

IMMOKALEE FIRE CONTROL DISTRICT



2022-2023 FINAL BUDGET



Immokalee Fire Control District

5368 Useppa Drive, Ave Maria, FL. 34142

Michael J. Choate, Fire Chief

September 20, 2022

Board of Fire Commissioners
502 New Market Rd. East
Immokalee, FL 34142

Commissioners;

This past year has truly been an eventful one for our District, with the long awaited opening of our state-of-the-art public safety facility in Ave Maria. Since the establishment of Ave Maria in 2007, we have provided service to the community from a “temporary” facility, awaiting the ability to fund the construction of a new station. In the fall of 2022, that plan finally came to fruition, and we began operating out of the new Station 32. The opening of this first class, modern facility in our District is a measure of how far we have come from a fiscal perspective.

In addition to the opening of Station 32, we have begun the construction of the overdue replacement facility for Station 30 in Immokalee, and have been renovating Station 31 on Carson Road to prepare for returning that Station to operational status.

Each of these significant projects have a long-term effect on both the General and Impact Funds of the District, and have required the establishment of long-term debt in order to construct and equip the facilities required to serve our community. Financial provision to repay this debt is a substantial portion of the budgetary provisions for the 2022/2023 fiscal year.

GENERAL FUND BUDGET

Like all independent fire districts, almost all of the District’s revenue is generated by property taxes (Ad Valorem). Annually, the County’s Property Appraiser establishes the taxable property value within the District. The Board then adopts a millage rate, and property tax revenue is generated. Unfortunately, this means the bulk of District funding is subject to the variations in property values associated with national economic conditions. Unlike a County or a City government, the District cannot merely increase the taxing (millage) rate when property values are not sufficient to fund operations – the District already levies the constitutional maximum millage rate allowable for an independent special district – 3.75 mils, or \$3.75 for every \$1,000 of taxable property value. Additionally, we face a unique challenge - only 55% of the appraised property value in the District is taxable. While we have attempted to address this funding challenge and diversify the District’s primary source of revenue, in August of 2019 the voters did not

approve the option of a non-ad valorem fire fee assessment. The Board continues to seek the assistance of State legislators and explore other funding options.

The 2022-2023 General Fund Budget reflects an increase in Ad Valorem revenue of a little over 22%. This additional revenue is required to maintain operations at current level, and meet the debt service requirements.

Expenses contained within the 2022-2023 General Fund Budget reflect provisions for current staffing only. Personnel costs, which constitute the greatest portion of General Fund expenses, reflect an increase of just under 6%. Included within that increase are negotiated increases in pay, and externally controlled increases in retirement and health insurance. We continue to attempt to increase pay to competitive levels in an effort to adequately compensate and retain our most valuable resource – our personnel. Our limited financial resources continue to create challenges in that regard.

We have continued to diligently monitor and control operating costs, but increases faced nationwide in the cost of utilities, fuel and supplies have resulted in increases to most of our operating expenses. Capital purchases reflect construction costs for Station 30, as well as minimal capital equipment purchases essential to maintain operations.

Debt service reflects the most significant increase as compared to the 2021/2022 budget, having more than doubled to accommodate repayment of the Station 30 construction loan and the addition of the lease to purchase payment on a replacement fire engine.

Cash reserves (or the accumulation of funds unspent at the end of the fiscal year) are essential to the continued operation of the District. Without these reserves, the District would be unable to operate the first quarter of the fiscal year, the period of time before property tax revenue is received. Reserves are also essential to provide funding for future replacement equipment, vehicles and apparatus. The 2022/2023 General Fund Budget utilizes \$23,987 of reserves to fund capital purchases and maintain operations, leaving a balance of reserves at the end of the fiscal year of \$2,530,498; however \$1,000,000 of those reserves are designated to fund the completion of the construction of Station 30. The inability to replace used reserves continues to be a major challenge for the District. However, it should be noted that 4 years ago it was anticipated that District reserves would be well under \$1,000,000 by 2023. Because the Board and staff have continued to diligently and innovatively control expenditures and have utilized all resources to maintain fiscal solvency, the reserve balance reflected in the 2022/2023 General Fund Budget is significantly higher than anticipated.

