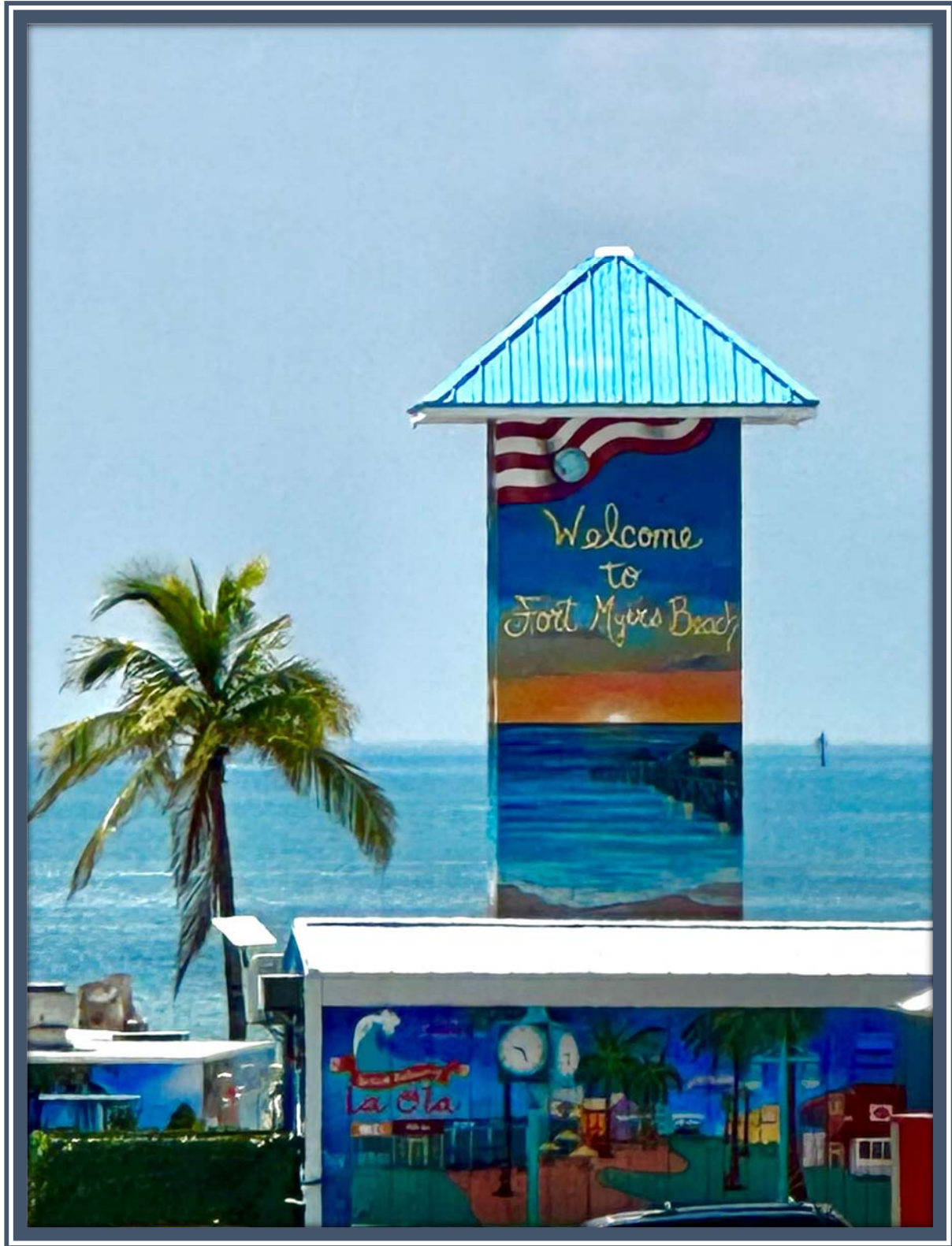




Fort Myers Beach Fire Control District

Community Budget Information

Fiscal Year 2023/2024



The Fort Myers Beach Fire Control District is pleased to present the Fiscal Year 2023-2024 proposed budget. The District is dedicated to providing our community with the highest level of service while also operating in a fiscally-responsible manner. The District has responded to both emergent and non-emergent calls for service with compassion, quality, and professionalism for more than seven decades.

On September 28, 2022, Fort Myers Beach was devastated by Hurricane Ian, the fourth deadliest storm in the past 60 years and the third most costly weather event in history. As we approach the one year anniversary, we vigilantly keep in our memories those who lost their lives. We recognize the struggles of the many residents and businesses working to recover and we stand with our community by continuing the tradition of providing professional and compassionate service.

Over the past year, the District has also been recovering, working closely with Federal Emergency Management Agency (FEMA) and the Florida Department of Emergency Management (FDEM) to restore our remaining facilities while also beginning the process of rebuilding your lost fire station. We have modified our service delivery model to match the current needs of the community, whereby reducing the financial impacts to our operating budget.

