1, but collect a lesser or greater percentage of the costs attributable to Tier 2. As a matter of policy or financial flexibility, the City Council as the local legislative body may find it useful to levy an assessment for the identified core fixed costs in an amount *less* than the total assessable amount, supporting or offsetting the balance of the same costs through general revenues or other legally available means. The two-tiered methodology described herein is thus responsive to the need for political flexibility and readily accommodates policy determinations regarding the relevant variables for each tier within the paradigm of legal sufficiency.

ADDRESSING THE COST OF EMS

The PCBFD provides first response aid often defined as basic life support (BLS). The PCBFD also provides emergency medical services, either as part of its first response efforts delivered in conjunction with its firefighting activities or to stabilize injured in advance of arrival of Bay County Emergency personnel and transport to area hospitals. The PCBFD does not provide “transport”, relying on Bay County or private ambulance services for transport.

An exemplary budget analysis prepared by Ennead LLC based upon the PCBFD’s anticipated 2018-2019 fiscal year expenditures, is attached as Appendix A. The exemplary budget was utilized for the analysis summarized herein and includes an

initial assignment of individual line item expenditures to each of the two tiers comprising the overall assessment.

In order to determine the portion of any budget appropriate for recovery through special assessment, it is important to emphasize the limitations established by Florida case law regarding emergency medical services. The Florida Supreme Court has determined that ALS services or emergency medical services (EMS) primarily benefit persons instead of real property and therefore such *services, other than first response medical aid routinely delivered by firefighters* cannot lawfully be funded through special assessments. To the extent the costs of EMS services, if any, may be reflected in a fire department budget, such costs must be isolated from other fire related tasks or responsibilities and funded through means other than special assessments in order to avoid debate as to the case law validity of any fire related special assessment.

In Florida, first response aid is considered one of the primary professional obligations of a trained firefighter, a point made clear by the Florida Supreme Court. Indeed, *every* fire professional must have a specified minimum number of hours of training related to the provision of such aid. Not atypically, in Florida, first response often takes the form of BLS provided by firefighters also trained as emergency medical technicians (EMT). Such aid is rendered as the *first response* to the those victims, patients or others confronted with an incident, life-threatening illness, or injury needing immediate stabilization until the patient can be transported and given full medical care by other clinicians.

Generally, every PCBFD firefighter is required to have EMT certification as a requirement of employment. Case law acknowledges the potential for integration of duties in a fire rescue unit so this added training has an obvious value and role. In Panama City Beach, three firefighters maintain the ALS paramedic certification. PCBFD firefighters pay the annual cost of their EMT or paramedic recertification. Any potential costs associated with the paramedic certification have been adjusted out of the exemplary budget for the purpose of this assessment analysis so as not to improperly include in any assessment costs for impermissible emergency medical services.

As is often the case with municipalities, the lines between first response and more intensive care may be blurred when examining the exemplary PCBFD budget. In Panama City Beach, the role of life support falls almost *exclusively* to the Emergency Medical Services Division of the Bay County Fire Rescue, with transport provided by Bay County Fire Rescue or private ambulance companies, meaning the cost of such services does not appear in the exemplary Panama City Beach fire budget.

Because of the *potential* for EMS costs to bleed into PCBFD's budget even though there appears to be no direct manner in which this could happen, we have elected to *exclude* even the appearance of funding EMS services by further eliminating any costs associated with ALS training, certification or special pay from the assessment as is demonstrated in Table 1. In order to ensure compliance with Florida case law regarding the funding of EMS, those costs would be funded instead by other legally

available means and the balance of the budget would comprise legally assessable costs and be absorbed through the combination of Tier 1 and Tier 2 assessment revenues. Because of this careful budget analysis, it *can* be reasoned plausibly and realistically that *all* costs in the adjusted or remaining PCBFD budget are appropriate for recovery through special assessments in the manner described in this analysis.

The use of the adjusted PCBFD budget presents a very conservative or excessive exclusion of ALS costs in order to avoid debate as to compliance with case law.

