

Status of the Mexico Beach Fire Department



Insurance Services Office (ISO)

- ▶ On September 18, 2017 the City received a letter from ISO stating that the new rating for the City of Mexico Beach will be going from a ISO of 5 to an ISO of 10 on September 11, 2018 if the condition of the department does not improve.
- ▶ What does this mean to the City? Going to an ISO of 10 will have a direct impact on the residential and commercial insurance rates. Rates could see up to a double in rates.



What does the department need to do to prevent an ISO of 10

- ▶ Maintain 4 certified Fire Fighters on every fire scene.
- ▶ Implement a training program.
- ▶ Maintain a station and adequate equipment to provide for fire coverage.
- ▶ A back-up Fire Engine
- ▶ Submit a plan to address the above concerns within 60 days.



Plan of Action

- ▶ With the dynamics of the City of Mexico Beach, we can not solely rely on volunteer Fire Fighters and will need to hire Fire Fighters
- ▶ Our current building is in need of serious renovations or replacement, current deadlines will not allow for a full replacement
- ▶ Implement a training program
- ▶ Perform a full equipment analysis and plan for implementation

Steps to Resolve ISO Issue

Step 1(Completed)

- ▶ With the significant cost associated with the needs of the Fire Department, the City needs to explore options of what it can do to fund this project.
- ▶ Use a Fire Assessment and move the Fire Department out of the General Fund
- ▶ Go out for RFP for companies that specialize in implementation of Fire Assessment Fees or have the council provide an emergency waiver of the purchasing policy to obtain a firm immediately.

Step 2 (Completed)

- ▶ Work with firm to develop a budget of needs to bring department into compliance
- ▶ Work with firm to perform a study of the dynamic of the City to determine rate for properties ex: Commercial vs Residential
- ▶ Adopt a Resolution to Implement Non-Ad Valorem Assessment.

Step 3 (Completed)

- ▶ View Results of the study and move into the implementation phase of the Fire Assessment
- ▶ Determine whether to proceed with implementation and move the process into Phase 2 of the Fire Assessment process.

Step 4 (Where we are Today)

- ▶ Adopt an Ordinance and Resolution to implement Fire Assessment
- ▶ Review presentation of proposed rates for Fire Budget over the next 3-5 years.

Step 5 (Next Step)

- ▶ Mail out Assessment notices and begin collection of year 1 assessment.
- ▶ Include with Assessment reimbursement of costs associated with the implementation of the Fee

Consequences of Non-implementation

- ▶ Potential loss of insurance coverage for properties located in the Fire Service area.
- ▶ Significant increases in fire insurance rates.
- ▶ Potential loss of City Fire Department
- ▶ Potential loss of Fire Protection

Fire Assessment FAQ's

- ▶ Since the mailing of the preliminary assessment notices, staff has received a series of phone calls and questions.
- ▶ Following are some of the questions and answers that we have been asked.

1. Can't the City implement a Sales Tax?

- ▶ We have had a series of residents state that in Georgia they have adopted local ½ cent sales tax to fund Fire Service.
- ▶ The State of Florida does not allow municipalities to implement their own sales tax, this authority rests with the County and state. There was a time that this was allowed, but City's that did not opt in prior may not go back and implement the charge

2. Why is the rate not calculated by property value?

- ▶ The level of response provided by the Mexico Beach Fire Department is the exact same amount of man power no matter the structure.
- ▶ A \$1,000,000 house is not going to get any more protection than a \$100,000 home.

3. Why doesn't the County help us out?

- ▶ The county provides fire service to those areas that are unincorporated throughout Bay County. They charge a tax rate of 1.38 mills for that service. Mexico Beach does not pay that millage to the County.
- ▶ The county does provide \$15,000 annually for the Fire protection that Mexico Beach provides the unincorporated portion of Bay County that falls in Mexico Beach response area.

4. What other Cities pay a Fire Assessment?

- ▶ Panama City Beach just implemented a Fire Assessment: \$78 base, \$5 administrative fee and a portion based on property value
- ▶ Bay county charges 1.38 mills (\$1.38/ 1,000 of valuation)
- ▶ Springfield also has an assessment

5. Why do we need to hire Fire Fighters?

- ▶ The Florida Legislature in 2011 changed the requirements that 4 certified fire fighters respond to all fire calls.
- ▶ Mexico Beach simply does not have certified volunteers that live locally and respond consistently.
- ▶ The department currently has 1 certified volunteer that lives in the City
- ▶ The assessment only provides 2 paid fire fighters per shift and will still rely on 2 volunteers to respond.

6. What will these employees do when not fighting fire?

- ▶ Fire Fighters will respond to all medical calls to provide First Responder level of service, as they do now.
- ▶ Fire Fighters will also ensure all equipment is in working order, station is clean and also continue with on-going training.
- ▶ Fire Fighters are also protected by certain labor laws that apply to 24 hour employees.

