



# Preliminary Analysis of VPSDDD Special Assessment for Fire/Rescue Services

## Presentation to the VPSDDD Board of Supervisors

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PFM Financial Advisors LLC

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3501 Quadrangle Blvd  
Suite 270  
Orlando, FL 32817

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(407) 723-5900  
[pfm.com](http://pfm.com)



# Background - History



# VPSDDD – Fire Assessment – How did we get here?

- ❑ Currently the VPSD Sumter territory is funded through a County-wide MSBU and Ad-valorem property taxes
- ❑ The VPSD budget request is subjected to Sumter BOCC budgeting and needs for the County
- ❑ Current fiscal year VPSD funding request was reduced by ~\$14MM based on Sumter BOCC not approving a new MSBU assessment rate
- ❑ Sumter BOCC created the VPSDDD to determine proper level of funding for VPSD Sumter service area
- ❑ For FY 24-25 and beyond each Department will be funded by parcel owners within each territory
  - for fire service in Sumter County, VPSD will be funded by VPSDDD area property owners, and the Sumter County Fire Department will be funded by properties outside VPSDDD.
- ❑ PFM is aware that there are many ways to reasonably and equitably allocate special assessments
- ❑ As conceived, PFM's methodology is designed to allocate assessments to each parcel and land use based on its relative benefit received via its access to and utilization of Fire/Rescue services



# Project Overview and Approach



# VPSDDD – Fire Assessment Analysis Overview

- Identify VPSDDD Boundary
  - Boundary Provided (see slide 4)
  
- Property Appraiser Parcel Analysis of VPSDDD Lands
  - Based on the VPSDD Boundary, parcel level data was provided by the Sumter County Property Appraiser for analysis (via GIS and property records)
  - Identify the number of parcels within the VPSDDD
  - Identify by parcel the number of residential units (incl)
  - Identify by parcel the land use of non-residential development (and associated sqft)
  - Identify by parcel other land uses on an acreage basis
  - Identify parcels that will be exempt from fire assessment (via statute)
  - Identify parcels that have optional exemption (e.g. churches, schools, non-profits, etc...)
  
- Analyzed Fire/Rescue Budget
  - VPSD conducted a detailed analysis of Fire/Rescue Budget and capital costs over the next five (5) years inclusive of both capital and administrative
  - Identify allocation of budget between readiness and demand for service (incidence response activity)



## VPSDDD – Fire Assessment – Two-Pronged Test

- Special non-ad valorem assessments are a revenue source available to local governments in Florida to fund operations and maintenance expenses and capital improvements for essential services such as roads, drainage, fire/rescue services, utilities, etc.
  
- Florida case law has established two requirements for the imposition of a non-ad valorem special assessment. These two requirements have become known as the **two-pronged test**. They are...
  - 1) the property assessed must derive a special benefit from the service provided, and,
  - 2) the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.
  
- Under Florida law, local governments are afforded great latitude regarding legislative determinations of special benefit and reasonable apportionment of costs.





# VPSDDD – Fire Assessment Project Overview (cont.)

- Analyzed Incidence Reports and Response History
  - Conduct a detailed analysis of Fire/Rescue Incidence Response within the VPSDDD over the last four (4) years
  - Includes response to Fire and Fire-Related Incidents & medical responses
  - Incidence response data was analyzed with respect to the location of the incident
  
- Gathered Forecast Development Data for the VPSDDD
  - Work with The Villages to gather development forecast data for the lands within the VPSDDD over the next five (5) years
  - Includes development forecasts for residential development (Age-Restricted and Non-Age Restricted)
  - Includes development forecast for non-residential development (e.g. retail, office, hotel, golf, etc...)
  
- Provide Estimate of Fire Assessment:
  - Will determine 2024-25 Assessment rates per land use category; with projected rates for 2025-26, 2026-27, 2027-2028 & 2028-2029
  - Recommend adopting the 5-Year average rate to smooth annual rate variance





# **Villages Public Safety Department Assessable Fire/Rescue Costs**

## **Readiness/Availability and Demand for Service**



# Readiness and Demand – Two Tiers of Assessments

- Costs allocated according a two-tier system; a methodology change
  - 1) Readiness/Availability – overhead, admin. and capital by **PARCEL**
    - Estimated at 70% of Budget
  - 2) Demand For Service – operational costs (salary, fuel, ops.) by **ERU according to calls for service weighted land use**
    - Estimated at 30% of Budget, consistent with literature and findings of the International Association of Fire Fighters (IAFF)
    - An ERU is an “equivalent residential unit”, which converts non-residential square feet to 1 unit, which is calculated using the average single family residential unit size of 1,714 sqft = 1 ERU.