Table 1, prepared by Ennead LLC for exemplary purposes, summarizes the percentage allocation of the exemplary budget between the two tiers as more fully described in the exemplary PCBFD budget for FY 2018-2018 included as Appendix A. The actual dollar amount, and thus the rates for each tier, will be a policy decision with the total amount funded with any assessments determined by the City.

Table 1: Tier Allocation

	Tier 1	Tier 2	Tier 1 & Tier 2 (Maximum Assessable Amount)	ALS Adjustment	TOTAL BUDGET
Distribution	55.0%	40.0%	95.0%	5.0%	100%
Dollar	\$2,411,723	\$1,753,980	\$4,165,703	\$219,248	\$4,384,951

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EXCLUSION OF CERTAIN PARCELS

We have reviewed data prepared by Ennead LLC which reveals there are approximately 20,056 tax parcels within the boundaries of the City that are potentially affected by the analysis and approach outlined. Among these are approximately 103 tax parcels owned by governmental entities which must be excluded since governmentally-owned used by governments for public purposes cannot be subject to special assessment.⁷ Additional parcels may not benefit from fire protection services or are otherwise inappropriate or infeasible to assess based on physical configuration such as submerged or undevelopable lands. In addition there are approximately 24 "institutionally-coded" parcels (e.g. churches, non-profits, etc.) which, despite apparent property tax exempt status, are subject to paying a non-ad valorem assessment. Based upon prior policy and custom, the City will not exempt institutionally coded parcels. In the future, the City may, in its discretion, exempt certain parcels from the assessment based upon public policy determinations. However, amounts associated with any exemption on developed or developable tax parcels from the assessment must be funded through other legally available funds of the City.

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⁷ The estimate of 103 parcels does not include property owned by governmental entities which is leased to third parties for private uses; such leasehold parcels may be subjected to special assessment.

EXEMPLARY BUDGET/FUNDING EXAMPLE

The exemplary budget in Appendix A simply applies the 2017-2018 budget to the upcoming 2018-2019 fiscal year and addresses a capital component looking forward. That capital component is allocated between the two Tiers in the same proportion as the overall exemplary budget.

The funding example selected by the City Council in November illustrating the two-tiered apportionment approach summarized herein is included in Appendix B, prepared by Ennead LLC. This and prior examples are provided to assist in decision-making based upon the exemplary budget and an intensive review of the array of tax parcels affected.

PUBLIC ADMINISTRATION AND POLICY DECISION-MAKING OPTIONS

This summary memorandum strongly supports a layered or tiered assessment strategy from an equitable, legally sufficient, and practical perspective. The two distinct tiers are designed to maximize informed public administration and policy decision-making within the legal context of using valid special or non-ad valorem assessments, and other legally available or general funds. As a matter of policy or financial flexibility, the City Council as the local legislative body may find it useful to levy an assessment for the identified core fixed costs in an amount *less* than the total assessable amount, supporting or offsetting the balance of the same costs through general revenues or other legally available means. The apportionment methodology described provides certain flexibility and readily accommodates local policy determinations regarding the relevant variables. Accordingly, the City has the means to proceed to augment the funding of its fire protection related budget in a rational, fair, and reasoned manner.

POLICY DIRECTION AND AUTHORIZATION TO IMPLEMENT

Necessary policy direction and authorization to proceed to implement the approach was rendered by resolution in November. This update assists the City Council as it acts to consider the imposition, levy, and implementation of this supplemental funding regime.

Sincerely,

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Owen M. Beitsch, PhD, FAICP, CRE
Senior Director

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Attachment: Appendix A - EXEMPLARY LINE-ITEM BUDGET/ANALYSIS
Appendix B – FUNDING EXAMPLE BASED UPON DIRECTION
FROM CITY COUNCIL
Appendix C – POSTED INFORMATION FROM CITY WEBSITE



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APPENDIX A – EXEMPLARY LINE-ITEM BUDGET AND ANALYSIS

Expense	Assumed FY 2018- 19	Assumed FY 2018- 19 Adjusted for ALS	Tier 1 Costs		Tier 2 Costs	
			Relative Value of Improvements		Readiness to Serve (per parcel)	
			% of Budget	Amount	% of Budget	Amount
ACCOUNT DESCRIPTION						
PERSONAL SERVICES						
Salaries Regular	\$2,270,000	\$2,179,200	50.00%	\$1,089,600	50.00%	\$1,089,600
Salaries Overtime	\$282,000	\$270,720	50.00%	\$135,360	50.00%	\$135,360
Salaries Special	\$14,150	\$13,584	0.00%	\$0	100.00%	\$13,584
Vehicle Expense	\$10,800	\$10,368	0.00%	\$0	100.00%	\$10,386
Incentive Pay	\$8,000	\$7,680	0.00%	\$0	100.00%	\$7,680
Auxiliary Pay	\$120,000	\$115,200	0.00%	\$0	100.00%	\$115,200
Matching FICA	\$197,749	\$189,839	0.00%	\$0	100.00%	\$189,839
Retirement	\$170,812	\$163,980	0.00%	\$0	100.00%	\$163,980
Health Insurance	\$242,500	\$232,800	100.00%	\$232,800	0.00%	\$0
Dental Insurance	\$12,000	\$11,520	100.00%	\$11,520	0.00%	\$0
Life Insurance	\$2,300	\$2,208	100.00%	\$2,208	0.00%	\$0
Contingency	\$50,000	0.00	0.00%	\$0	0.00%	\$0



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TOTAL PERSONAL SERVICES^a	\$3,380,311	\$3,197,099		\$1,471,488		\$1,725,611
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OPERATING EXPENSES

Professional Medical	\$7,500	\$7,500	100.00%	\$7,500	0.00%	\$0
Professional Laboratory Fees	\$400	\$400	100.00%	\$400	0.00%	\$0
Professional Other	\$35,000	\$35,000	100.00%	\$35,000	0.00%	\$0
Accounting & Auditing	\$8,240	\$8,240	100.00%	\$8,240	0.00%	\$0
Other Contractual Services	\$18,000	\$18,000	100.00%	\$18,000	0.00%	\$0
Travel & Per Diem	\$12,000	\$11,520	100.00%	\$11,520	0.00%	\$0
Communication Telephone	\$16,000	\$16,000	100.00%	\$16,000	0.00%	\$0
Communication Other	\$25,000	\$25,000	100.00%	\$25,000	0.00%	\$0
Communication Postage	\$50	\$50	100.00%	\$50	0.00%	\$0
Communication Freight/Exp Chg	\$500	\$500	100.00%	\$500	0.00%	\$0
Utilities Electric	\$25,000	\$25,000	100.00%	\$25,000	0.00%	\$0
Utilities Waste Disposal	\$4,500	\$4,500	100.00%	\$4,500	0.00%	\$0
Rentals & Leases	\$13,000	\$13,000	100.00%	\$13,000	0.00%	\$0

^a All Personal Services' line items besides Special (Incentive) Pay were adjusted to account for any potential EMS costs. Travel & Per Diem, Operating Supplies, Book, Pubs, Subs Member, and Training line items were also adjusted for any potential EMS costs.



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Insurance Liability, Property Etc.	\$200,000	\$200,000	100.00%	\$200,000	0.00%	\$0
Insurance Windstorm	\$5,600	\$5,600	100.00%	\$5,600	0.00%	\$0
Repairs & Maintenance Other	\$364,500	\$364,500	100.00%	\$364,500	0.00%	\$0
Printing & Binding	\$1,000	\$1,000	100.00%	\$1,000	0.00%	\$0
Promotional Activities	\$9,000	\$9,000	100.00%	\$9,000	0.00%	\$0
Other Current Charges	\$2,000	\$2,000	100.00%	\$2,000	0.00%	\$0
Office Supplies	\$2,500	\$2,500	100.00%	\$2,500	0.00%	\$0
Operating Supplies	\$100,000	\$75,000	100.00%	\$75,000	0.00%	\$0
Fuel, Oil & Lubricants	\$30,000	\$30,000	100.00%	\$30,000	0.00%	\$0
Books, Pubs & Memberships	\$3,000	\$2,250	100.00%	\$2,250	0.00%	\$0
Training & Education	\$30,000	\$22,500	100.00%	\$22,500	0.00%	\$0
Licenses	\$1,500	\$1,500	100.00%	\$1,500	0.00%	\$0
Permits & Registration Fees	\$350	\$350	100.00%	\$350	0.00%	\$0
TOTAL OPERATING COSTS	\$914,640	\$880,910		\$880,910		\$0

