



~ Final Minutes ~

City of Fort Walton Beach Special Meeting of the City Council of Fort Walton Beach

Tuesday, May 9, 2017

4:30 PM

107 Miracle Strip Parkway
Fort Walton Beach, FL 32548

CALL TO ORDER

4:30 PM Meeting was called to order on May 9, 2017 at Council Chamber, 107 Miracle Strip Parkway SW, Fort Walton Beach, FL.

Attendee Name	Title	Status	Arrived
Dick Rynearson	Mayor	Present	
Nic Allegretto	Council Member	Present	
Mike Holmes	Council Member	Present	
Amy Jamieson	Council Member	Present	
Diane Keller	Council Member	Present	
John Mead	Council Member	Present	
David Schmidt	Council Member	Present	
Scott Smith	Council Member	Present	

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

The vote on the motion to approve the agenda as presented carried unanimously.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Amy Jamieson, Council Member
SECONDER:	Nic Allegretto, Council Member
AYES:	Allegretto, Holmes, Jamieson, Keller, Mead, Schmidt, Smith

PUBLIC COMMENTS

None.

ACTION--DIRECTION—DISCUSSION--Fire Services Assessment Study

Jeff Rackley, Senior Project Manager of Government Services Group, Inc. (GSG) presented an overview of fire assessments and stated that an assessment is a fee for services rather than a tax. He explained a fire assessment serves a special benefit to a property and noted that EMS type services above first responder cannot be funded by a fire assessment. Mr. Rackley discussed case law requirements, parcel apportionment, and rate scenarios. He mentioned there are several ways to collect the assessment with the tax bill collection method the most widely used followed by the utility billing method. Also discussed were the various exemptions that can be given to

government parcels, institutional tax exempt parcels and hardship exemptions, and that the assessment is done on an annual basis during the budget process.

The City Manager presented background on the Fire Services Assessment Study, informing that in May of 2016 the City Council authorized the City Manager to enter into a contract with Government Services Group, Inc. (GSG) to conduct a Fire Assessment Feasibility Study (Study). The purpose of the Study was to provide detailed information to assist council members in determining if implementing a non-ad valorem assessment may be a more sustainable and predictable means of funding fire protection services within the City. GSG recently delivered the final report for review and consideration.

The City Manager explained that as part of the process, in December of 2016, City Council adopted Resolution 2016-23 electing the uniform method of collection if a Fire Assessment is approved by City Council for FY 2017-18. The uniform method of collection would collect the Fire Assessment through the annual property tax bill via the Okaloosa County Tax Collector.

The City Manager explained that services cost money and this assessment will be a method to help the Fire Department plan for the future to purchase vehicles and equipment with cash without having to finance them. He discussed previous cost-cutting measures explored, including closing a fire station, eliminating battalion chiefs, the outsourcing of the police department and eliminating police investigations staffing. When these options were explored, the citizenry let it be known that they did not want any reduction(s) in public safety.

The City Manager stated that 801 of more than 9,000 total property owners in the City do not pay property taxes, and those who do pay are subsidizing for those who do not pay. This assessment would provide an alternative mechanism for equal distribution of the funding.

What is being voted on this evening by the Council is whether or not to move forward with Phase II of the Fire Assessment Study. The City Manager stressed the assessment can only be used for fire services; that Council can set the amount at any level; and can exempt whatever properties they choose. Also, if the fire assessment passes, it will have to be voted on every year by resolution during the budget process.

The City Manager also informed that Council can, at any time, decide not to continue, and the study and the issue will cease.

The Mayor asked for public comment.

Mike Anderson, 8 Carlyle Court, noted there are many unknowns including the assessed values for next year, what the impact of an additional \$25,000 homestead exemption would be, and the impact of a possible half-cent sales tax, and recommended delaying making any decision until the impact of the aforementioned issues are known.

Sam Kinkaid, 240 Brooks Street, is a realtor and stated an assessment or tax increase will affect the industry. Ms. Kinkaid stated she likes the idea that the money can only be used for fire services; however, it is important that potential property owners are made aware of this as it could influence those who want to purchase property in the City.

