



August 15, 2024

Ms. Tara Dyess
Planning Assistant
Community Development Office
121 Central Ave
Clewiston, FL 33440

Dear Ms. Dyess:

pfm

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PFM Group Consulting LLC ("PFMGC") is pleased to present this information regarding an update to the Fire/Rescue Service Special Assessment Report, dated March 30, 2023. The City has provided updated budget and capital cost data that was not available as part of the original analysis. As a result of the new information, PFMGC has updated the analysis incorporating the updated budget and capital cost information. Included herein is a summary of the updated special assessments.

If you or others at the City have any questions, please do not hesitate to contact me at 407-723-5900 or email me at plenzlerk@pfm.com. We appreciate the opportunity to be of service to the City regarding its fire/rescue service special assessments and look forward to working with the City in the future.

Sincerely,

Kevin Plenzler
Director

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1.0 Introduction and Overview

The City of Clewiston (“City”) has entered into a professional services agreement with PFM to provide services in the determination of an updated Fire/Rescue Special Assessment within the City consistent with the methodology included and adopted in the Fire/Rescue Service Special Assessment Report, dated March 30, 2023 (“Assessment Report”). Since the issuance of the report, two significant changes to the budget occurred which warranted revising the fire/rescue special assessments (“City Fire Assessment(s)”) initially adopted. With respect to the operational budget, significant increases in the Special Detail and Firefighter Pension line items occurred. This is the result of an increase in the per call fee paid to volunteers. In addition, edits were made to the 10-year capital plan with respect to a shifting of capital needs, some being pulled forward resulting in an increase to that line item. The resulting change in the average 3-Year forecast increased from \$358,374 (\$393,902 – full City Fire Assessment with collection costs) to \$526,623 (\$577,245 – full City Fire Assessment with collection costs).

The updated City Fire Assessment(s) will fund the City’s portion of fire/rescue protection services, equipment, and facilities. The City also provides fire/rescue services in unincorporated areas. Unincorporated fire/rescue services are provided by the City throughout the Hendry County East Fire MSBU. The costs to provide East Fire MSBU services are funded by Hendry County through a special assessment levied on unincorporated parcels in the East Fire MSBU properties. The updated City Fire Assessment(s) will fund only the City’s costs to provide fire/rescue services within the City. Consistent with the adopted methodology, the updated City Fire Assessment(s) will be imposed on all taxable real property in the City.

2.0 City of Clewiston Fire/Rescue Service Costs and Budget (Updated)

Table 1 shows the updated City budget for the proposed fiscal year as well as the projected municipal only budget costs through Fiscal Year 2027-28 for fire/rescue protection services. The five-year average share of calls for service determines the budget split between City and County cost sharing. The City’s share for the cost sharing split during Fiscal 2022-23 was 38.6%, which was used in the Assessment Report. This share has been used to project future budget costs.

3.0 Capital Requirements – 10 Year Plan (Updated)

As part of the assessment process, an updated 10-year capital requirements plan was developed and provided by the City Fire Chief. The purpose of this plan is to identify, and program needed capital expenditures to maintain the level of protection provided by fire/rescue. The incorporated proportionate capital share of Clewiston needs determines the 10-year capital plan for the City. The 10-year capital fire expenditure plan calls for \$6.6 million in capital fire equipment (fire trucks) and fire station upgrades through year FY 2033. Of this, the City portion of expenditures is expected to be \$2.5 million, of which \$1.3 million is needed in the first five years of the plan. The capital plan is found in Appendix 1. The annual debt service required to fund the first five years of the City portion of capital purchases is \$159,541 per year. This assumes the required annual capital expenditure is financed over 10 years on a tax-exempt basis. This amount has been added to the annual budget for the purposes of setting City Fire Assessment rates while providing adequate funds for the purchase of future capital equipment.