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>5-Year Average</u>
Readiness/Availability	\$13,377,606	\$17,512,874	\$16,838,900	\$20,336,972	\$19,185,925	\$17,450,455
<u>Service Demand</u>	<u>\$5,733,260</u>	<u>\$7,505,517</u>	<u>\$7,216,671</u>	<u>\$8,715,845</u>	<u>\$8,222,539</u>	<u>\$7,478,766</u>
TOTAL	\$19,110,866	\$25,018,391	\$24,055,571	\$29,052,817	\$27,408,464	\$24,929,222
						<u>Avg.</u>
Readiness/Availability	70%	70%	70%	70%	70%	70%
Service Demand	30%	30%	30%	30%	30%	30%



# Incidence Report Summary



## Incidence Reports – Fire/Rescue Calls for Service

- Incidence Reports for the VPSDDD were used to weight Land Use data to assign Demand only portion of the assessment via ERU
- Examined four years of Incidence Reports for VPSDDD area (calendar years 2020, 2021, 2022 and 2023).
- Residential includes single family, multifamily, mobile home and residential structures on church and agricultural properties
- Seasonal Commercial discount applied to recreational vehicle sites if any; not applicable to hotel

Category	Responses	%
Residential (All DUs)	23,002	77.4%
Commercial	2,190	7.4%
Healthcare (incl. Nursing Homes)	3,919	13.2%
Clubs-Halls-Lodges	115	0.4%
Institutional	347	1.2%
Vacant Land	133	0.4%
Total	29,706	100.0%
Uncategorized	1,958	excluded
Total (all calls for service)	31,664	



# Rate Setting

## Special Assessments for VPSDDD



## Rate Setting

- Recommend adopting the 5-Year Average proposed rates.
- Revenue needs are expected to increase/change from FY 2024-25 through FY 2028-29. Adopting the 5-Year average rate will smooth these changes.
- Analysis incorporates anticipated growth as provided by The Villages
- Analysis regarding timing of capital needs and methods of finance or payment have been incorporated into the analysis
- The Fire Assessment funds Fire/Rescue operation and capital needs and includes and anticipates future growth



## Rate Setting Results & Examples

- Below is a summary of the allocation assessment by ERU Equivalent
  - Residential assessment is on a per unit basis and does not vary based on unit size
  - Vacant Land is assessed on a per acre basis (\$Demand component of assessment (per ERU) is a function of acres)
  - Non-Residential is assessed on a living area sqft basis (\$Demand component of assessment (per ERU) is a function of sqft)

Category	Responses	%	Allocation	ERUs	per ERU	Base Fee (Readiness)	Total (per 1 ERU)
Residential (All DUs)	23,002	77.4%	\$5,790,971	68,465	\$84.58	\$248.68	\$333.26
Commercial	2,190	7.4%	\$551,353	4,185	\$131.75	\$248.68	\$380.43
Healthcare (incl. Nursing Homes)	3,919	13.2%	\$986,645	1,371	\$719.81	\$248.68	\$968.49
Clubs-Halls-Lodges	115	0.4%	\$28,952	187	\$154.88	\$248.68	\$403.56
Institutional	347	1.2%	\$87,361	165	\$528.17	\$248.68	\$776.85
Vacant Land	133	0.4%	\$33,484	26,262	\$1.27	\$248.68	\$249.96
Total	29,706	100.0%	\$7,478,766	100,635			

Category Example	Readiness	Demand	Total
Single Family / MH	\$248.68	\$84.58	\$333.26
Retail / Commercial 10,000 sqft	\$248.68	\$768.68	\$1,017.36
Industrial 25,000 sqft	\$248.68	\$1,921.70	\$2,170.38
Nursing Home 10,000 sqft	\$248.68	\$4,199.58	\$4,448.26
Private Hospital 20,000 sqft	\$248.68	\$8,399.16	\$8,647.84
Vacant 1/4 acre parcel	\$248.68	\$0.32	\$249.00
Vacant 10 acre parcel	\$248.68	\$12.75	\$261.43



