



Fort Myers Beach Fire Control District



Adopted Budget Fiscal Year 2024/2025

The Fort Myers Beach Fire Control District is pleased to present the Fiscal Year 2024-2025 adopted budget. We are proud to celebrate 75 years of 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.

Recovery from Hurricane Ian continues as the District works closely with Federal Emergency Management Agency (FEMA) and the Florida Department of Emergency Management (FDEM) to recapture remaining expenditures and rebuild the fire station destroyed in the storm. We have modified our service delivery model to match the ongoing needs of our community, whereby reducing the financial impacts to our operating budget.

Groundbreaking for Fire Station 31 is planned for October 25, 2024 on the property purchased in July of 2020 at 2545/2555 Estero Blvd. Through a grant from the State of Florida, construction has been accelerated and we anticipate completion of our new station in March of 2026.

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 75 years, and the Fire District is no different. As our community has grown and evolved, we too 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". In the Spring of 2024, the District created a Capital Projects Fund to deposit the 9 million dollar grant received by the State of Florida to begin construction of Station 31. 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:

$$\begin{aligned} &+ \textit{Expenses} \\ &+ \textit{Reserves} \\ &- \textit{Revenues} \\ &- \textit{Funds carried forward from the prior year} \\ &= \textit{Millage rate required to generate the Ad Valorem taxes required to balance the budget.} \end{aligned}$$

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 are 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. 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, as in past years, we continue to reserve funds for the construction of Fire Station 31 and the

Headquarters Facility. Although the State of Florida provided the District with a 9 million dollar grant for the Station 31 project, the total cost may be closer to 14 million.

The annual contribution into the Capital Sustainment fund is based on the current cost of each asset, plus an annual multiplier for inflation, divided by the number of years of useful life; essentially the amount of annual depreciation plus inflation. The District saves for each asset with a value greater than \$5,000. When assets are scheduled for replacement, the estimated cost is budgeted as an expense 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 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 account was also used in part to balance the budget when property values declined by 40% after Hurricane Ian.

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

**Comparative Budget
General Fund YE 24 and YE 25**

V. 09/30/24

| | 24/25 Budget | % | 23/24 Budget | Increase (decrease) | % chg |
|----------------------------------|--------------------------|---------------|--------------------------|--------------------------------|--------------|
| <i>Mills:</i> | 2.8000 | | 2.9851 | | |
| <u>Revenues</u> | | | | | |
| Ad Valorem taxes | 12,350,314 | 85.8% | 9,013,352 | 3,336,962 | 37.0% |
| Impact fees | 40,000 | 0.3% | 40,000 | - | 0.0% |
| Firefighters supp income | 21,000 | 0.1% | 13,900 | 7,100 | 51.1% |
| Life Safety Fees | 850,000 | 5.9% | 500,000 | 350,000 | 70.0% |
| Ambulance fees (net) | 110,000 | 0.8% | 75,000 | 35,000 | 46.7% |
| Interest | 525,000 | 3.7% | 525,000 | - | 0.0% |
| Miscellaneous | 5,000 | 0.0% | 5,000 | - | 0.0% |
| Sale of capital assets | 486,000 | 3.4% | - | 486,000 | |
| Total Revenue | 14,387,314 | <u>100.0%</u> | 10,172,252 | 4,215,062 | 41.4% |
| Funds Carried Fwd (est) | 22,800,000 * | 61.3% | 21,329,421 | 1,470,579 | 6.9% |
| Total Rev & Carry Fwd | <u>37,187,314</u> | | <u>31,501,673</u> | <u>5,685,641</u> | 18.0% |

