

Fire Service Assessment Serves Dual Purpose *By Councilmember Rick Williams, District 6* *May 2, 2014*



Over the past few years, Cape Coral has taken a major hit on its revenue from ad valorem taxes, which is the tax you pay on your property. Because of that, the City has severely reduced services and capital maintenance needs because our income was severely reduced. By the way, this also reduced your property tax bill. I believe that most homeowners are still paying less than they were paying in 2007. On the flip side, our needs have not shrunk, and our population has actually grown. You can see the results of this squeeze by the condition of our roads, reduced availability of public safety personnel available to help you, older, tired vehicles, slower staff response times due to personnel shortages, etc.

The Fire Service Assessment serves two purposes. First, it is generating additional revenue for our operating needs to help us get back on our feet. This will amount to about \$12 million this year and \$20 million in FY 2015. It is money that will go to the Fire Department, but the trade-off is that we will no longer need to use \$20 million from our General Fund account to fund Fire Department operations. The General Fund is the account that pays for City operations such as police services, public works, and parks and recreation. This includes equipment and infrastructure maintenance (e.g. police cars, road paving, City facilities), salaries for our employees, and various programs the City provides for you. The FSA is not an **ADDITIONAL** revenue resource for the Fire Department.

The second purpose for the FSA is revenue diversification, which will help us navigate another downturn in the economy since the FSA is not tied to property values. Currently, a very large percentage of the revenue needed to maintain the General Fund is derived from the ad valorem tax revenues, which comes from you, the property owner. The amount of the revenue from ad valorem is tied to the economy and the assessed value of your property. When we have a downturn our revenue drops, but our population and need for maintenance, public safety and other services does not. By adding other sources of revenue, it reduces our reliance on the ad valorem revenue.

The FSA assessment method is being challenged by a small group of residents in the courts. The District Court has approved both the assessment and the method being used to set the assessment. It is currently being appealed. We chose to move ahead with the billing and putting the funds in escrow until the appeal is settled, although we can legally use the money now. The day the appeal is settled in our favor, we will start moving forward on much-needed projects, which include road and equipment maintenance, and a long overdue

adjustment in our union and non union employees' salaries. We need to stop losing our quality people.

We are currently in an upswing in growth, and the economy is rebounding. Because of this, our ad valorem tax revenue from your property taxes is increasing. My goal, and I believe most of my fellow council members agree, is that we need to be very careful how we manage this additional income and reduce taxes as we move forward and reduce the millage rate. We have applied a Band-Aid on the problems of the past few years, and everything now seems to be healing properly. The FSA will help with this healing.

Cape Coral is a wonderful, growing city with a population over 160,000 residents that balloons to over 200,000 in season. We provide many diverse services to our residents. Our Police and Fire Departments rank near the top in the State, and we are the second safest city in Florida. It takes money to provide these services, and it is incumbent on the City council and City staff to be fiscally responsible providing for these important services.

There are a lot of differing ideas as to what this assessment is and what it is for. One of the best resources for the correct information is your council member. We can be reached at 239-574-0437. **WE REALLY ARE ON YOUR SIDE! WE LIVE HERE TOO!** We encourage you to read the Fire Services Assessment 101 publication on the City website (www.capecoral.net). The information can be found through the FSA "Latest News" link on the front page.