Terri Roberts, CEO of Liza Jackson Prep School, advised the impact to the school's budget if the maximum assessment is approved would be \$24,000, a substantial impact. Ms. Roberts noted the schools are also facing budget cuts, and this would affect every school in the City. She asked that Council consider the impact and to keep the exemption for schools and not for profits in place.

Liz McMaster, Destin resident and president elect of the Emerald Coast Association of Realtors, spoke against the assessment and the raising of taxes.

George Barrow of Mooney Road and owner of rental property in the City, would like to see a provision that whatever is assessed that there is a corresponding reduction to the millage rate.

David Stone, non-city resident and City firefighter, spoke in favor of the assessment and discussed other places that have assessments and it works well.

Thomas Mosley, president of the Fort Walton Beach Professional Fire Association, spoke on behalf of the Association and the importance of the assessment, and that the Association is in full support of the assessment.

Larry Patrick, 221 Yacht Club Drive and owner of investment property in the City limits, recommended Council study the issue further before taking any action as it could have a dire impact on property owners.

Luisa Garcia, residential and commercial property owner in the City, agrees that public safety is important and needs to be taken care of; however, it needs to be understood that business people and homeowners are just getting back on their feet since the recession of 2008 and they do not need any additional taxes at this time.

A citizen who owns rental property in the City noted citizens of limited income and that this issue should be tabled until it can be discussed in greater detail.

A citizen mentioned Resolution 2016-23 adopted in 2016 that mentions the uniform method of collection would be through the annual property tax and that a better alternative might be through the utility billing system.

The City Manager again clarified that tonight's meeting is for the purpose of getting the information out there, to decide whether to move forward with Phase II in the amount of \$14,000, and that Council can, at any time, say yes or no on whether to continue.

Council Member Schmidt advised he would like to hear from representatives from the non-profits, to include schools and churches, as well as residents and businesses, as to how this assessment would or would not burden them, perhaps through special meetings or workshops. Therefore, he motioned to table the issue to a regular Council meeting at a future date until the citizen's concerns are heard. Council Member Keller seconded the motion.

The City Manager stated this subject is worthy of its own meeting and recommended that a meeting be held on a different day other than a regularly scheduled Council meeting to allow ample time for discussion. He noted the next regular Council meeting will be held on May 23, 2017 at 6:00 pm.

Council Member Schmidt amended his motion to postpone any action on the issue until the Council meeting of May 23, 2017, at 6 pm. Council Member Keller seconded the amendment.

Mr. Rackley of GSG advised that if the tax bill method is used, a resolution must be adopted aside from any public meetings. If the TRIM method is used a resolution would need to be done at the June meeting; however, there is an option to adopt later which would trigger mailing notices to property owners. The final resolution needs to be adopted by September 15 and up until that time, Council has the ability to say no to the assessment.

The vote on the amended motion to postpone any action on the issue until the Council meeting of May 23, 2017 at 6:00 pm failed by a vote of 3 to 4.

RESULT:	DEFEATED [3 TO 4]
MOVER:	David Schmidt, Council Member
SECONDER:	Diane Keller, Council Member
AYES:	Diane Keller, John Mead, David Schmidt
NAYS:	Nic Allegretto, Mike Holmes, Amy Jamieson, Scott Smith

As the previous motion failed, the Mayor asked if anyone would like to make another motion on the issue.

The vote on the motion to direct staff to continue with Phase II of the Fire Assessment Study which does not commit to an assessment but allows time to obtain additional information carried by a vote of 4 to 3.

RESULT:	ADOPTED [4 TO 3]
MOVER:	Amy Jamieson, Council Member
SECONDER:	Mike Holmes, Council Member
AYES:	Nic Allegretto, Mike Holmes, Amy Jamieson, Scott Smith
NAYS:	Diane Keller, John Mead, David Schmidt

ADJOURNMENT 5:54 pm