

# EMS Special District Analysis

Calculate potential rates and scenarios to meet funding needs for City's emergency medical services.

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## Executive Summary

The City of Fort Lauderdale, FL retained Stantec to perform an analysis to generate potential ad-valorem tax rates to fund and support an Emergency Medical Services (EMS) Special District. The analysis provides the necessary rates, funding scenarios, implementation options and potential impacts of creating a dedicated EMS district, which could ensure sustainable funding for operations, infrastructure, and service expansion of the City's EMS department.

### Key Objectives

**Determine Funding Needs:** Establish the required revenue for the EMS Special District, including operational expenses, capital expenditures, staffing, equipment, and infrastructure improvements.

**Tax Rate Calculation:** Calculate the ad valorem tax rates necessary to generate the revenue needed to fund the EMS services based on the district's operational costs and projected service demands.

**Financial Sustainability:** Assess the long-term financial sustainability of the EMS district and explore various tax rate adjustments, such as a potential millage cap and true-up policy, to ensure sustained full cost recovery.

**Community Impact and Support:** Analyze the potential effects on local taxpayers and the community, considering the balance between necessary service improvements and the financial burden placed on property owners.

### Recommendation

**Establishment of the EMS Special District:** We recommend the City Commission consider formalizing the creation of the EMS Special District with enabling governance. The EMS Special District could provide the City with a transparent and dedicated funding source for emergency medical services.

**Inclusion of an EMS Millage Cap:** We recommend the City consider including a maximum millage rate in the enabling governance that could provide the City additional flexibility for adjustments to the active EMS tax rate. The EMS service costs are projected to increase faster than taxable value growth due to annual cost escalation, SAFER grant expiration, and service expansion plans. An EMS millage cap gives the City the flexibility to ensure adequate funding is available in the future.

**Periodic Review and Adjustment:** We recommend the City conduct annual review of EMS funding needs, financial sustainability, and tax revenue to ensure the EMS district remains financially viable and continues to meet the evolving needs of the community.



# 1 Revenue Requirement

The City’s total emergency medical services costs serve as the basis for the EMS special district ad-valorem tax calculations and are referred to as the EMS revenue requirement. The EMS revenue requirement and projected costs are based upon the Adopted FY 2025 Fire Rescue Budget and escalated annually based on distinct cost escalation factors.

## 1.1 Budget Allocation

The City’s Fire Rescue Department provides standard fire suppression, emergency medical services (EMS), state disaster response, hazmat response, dive rescue, emergency management and disaster preparedness, fire prevention and safety education. The City currently administers a fire assessment program to fund only the portion of the Fire Rescue budget related to fire prevention, fire suppression, and non-EMS first responder services, as required by the Supreme Court ruling in City of North Lauderdale v. SMM Properties. As such, there is an established methodology for isolating the EMS related costs in the Fire Rescue budget as part of the maintenance of the fire assessment program. We followed the established methodology for the budget allocation and updated the appropriate allocation factors used to isolate the EMS costs. The allocation factors include direct, administrative, and operational, all of which were updated with current data from FY 2025. In addition to separating EMS costs, Ocean Rescue costs were isolated to give the City the option to fund or exclude from the EMS Special District Tax. The resulting allocation of the FY 2025 Fire Rescue Budget is summarized in Table 1 below by cost center title.

Table 1 – FY 2025 Fire Rescue Expense Budget Allocation

Cost Center Title	Fire	EMS	Ocean Rescue	Total
ARFF/Crash Fire	\$ 1,619,325	\$ -	\$ -	\$ 1,619,325
Domestic Preparedness	\$ 739,493	\$ 497,253	\$ -	\$ 1,236,746
EMS & Training Administration	\$ -	\$ 1,277,068	\$ -	\$ 1,277,068
EMS & Training-Special Operations	\$ -	\$ 1,648,799	\$ -	\$ 1,648,799
Financial Management	\$ 498,072	\$ 325,663	\$ -	\$ 823,735
Fire Plans Review	\$ 633,819	\$ -	\$ -	\$ 633,819
Fire Prevention	\$ 1,047,364	\$ -	\$ -	\$ 1,047,364
Fire Rescue Administration	\$ 2,543,209	\$ 1,678,209	\$ -	\$ 4,221,418
Fire Rescue Support	\$ 53,788,262	\$ 43,361,806	\$ -	\$ 97,150,068
Fire Safety Inspections	\$ 1,611,693	\$ -	\$ -	\$ 1,611,693
High Rise & Sprinkler	\$ 868,774	\$ -	\$ -	\$ 868,774
Mobile Integrated Health	\$ -	\$ 309,332	\$ -	\$ 309,332
Ocean Rescue & Investigations	\$ -	\$ -	\$ 5,950,947	\$ 5,950,947
Support Services	\$ 2,190,624	\$ 1,445,868	\$ -	\$ 3,636,492
Indirect Service Charge	\$ 2,960,838	\$ 2,439,162	\$ -	\$ 5,400,000
<b>Total FY 2025 Expense Budget</b>	<b>\$ 68,501,473</b>	<b>\$ 52,983,160</b>	<b>\$ 5,950,947</b>	<b>\$127,435,580</b>



**EMS Special District Analysis**  
Revenue Requirement

The City's fire rescue budget also contains revenues, some of which are attributable to EMS functions. Table 2 shows the results of the allocation of the fire rescue department's revenues between Fire, EMS, and Ocean Rescue.

Table 2 - FY 2025 Fire Rescue Revenue Budget Allocation

Cost Center Title	Fire	EMS	Ocean Rescue	Total
ARFF/Crash Fire	\$ 1,619,325	\$ -	\$ -	\$ 1,619,325
EMS & Training-Special Operations	\$ 453	\$ 297	\$ -	\$ 750
Fire Plans Review	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Fire Prevention	\$ 49,000	\$ -	\$ -	\$ 49,000
Fire Rescue Support	\$ 57,968,558	\$ 14,629,238	\$ -	\$ 72,597,796
Fire Safety Inspections	\$ 907,167	\$ 4,349	\$ -	\$ 911,516
High Rise & Sprinkler	\$ 681,834	\$ -	\$ -	\$ 681,834
Ocean Rescue & Investigations	\$ -	\$ -	\$ 1,216,864	\$ 1,216,864
<b>Total FY 2025 Revenue Budget</b>	<b>\$ 62,226,337</b>	<b>\$ 14,633,884</b>	<b>\$ 1,216,864</b>	<b>\$ 78,077,085</b>

## 1.2 Revenue Requirement

The allocated EMS budget was used as the basis to develop the EMS Revenue Requirement for the ad-valorem tax. The allocated EMS revenues shown in Table 2 such as transport fees and inter-local agreements are deducted from the allocated EMS budget to avoid double-recovery of costs. Also, a 4% allowance for early payment/statutory discounts and a 2% allowance for tax collector administration fees were included as gross-ups to determine the total EMS Revenue Requirement. The final EMS Revenue Requirement calculated for FY 2025 is shown in Table 3 below, with and without Ocean Rescue included.

Table 3 – FY 2025 EMS Revenue Requirement

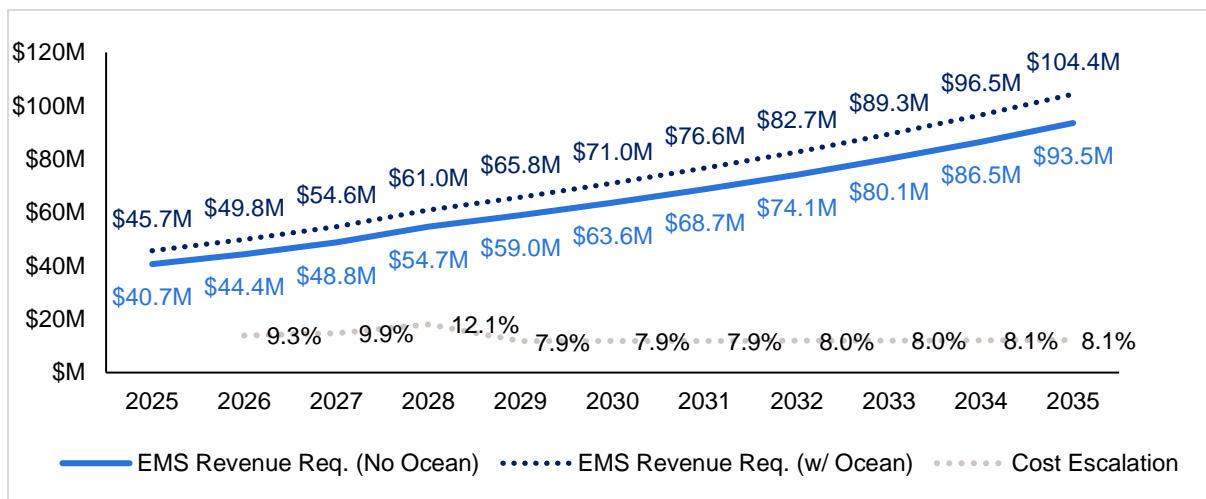
EMS Revenue Requirement	FY 2025 No Ocean Rescue	FY 2025 With Ocean Rescue
Salaries & Wages	\$ 27,183,678	\$ 30,988,802
Fringe Benefits	\$ 9,403,540	\$ 10,827,547
Services & Materials	\$ 2,432,752	\$ 2,515,512
Other Operating Expenses	\$ 9,707,173	\$ 10,138,882
Capital Outlay	\$ 105,761	\$ 124,337
Other Uses	\$ 4,150,255	\$ 4,339,026
<b>Subtotal EMS Expenses</b>	<b>\$ 52,983,159</b>	<b>\$ 58,934,106</b>
Less: EMS Revenues	\$ (14,633,884)	\$ (15,850,748)
<b>Net EMS Service Cost</b>	<b>\$ 38,349,275</b>	<b>\$ 43,083,358</b>
Plus: 4% Discount	\$ 1,533,971	\$ 1,723,334
Plus: 2% Tax Collector	\$ 766,986	\$ 861,667
<b>Total EMS Revenue Requirement</b>	<b>\$ 40,650,232</b>	<b>\$ 45,668,359</b>



### 1.3 Projection of Revenue Requirement

To calculate the EMS Revenue Requirement beyond FY 2025, the allocated FY 2025 EMS budget was projected on a line-item basis, using industry standard cost escalation factors reviewed by City Staff and utilized in the annual general fund substantiality analysis. The projected impact of the SAFER grant expiration beginning in FY 2026 was provided by City Staff and included in the projection. The additional costs associated with staffing the new Heron Garage fire rescue substation in FY 2027 were also provided by Staff and included in the projection. Schedule 1 of the Appendix presents the line-item projection of the FY 2025 EMS budget. The projection of the EMS Revenue Requirement allows the City to anticipate the amount of revenue needed from the EMS Special District ad-valorem tax and prepare for potential adjustments to the tax rate. Figure 1 shows the projection of the EMS Revenue Requirement over 10 year and the annual cost escalation.

Figure 1- EMS Annual Revenue Requirements and Cost Escalation



## 2 EMS Tax Rate Calculation

An EMS Special District established by the City would be supported by an ad-valorem millage rate or property tax rate. The EMS tax rate would be assessed to a property owner’s taxable value per \$1,000 of value and appear on their annual property tax bill as long as the tax rate is in effect. The EMS tax rate would be applied to every property that has taxable value within the City limits of Fort Lauderdale. The City’s most recent final taxable value amount is used to calculate the tax rate based off the FY 2025 revenue requirement that was calculated in the previous section. The City’s current taxable value for the tax year 2025 is \$58,986,083,589. Based on the current taxable value, the tax rate necessary to generate the EMS revenue requirement in FY 2025, without Ocean Rescue, is 0.6891 per \$1,000 of taxable value. The tax rate including Ocean Rescue is 0.7742 per \$1,000 of taxable value. The calculation of the EMS tax rates for FY 2025 are detailed in Table 4.

