

TECHNICAL MEMORANDUM


Stantec Consulting Services Inc.

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DATE: September 2, 2020

TO: Lora Howell, Deputy Finance Director – City of Cocoa, Florida

FROM: Peter Napoli – Senior Consultant, Financial Services

RE: FY 2021 Fire Assessment Roll Update

Background: Stantec Consulting Services Inc. completed a Fire Assessment Study for the City that was implemented in Fiscal Year (FY) 2014. Since 2015, annual updates have been performed for the Fire Assessment program and Non-Ad Valorem. This Technical Memorandum presents the results of the analysis for the Fire Assessment to be implemented for FY 2021.

Scope

The scope for the FY 2021 Fire Assessment Update included the following:

- 1) An evaluation of the need for increased Fire Assessment revenue in the context of the General Fund Financial Sustainability Analysis, the results of which are being delivered in a separate Report; and
- 2) Update the Non-Ad Valorem Fire Assessment Roll to include the revenue increase in the assessment to all assessed parcels as indicated in the results section of this memo. The data utilized to prepare the updated assessment roll is obtained directly from the Brevard County Property Appraiser.

There is no change to the Fire Assessment methodology for FY 2021.

Results

Based upon the analysis conducted in this year's update, it was determined that the Fire Assessment rates should increase by 3% as shown in the table below.

	FY 2020	FY 2021	Increase %
Residential Rate per Dwelling Unit	\$ 215.63	\$ 222.10	3.00%
Tier 1 Rate per Parcel EBU	\$ 152.46	\$ 157.03	3.00%
Tier 2 Rate per Parcel EBU	\$ 9.55	\$ 9.84	3.00%

The FY 2020 rates generated approximately \$2.77 million of billed assessment revenues including corrections. The updated Non-Ad Valorem assessment roll submitted to City Staff for review shows a billed assessment revenue of \$2.91 million. These revenues, in combination with a subsidy from the General Fund for the remaining costs of providing Fire Protection services will sufficiently fund the Fire Department's projected operations and maintenance costs

and capital improvement program. The General Fund Sustainability Analysis performed separately from this project provides for the projected financial dynamics of the General Fund and shows the sustainable 10-year projection with these Fire Assessment rate adjustments included therein.

The City's projected Fire Assessment revenue must provide sufficient funding for the annual debt service requirements of the Series 2016 Fire Assessment Bonds (Fire Stations) and the Series 2014 Note (Fire Apparatus). This year's analysis confirms the City's projected Fire Assessment revenues will maintain the City's policy requiring revenues at least 1.25 times greater than the annual debt service requirements and ensure the adequate funding of the debt service requirements for the debt service amount due in FY 2021.

A Fire Assessment Roll is being delivered separately to reflect all current assessable parcels, along with a full list of exempted parcels for staff use. A separate roll is delivered for use by the Brevard County Property Appraiser and Tax Collector for TRIM purposes. Upon review and any revisions, the final roll will be delivered for the FY 2021 tax bills.

If you have any questions or would like to discuss this Technical Memorandum, please do not hesitate to call me at (904) 671-0117.

Very truly yours,



Peter Napoli
Senior Consultant, Financial Services