Table 1. City of Clewiston Budget Summary (for City Fire Assessments)

Department : 5050 - Fire Services		Fiscal Year 2025 (Proposed -1)				Fire Services			
		Budget				Municipal Budget			
Expenditure Description		Original Total Budget 2023	Current Total Budget Proposed	City	County	2026	2027	2028	3-Year Average
SubCategory: 510 - Salaries and Wages									
001-5050-512000	Regular Salaries	39,456	42,745	16,481	26,264	17,355	18,275	19,243	18,291
001-5050-513000	Special Detail	270,790	455,400	175,589	279,811	184,896	220,006	261,782	222,228
SubCategory: 510 - Salaries and Wages		310,246	498,145	192,071	306,074	202,251	238,280	281,026	240,519
SubCategory: 520 - Benefits									
001-5050-521000	Taxes-FICA	23,734	38,064	14,676	23,388	15,454	11,298	13,267	13,340
001-5050-522000	Retirement Contribution	183	235	91	144	95	100	106	101
001-5050-522002	Firefighter Pension (unfunded)	107,824	278,027	107,199	170,828	-	-	-	-
001-5050-522500	457 Match	1,168	1,282	494	788	521	548	577	549
001-5050-523000	Insurance-Health	6,452	7,114	2,743	4,371	2,888	3,041	3,203	3,044
001-5050-523001	Insurance - Dental	237	253	98	155	103	108	114	108
001-5050-523002	Insurance - Life	284	328	126	202	133	140	148	140
001-5050-523003	Insurance - AD & D	28	30	12	18	12	13	14	13
001-5050-523004	Firefighter AD & D	6,716	6,716	2,590	4,126	2,727	2,871	3,023	2,874
001-5050-523005	Firefighter Cancer Plan	12,420	12,420	4,789	7,631	5,043	5,310	5,591	5,315
001-5050-524000	Worker's Compensation	13,815	18,105	6,981	11,124	7,351	7,740	8,151	7,747
001-5050-526000	Long Term Disability Ins.	214.00	226	87	139	92	97	102	97
SubCategory: 520 - Benefits		173,075	362,800	139,886	222,914	34,418	31,267	34,295	33,327
Total Personnel		483,321	860,945	331,956	528,989	236,669	269,547	315,320	273,846
SubCategory: 530 - Contractual Services									
001-5050-534000	Other Contractual Serv	300	300	116	184	122	128	135	128
0015050-537702	Admin Fee CFD	5,887	5,887	2,270	3,617	2,390	2,517	2,650	2,519
SubCategory: 530 - Contractual Services		6,187	6,187	2,386	3,801	2,512	2,645	2,785	2,647
SubCategory: 540 - Operating Expenditures									
001-5050-540000	Travel & Per Diem	2,600	2,600	1,002	1,598	1,056	1,112	1,170	1,113
001-5050-540500	Registration/Tmg Fees	6,500	6,500	2,506	3,994	2,639	2,779	2,926	2,781
001-5050-541000	Telephone	6,802	6,802	2,623	4,179	2,762	2,908	3,062	2,911
001-5050-543000	Utilities	12,700	14,000	5,398	8,602	5,684	5,985	6,303	5,991
001-5050-545000	Insurance	26,628	44,182	17,035	27,147	17,938	18,889	19,890	18,906
001-5050-551100	1st Responder Supplies	4,000	8,000	3,085	4,915	3,248	3,420	3,601	3,423
001-5050-552100	Fuel	13,000	16,000	6,169	9,831	6,496	6,840	7,203	6,846
001-5050-552300	Chemicals	2,000	2,000	771	1,229	812	855	900	856
001-5050-552500	Uniforms	2,500	2,500	964	1,536	1,015	1,069	1,125	1,070
001-5050-552700	Operating Supplies	12,500	12,500	4,820	7,680	5,075	5,344	5,627	5,349
001-5050-554100	Dues & Memberships	-	-	-	-	-	-	-	-
SubCategory: 540 - Operating Expenditures		89,230	115,084	44,373	70,711	46,725	49,201	51,809	49,245
SubCategory: 550 - Repair and Maintenance									
001-5050-546100	Maintenance - Buildings	3,000.00	7,000.00	2,699	4,301	2,842	2,993	3,151	2,995
001-5050-546200	Maint.-Mach. & Equip.	15,000.00	25,000.00	9,639	15,361	10,150	10,688	11,255	10,698
001-5050-546500	Maint. - Vehicles	32,000.00	37,000.00	14,266	22,734	15,022	15,818	16,657	15,833
SubCategory: 550 - Repair and Maintenance		50,000	69,000	26,604	42,396	28,015	29,499	31,063	29,526
SubCategory: 560 - Capital Outlay									
001-5050-563000	Imp. Other than Bldgs.	4,250.00	4,250.00	1,639	2,611	1,726	1,817	1,913	1,819
001-5050-564000	Machinery & Equipment	76,500	85,700	33,044	52,656	-	-	-	-
SubCategory: 560 - Capital Outlay		80,750	89,950	34,682	55,268	-	-	-	-
SubCategory: - Capital Debt Service									
	Principal & Interest	-	-	-	-	159,541	159,541	159,541	159,541
Contingency Reserve						10,000	10,000	10,000	10,000
Total Fire Services		709,488	1,141,166	440,002	701,164	485,187	522,251	572,431	526,623
Base for Additional Costs Calculation						485,187	522,251	572,431	526,623
Statutory Discount @ 5% (4% early payment + 1% non-collection)						26,085	28,078	30,776	28,313
Tax Collector @ 2%						10,434	11,231	12,310	11,325
Study Reimbursement						10,983	10,983	10,983	10,983
Total Additional Costs						47,503	50,293	54,070	50,622
Full City Fire Assessment Fund						532,689	572,543	626,501	577,245

Source: PFM Group Consulting LLC



4.0 Readiness/Availability and Demand – A Two-Tier Assessment

For the purposes of fairly and proportionately allocating Fire/Rescue service costs to taxpayers, the assessment has been allocated according to a two-tier assessment. These components are represented by 1) Readiness/Availability and 2) Demand/Response.

Table 2 Readiness and Demand Budget Allocations describes the distribution of Fire/Rescue service protection costs (budget) between the two tiers of assessments, Availability/Readiness component and the Demand component. For City Fire Assessment purposes, the three-year future average will be used to allocate budget costs between Availability/Readiness and Demand. In the City, the Availability/Readiness portion of costs is 48% and the Demand portion of costs is 52%.

Table 2. City of Clewiston Readiness and Demand Budget Allocations

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY2028</u>	<u>3-Year Average</u>
Readiness/Availability	\$275,839	\$277,300	\$286,023	\$279,720
Service Demand	<u>\$256,850</u>	<u>\$295,244</u>	<u>\$340,478</u>	<u>\$297,524</u>
TOTAL	\$532,689	\$572,543	\$626,501	\$577,245
				<u>Avg.</u>
Readiness/Availability	52%	48%	45%	48%
Service Demand	48%	52%	55%	52%

Source: City of Clewiston and PFM Group Consulting LLC

5.0 City of Clewiston Fire/Rescue Assessment Schedule

The City Fire Assessment schedule is developed through budget analysis which apportions costs between Readiness/Availability and Demand. The budget analysis includes projected costs of operations and a 5-year capital acquisition program designed to modernize and stabilize the quality of fire/rescue protection services the County provides.

Consistent with the Assessment Report, Availability/Readiness and Demand portions of the costs were then allocated to properties encumbered by the City for Fire/Rescue protection services. The allocations for Availability/Readiness are assigned on a per parcel basis across all real property parcels in the City. The City Fire Assessment portion for Demand is allocated on an Equivalent Residential Unit (ERU) basis, across all encumbered property in the City, according to recent historic calls for service, weighted across land use categories.



Certain land uses and property types are exempt from assessments. These include agricultural lands, government owned lands, special districts and non-profit institutions and religious institutions. Nevertheless, certain portions of these lands may be assessed. Residential units existing on religious or agricultural lands may be assessed and are included in this analysis. Residential units associated with churches and agricultural lands were provided by the Hendry County Property Appraiser office. Other non-residential structures on agricultural lands which are not a pole barn and in excess of \$10,000 in value are assessed.

The resulting City Fire Assessment schedule is the 3-year future average to be used and applicable through and including fiscal year 2027-28 is shown in Table 3. To determine the assessment for each property, the Availability/Readiness fee of \$100.94 per parcel must be added together with the Demand portions of the Assessment per land use type to arrive at the total assessment. Availability/Readiness is allocated on a per parcel basis and Demand is allocated on a per ERU basis. A residential unit is equal to 1 ERU; non-residential ERUs are determined by dividing the average single family residential unit size within the City of 1,606 square feet into the number of building square feet existing on the non-residential property; and for vacant lands 1 acre equals 1 ERU, or portion thereof.