## Rate Setting – Comparison Estimates

- Below is a summary comparing examples of estimated fire assessments (current) vs. VPSDDD proposed

LU Code	LU Description	Est. Current Fire Fee	Est. VPSDDD Fire Assessment	Difference	Unit	Difference per Unit	Exempt
0	Vacant Residential	\$154,542	\$256,651	\$102,109	per Acre	\$74.27	N
100	SF Residential	\$27,732,638	\$20,577,932	(\$7,154,706)	per Unit	(\$115.85)	N
200	Mobile Homes (MH)	\$291,250	\$544,469	\$253,220	per Unit	\$155.06	N
300	Multi-Family	\$117,768	\$54,113	(\$63,655)	per Unit	(\$101.36)	N
-	Commercial - Retail - Office - Hotel	\$1,187,061	\$528,312	(\$658,748)	per SQFT	(\$3.78)	N
4800 & 4900	Industrial	\$45,459	\$49,801	\$4,342	per SQFT	(\$0.02)	N
7100 & 7200	Institutional - Churches / Schools	\$14,567	\$93,578	\$79,010	per SQFT	\$0.57	Y
7300 & 8500	Private Hospital / Hospital	\$47,513	\$190,996	\$143,483	per SQFT	\$0.65	N*
7400	Nursing Home	\$263,417	\$801,866	\$538,449	per SQFT	\$0.28	N*
7700	Club-Lodge-Hall	\$68,385	\$38,900	(\$29,485)	per SQFT	(\$0.09)	N

\*Non-profits in these uses were included as exempt

Current Funding					
Taxable Home Value	Fire Fee	Est. Ad Valorem (1.31 mills)	Total		
\$250,000	\$125.00	\$327.50	\$452.50		
\$300,000	\$125.00	\$393.00	\$518.00		
\$350,000	\$125.00	\$458.50	\$583.50		
\$400,000	\$125.00	\$524.00	\$649.00		
Proposed Funding					
Taxable Home Value	Readiness Fee	Demand Fee	Ad Valorem*	Total	Savings
\$250,000	\$248.68	\$84.58	\$8.49	\$341.75	\$110.75
\$300,000	\$248.68	\$84.58	\$10.18	\$343.45	\$174.55
\$350,000	\$248.68	\$84.58	\$11.88	\$345.14	\$238.36
\$400,000	\$248.68	\$84.58	\$13.58	\$346.84	\$302.16
*exemption offset					





## Rate Setting Exemption Summary

- To the right is a summary of preliminary exemptions based on those required via Florida Statute and others which are at the discretion of the VPSDDD Board

<u>Landuse Code</u>	<u>Assessment Exemptions</u>	<u>Readiness</u>	<u>Demand</u>	<u>Total</u>
5300	Agriculture Miscellaneous Improved	\$3,233	\$2,546	\$5,779
6900	Agriculture - Ornamentals Misc	\$497	\$19	\$517
7100	Churches	\$5,222	\$35,715	\$40,937
7200	Private Schools - Colleges	\$995	\$51,645	\$52,640
7400	Nursing Home (2 non-profits)	\$497	\$97,545	\$98,043
7500	Non Profit Orphanage	\$249	\$606	\$855
6000	Agriculture	\$40,038	\$19,715	\$59,753
8500	Hospital (3 non-profits)	\$746	\$78,509	\$79,256
8600	County (includes CDD-owned property)	\$144,235	\$21,395	\$165,630
8700-8800-8900	State - Federal - Municipal	\$40,286	\$35,259	\$75,546
	<b>Total</b>	<b>\$235,998</b>	<b>\$342,957</b>	<b>\$578,956</b>
	Taxable Value (VPSDDD)	\$16,870,504,364		
	Total Est. Exemptions	\$578,956		
	<b>Millage (est.)</b>	<b>0.034318</b>		



# Summary: Board Action Items for April 2024 and Next Steps



## Board Consideration and Action Items for April

- At the April meeting of the VPSDDD, the Board will need to consider and approve the following:
  - Approval of the VPSDDD Fire/Rescue Service Special Assessment Report, specifically as it relates to the following:
    - The methodology
    - Property exemptions
- ◆ Next Steps – Important Dates
  - June meeting – Public hearing, approval of assessment roll
  - September 2024 – assessment roll provided to Sumter County PA
  - November 2024 – non-ad valorem fire assessments included on tax bill

# Questions and Discussion