APPENDIX B – FUNDING EXAMPLE BASED UPON DIRECTION FROM CITY COUNCIL



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The following funding example is provided for illustrative purposes to demonstrate application of the methodology contemplated herein. The dollar amounts are approximations and may reflect minor rounding errors. The annual amount of any assessments actually imposed will depend upon direction of City Council its staff and fire officials with respect to the underlying variables (such as the tax parcels to be excluded from the assessment for legal or public policy reasons and the authorized level of assessment funding). The percentage of costs attributable to each tier in a given fire department's budget may vary from year to year, and the percentage allocations for the PCBCFD budget may be quite different from the allocations for fire department budgets in other municipalities or counties. Clearly, the City Council has great policy flexibility in determining the level of assessment funding each year. The greater the contribution from the general fund will result in a lower amount of the assessment imposed against each tax parcel to fund the fire protection budget and vice versa. This combination of funding sources is itself a significant tax equity tool.

The examples are based upon (i) proposed implementation of an annual assessment program generating a revenue range from approximately \$3,650,000 - \$4,025,000, (ii) maximum assessable fire protection costs of \$4,165,703, (iii) 20,038 assessable and non-excluded parcels⁹, and (iv) a total improvement value throughout the City of \$3,490,232,361.¹⁰ As discussed generally, while it may be legally permissible to assess for the entire cost of providing fire protection service, most jurisdictions choose to continue to pay for some portion of the overall cost through general fund transfers so as to implement and annually maintain the fire protection assessment at a politically acceptable level. The level of assessment funding may increase or decrease over time, depending on the policy determinations of the governing body. There is no need to distinguish between residential and commercial classification for purposes of calculating either tier of the assessment. The first tier is derived from the relative value of improvements associated with the tax parcel (typically excluding land) as determined solely by the Bay County Property Appraiser's office from year to year as part of its statutory appraisal process, while the second tier focuses on the core fixed costs per tax parcel necessary to continually be ready to serve. The latter is obviously dependent upon the number of tax parcels within the City.

It is important to note that the base annual assessment amounts set forth in this example does not include collection and administration costs. The base assessment for each tax parcel is typically adjusted prior to billing to include a pro rata share of administration and collection costs associated with the assessment program and, where the uniform collection method is utilized to collect the assessments, to account for the fees of the property appraiser and tax collector and the maximum statutory discount for the early payment of ad valorem taxes and non-ad valorem assessments. Such costs (which are in addition to the base annual assessment amounts set forth in the examples) generally do not exceed 8% of the annual assessment, and historically the Bay County Property Appraiser and Tax Collector have not collected any fee, meaning these costs might be expected not to exceed 4%. As mentioned previously, the direct billing approach in the initial year would likely be less expensive in terms of use of the tax bill collection method, but somewhat less effective.

⁹ The total 2017 parcel count for the City, as determined from the records of the Bay County Property Appraiser, was approximately 20,056, of which 18 are believed to be infeasible or impractical to assess (submerged, right of way, etc.). For purposes of the examples set forth herein, the estimated tax parcel count assumes all properties capable of development are assessed and does not exclude tax parcels for legal, policy or other reasons.

¹⁰ The total value of improvements within the City for 2017, calculated using values determined by the Bay County Property Appraiser.



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Funding Gross Revenue of \$3,728,683 (85% of the assumed FY 18-19 Fire Service Budget of \$4,384,951), resulting in Net Assessment Revenue of \$3,681,101¹¹. [This comports with direction from the City Council in Resolution No. 18-19, Section 3(B) to target a net amount of approximately \$3,680,404]

Amount recovered via Tier 1 of the assessment (relative value of improvements):	\$	2,198,791
Amount recovered via Tier 2 of the assessment (readiness to serve per parcel):	\$	1,529,892
Total Gross Revenue amount recovered through special assessments:	\$	3,728,683

Example 2 Rates:

\$0.63 per \$1,000 in Relative Value of Improvements

\$78.00 per Parcel

“Vacant (Unimproved)” with Improvement value = \$0.00

Tier 1 assessment (relative value of improvements) =	\$	0
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	78.00

“Average” SFR improvement value = \$123,874

Tier 1 assessment (relative value of improvements) =	\$	78.04
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	156.04

Improvement value = \$100,000

Tier 1 assessment (relative value of improvements) =	\$	63.00
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	141.00

“Average” Residential Condo improvement value = \$196,925

Tier 1 assessment (relative value of improvements) =	\$	124.06
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	202.06

Improvement value for McDonalds = \$270,029

Tier 1 assessment (relative value of improvements) =	\$	170.12
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	248.12

Improvement value = \$500,000

Tier 1 assessment (relative value of improvements) =	\$	315.00
Tier 2 assessment (per parcel) =	\$	78.00
Base annual assessment =	\$	393.00

Improvement value = (90 Governmentally-coded parcels) = \$64,382,261

Tier 1 assessment (relative value of improvements) =	\$	40,560.82
Tier 2 assessment (per parcel) =	\$	7,020.00
Base annual assessment =	\$	47,580.82

¹¹ Governmentally-coded property cannot be subject to a special assessment. The “cost” of exempting governmentally-coded parcels at this funding level is approximately \$47,581. Net revenue, exempting governmentally-coded parcels is \$3,681,102 (\$3,728,683 - \$47,581).



Panama City Beach Fire Service Assessment Information

Post Date: 11/21/2017

The City of Panama City Beach has initiated the process necessary to consider the imposition and collection of a Fire Service Assessment on all properties within the City. The City's goal in implementing this assessment is to provide an alternative and supplemental means of funding the annual costs of providing fire protection services, including operating and capital expenses, for years to come on a fair, diverse and repeatable basis. Revenue from the Fire Service Assessment, as required by law, may be used only to fund the Panama City Beach Fire Department, and will enable the immediate construction, staffing and equipping of a centralized fire station to better and more efficiently serve our community. Ultimately then, this assessment will allow our community to continue making high-quality fire protection services and facilities available while showing responsible financial stewardship.

The proposed special assessments for each parcel of property are based on a benefits and burdens analysis that has been recommended by an experienced team of professional advisors, validated locally and approved by the Florida Supreme Court as compliant with Florida law. The two-tiered rate structure is associated with the cost of making continually available fire protection services and facilities every day for all tax parcels within the City. The City is mindful that its proposed rates are lower than those imposed in surrounding jurisdictions for fire services.

A hearing will be held on January 11, 2018 to consider adoption of the assessment. The proposed Fiscal Year 2018-2019 rates (that is the Fiscal year starting in October of 2018), as shown below under the [Quick Search engine](#), intend to show the maximum rates the City might impose for a Fire Service Assessment the coming fiscal year, exclusive of a nominal share of annual administration and collection costs for each parcel.



City of Panama City Beach
2018-2019 Proposed Fire Service Assessment Roll

Search the Database

Example 00001 001 101

Parcel # [Search](#)

 (5 digits) (3 digits) (3 digits)

Example SMITH, JIM

Owner Name [Search](#)

 LastName(or Company Name), FirstName – LastName Required

Example 1234 MAIN ST -or- *MAIN ST* for partial search
 (Please use standard abbreviations such as RD, ST, CIR, PL, AVE, LN, CT)
 For condos please use street address and unit number like this example: 14401 FRONT
 BEACH RD 100

Location [Search](#)
Address



On November 9, 2017, the City of Panama City Beach scheduled a public hearing for ENNEAD LLC January 11, 2018 to consider the adoption of a special assessment on all properties within the City to defray a substantial portion of the Panama City Beach Fire Department's annual costs of providing fire protection services, including operating and capital expenses. Publication will occur in mid-December, and a link to the published notice will be posted shortly. The City Council's goal in implementing this assessment is to provide an alternative and supplemental means of handling projected City budget and capital demands for years to come on a fair, diverse and repeatable basis.

The special assessment is a part of an overall stewardship approach to create the means to address two aspects important to our community: (1) freeing up annual general revenue now used by the Fire Department to contribute to pay-as-you-go funding for a the storm-resistant centrally located building for fire protection and related personnel and operations, (2) better diversifying the future means to fund City services and facilities (which will put off the pressure to create an ad valorem tax). One of those avenues is through the adoption of Fire Service Assessment rates that are reasonable and flexible, legally sturdy, and that can be administered transparently and efficiently over time.

By considering City policies, practices, the annual fire department budget, the City's overall budget, and other economic conditions, this assessment will allow our community to continue making high-quality fire protection services and facilities available while showing responsible financial stewardship. Accordingly, provision of the fire services, facilities, and improvements will, in all likelihood, continue in ensuing years to be funded, in part, by special Fire Service Assessments levied on property within the City limits. The remainder of the fire protection budget can be funded with other legally available revenues (most of which are based on the City's business tax receipts) of the City. This is a challenging balancing process, to both plan for the future, and to create a diversity for funding the City that must be addressed annually.

How Might This Affect City Property Owners?

The proposed Fiscal Year 2018-2019 rates (that is the Fiscal year starting in October of 2018), as shown below under the Quick Search engine, intend to show the maximum rates the City might impose for a Fire Service Assessment the coming fiscal year. The proposed special assessments for each parcel of property are based on a benefits and burdens analysis that has been recommended by an experienced team of professional advisors and is being carefully considered by the City Council. The rates are associated with the cost of making continually available fire protection services and facilities every day for all tax parcels within the City. This general process has been validated by the Florida Supreme Court. To be even more conservative, before collecting any of the assessments, the City expects to also obtain judicial approval of the two-tier (sometimes called 'simplified fire') structure for the rates. Tier 1 is based on the relative improvement value associated with each tax parcel (no land value is generally used in this calculation) and is focused on defraying variable and, possibly, some fixed costs of providing fire protection services and facilities. Tier 2 is a fixed assessment rate per tax parcel focused on defraying the fixed costs of remaining continually ready to respond in the event of a fire-related emergency.

If You Wish to Learn More, Please Read Further.



Additionally, a detailed description of the assessment program will be available in the ENNEAD LLC proposed City Ordinance and Annual Assessment Resolution to be considered further on January 11, 2018. These documents will be placed on file with the City Clerk and available for public inspection, and a hyper-link to view them will also be posted here in early December. Please note that revenue from the Fire Service Assessment may be used only to fund the Panama City Beach Fire Department, as required by law. Also, it is noteworthy that by Florida law, no similar assessment regime is allowed to fund the City's police department.

Each parcel of property assigned an identification number by the Bay County Property Appraiser is considered one (1) tax parcel. The proposed rate of assessment for each tax parcel for Fiscal Year 2018-19 is the sum of (i) sixty six cents (\$0.66) per \$1,000 of the value of improvements attributed to the tax parcel by the Bay County Property Appraiser (Tier 1) **[this rate was corrected to sixty three cents (\$0.63) per \$1,000 by the City after the posting of this document; mailed and published notice and the Quicksearch website reflected the lower amount]**, plus (ii) seventy eight dollars (\$78.00) per tax parcel (Tier 2), together with (iii) a share of administration and collection costs associated with the annual assessment. The third component will be relatively small, varies by County, and will be refined and posted shortly; and is, in part, a function of what might be charged by certain County offices.

The dollar amount attributable to each and every tax parcel in the City for Tier 1 and Tier 2 and other information concerning the proposed Fire Service Assessment is available on this Quick Search engine. The total revenue the City expects to ultimately collect by the assessment is estimated to be approximately \$3,680,404, and assumes the use of the uniform method of collection of the Fire Service Assessment on the same bill as for property taxes next November. This annual assessment is for the purpose of funding the continual readiness and availability of essential services and capital facilities and equipment associated with fire protection.

If you have questions or comments about the proposed Fire Service Assessments, you may e-mail Jo Smith, the City Clerk, at jsmith@pcb.gov. Within reason, the City will endeavor to monitor and respond promptly, or update this web page, if needed. As new or refined information is obtained, this web page will be updated and revised. Fire Service Assessment - Quick Search.