IMPACT FEE BUDGET

The District's enabling legislation authorizes the Board of Fire Commissioners to assess impact fees. Pursuant to Florida law, an impact fee requires there be an established need for additional capital infrastructure resulting from growth within the District. There must be a reasonable connection between an impact fee fund expenditure and a benefit

received by the payer. Further, impact fees must be designated and segregated only for the purchase of capital assets (including construction) required by growth in the District. Unfortunately, these fees cannot be used to address financial challenges of the General Fund, such as personnel costs and increases in operating expenses.

The 2021/2022 fiscal year saw rapid growth in Ave Maria resulting in a significant increase in impact fees received. It is anticipated that the growth in that area will continue, and impact fee revenue will again be significantly more than in past years.

The 2022/2023 Impact Fee Fund Budget provides for some funding of the construction of Station 30 (the amount allowable due to the increase in size of the facility), and the debt service payment for the construction loan for Station 32 and a ladder truck through a lease to own program.

In summary, we remain committed to the goals of the Board of Fire Commissioners – provide the resources (personnel, training, and equipment) to keep our responders safe, while providing excellent emergency service to our community, all while operating in a fiscally responsible manner to retain financial solvency.

Thank you,

A handwritten signature in black ink, appearing to read "M. Choate", with a long, sweeping horizontal stroke extending to the right.

Michael J. Choate
District Manager | Fire Chief

2022-2023 FINAL GENERAL FUND BUDGET

		Estimated	Amended Budget	Final	%Variance
		09/30/22	2021-2022	2022-2023	21/22 vs 22/23
Balance Forward - Cash Reserves (Assigned)		\$ 2,993,433	\$ 2,993,433	5,554,485	
Revenue					
001	Collier County Ad Valorem - 3.75 Millage Rate	\$ 4,880,486	\$ 4,880,486	\$ 5,963,864	22.20%
002	Public Safety Grants - County CDBG	1,000,000	1,000,000		-100.00%
003	Public Safety Grants - FF Supplement	1,650	1,650	840	-49.09%
004	Public Safety Grants - CDBG COVID	225,000	225,000		-100.00%
005	State Grant - Station 30 Construction	900,000	900,000		-100.00%
006	Other Grants	6,228	6,228		-100.00%
007	Interest Income	2,656	10,000	2,500	-75.00%
008	Rents and Royalties	5,000	5,000	15,000	200.00%
009	Sale of Surplus Materials and Equipment				
010	Disposition of Fixed Assets	1,873		25,000	100.00%
011	Donations	330	100	100	0.00%
012	Donations - Station 32 Bricks	12,540	12,540		-100.00%
013	Special Event Fees	877	5,000	1,000	-80.00%
015	Other Miscellaneous Revenue	6,000	6,000	6,000	0.00%
016	Proceeds from Debt - Station 30	3,000,000			
017	Ave Maria Stewardship	70,537	70,357	80,000	13.71%
018	Payment in Lieu of Taxes - Seminole			100,000	100.00%
019	Payment in Lieu of Taxes - Farm Worker's Village	6,000	6,000	6,000	0.00%
Total Revenue		10,119,177	7,128,361	6,200,304	-13.02%
Personnel Expenses					
030	Salaries	\$ 2,102,707	\$ 2,102,707	\$ 2,245,724	7.50%
031	Overtime	160,104	165,000	175,000	6.06%
032	FLSA Overtime	130,455	130,455	141,542	8.50%
033	Holiday Pay	62,807	62,807	67,518	7.50%
034	Vacation Time Sell Back	26,031	27,000	20,000	-25.93%
035	Sick Time Sell Back	30,206	31,000	15,000	-51.61%
036	Social Security	192,909	197,893	203,856	3.01%
037	Retirement	620,494	650,100	696,991	7.21%
038	Group Insurance (Health/Dental/Life, Medical Clinic)	700,000	700,000	735,000	5.00%
039	Health Insurance - Commissioners	7,060			
040	Worker's Compensation Insurance	125,051	126,483	135,883	7.43%
041	Unemployment Insurance				
Total Personnel Expenses		4,157,824	4,193,445	4,436,514	5.80%
Operating Expenses					
045	Employee Physicals	5,000	5,000	5,000	0.00%
046	Professional Fees - Legal	25,000	30,000	40,000	33.33%
047	Property Appraiser Fees	27,500	27,500	30,000	9.09%
048	Tax Collector Fees	98,110	98,110	119,777	22.08%
049	Professional Fees - Other	10,000	10,000	10,000	0.00%
050	Professional Fees - Lexipol	8,000	8,000	8,000	0.00%
051	Contracted Services - Audit	30,500	30,500	30,500	0.00%
052	Travel & Per Diem	30,000	30,000	12,500	-58.33%
053	Communications (Telephone/Internet/Direct TV)	36,000	50,000	40,000	-20.00%
054	Postage & Shipping	1,000	1,000	1,000	0.00%
055	Utilities	79,939	82,000	127,000	54.88%
056	Bldg./Auto/Liability Insurance	95,000	130,000	135,000	3.85%

		Estimated	Amended Budget	Final	%Variance
		09/30/22	2021-2022	2022-2023	21/22 vs 22/23
057	Repair & Maintenance - Vehicles	55,418	70,000	70,000	0.00%
058	Repair & Maintenance - Fire & Rescue Equipment	17,000	17,000	15,000	-11.76%
059	Repair & Maintenance - Building	90,013	90,000	75,000	-16.67%
060	Repair & Maintenance - Bunker Gear	4,500	4,500	4,500	0.00%
061	Legal Advertising	4,000	4,000	4,000	0.00%
062	Printing				
063	Fire Equipment (Non-Capital)	15,000	15,000	30,000	100.00%
064	Lease & Rental	25,000	25,000	10,000	-60.00%
065	Office Supplies	3,500	2,500	3,500	40.00%
066	PPE-COVID Grant	75,000	75,000		-100.00%
067	PPE FORESTRY GRANT	12,435	12,435		-100.00%
068	Firefighting Supplies	10,000	10,000	7,500	-25.00%
069	EMS Supplies	8,000	10,000	10,000	0.00%
070	CDBG COVID Supplies	70,000	70,000		-100.00%
071	Station Supplies	45,849	40,000	45,000	12.50%
072	Training Supplies	5,000	5,000	5,000	0.00%
073	Fuel & Oil	70,000	70,000	85,000	21.43%
074	Uniforms	20,000	20,000	20,000	0.00%
075	Computer Equipment (Non-Capital)	3,000	3,000	17,500	483.33%
076	Computer Maintenance and Training	65,000	65,000	65,000	0.00%
077	Miscellaneous Expense	10,000	5,000	5,000	0.00%
078	Communication (Radio) (Non-Capital)	1,500	1,500	5,000	233.33%
079	Public Education		500		-100.00%
080	Furniture (Non-Capital)	5,500	500		-100.00%
081	Education and Training	20,000	20,000	20,000	0.00%
082	Books & Dues	6,000	6,000	6,000	0.00%
Total Operating Expenses		1,087,764	1,144,045	1,061,777	-7.19%
Capital Expenses					
90	LAND				
91	FIRE EQUIPMENT-GRANT MATCHING FUNDS	5,000	15,000	5,000	-66.67%
92	TRAINING EQUIPMENT	-	-		
93	FF RESCUE EQUIPMENT	30,000	30,000	15,000	-50.00%
94	BUNKER GEAR	32,000	-	32,000	100.00%
95	BUILDINGS/CIP (STATION 30)	1,920,000	1,920,000	3,000,000	56.25%
96	CDBG GRANT-Vehicle	64,185	80,000		
97	COMMUNICATIONS EQUIPMENT	36,352	36,352		
98	FURNITURE/OFFICE				
99	STATION EQUIPMENT				
100	COMPUTER EQUIPMENT		10,000	25,000	150.00%
Total Capital Expenses		2,087,537	2,091,352	3,077,000	47.13%
Debt Service					
	Principal	175,000	180,000		
	Interest	50,000	47,000		
Total Debt Service		225,000	227,000	649,000	185.90%
TOTAL EXPENSES		7,558,125	7,655,842	9,224,291	20.49%
BEGINNING CASH RESERVES		2,993,433	2,993,433	5,554,485	
TOTAL REVENUE		10,119,177	7,128,361	6,200,304	
TOTAL EXPENSES		(7,558,125)	(7,655,842)	(9,224,291)	
Ending Cash Reserves		5,554,485	2,465,952	2,530,498	

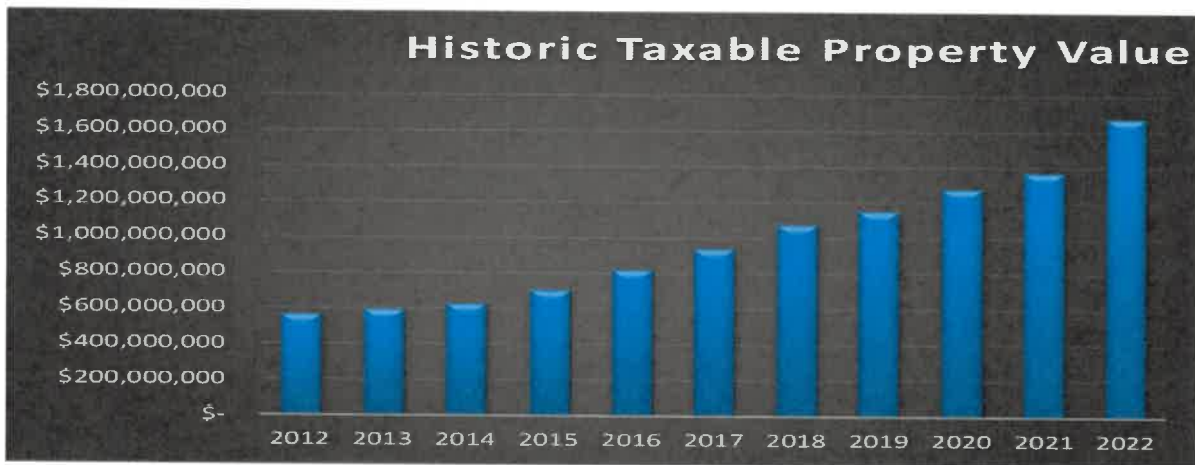
	Estimated 09/30/22	Amended Budget 2021-2022	Final 2022-2023	%Variance 21/22 vs 22/23
Assignment of Reserves				
Unassigned				
Assigned - First Quarter of Operations	1,200,000	1,200,000	1,200,000	
Assigned - Projected Deficit	438,948	527,481	23,987	
Assigned - Station 30 Construction	915,537	738,471	1,000,000	
Assigned Emergency			306,511	
Assigned - Capital Purchases				
Assigned 0				
TOTAL RESERVES	2,554,485	2,465,952	2,530,498	
Excess of Revenue Over (Under) Expenses - Use of Reserves	\$ 2,561,052	\$ (527,481)	\$ (3,023,987)	

Revenue Overview and Detail

The District's enabling legislation authorizes the Board of Fire Commissioners to levy property taxes on property owners to fund fire protection, rescue and emergency services. The Collier County Property Appraiser provides the taxable value of the property within the District's boundaries. That taxable value is transmitted to the District via form DR-420 in June preceding the beginning of the new fiscal year October 1st.

The Board of Fire Commissioners establishes the millage (taxing) rate, up to the maximum allowable by the District's Enabling Act. The District's maximum millage rate per BOTH the District's Enabling Act AND the Constitution, is 3.75 mills, or \$3.75 for every \$1,000 of appraised taxable property value.

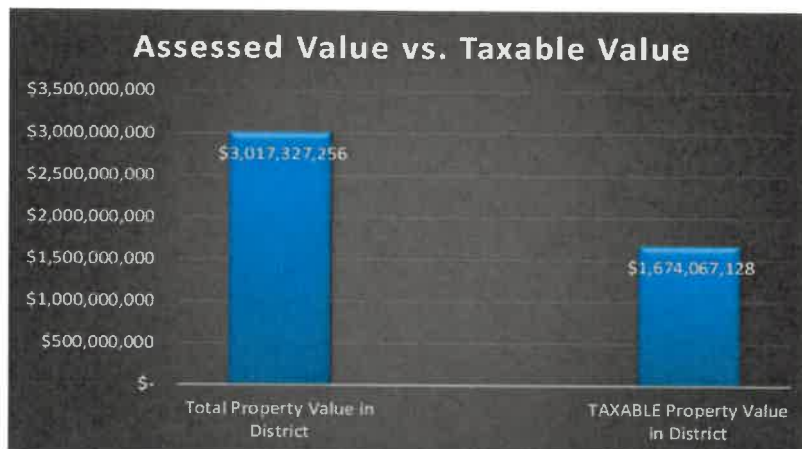
The chart below identifies the District's taxable property value. While an increase in the taxable value has been realized over the last several years, the increase in value has not been sufficient to support operations with the loss of previous Safer Grant utilized to fund firefighter positions that have had to be absorbed by the District's property tax revenue.