Under this program the annual City Fire Assessment will be \$167.73 per residential unit. This consists of the Readiness fee amount of \$100.94 plus the Demand fee amount of \$67.80, totaling \$168.74 per year. The assessment schedule in Table 3 considers increased costs for planned capital, operating and personnel costs and increased revenue generation due to projected population growth and non-residential ERU development.



Table 3. City of Clewiston Readiness and Demand Budget Allocations

	Readiness		Demand	Demand	
	Parcels		ERUs	Allocation	Per ERU
SF Residential DU	1,564	56.4%	1,585	\$107,437	\$67.80
Mobile Homes DU	115	4.1%	111	\$7,512	\$67.80
Multi Family DU	135	4.9%	513	\$34,752	\$67.80
Condo	204	7.4%	200	\$13,560	\$67.80
Motor Coach/RV	72	2.6%	5	\$403	\$80.27
Retail	192	6.9%	676	\$54,280	\$80.27
Office	37	1.3%	92	\$7,381	\$80.27
Hotel	14	0.5%	128	\$10,265	\$80.27
Industrial	53	1.9%	144	\$11,599	\$80.27
Institutional	54	1.9%	206	\$8,020	\$38.98
Vacant Commercial	52	1.9%	18	\$261	\$14.47
Vacant Industrial	36	1.3%	51	\$733	\$14.47
Vacant Institutional	2	0.1%	2	\$23	\$14.47
Vacant Residential	84	3.0%	104	\$1,500	\$14.47
Government	109	3.9%	796	\$31,035	\$38.98
Misc. & Non-res. Agr.	22	0.8%	7	\$584	\$80.27
Vacant Agr.	27	1.0%	565	\$8,179	\$14.47
TOTAL – Parcels/ERUs	2,771		5,202		
Readiness/Demand Allocation	\$279,720		\$297,524		
Readiness Fee Per Parcel	\$100.94				

Total Assessment
\$577,245

Source: PFM Group Consulting LLC

*****The rates recommended for adoption are the 3-year average rate schedules (see Table 3). Adopting the 3-year average rates smooths the annual rate variability as a result of examining fiscal years 2025-26, 2026-27 and 2027-28. These rates are applicable through fiscal year 2027-28. The Assessment Rate will be required to be revisited and adjusted for Fiscal Year 2028-29 to reflect changes in the annual budget and any updates to the capital cost program. Appendix 2 provides examples of selected rates for the combined Readiness plus Service components which comprises the total City Fire Assessment rate per selected land use.***



6.0 Exemptions and The Impact of Exemptions

Currently, the City exempts non-profit and religious properties. Vacant agricultural lands and some governmental properties are exempt per Florida statute. Residential structures located on religious lands and on agricultural lands will receive a Fire/Rescue assessment. Non-residential structures in excess of \$10,000 in market value (other than a pole barn) located on agricultural land will receive a Fire/Rescue assessment. The creation of the City's Fire Assessment program must meet the case law standards for a valid special assessment.

Consistent with the Assessment Report, when crafting exemptions, it is important that costs cannot be shifted from exempt landowners to other non-exempt landowners. In other words, the funding for an exemption must come from a legally available external revenue source, such as the City's general fund, such that non-exempt payers do not fund the exempt portions of the assessment through their assigned rates.

For governmentally owned property exempted by statute, caselaw or choice by the City from the City Fire Assessment, the City would need to fund the lost City Fire Assessment revenue for such properties. Table 4 summarizes the general fund transfer requirements for City Fire Assessments resulting from exemptions granted to religious, non-profit organizations, agricultural and governmental tax-exempt property. These revenue deficits created by exemptions are expected to be funded through a separate transfer into the Fire/Rescue budget from the City's general fund.

Table 4. Estimated Annual City General Fund Transfer Requirements¹

Exemption Category	FY Year
Religious, Non-profit Organization	\$13,470
Vacant Institutional	\$225
Government	\$42,038
Vacant Agricultural	\$10,904
Total Transfer Requirement	\$66,637

Source: PFM Group Consulting LLC

¹ Assessments for governmental property not exempt from assessments by statute or caselaw can also be funded by invoices issued to the benefited governmental entity.