7. What relief is available for low income home owners?

- ▶ The resolution adopted exempts home owners that qualify for the hardship or senior discount on their water bill.
- ▶ If you qualify for the senior rate and/or hardship, you will be exempt from paying this assessment.

8. How was my rate calculated?

- ▶ Based on the property appraisers website square footage and number of dwellings were discovered
- ▶ Each dwelling (home) is assessed at \$356
- ▶ Vacant land is assessed at \$54 per parcel
- ▶ Commercial is assessed at \$.50/square foot with a \$4,075 cap.

9. What will my insurance change if this isn't passed?

- ▶ It has been difficult to get a solid projection to answer this question.
- ▶ The City property insurance carrier stated: "If I had to guess I would say if the City does nothing to work with lowering ISO it is possible that your fire rate could double"
- ▶ The employee insurance representative for the City provided 2 examples:

HOME	PREMIUM (ISO 5)	PREMIUM (ISO 10)
HO-3 Construction: Frame Valued: \$300,000	\$1501.00	
HO-3 Construction: Frame Valued: \$228,000	\$2251.00	
HO-2 Construction: Masonry/Veneer Valued: \$270,429		\$4299.00
HO-3 Construction: Frame Valued: \$112,000		\$4542.33

10. Why doesn't the department apply for grants?

- ▶ In 2016, a grant was applied for to do building repairs and purchase equipment under AFG, the department did not receive this award
- ▶ The department has received and been awarded a grant for \$2,400 for computer equipment
- ▶ In 2018, the department has been awarded a grant for \$28,104.80 for SCBA equipment
- ▶ The St Joe Foundation has also just made an award to the City for \$4,600 to purchase thermal imaging equipment and a 4-gas detector.
- ▶ The department also has submitted another AFG request for a vehicle in the amount of \$370,000 and \$25,000 for bunker gear
- ▶ Submitted to Firehouse Subs for \$25,000 for gear
- ▶ Other numerous equipment donation requests.
- ▶ This list changes daily

11. Why isn't a new station included?

- ▶ The preliminary estimate for a new station is \$2.1 million to meet current codes.
- ▶ A new station does nothing to assist with ISO.
- ▶ This assessment is based on necessities and does not contain items that do not help the ISO rating.

12. Why am I paying twice in a year?

- ▶ The first assessment is for FY 17/18.
- ▶ In order to place on property taxes, notice must be provided almost a year before.
- ▶ The City has a deadline to implement before next budget cycle. (September 11, 2018)
- ▶ It is technically 1 payment per year with the initial payment recommended to be due March 31, 2018.
- ▶ Year 2 payment is on the tax notice. Although your tax bill is payable on November 1, 2018, it is not considered delinquent until April 1, 2019. Which means they are 1 year apart and not at all in the same year if we follow this method.
- ▶ November will be the date to pay to receive the statutory discount.

13. Is the new Fire Chief just trying to build an empire?

- ▶ Going back the last several years, you can find numerous meetings where fire concerns are raised, research of solutions has been ongoing.
- ▶ In July of 2015, Assistant Chief Scott Baker provided a lengthy presentation of critical needs of the Fire Department.
- ▶ City Clerk Welle and Former Chief Stangl attended a Fire Assessment training by GSG in February 2016 to begin exploring the implementation of a Fire Assessment to address needs.
- ▶ Chief Bowen from Bay County Fire spoke to the City about the need for fire coverage in October 4, 2016.
- ▶ Chief Simmons was employed September 1, 2017 and tasked with continuing this process and research.
- ▶ The City received ISO notification September 11, 2017. Bringing the issue to high priority.

Recommendation for Implementation

- ▶ Staff Recommends Assessment of 79% using the General Fund budgeted amounts to offset the difference. \$281 for residential, \$.40/ square foot commercial and \$42 for vacant lots
- ▶ Based on response from the Public, also recommended:
 - ▶ Provide property owners time to pay year 1 assessment.
 - ▶ Year 1 Assessment Payable MAY 31, 2018, instead of March 31, 2018. Allowing 3 months to pay before becoming delinquent.
 - ▶ Allow improvements to begin immediately cash flowing the improvements in house and reimburse when assessment money begins to come in

If Fire Assessment is Adopted With Recommendations:

- ▶ Fire Assessment Bills will be in the mail the end of February, early March.
- ▶ Future Years Assessments: Will be collected with your property taxes
 - ▶ If your taxes are escrowed and paid monthly, your fire assessment will be payable monthly into your escrow account
 - ▶ If you pay in quarterly installments, you will also pay your fire assessment in quarterly installments.
- ▶ Hardship Exemption
 - ▶ If you currently receive a hardship on water bill payment you will be exempt from the assessment
 - ▶ Please contact the City if you believe you qualify for hardship exemption.