Table 4 – EMS Tax Rate Calculation

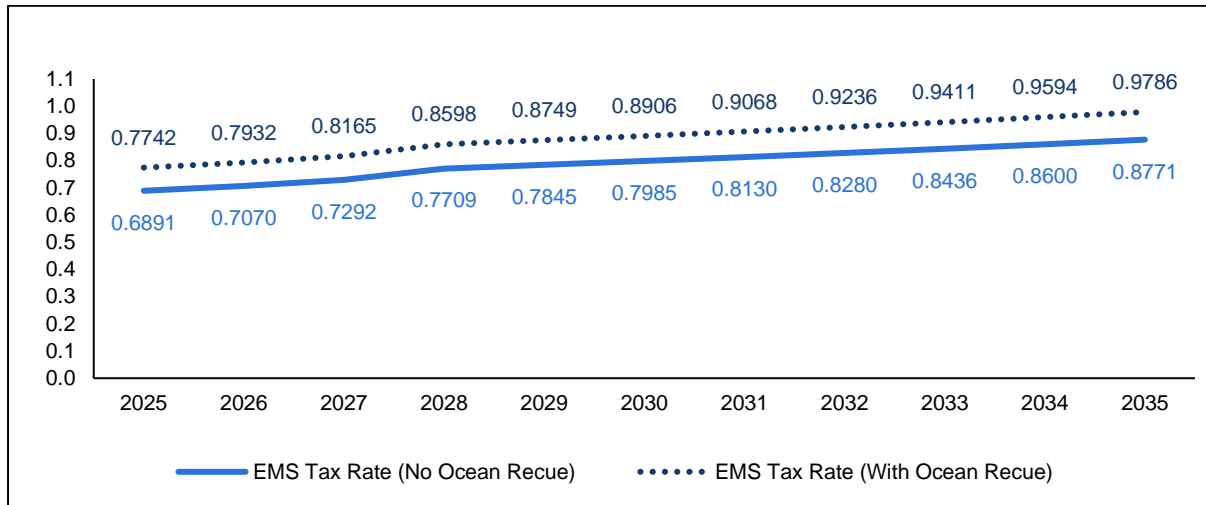
	FY 2025 No Ocean Rescue	FY 2025 With Ocean Rescue
EMS Revenue Requirement	\$40,650,232	\$45,668,360
<i>divided by ÷</i>		
City-Wide Taxable Value 2025 (000s)	\$58,986,084	\$58,986,084
<i>equals =</i>		
<b>FY 2025 Tax Rate per \$1,000</b>	<b>0.6891</b>	<b>0.7742</b>

### 2.1 Projected Tax Rates

The projected tax rates are calculated by utilizing the projected EMS revenue requirements shown in Figure 1 and the City’s future estimated taxable value based on a reasonable estimate of growth. The resulting projected tax rates for both scenarios are shown in Figure 2.



Figure 2- Annual Tax Rate Required for Full Cost Recovery



## 2.2 Millage Cap

The City can consider including a property tax rate cap or millage cap during the adoption process of the proposed EMS special district, which provides the benefit of additional flexibility in the future. A millage cap would represent a higher millage rate than currently necessary in FY 2025 based on the EMS revenue requirement calculated. The City would not have to implement the full millage cap that is authorized and can choose to levy any millage at or below the cap. The tax rate cap acts as a ceiling in the special district's governance that gives the City Council the ability to make future adjustments to the EMS tax rate on an annual basis. As shown in Figure 2, the City may need to levy higher millage rates over time to keep pace with the growth of the EMS revenue requirement and ensure sustainable funding for the EMS special district.

The City must also consider the statutory 10-mill cap that limits the total combined property tax rate levied by the City. The City's current operating millage rate is 4.1193 and the City also has a neighborhood improvement district that is authorized to levy up to 2.0 mills. Based on the projections in Figure 2, a 1.0 mill cap would give the City sufficient flexibility to respond to cost increases for the next 10 years for the proposed EMS district. When added to the other active millage rates, the maximum millage rate levied would be 7.1193 mills which is below the 10-mill cap. Table 5 shows the total millage rate including the EMS special district.

Table 5 – EMS Millage Cap

Jurisdiction	Millage Rate
City Operating	4.1193
Sunrise Key – Millage Cap	2.0000
<i>EMS Special District – Millage Cap</i>	<i>1.0000</i>
<b>Total</b>	<b>7.1193</b>





### 3 Property Impacts and Implementation

#### 3.1 Annual Property Tax Impacts

The property impacts for the EMS special district are calculated based on the estimated taxable value of the property in question in FY 2025 and the EMS tax rate considered. The EMS special district tax rate would appear on a property’s annual tax bill in addition to all other taxing entities including City and County. For comparison purposes, we’ve chosen some representative properties from the City’s tax roll and applied the FY 2025 tax rates calculated in Table 3. Table 6 shows the annual impacts to the property tax bill for both scenarios, with and without Ocean Rescue included. Properties that pay by November 30<sup>th</sup> would receive a 4% discount on the bills estimated below.

Table 6 – Estimated Property Impacts

	Millage Rates ->	0.6891	0.7742
Property Type	Taxable Value	FY 2025 EMS (No Ocean Rescue)	FY 2025 EMS (With Ocean Rescue)
Lower Quartile Single Family	\$150,000	\$103.37	\$116.13
Average Single Family	\$590,000	\$406.57	\$456.78
Higher Quartile Single Family	\$1,030,000	\$709.77	\$797.43
Average Condo	\$470,000	\$323.88	\$363.87
Supermarket	\$10,000,000	\$6,891.00	\$7,742.00
Restaurant	\$1,700,000	\$1,171.47	\$1,316.14
Office Building	\$6,200,000	\$4,272.42	\$4,800.04

#### 3.2 Implementation Options

The City has multiple options in terms of implementing the EMS special district. The EMS special district can be created and funded at 100% cost recovery of the EMS revenue requirement in the first year or be phased-in gradually over a period of time. The one-year implementation option is shown in Table 7.

Table 7 – Year 1 Implementation

	Year 1	Year 1
Scenario	No Ocean Rescue	With Ocean Rescue
Cost Recovery	100%	100%
EMS Tax Rate	0.6891	0.7742
Projected Revenue	\$40,650,232	\$45,668,360
Average Single Family Bill	\$406.57	\$456.78



## EMS Special District Analysis

### Property Impacts and Implementation

Another potential option for the City is the adoption of an EMS tax rate that recovers 25% of the EMS revenue requirement in the first year and each year gradually increasing the cost recovery by 25% until full cost recovery is reached in the fourth year. A phased-in implementation will lessen the immediate impact on the City's tax payers. The four year phased-in implementation options are shown in Table 8 and Table 9.

*Table 8 – Phased-In Implementation (No Ocean Rescue)*

	2025	2026	2027	2028
Scenario	No Ocean Rescue	No Ocean Rescue	No Ocean Rescue	No Ocean Rescue
Cost Recovery	25%	50%	75%	100%
EMS Tax Rate	0.1723	0.3535	0.5469	0.7709
Projected Revenue	\$10,161,828	\$22,206,933	\$36,589,519	\$54,670,455
Average Single Family Bill	\$101.64	\$208.57	\$322.67	\$454.83

*Table 9 – Phased-In Implementation (With Ocean Rescue)*

	2025	2026	2027	2028
Scenario	With Ocean Rescue	With Ocean Rescue	With Ocean Rescue	With Ocean Rescue
Cost Recovery	25%	50%	75%	100%
EMS Tax Rate	0.1936	0.3966	0.612375	0.8598
Projected Revenue	\$11,416,756	\$24,914,483	\$40,970,025	\$60,975,039
Average Single Family Bill	\$114.19	\$233.99	\$361.30	\$507.28





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