Fire District History

The Fort Myers Beach Fire Control District began with very humble beginnings in 1949 when the Beach Improvement Association organized a small volunteer fire department. In 1950 the volunteer fire department was organized under the Florida Special Acts as an Independent Taxing District. Before 1949, the City of Fort Myers Fire Department provided the only organized Fire Protection from City Fire Station number one in downtown Fort Myers.

Independent and Dependent Taxing Districts are forms of local limited government created by the State, a County, or a Municipality to provide specific services to a defined area. In the case of our District, 1500 community residents petitioned Governor Fuller Warren and the Florida Legislators to form an Independent Special Taxing District for the control and prevention of fires.

Shortly after the formation of the Fire District, the community recognized a need for emergency medical transport services. In the 1950s, these services were provided by funeral homes in the City of Fort Myers and island residents could wait hours until they were transported to the hospital. This need gave birth to

another volunteer organization, the Fort Myers Beach Rescue Squad, which co-existed with the Fire District for the next decade.

In 1963, the Fort Myers Beach Rescue Squad officially became a part of the District. Subsequently, the District's Division of Emergency Medical Services was created. Currently, the District is one of two fire districts in Lee County authorized to provide emergency medical transport services to our community. Over the last six decades of providing this service, countless lives have been saved thanks to the District's ability to provide advanced care and rapid transport to the hospital.

Our community has undergone many changes in the last 74 years, and the Fire District is no different. As our community has grown and evolved, we have evolved, providing a wide variety of emergent and non-emergent services. Our services include fire suppression, emergency medical treatment and transport, fire code permitting and enforcement, building plans review, public education, infant car seat installations, community risk reduction, and disaster response and mitigation.

Funding an Independent Special District

The State Legislators limit the available funding mechanisms for independent special districts. Primary sources of revenue include:

- Ad Valorem Tax
The formula for calculating your Ad Valorem:
Just/Market Value limited by Save our Homes cap = Assessed Value
Assessed Value less exemptions = Taxable Value
Taxable Value x Millage Rate/1,000 = gross taxes
- Non-ad valorem assessment
This is a special assessment or service charge which is not based on the value of a parcel of property. The District does not assess non-ad valorem assessments and there are no plans to do so in the foreseeable future.
- User fees
These are fees authorized by Florida Statutes and enacted by an Independent Special District's elected Board. These fees are used to fund specific services such as emergency medical transports, fire inspections, and permitting services. The goals of these fees are not to generate profits but to offset costs and ease the property tax burden on property owners.

In comparison to municipal governments, independent special districts are limited in authorized funding sources. City and county governments have access to many funding sources such as:

- Discretionary Sales Surtax
- Communication Service Tax
- Special Assessments
- Transient Rental Tax
- Governmental Service Fees
- Local Option Sale and Use Tax
- Local Option Gas Tax

As a result, other forms of municipal governments can keep Ad Valorem tax rates (Property Tax) low while supplementing revenue needs through other forms of taxation.

Understanding the District's Budget

Government agencies budget and report revenues and expenses on a "Fund" basis. Larger governments generally have multiple Funds that may include Special Revenue Funds, Capital Improvement Funds, Enterprise Funds, etc. Under normal circumstances, the District operates a single Fund referred to as the "General Fund". There are four sections of the District's budget, 1) revenues, 2) funds carried forward from the prior year, 3) expenses, and 4) reserves.

Revenues

The District estimates the fees that will likely be collected for building inspections, rental property registrations, special event fees and ambulance transports. Other revenues such as donations, secured grants and interest earned are estimated as well. The Ad Valorem taxes are assessed based on the millage rate required to support expenses and reserves, less anticipated revenues and funds carried forward from the prior year.

Simply stated, the equation is:

+ *Expenses*

+ *Reserves*

- *Revenues*

- *Funds carried forward from the prior year*

= *Millage rate required to generate the Ad Valorem taxes required to balance the budget.*

Funds carried forward from the prior year

The District estimates the Fund balance for the current fiscal year and accounts for this balance in the revenue section of the budget. Once the year is complete and accounting is finalized, estimated funds that were carried forward in the budget is adjusted to the actual amount. The adjustment is achieved through a Resolution adopted by the Board of Fire Commissioners. This generally coincides with the completion of the audited financial statement.

Expenses

The District forecasts the expenses for the budget taking several factors into consideration, depending on the type of expense. Wages and benefits generally comprise 75% - 80% of the operating budget and are largely dependent on collective bargaining agreements. Retirement expenses are determined by the Florida Retirement System and health insurance rates are established by Lee County.

Several expense categories, such as repairs and maintenance for facilities and equipment, utilities, communication fees, legal & professional services, and normal operating supplies are based on historical trends. Other expenses, namely commercial insurance and certain contractual obligations, are bid annually or periodically.