The challenge the District faces is two-fold:

First, the annual increase in taxable property value is not sufficient to fund the increases in the cost to provide fire and rescue service, and to increase the level of staffing to meet national standards. Unlike Cities, the District cannot merely increase the taxing rate to generate sufficient revenue. While growth does increase the taxable property value in the District, that growth also requires an increase in service, resulting in an increase in costs

Second, only 55% of the District's property is taxable.



The taxable property value for the fiscal year 2022-2023 represents an increase of 22% as compared to the 2021-2022 fiscal year.

AD Valorem Calculation:

Preliminary Property Value Per Form DR-420	\$	1,674,067,128	
Millage Rate		3.75	
Ad Valorem (100%)	\$	6,277,752	
Statutory 95%	\$	5,963,864	2022-2023 Ad Valorem
	\$	4,880,486	2021-2022 Ad Valorem
<i>Increase (Decrease) 22/23 vs.21/22</i>			22.20%

Other Revenue:

PILT-Farmworker's Village	\$	6,000	
PILT-Collier County Seminole Casino	\$	100,000	
Special Event and other Service Fees	\$	5,000	
Interest	\$	2,500	
Ave Maria Stewardship	\$	85,000	
Other Misc. Revenue	\$	37,940	
Total Other Revenue	\$	236,440	2022-2023 Budgeted
	\$	2,247,875	2021-022 Budgeted
<i>Increase (Decrease) 22/23 vs.21/22</i>			-89.00%

TOTAL REVENUE	\$	6,200,304	2022-2023 Budgeted
	\$	7,128,361	2020-2021 Budgeted
<i>Increase (Decrease) 22/23 vs.21/22</i>			-13.02%

Decrease in Total Revenue due to Gant Funds received in 2021/2022

As identified below, the majority of the District's revenue is comprised of property taxes.



Expenses Overview

The District's General Fund expenses are divided into four categories: Personnel, Operating, Capital and Debt Service.

Personnel expenses constitute more than 70% of total General Fund TRUE expenses, with employee wages representing the largest portion of the personnel expenses. As an emergency responder, reduction of personnel to reduce costs results in a public safety issue and lowers the level of service to the community. Therefore it is extremely difficult to reduce personnel costs without placing the community at risk. Because total expenses of the General Fund include \$3,000,000 in one time construction costs, it is important to determine the percentage of personnel costs based on actual costs to operate.

The 2022-2023 budgeted personnel expenses include estimated increases in state retirement rates, health insurance and other related costs. No new positions are provided for in the 2022-2023 budget. **Budgeted personnel expenses represent a 5.8% increase as compared to the 2021-2022 budgeted amount.**

Operating expenses represent those costs associated with operating and maintaining the District's facilities, apparatus, equipment and services. The **operating expenses contained within the 2022-2023 budget reflect a decrease of 7.19% as compared to the prior year due to the elimination of grant funded expenses.**

Capital expenses provide for the purchase of capital assets, including vehicles, apparatus, computers, fire equipment and all other assets that exceed \$2,000 in cost and have a useful life of more than one year. **Budgeted 2022-2023 expenses reflect a 47% increase due to the construction costs for Station 30, which are funded by loan proceeds received in the 2021-2022 fiscal year.**

Debt service expenses represent the District's principal and interest costs for vehicle, apparatus, radio and construction costs. **The 2021-2023 budget reflects an increase of 186% due to the addition of the construction loan for Station 30 and a new fire apparatus.**

Total General Fund Budgeted expenses are \$9,224,291 reflecting an increase of 20%. This increase is largely attributed to the expenses associated with the replacement of Station 30.

Cash Reserves (Fund Balance)

Cash reserves are comprised of the District's cumulative surplus of unspent funds. Cash reserves are REQUIRED to maintain fiscal compliance and provide for the operation of the District. Specifically, the District does not receive property tax revenue until well into the first quarter of the fiscal year. Basic expenses to operate the District during that period of time when no revenue is received are approximately \$1,200,000. That amount MUST be in reserves to ensure the District will be able to fund operations items, such as vehicles, fire apparatus, significant building repairs, and protective gear.

