



# HAINES CITY

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## **CITY MANAGER MEMORANDUM**

**To:** The Honorable Mayor and City Commissioners

**Through:** James R. Elensky, City Manager

**From:** Omar DeJesus, CPA, Finance Director

**Date:** July 03, 2025

**Subject:** Resolution No. 25-1879 Fire Assessment Fee for Fire Protection Services

### **Executive Summary**

Adopt the necessary annual Resolution adopting the non-ad valorem assessment roll for availability of fire protection services.

### **Introduction**

The intent of this item is to consider and adopt the necessary annual Resolution adopting the non-ad valorem assessment roll for availability of fire protection services, after the City Commission listens to public comment at the annual public hearing.

### **Background**

This Resolution will be adopted pursuant to City Ordinance No. 13-1454 (the "Assessment Ordinance"), City Resolution No. 13-1048 (as amended, supplemented and confirmed from time to time, the "Initial Annual Assessment Resolution"), sections 166.021 and 166.041, Florida Statutes, and other applicable provisions of law.

The rates for this non-ad valorem assessment have not changed since inception. Each parcel of property assigned an identification number by the County property appraiser is considered one (1) tax parcel. If approved by the City Commission after the public hearing, the rate of the Fire Service Assessment for each tax parcel is proposed not to exceed the sum of:

- (i) eighty-five cents (\$0.85) per \$1,000 of the value of improvements attributed to the tax parcel by the County property appraiser (Tier 1), plus
- (ii) one hundred thirty-nine dollars and ninety-three cents (\$139.93) per tax parcel (Tier 2), plus



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(iii) a City collection and annual implementation related cost of five dollars (\$5.00). The total revenue the City expects to collect by the Fire Service Assessment (exclusive of statutory discounts, amounts payable to property appraiser and tax collector) is approximately \$5,547,796.

Although no change in assessment rates is proposed, and these are the same rates as last year, the assessment roll development process is self-correcting from year to year, and assessment amounts do change, e.g. if the owner changed the tax parcel configuration (subdivided) (Tier 2), or if the value or characteristics of improvements on the tax parcel (relative improvement value assigned to the tax parcel was updated in data certified by the property appraiser to the Florida Department of Revenue) changed (Tier 1).

The foregoing amounts have been duly and timely noticed by publication.

As directed, this information will also be submitted for the TRIM notice process conducted by the Polk County Property Appraiser later this summer. The Property Appraiser's deadline for that submittal is July 11, 2025.

The Quicksearch feature to look up any proposed assessment is also available on the Internet by link from the City's website or at <http://quicksearch.ennead-data.com/hainescity>.

In keeping with the direction for the last several years, the cost of charges by the County Tax Collector and Property Appraiser, and statutory discounts associated with the uniform method of collection are individually prorated and added to each assessment. This effectively saves over \$325,000 in general fund costs, and further individually rewards those property owners who pay earlier than in March each year.

Individual parcel Fire Service Assessments have been additionally posted online for public access, and will be updated upon City Commission action. Assessment values can be found by performing a search using the parcel's Polk County property identification number, the owner's name as of June 1, 2025 or the location address, if known. The website address is: <http://quicksearch.ennead-data.com/hainescity>. This information can also be found on the City's website.

### **Organizational Goal(s)**

Financial: Develop and maintain fiscal policies based on program and performance measures while engaging community involvement.

### **Budget Impact**

Revenue associated with the Fire Service Assessment revenue will be reflected in the FY 2025-26 Budget. Such revenue is a material feature of the City's annual budget. Every dollar not assessed will consume a concomitant dollar of general revenue from the City's property tax proceeds or result in a reduction in levels of service. For example, and for context, if the City Commission were not to approve



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the attached Resolution and the comparable one for stormwater management, the City would need to increase its property tax millage by 1.7 mils (from 7.5895 to 9.2895 mils).

### Balancing Use of Revenues Available to Our City

Last year's mileage was 7.5895. If the City Commission decides to go without the fire and stormwater non-valorem revenue (both combined annually equal approximately \$6.2M), the City's millage would need to be raised to 9.2895.

This would bring the City close to the State constitution's 10 mil cap, and likely achieve the highest ad valorem tax rate millage of any comparably sized municipality in Polk County (or surrounding counties).

Unlike the use of TRIM for non-ad valorem assessments, TRIM notice is annually mandatory for ad valorem property taxes. The due date to give the Property Appraiser TRIM info on the City's fire and stormwater assessments is July 11, 2025; and August 4, 2025 for ad valorem property taxes.

The Finance Director along with City management and staff simply have not been able to reasonably identify \$6.2M in new revenue, or cuts in the annual budget in such an amount. This exemplifies reality of the why the City has used the fairness and proportionality of non-ad valorem assessments for the past 12 years.

It is imperative to keep in mind: if property tax millage is to be raised, adoption of the necessary resolution and certification of the proposed increase in property taxes is due to the property appraiser by August 4, 2025.

Failure to timely make that notification deadline will present a statutory bar to increase milage for the upcoming budget. As well, once so noticed there is no opportunity to change the TRIM notice, but the City can impose a lower millage rate.

Accordingly, the City Commission *could* adopt BOTH the non-ad valorem special assessments AND a proposed property tax increase - to keep options open through most of August. However, short of drastic cuts to other lower priority budget items, other than public safety / public works, there is no substantial revenue available to the City to underwrite **not using non-ad assessments**.

Also, please consider that by keeping options open by noticing both, the City Commission will undoubtedly attract responses from the residents of at least the 7,000+ new homes added to the City over the last 13 years, who will be required to carry disproportionately (when compared to the judicially approved more proportional special assessments) the funding of the \$6.2M shortfall. Most, if not all of these new property owners, have homes just below the average value for the City and above, and will see an overall tax increase on their TRIM notice (even if the Commission decides otherwise). Accordingly, staff does not encourage the notice of an increase in taxes. Therefore, timing considerations require



adoption of the non-ad valorem assessments to continue to consider steep budget cuts or other new (but unlikely and certainly not yet identified) annual revenue.

**Recommendation**

Staff recommends the City Commission approve the attached Resolution, adopting the Non-Ad Valorem Assessment roll for the Fire Service Assessment, continue to look for new revenue, and/or certify a proposed increase in property taxes by August 4, 2025.