

Emergency Medical Services ("EMS") Special Taxing District Presentation





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EMS Special District Discussion Background and Context

May 7, 2024

Fire Rescue Advisory Board presented five recommendations for proactively expanding Fire Rescue Services, including the creation of an EMS District.

The Commission directed staff to further research the establishment of an EMS Special District and schedule time for a conference discussion.

August 13, 2024

The City Attorney's Office presented a memo to the Commission outlining the City's legal authority for establishing a special district.

September 18, 2024

The Office of Management and Budget presented information on the process to establish a special district to the Budget Advisory Board

Fire Rescue Advisory Board Recommendation (May 7, 2024):
“Consider an EMS taxing district to meet funding needs for Fire Rescue services as is being done in other municipalities such as Pompano Beach Fire Rescue.”

Fire Rescue Budget Breakdown

FY 2025 Budget: \$127.4M

(Includes \$5.4M in Indirect Service Charges)

	Fire	EMS	Ocean Rescue	
Expenditures:	\$ 66.9M	\$ 54.3M	\$ 6.2M	\$49.4M Net General Fund Support
Off-setting Revenues:	\$ 64.2M -\$51.4M Fire Assessment -\$12.8M Misc. Revenue	\$ 12.6M -\$10.0M EMS Transport -\$1.9M Wilton Manors Revenue -\$0.7M Misc. Revenue	\$ 1.2M \$1.2M Parking ROI	
Impact	\$ (2.7M)	\$ (41.7M)*	\$ (5.0M)	

*Estimated full cost recovery amount for EMS Taxing District



Estimated EMS Taxing District Assessment

Assessable Costs
\$41.7M

Total Assessment
\$43.3M

4% Statutory Discount
(\$1.6M)

Millage Rate Equivalent
0.7353

Estimated Impact to a Single Family Home
(Based on \$580K Average Taxable Value)

\$426

Special Taxing Districts

- A Special District is a **unit of government** created for a special purpose for a limited geographic boundary and by general law, special act, local ordinance, or by rule of the Governor and Cabinet.
- There are **66 special districts** established in the State of Florida for the purpose of providing fire protection, rescue services, and emergency medical services (EMS), or some combination thereof.

Examples of Fire Rescue and EMS Services Special Districts (Dependent) in Florida:	
Special District Name	Revenue Sources
Miami-Dade Fire and Rescue	Ad Valorem
Pinellas County Emergency Medical Services Authority	Ad Valorem
Pompano Beach Emergency Medical Services District	Ad Valorem
North Port Fire Rescue District	Fees, Grants, Non Ad-Valorem, and Sales Surtax

Florida Special District Handbook

Reasons to Create a Special District

To finance, construct, operate, and maintain capital infrastructure, facilities, and/or services.

To pay for projected growth of a special district, generally within the general-purpose government, without requiring all other taxpayers to pay.

To provide specific services when growth and development issues transcend the boundaries, responsibilities, and authority of individual municipalities.

To provide highly specialized local government services – often in response to citizen demand.

To create a governing structure with the expertise to oversee the specialized purpose of the district.

To increase accountability and transparency of public resources.

To empower citizens to govern their own neighborhood or community, since it is often possible to have them serve on a special district's governing body.

To create a local special-purpose government agency with a mission separate from the local general-purpose government.

Special District Differentiation

Dependent Special Districts

- A Dependent Special District **meets at least one** of the following criteria:
 - The governing body membership is identical to the City's municipality governing body.
 - All members of the governing body are appointed by the governing body of the City.
 - During their unexpired terms, the special district's governing body are subject to removal at the will of the City's governing body.
 - The special district has a budget that requires approval through an affirmative vote by the governing body.
 - The special district has a budget that can be vetoed by the governing body of the municipality.

Independent Special Districts

- An independent special district **does not meet** any of the dependent district criteria listed above.

Generally, counties and municipalities are only authorized to create dependent special districts.

Establishing a Special Taxing District

How to be Established

- Ordinance of a county or municipal governing body having jurisdiction over the area affected, or by special act of the Legislature with consent of the local government, upon which the special district will be dependent.

Governing Board

- As determined by ordinance.
- Can be the City Commission, appointed, or elected governing body members.

Ordinance Requirements

(a) The purpose, powers, functions, and duties of the district.

(b) The geographic boundary limitations of the district.

(c) The authority of the district.

(d) An explanation of why the district is the best alternative.