The 2022-2023 General Fund Budget reflects ACTUAL use of reserves in the amount of \$23,987. Total reserves used reflect the use of the \$3,000,000 received in loan proceeds in August of 2022.

All reserves are Assigned as follows:

First Quarter of Operations	\$	1,200,000	
2022-2023 Deficit (Capital Expenses)	\$	23,987	
Station 30 Construction	\$	1,000,000	
Emergency	\$	306,511	
Total Cash Reserves at 9-30-23	\$	2,530,498	
Cash Reserves at 9-30-22	\$	5,554,485	Includes \$3,000,000 Loan
Use of Loan Proceeds	\$	(3,000,000)	Proceeds
Actual Use of Reserves 22-23	\$	(23,987)	
Reserves 9-30-23	\$	2,530,498	



Immokalee Fire Control District

5368 Useppa Drive, Ave Maria, FL. 34142

Michael J. Choate, Fire Chief

IMPACT FEE FUND

Chapter 2000-393, Florida Statutes, the District's enabling legislation, establishes the Board of Fire Commissioners' authority to assess impact fees.

Pursuant to Florida law, an impact fee must comply with the "dual rational nexus" test which requires "a reasonable connection, or rational nexus, between the need for additional capital facilities and the growth in population generated by the subdivision." Additionally, there must be a reasonable connection between the expenditure of the funds and the benefit to those paying the fee.

Impact fees must be designated and segregated for the purchase or construction of capital assets required due to the growth of the District. Costs to maintain, staff or replace a facility or piece of equipment may not be funded by impact fees.

The Board of Fire Commissioners establishes the impact fee rate schedule each year by resolution when adopting the annual budget for the fund. Those rates must be based upon the most recent impact fee study conducted on behalf of the District. The last time the study was updated was 2006. There is provision in the 2022/2023 Budget to update the impact fee study.

The 2022-2023 fiscal year saw rapid growth in the District which resulted in a significant increase in impact fees received. It is anticipated that this growth occurring in Ave Maria will continue and fees received will be comparable to those received in the 2021-2022 year.

Expenses provided for in the 2022-2023 Impact Fee fund budget constitute those costs associated with debt service for the funds obtained through for Station 32 construction loan and for a ladder truck for Station 32, as well as a portion of the expense for Station 30 construction (that portion attributable to the increased size of the replacement facility). There is also provision for the fees for the County to collect the impact fees.

	Estimated 9/30/2022	2021-2022 Amended Budget	2022-2023 Final Budget	Percentage of Budget
Balance Forward - Deferred Revenue (Cash Reserves)	\$ 1,122,777	\$ 1,122,777	2,395,927	
Revenue				
001 Impact Fee Revenue	\$ 2,400,000	\$ 2,400,000	\$ 2,000,000	100.00%
002 Interest Income	3,500	3,500	3,500	100.00%
003 Proceeds from Construction Loan	2,301,929	2,301,929	-	
Total Revenue	4,705,429	4,705,429	2,003,500	100.00%
Expenses				
030 Tax Collector Fees	\$ 36,000	\$ 36,000	\$ 30,000	100.00%
031 Professional Fees -Impact Fee Study	-	-	40,000	
Legal Fees	5,000	5,000	5,000	
Vehicles	897,152	897,152	190,000	
032 Station and Fire Equipment	600,000	600,000	-	100.00%
033 Construction - Station 32/Station 30	1,250,000	1,250,000	935,000	100.00%
Expenses	2,788,152	2,788,152	1,200,000	100.00%
Debt Service				
035 Principal-Engine Lease & Construction Loan	445,671	445,671	760,131	100.00%
036 Interest-Engine Lease & Construction Loan	198,456	198,456	198,456	100.00%
Total Debt Service	644,127	\$ 644,127	958,587	100.00%
Total Expenses	3,432,279	3,432,279	2,158,587	
DEFERRED REVENUE 10-01-22	1,122,777	1,122,777	2,395,927	
TOTAL REVENUE	4,705,429	4,705,429	2,003,500	
TOTAL EXPENSES	(3,432,279)	(3,432,279)	(2,158,587)	
Ending Deferred Revenue (Cash Reserves) 9-30-23	2,395,927	2,395,927	2,240,840	