Debt service is budgeted pursuant to an amortization schedule provided by the lender and must be budgeted in compliance with executed agreements. Capital purchases can often account for a large portion of the budget. The District funds capital equipment through the Capital Sustainment and Replacement Reserve. Equipment is assessed annually to determine if replacement estimates; both end-of-useful-life and replacement cost, are accurate. Based on the assessment, the replacement can be postponed, kept on schedule, or accelerated as is appropriate. Mission-critical assets may be replaced on a stricter schedule to avoid failure during crucial operations.

Reserves

Assigned Reserve levels are based on the current and future needs of the District and reviewed each year during the budget process. Each government entity must establish reserves tailored to their needs.

Typically, the District's largest reserve fund is for Capital Sustainment and Replacement. This year, the reserve fund for the Fire Station 31 and Headquarters Facility construction projects exceed the Capital Sustainment fund. This will likely continue to be the case until we get into the construction phase on each of these

facilities. The annual allotment into the Capital Sustainment fund is based on each asset’s current cost, plus an annual cost escalation, divided by the number of years of useful life of each asset. The District collects funds for each asset with a value greater than \$5,000. When assets are scheduled for replacement, the estimated cost is placed in the budget and the Reserve is reduced by the same amount.

The Emergency Disaster Reserve allows for continued operations in the event of a natural or other disaster, the amount is determined by estimating the cost of an all-out operation of 30 days. This reserve fund allowed the District to maintain operations in the days and weeks following Hurricane Ian.

The Millage Sustainment Reserve has been gradually building over several years for the expressed purpose of sustaining operations should a recession or other long term economic stressor occur. This year, the Ad Valorem revenue is down over 40% from last year. In addition to reducing expenses, the District is utilizing a portion of the Millage Sustainment fund to bridge the revenue shortfall and balance the budget.

The District also retains a Reserve to aid in potential costs associated with the Firefighter Cancer legislation passed in 2020.

Fort Myers Beach Fire Control District						V. 9/13/2023
Proposed Budget for Year-end September 30, 2024						
	23/24		22/23			
	Budget	%	Budget	Diff \$	Diff %	
<i>Mills</i>	2.9851		2.9851			
<u>Revenues</u>						
Ad Valorem taxes	9,013,352	88.6%	15,035,717	(6,022,365)	-40.1%	
Impact fees	40,000	0.4%	9,190	30,810	335.3%	
Intergovernmental	13,900	0.1%	13,900	-	0.0%	
Charges for services	575,000	5.7%	804,300	(229,300)	-28.5%	
Miscellaneous	530,000	5.2%	287,000	243,000	84.7%	
Proceeds from the sale of capital assets	<u>-</u>	0.0%	<u>40,000</u>	<u>(40,000)</u>		
Total Revenue	10,172,252	100.0%	16,190,107	(6,017,855)	-37.2%	
Fund Balance/Reserves Brought Forward	<u>18,500,000</u>	64.5% *	<u>14,006,127</u>	<u>4,493,873</u>	32.1%	
Total Revenues and Funds Brought Fwd	<u>28,672,252</u>		<u>30,196,234</u>	(1,523,982)		

<u>Expenditures</u>					
Personal Services	10,225,440	71.4%	11,905,440	(1,680,000)	-14.1%
Professional & Contractual	1,416,000	9.9%	1,488,900	(72,900)	-4.9%
Communications & Freight	110,020	0.8%	103,140	6,880	6.7%
Occupancy and Commercial Insurance	339,400	2.4%	279,800	59,600	21.3%
Repairs and Maintenance	254,140	1.8%	303,330	(49,190)	-16.2%
Miscellaneous & Contingency	33,485	0.2%	33,690	(205)	-0.6%
Operating Supplies & Tools	543,500	3.8%	731,100	(187,600)	-25.7%
Education & Training	162,650	1.1%	276,360	(113,710)	-41.1%
Other Services	26,450	0.2%	101,550	(75,100)	-74.0%
Capital Expenditures	1,035,500	7.2%	1,383,695	(348,195)	-25.2%
Debt service	<u>166,690</u>	1.2%	<u>259,470</u>	<u>(92,780)</u>	-35.8%
Total Operating Expenditures	14,313,275	100.0%	16,866,475	(2,553,200)	-15.1%
Assigned: Cap Sustainment/Op Bridge	4,968,905		3,585,602	1,383,303	
Assigned: ST31/HQ Construction Project	7,152,072		5,988,030	1,164,042	
Assigned: Millage Sustainment	988,000		2,506,127	(1,518,127)	
Assigned: Disaster Response Mitigation	1,200,000		1,200,000	-	
Assigned: Firefighter Presumptive Illness	<u>50,000</u>		<u>50,000</u>	<u>-</u>	
Designated Fund Balance (Reserves)	<u>14,358,977</u>	50.1% *	<u>13,329,759</u>	<u>1,029,218</u>	7.7%
Total Expenditures and Reserves	<u>28,672,252</u>		<u>30,196,234</u>	(1,523,982)	-5.0%

* Percent relative to the total budget