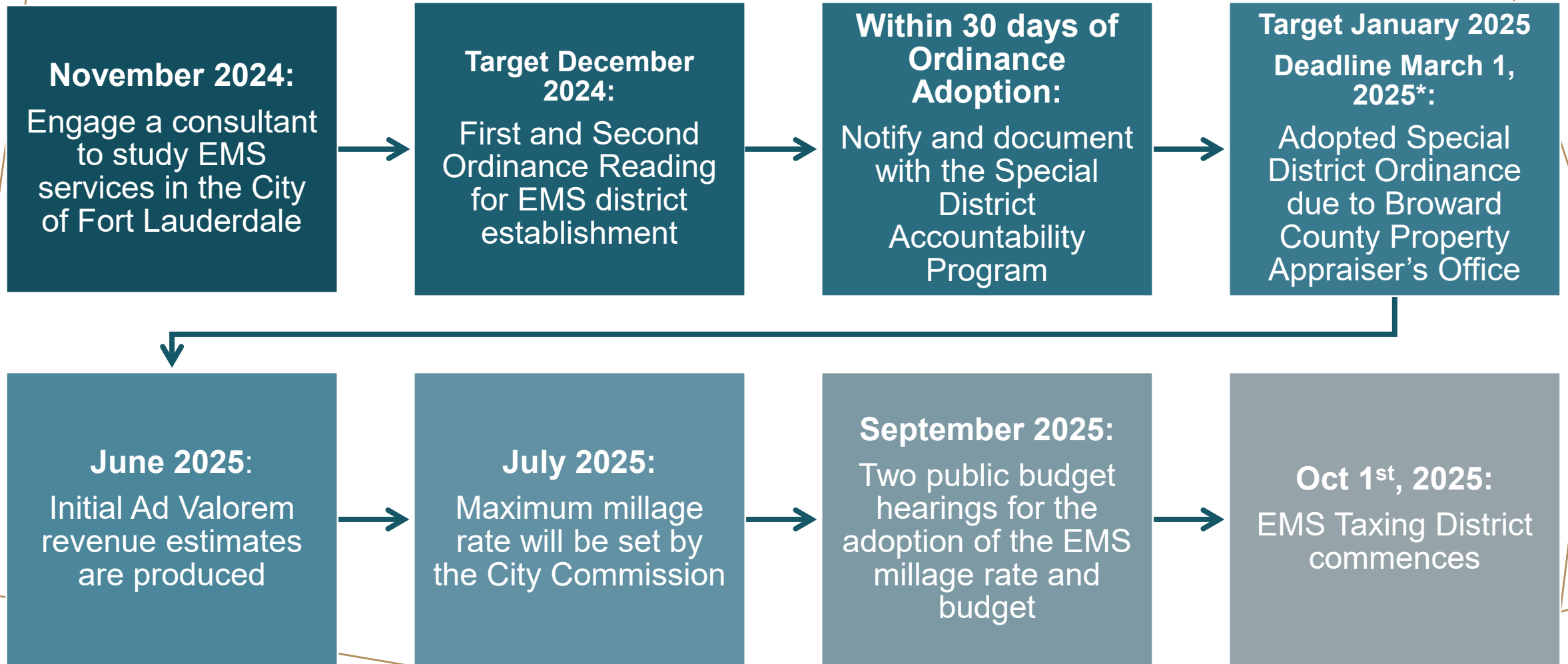
(e) The membership, organization, compensation, and administrative duties of the governing body.

(f) The applicable financial disclosure, noticing, and reporting requirements.

(g) The methods for financing the district.

(h) A declaration that the creation of the district is consistent with the approved local government comprehensive plans.

Potential Implementation Timeline



*Based on information from the Broward County Property Appraiser

Millage Rate Caps

- A special districts classification may affect local millage caps.
- The dependent district's ad valorem millage must be added to the combined total millage and must not exceed the millage cap set for the City (**10 Mills**) on ad valorem taxes (Florida Constitution; Article VII, Section 9).
- Taxes levied for the payment of bonds are excluded from the local millage cap.
- Municipalities are also limited to by statute.

Current Situation	
Ad-Valorem Tax	Mills
City Operating	4.1193
Sunrise Key – Millage Cap*	2.0000
Total	6.1193

Potential EMS Rate Addition	
Ad-Valorem Tax	Mills
City Operating	4.1193
Sunrise Key – Millage Cap*	2.0000
EMS District	0.7353
Total	6.8546

*Sunrise Key currently has a millage rate of 1.0 mills, but they are authorized to increase their millage up to a maximum of 2.0 mills.



Annual Maximum Millage Adjustment

City elected officials are restricted, by State Statute, on the millage rate adjustments for a given year:

- **By Majority Vote:** (3 Commissioners)
 - Maximum ad-valorem rate is equal to the rolled-back rate times the per capital Florida personal income adjustment.
 - For FY 2025, the maximum millage rate allowable by majority vote was **4.8734**

- **By Two-Thirds Vote** (4 Commissioners)
 - Taxing authorities may levy a millage not more than 110% of the majority vote maximum millage rate
 - For FY 2025, the maximum millage rate allowable by two-thirds vote was **5.3607**

- **By Unanimous Vote:** (5 Commissioners)
 - Taxing authorities may levy any millage not more than their constitutional maximum millage (**10 mils**)

Ongoing Administrative Impacts

Budget

Special Districts must adopt their own budgets annually by resolution through a public hearing process.

Website

Dependent Special Districts must be “prominently displayed” on the home page of the local general-purpose government.

Meetings

The governing board of the special district must meet, at minimum, quarterly and the meeting agendas must be posted seven days before the event.

Special District Accountability Program

Each special district is required to file annual information with the program, keep it updated, annually review, and pay an annual \$175 fee.

Financial Reports

Dependent special districts will need to either have their financial reports and audits included with the local governing body or report separately.

Cost Recovery

If district is designed to be cost-recovery, the City would need to engage in regular updates to the model – and millage adjustments would need to be ongoing.

Millage Alternative Comparison

Component	Increase General Fund Millage	Establish EMS Special District	Comments
Taxpayers	All Residents and Businesses	All Residents and Businesses	An EMS Special District does not diversify the City's revenue source – it's an identical tax base.
City Administration	No changes to existing administrative process.	Additional administrative complexity – as previously detailed.	If an EMS Special District is implemented, City staff recommends pursuing full-cost recovery
Revenues Generated	\$41.6 Million	\$41.6 Million	Same amount of revenue generated. Increasing millage rate may require unanimous or two-thirds Commission approval
Flexibility	Greater flexibility in the uses of Ad Valorem revenue.	Restricted flexibility – use limited by adopted purpose of the special district.	Flexibility is required to allocate funding for more general public safety purposes.

Discussion