Appendix 1

City of Clewiston
10 Year Capital Plan
Fire Dept - 8080

			1	2	3	4	5	6	7	8	9	10		
Department/Item	Account Number		2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	TOTAL	Funding Source
<i>Fleet</i>														
Command Vehicle	001-5050-56400		70,000					75,000					\$ 145,000.00	
Rescue 2	001-5050-56400												\$ -	
Engine 8	001-5050-56400			750,000									\$ 750,000.00	
Ladder 9	001-5050-56400					1,800,000							\$ 1,800,000.00	
Engine 12	001-5050-56400										750,000		\$ 750,000.00	
Tanker 4	001-5050-56400									600,000			\$ 600,000.00	
Rescue 1	001-5050-56400												\$ -	
Brush Truck Build	001-5050-56400				75,000								\$ 75,000.00	
new	001-5050-56400												\$ -	
new	001-5050-56400												\$ -	
													\$ -	
Total			\$ 70,000.00	\$ 750,000.00	\$ 75,000.00	\$ 1,800,000.00	\$ -	\$ 75,000.00	\$ -	\$ 600,000.00	\$ 750,000.00	\$ -	\$ 4,120,000.00	
<i>Building - Facility</i>														
Seal and paint fire station parking lot	001-5050-56400												\$ -	
Training Room	001-5050-56400												\$ -	
Washer - Extractor	001-5050-56400						30,000						\$ 30,000.00	
Dayroom	001-5050-56400				150,000								\$ 150,000.00	
Training Facility - Offsite	001-5050-56400											1,700,000	\$ 1,700,000.00	
Total			\$ -	\$ -	\$ 150,000.00	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000.00	\$ 1,880,000.00	
<i>Equipment</i>														
Cascade System	001-5050-56400												\$ -	
Thermal Imaging Camera	001-5050-56400						9,500						\$ 9,500.00	
Bunker Gear	001-5050-56400						22,000					22,000	\$ 44,000.00	
SCBA replacements	001-5050-56400												\$ -	
Jaws of Life	001-5050-56400			52,000					52,000				\$ 104,000.00	
1200 gallon deck gun	001-5050-56400												\$ -	
Ice Machine	001-5050-56400					6,000							\$ 6,000.00	
Hose Replacement	001-5050-56400		8,200		8,200		8,200		8,200		8,200		\$ 41,000.00	
Seal and paint fire station parking lot	001-5050-56400												\$ -	
Drone	001-5050-56400			9,500					9,500				\$ 19,000.00	
Radio Equipment	001-5050-56400				350,000								\$ 350,000.00	
AquaEye Sonar	001-5050-56400		7,500										\$ 7,500.00	
Total			\$ 15,700.00	\$ 61,500.00	\$ 358,200.00	\$ 6,000.00	\$ 39,700.00	\$ -	\$ 69,700.00	\$ -	\$ 8,200.00	\$ 22,000.00	\$ 581,000.00	
Totals	City cost = 1/3 of total		85,700	811,500	583,200	1,806,000	69,700	75,000	69,700	600,000	758,200	1,722,000	\$ 6,581,000.00	



Appendix 2

	Updated			Original			Change	
	Readiness	Demand	Total	Readiness	Demand	Total	\$	%
Single Family/MH	\$100.94	\$67.80	\$168.74	\$71.19	\$44.81	\$116.00	\$52.74	45.5%
Motor Coach Lot	\$100.94	\$5.60	\$106.54	\$71.19	\$3.70	\$74.89	\$31.65	42.3%
Vacant 1/4 ac parcel	\$100.94	\$3.62	\$104.56	\$71.19	\$2.90	\$74.09	\$30.47	41.1%
Vacant 5 ac parcel	\$100.94	\$72.33	\$173.28	\$71.19	\$47.80	\$118.99	\$54.29	45.6%
Vacant 1 ac. Comm./Ind. parcel	\$100.94	\$14.47	\$115.41	\$71.19	\$9.56	\$80.75	\$34.66	42.9%
Retail/Comm. 10,000 sq ft	\$100.94	\$499.76	\$600.70	\$71.19	\$330.26	\$401.45	\$199.25	49.6%
Industrial 20,000 sq ft	\$100.94	\$999.51	\$1,100.46	\$71.19	\$660.52	\$731.71	\$368.75	50.4%