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#### PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## AGENDA ITEM SUMMARY

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Meeting Date: September 1, 2009		[]	Consent Workshop	[X] [ ]	Regular Public Hearing
Department:	Administration				
		=====	============	=====:	

## I. EXECUTIVE BRIEF

**Motion and Title:** Staff requests Board direction on whether to provide supplemental funding out of general funds to the City of Belle Glade for \$94,453 and the City of Pahokee for \$65,959 to offset their FY 2010 budget deficits resulting from the 10 mill cap on their ad valorem tax levies.

**Summary:** Pursuant to Florida Statute 125.01, taxes levied for municipal purposes by all municipal service taxing units and the municipality may not exceed 10 mills. The Cities of Belle Glade and Pahokee are proposing millage rates, which combined with Fire Rescue's millage rate of 3.4581, will cause each of them to exceed the 10 mill cap. Supplemental funding from the County would enable each city to adopt a lower millage rate than currently proposed, without having to make further cuts in their budgets or service levels provided to their taxpayers. South Bay has proposed a tax rate within the 10 mill cap. Staff does not support this request due to precedence for these and other cities and that a larger subsidy will be required for FY 2011. <u>Countywide (SB)</u>

### Background and Policy Issues:

In FY 2005, Palm Beach County Fire Rescue staff met with City staff to discuss the impact on the Cities if they opted into the Fire Rescue MSTU. The analysis prepared by staff demonstrated a tax savings and an increased service level to the residents of the Glades Cities if the Cities abolished their fire departments and joined the MSTU. In early FY 2006, the Cities adopted ordinances requesting the County include them in the Fire Rescue MSTU. On December 20, 2005, the County adopted Ordinance 2005-064 to include the Glades Cities in the Fire Rescue MSTU, effective October 1, 2006 (FY 2007). The County (Fire Rescue MSTU), Belle Glade & Pahokee have proposed a FY 2010 millage rate at roll-back. Due to declining property values, this results in an increase in the millage rate for both the County and Cities.

Per Florida Statute 125.01 (1) (q), "If ad valorem taxes are levied to provide essential facilities and municipal services within the unit, the millage levied on any parcel of property for municipal purposes by all municipal service taxing units and the municipality may not exceed 10 mills". Therefore, the Cities will have to reduce their millage rate to be in compliance with the Statute. The Cities are asking the County to fund this shortfall. Since any funding provided by the County would be used to fund general cities services, and not Fire Rescue services, the Fire Rescue MSTU cannot be used as a funding source.

Attachments. None

8/27/09 **Recommended By:** Fire Rescue Administrator Approved By: Administrator

## II. FISCAL IMPACT ANALYSIS

# A. Five Year Summary of Fiscal Impact:

Capit Opera Exter Progr In-Kir	I Years al Expenditures ating Costs nal Revenues ram Income (County) nd Match (County) I FISCAL IMPACT	2010 160,412  160,412	2011	2012	2013	2014	
	DDITIONAL FTE SITIONS (Cumulative	)				)	
Is Iter	n Included in Propos	ed Budget?	Yes_	NoX_			
Budg	et Account No.:	Fund De	pt Unit_	Object			
В.	, Recommended Sou	rces of Fun	ds/Summary	of Fiscal Im	pact:		
C.	Departmental Fisca	I Review: _					
III. <u>REVIEW COMMENTS</u> A. OFMB Fiscal and/or Contract Dev. and Control Comments: If approved OFMB will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 from General Fund Contingency Reserve on Oct. 1 2009. Market Blacker OFMB Review OFMB Will administratively transfer \$160,412 From General Fund Contingency Review OffMarket Blacker State Blacker OFMB Review OFMB Will administratively transfer \$160,412 From General Fund Contingency Review OffMarket Blacker State Blacker State Blacker From General Fund Contingency Review OffMarket Blacker From General Fund Contingency Review OffMarket Blacker State Blacker From General Fund Control Blacker							
В.	Legal Sufficiency						
Shan Bur 8/28/09 Assistant County Attorney							

C. Other Department Review:

Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.