The City has put in place a quick search tool. You can search and review the proposed assessment for any and every tax parcel in the City in three ways: (1) by owner name, (2) by property address, or (3) by property identification number.

You are invited to view the proposed dollar amount of the two tiers of the Fire Service Assessment attributable to each tax parcel by clicking this link: [Quick Search Fire Service Assessment Payments](#).

No payments are due yet. Upon confirmation of the assessment program, the first annual payment invoice or bill will likely come sometime next fall along with your property tax bill. This is called the uniform method of collecting non-ad valorem assessments. The Fire Service Assessment will appear 'below the line' on the list of payments due other taxing authorities, and as a separate line item, and will be a part of the total amount paid to the Bay County Tax Collector, and it will be sent on the same bill in the same notice sent to the same address as your property tax bill. Until paid, the Fire Service Assessment will constitute a lien against assessed property equal in rank and dignity with the liens for all state, county, district, or municipal taxes and other non-ad valorem assessments, and, like many other similar governmental charges, failure to pay the assessment could result in loss of title to the assessed property,



over a 2 year period (in the same manner as if taxes were not paid) and not by ENNEAD LLC foreclosure in the manner as for a mortgage lien, for instance.

The uniform method of collection of non-ad valorem assessments is a commonly used method to keep administrative costs certain and is always more fair to property owners who might be late in payment.

Fire Service Assessments are the Responsibility of the City Council.

The use of data derived from the County property tax roll (both in form and content), which is a statutorily required and uniformly maintained database of all tax parcels employed by the Property Appraiser and Tax Collector, represents accurate, fair and efficient data which is standardized and carefully certified to the Florida Department of Revenue periodically each year. This data reflects every parcel of land in our City, and gives each parcel a unique 'tax parcel' identification number for each lot, condominium unit, or tract of land in the City and the Property Appraiser determines various required valuation for improvements and land. The City, in turn uses this data in its 'simplified fire' approach as a means to allocate or distribute appropriate Fire Department costs associated with standing ready to provide fire protection and associated services and facilities. Please understand that the Fire Service Assessments are imposed and levied by the Panama City Beach City Council, not the Property Appraiser or Tax Collector. Any activity of the Property Appraiser or Tax Collector associated with the Assessment process is solely ministerial. The patience, work, and responsibilities of these local County officials are greatly appreciated as they carry out their constitutional and general law duties; so please keep in mind that these local County officials have no policy responsibility with regard to the City's Fire Service Assessments or the method of apportionment, the fire protection budget, the annual rates imposed, or collection and enforcement procedures employed. The City just smartly uses the accurate data our local County officials are constantly producing in the process of certifying that information to the Florida Department of Revenue. Want to learn more? Please Consider the Following as a Means to be Better Informed about Fire Service Assessments, and the Concept Called 'Simplified Fire'.

The constant and continued preparedness to provide fire protection services, facilities and programs (1) protects the value of the improvements and structures through the continual availability of fire control and provision of fire protection and associated rescue services; (2) protects the life and safety of intended occupants in the use and enjoyment of real property; (3) serves to keep the cost of casualty or liability insurance lower by the presence of a fire protection and associated rescue services; (4) provides, in part, a safety net of protection for uninsured or underinsured property and property owners; and (5) serves to limit liability and contain the spread of fire incidents, sometimes occurring on vacant or undeveloped property, with the potential to spread and endanger the structures and occupants of nearby improved property.

The 'simplified fire' approach being embraced by the City acts to remove the underlying land values from consideration and reasonably focuses upon the built environment on the land protected by fire services, facilities and programs (Tier 1). But we have come to also understand that the mere availability of fire protection services and facilities also benefits each tax parcel of real property in the City in a substantially uniform fashion by relieving the common burden placed upon City services and facilities collectively created by individual tax parcels (Tier 2). Fundamentally, the presence of each tax parcel within the City creates a comparable and similar requirement to stand ready to serve and continually maintain a preparedness to provide fire protection and associated services and facilities for all tax parcels. Both Tiers recognize that costs occur whether a fire event occurs or not. Separately, and together the recognition of



these relationships and circumstances present a direct and logically related means to ENNEAD LLC share benefits, burdens and costs of fire protection services, facilities and programs among all property owners in our community.