Expenditures

| | | | | | |
|----------------------------|-------------------|---------------|-------------------|------------------|--------------|
| Personnel | 11,706,320 | 68.1% | 10,225,440 | 1,480,880 | 14.5% |
| Professional & Contractual | 861,650 | 5.0% | 1,416,000 | (544,350) | -39.1% |
| Communications & Freight | 120,020 | 0.7% | 110,020 | 10,000 | 9.1% |
| Occupancy & Comm Insur | 346,200 | 2.0% | 339,400 | 6,800 | 2.0% |
| Repairs and Maintenance | 297,600 | 1.7% | 254,140 | 43,460 | 17.1% |
| Miscellaneous | 33,690 | 0.2% | 33,485 | 205 | 0.6% |
| Operating Supplies & Tools | 676,600 | 3.9% | 543,500 | 133,100 | 24.5% |
| Education & Training | 245,110 | 1.4% | 162,650 | 82,460 | 50.7% |
| Other Services | 82,520 | 0.5% | 26,450 | 56,070 | 212.0% |
| Capital Expenditures | 2,644,500 | 15.4% | 1,035,500 | 1,609,000 | 155.4% |
| Debt service | 166,690 | 1.0% | 166,690 | - | 0.0% |
| Total Expenditures | 17,180,900 | 100.0% | 14,313,275 | 2,867,625 | 20.0% |

Designated Fund Balance

| | | | | | |
|--|--------------------------|---------|--------------------------|-------------------------|-------|
| Capital Sustainment | 4,922,601 | | 4,968,905 | (46,304) | -0.9% |
| Construction Project(s) | 12,519,922 | | 9,981,493 | 2,538,429 | 25.4% |
| Millage Sustainment | 1,313,891 | | 988,000 | 325,891 | 33.0% |
| Disaster Response | 1,200,000 | | 1,200,000 | - | 0.0% |
| FF Presumptive Illness | 50,000 | | 50,000 | - | 0.0% |
| | <u>20,006,414</u> | * 53.8% | <u>17,188,398</u> | <u>2,818,016</u> | 16.4% |
| Total Expenditures and Reserves | <u>37,187,314</u> | | <u>31,501,673</u> | <u>5,685,641</u> | 18.0% |

* Percent relative to the total budget

Adopted Budget for Year-end September 30, 2025

| | GENERAL FUND | CIP FUND | TOTAL BUDGET |
|---|--------------------------|-------------------------|--------------------------|
| <u>Revenues</u> | | | |
| Ad Valorem taxes (Millage per \$1,000 - 2.8000) | 12,350,314 | | 12,350,314 |
| Impact fees | 40,000 | | 40,000 |
| Intergovernmental | 21,000 | | 21,000 |
| Charges for services | 960,000 | | 960,000 |
| Miscellaneous | 530,000 | | 530,000 |
| Proceeds from the sale of capital assets | 486,000 | | 486,000 |
| Total Revenue | <u>14,387,314</u> | | <u>14,387,314</u> |
| Fund Balance/Reserves Brought Forward | <u>22,800,000</u> | <u>8,598,000</u> | <u>31,398,000</u> |
| Total Revenues and Funds Brought Forward | <u><u>37,187,314</u></u> | <u><u>8,598,000</u></u> | <u><u>45,785,314</u></u> |
| <u>Expenditures</u> | | | |
| Personnel | 11,706,320 | | 11,706,320 |
| Operating | 2,606,390 | | 2,663,390 |
| Capital Expenditures | 2,644,500 | | 2,644,500 |
| Construction in Progress | - | 4,000,000 | 4,000,000 |
| Debt service | 166,690 | | 166,690 |
| Total Operating Expenditures | <u>17,180,900</u> | <u>4,000,000</u> | <u>21,180,900</u> |
| Reserve - Building Projects | 12,519,922 | 4,598,000 | 17,117,922 |
| Reserve - Capital Sustainment | 4,922,601 | | 4,922,601 |
| Reserve - Disaster Response/Mitigation | 1,200,000 | | 1,200,000 |
| Reserve - Millage Stabilization | 1,313,891 | | 1,313,891 |
| Reserve - Firefighter Presumptive Illness | 50,000 | | 50,000 |
| Total Reserves | <u>20,006,414</u> | <u>4,598,000</u> | <u>24,604,414</u> |
| Total Expenditures and Reserves | <u><u>37,187,314</u></u> | <u><u>8,598,000</u></u> | <u><u>45,785,314</u></u> |

The following are historical trend charts:

