

**SUMMARY
TOWN OF MONTVERDE
TOWN COUNCIL WORKSHOP**

May 24, 2016

The Town of Montverde met in for a Council Workshop on Tuesday, May 24, 2016 at 6:30 pm in the Mayor's Office at Town Hall.

Council Members Present:

President, Billy Bates

Vice President, Glenn Burns

Jim Ley

Jim Peacock

Judy Smith

Staff Present:

Graham Wells, Town Clerk

Terry Burden, Public Works Director

Anita Geraci-Carver, Town Attorney

In the absence of Mayor Wynkoop, Council President Billy Bates called the meeting to order at 6:33pm and led the Pledge of Allegiance.

Roll call was performed, and it was determined that a quorum was present.

Councilman Bates opened explaining the purpose of the workshop to bring the new Council members up to date on how the fire assessment transitioned to the tax roll last year. In June the Council would vote on the preliminary (not to exceed) rate which was set at \$160.00 for residential properties last year. The actual rate which was set at \$80.00 last year would be dealt with through the public hearing process by resolution which would be adopted in August. The rate can be anywhere from zero to the maximum rate of \$160.00 and would be effective for one year only. It must be voted on each year.

The residential rate to fully fund the annual expenses of the fire department without any reserve is approximately \$120.00. When applied proportionately with categories for vacant land, educational and non-residential the revenue would be around \$110,000. The current budget for the fire department is \$131,879 which includes reserves of \$20,000. If the actual residential rate when set is below \$120.00, the balance to fund the fire department would come from the general fund. The budgeted revenue for the current year based on the \$80.00 rate is \$72,063 with the balance of \$59,816 coming from the general fund.

Councilman Bates gave an overview of the study conducted by GSG last year to establish the various rates that can be charged. The rates are calculated using the apportioned methodology based on historical demand for residential (67.33%), non-residential which includes commercial and institutional (6.67%), educational (23.33%) and vacant land (2.67%).

Residential and vacant land are a flat rate charge per parcel and non-residential and educational are based on a charge per square foot. *Councilman Peacock* asked what the current levels of reserves were for the fire department. *Chief Rausch* said that there was \$295,000 which in his opinion needed to be boosted by \$50,000 per year going forward.

Councilman Bates said that the only thing at this stage was to set the maximum rate. If the rate remains at \$160.00, there is no requirement to notify residents other than those that have moved into the town since the rate was set last year. He saw no reason to change it and said we should leave it as is. The \$160.00 residential rate was established as 64% of the “blue sky figure” cost to operate the fire department over a five year average period with two full time employees. The current cost to fund the department is around \$110,000 per year which equates to a residential rate of \$120.00.

Councilman Ley commented that there was nothing wrong with the fire department being subsidized from the general fund to cover any shortfall. *Graham Wells* said that certain houses in the town do not pay tax but they do pay the fire assessment so the higher it is the less we have to rely on the general fund. Also as the residential rate increases, so does the revenue from both educational and non-residential which is significant.

Councilman Ley felt that the \$11.00 flat rate for vacant land was low. *Councilman Bates* replied that it was based on the historical demand on calls to vacant land which were few. At the residential rate of \$120.00 it would increase to \$16.00. When directly billed by the town it was only \$5.00 per parcel. *Anita Geraci-Carver* said that it was what came out of the GSG study which had to follow legal standards based on their proportion of the total demand.

Councilman Ley asked what the County rate was. *Chief Rausch* responded that it was \$175.00 for residential plus a further \$42.00 for ALS service. *Councilman Peacock* asked if we could increase the assessment and lower the millage rate. This had been researched last year and it disproportionately hurts the people who lived in smaller houses while benefitting the owners of bigger homes. *Councilman Ley* added that the money from the fire assessment could only be spent on expenditure whereas money from the general fund can be spent for a variety of projects.

Councilman Bates reminded that although the rate doubled to \$80.00 last year, the Town did not bill the \$40.00 that it would normally have done so in effect it covered a two year period. As the rate had to go through the public hearing process, residents would have the opportunity to make their feelings known to Council before a final vote was taken in August.

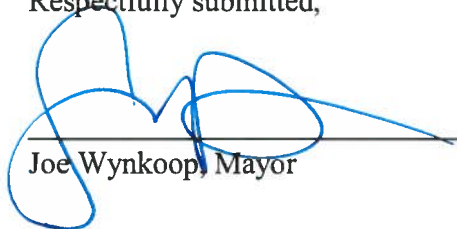
Anita Geraci-Carver outlined the hardship program for those that could not afford any increase. Councilwoman Smith felt that the thresholds were very low which made it difficult for people to qualify. Anita said that this can be looked at and the threshold increased as part of the resolution when adopting the final rate. She asked for some guidance for what Council was considering for the maximum rate so she knew what figure to put on the resolution. If a different rate was decided on, that rate could be adopted and the resolution amended.

Councilman Bates summarized that in June Council would vote on the maximum rate not to exceed, currently \$160.00 and then adopt the final rate in August. He asked Anita to draw the resolution up at \$160.00 and also the next rate up for the hardship threshold.

Being no further business a motion to adjourn was requested.

A motion to adjourn was made by Councilman Peacock; Seconded by Councilman Ley. With all in favor the meeting adjourned at 7:17 pm.

Respectfully submitted,



Joe Wynkoop, Mayor



Billy Bates, Council President

ATTEST:



Graham Wells, Town Clerk