Instead of recreating the wheel, the City looks to carefully kept and always updated public data derived from the property tax roll prepared by the Property Appraiser which allow for the recognition of the relatively higher benefit accruing to properties which face greater financial loss in the event of fire incident. This is a durable or 'evergreen' approach so that from year to year in accordance with market conditions and other factors such variation will be adjusted automatically in accordance with the updated improvement value determined by the Property Appraiser. If the improvements on a given tax parcel were to increase or decrease in value with the passage of time relative to the updated improvement value city-wide, that tax parcel's relative percentage to the total amount assessed for that tax parcel and all tax parcels will also increase or decrease proportionately.

The Fire Service Assessment rates developed in the 'simplified fire' approach present a combined approach to achieve equity. They serve to share the constant cost of a community burden where the mere availability of fire protection services and facilities benefits each tax parcel of real property in the City in a substantially uniform fashion by relieving the common burden placed upon City services and facilities collectively created by individual tax parcels - whether a fire event occurs or not. Fundamentally, the presence of each tax parcel within the City creates a comparable and similar requirement to stand ready to serve and continually maintain a preparedness to provide fire protection and associated services and facilities for all tax parcels.

So the Fire Service Assessment really is made up of two methods (Tier 1 and Tier 2) each equitable alone, but together creating further equity by diversity of cost sharing methods.

From a budgetary standpoint the City's core preparedness costs are generally those necessary to maintain the readiness of fire personnel to respond in the event of random emergency calls and to assure an effective network of coverage to maintain what are very good Insurance Service Organization (ISO) insurance ratings. Such preparedness is continual and predominantly lies in wait for the emergency of a fire incident.

The City Council and its staff and advisors have carefully considered the 'simplified fire' special assessment apportionment methodology to arrive at the rates shown. [Quick Search] These rates will begin in FY 2018-19 to fund about 90% of the City's annual Fire Department expenditures incurred in maintaining the continual readiness to provide fire protection to all parcels. The rest of that budget will be funded with what are called legally available funds – mostly the finite amount of business tax receipts (which are uniquely paid in substantial part by the tourism our City enjoys).

Many of these Fire Department preparedness costs we tend to take for granted. Those are costs of lying in wait for emergency circumstances; and from year to year are largely recurring, almost fixed over the course of a budgetary period, because they are strongly associated with wages, salaries, administration, and overhead which support the constant availability of fire protection related services and facilities. These costs must be absorbed even when firefighting and associated capabilities remain exclusively in standby mode. Each year our City must budget for this state of readiness or level of service; and must consider the committable personnel, necessary equipment and facilities, and the time likely required to extinguish a fire (planning or preparing for the potential incident or event) prior to the emergency



allocation of direct resources enabling a fire to be extinguished as quickly as possible (deploying to or intervening in the incident or event itself). The level of service or amount of resources for fire protection service, facilities and programs made available in such a continual preparedness exercise each year is a public administration and policy decision which necessarily focuses in the aggregate on all property within our community. ENNEAD LLC

The combination of the foregoing yields the reasoned 'simplified fire' apportionment methodology premised upon two distinct tiers or classes of apportionment allocation: Tier 1 – a sharing of benefits, burdens and costs for fire protection services and facilities based upon the relative value of improvements for each tax parcel in the City as compared to the value of improvements for all tax parcels in the City; and, Tier 2 – a sharing of benefits, burdens and costs for fire protection services and facilities on a per tax parcel allocation premised upon maintaining a continual state of preparedness and readiness to serve whether or not a request for actual assistance is ever received. Although either of these two tiers might be used singularly to address a significant portion of the Fire Department budget for special assessment apportionment purposes, together they provide a simplified and powerful equity tool for the City Council to fairly and reasonably share assessable benefits, burdens and costs among all assessable tax parcels in the City.

Please Review This Site in the Future as the City Updates, Adds Links to Information, and Provides Additional Information in this Process.

If you have not done so already, [click here](#) to look up a property on Quick Search