



Fire Rescue

Chief Patrick J. Kennedy
405 Pike Road
West Palm Beach, FL 33411
(561) 616-7000
www.pbcgov.com



**Palm Beach County
Board of County
Commissioners**

Gregg K. Weiss, Mayor
Maria Sachs, Vice Mayor
Maria G. Marino
Michael A. Barnett
Marci Woodward
Sara Baxter
Mack Bernard

County Administrator

Verdenia C. Baker

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Official Electronic Letterhead

September 6, 2023

Frank Kitzerow, Town Manager
Town of Jupiter
210 Military Trail
Jupiter, FL 33458
tm@jupiter.fl.us

Dear Mr. Kitzerow,

This is a follow-up to my comments at the Town Council meeting on Tuesday, September 5, 2023. I wanted to bring to your attention a few errors in the CPSM Consultant presentation at the Town Council meeting where it pertains to Palm Beach County Fire Rescue.

On page 4 of the presentation, the following are incorrect:

- Move-up Costs for FY2024 are showing as TBD. The costs for the move-ups are already included in the FY2024 numbers.
- Revenue from EMS Transport for FY2024 is showing TBD. The revenue should show as (\$1,860,452).
- The Total Recurring Costs for FY2024 should be \$26,903,860 instead of \$28,764,312
- The change from FY2023 to FY2024 should be \$1,056,356 (4%) – NOT \$2,916,808 (11%)

On page 7 of the presentation:

- FY2024 Proposed Budget should be \$26,903,860 instead of \$28,764,312.

Please refer to the email sent to Mr. Reynolds on July 19, 2023 with all of these numbers.

Sincerely,

Patrick J. Kennedy
Fire Rescue Administrator
Palm Beach County Fire Rescue

PJK/jg



September 13, 2023

Fire Rescue

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Frank Kitzerow, Town Manager
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tm@jupiter.fl.us

Dear Mr. Kitzerow,

Per Section 3.D of the Interlocal Agreement for Fire Protection and Emergency Medical Services between the Town of Jupiter and Palm Beach County attached is all the information necessary to calculate the cost of services in the Full Cost Formula contained in Exhibit A.

Based on the July 1 property values, Palm Beach County Fire Rescue submitted a proposed Jupiter MSTU millage rate of **1.7879** for FY2024. On September 7th, the Board of County Commissioners (BCC) adopted the Palm Beach County Jupiter Fire MSTU tentative millage of **1.7879**, which is 7.22% over the rolled-back rate of 1.6675. The BCC will adopt the final millage during the budget public hearing on September 26th, 2023.

Please contact me if you have any questions or need additional information.

Sincerely,

Patrick J. Kennedy
Fire Rescue Administrator
Palm Beach County Fire Rescue

cc: Scott Reynolds, Town Finance Director



**FY 2024 Budget
Jupiter MSTU
Fund 1301**

	FY 2023 Budget	FY 2023 Estimate	FY 2024 Budget	As of July	
				Increase (Decrease) Amount	%
Revenues					
Interest	\$15,000	\$54,000	\$10,536	(\$4,464)	-29.76%
Change in Fair Market Value	\$0	(\$387)	\$0		
Ad Valorem Taxes	26,418,473	25,299,045	28,378,279	1,959,806	7.42%
Balance Brought Forward	1,078,678	1,127,407	303,547	(775,131)	-71.86%
Statutory Reserves	(1,321,074)	0	(1,419,441)	(98,367)	7.45%
Total Revenues	\$26,191,077	\$26,480,065	\$27,272,921	\$1,081,844	4.13%
Appropriations					
Transfer to Main F/R MSTU	\$25,847,504	\$25,847,504	\$26,903,860	\$1,056,356	4.09%
Tax Collector Commission	528,369	505,981	\$567,566	39,197	7.42%
Tax Collector Excess Fees	(354,007)	(339,007)	(\$380,269)	(26,262)	7.42%
Property Appraiser Commission	184,930	177,093	\$198,649	13,719	7.42%
Property Appraiser Excess Fees	(15,719)	(15,053)	(\$16,885)	(1,166)	7.42%
Total Appropriations	\$26,191,077	\$26,176,518	\$27,272,921	\$1,081,844	4.13%
Estimated Property Values	\$14,117,711,284	\$14,082,815,261	\$15,872,408,233	\$1,754,696,949	12.43%
Roll-Back			1.6675		
Millage Rate	1.8713	1.8713	1.7879	(0.0834)	-4.46%



TOWN MANAGER'S OFFICE

September 13, 2023

Chief Patrick J. Kennedy
Fire Rescue Administrator
Palm Beach County Fire Rescue
405 Pike Road
West Palm Beach, FL 3341

Dear Chief Kennedy,

Thank you for your letters dated September 6 and September 13, 2023. In response to your points, I would offer the following:

- Given the FY 2024 Jupiter MSTU rate of 1.7879 adopted by the Board of County Commissioners, and the FY 2024 property values for the Town of Jupiter published by the Palm Beach County Property Appraiser's Office, total 100-percent ad valorem collections for fire rescue services from Jupiter taxpayers will equal **\$28,378,279**. Accordingly, this is the basis for the Jupiter Fire Rescue FY 2024 annual budget published and approved at the July 11, 2023 meeting of the Board of County Commissioners (see attached excerpt from the BCC agenda backup).
- The presentation you refer to, provided to the Jupiter Town Council on August 15, 2023, listed move-up costs and transport revenues as "To-Be-Determined" based on the fact that the County's published budgetary information did not break those items out specifically, but rather included them in the total number.
- We disagree on your total budget calculation of \$26,903,860. Based on the published Palm Beach County Fire Rescue 1301 budget, included as an attachment to your letter of September 13, 2023, PBCFR indicates that it will use an additional \$303,547 from fund reserves to balance the Jupiter MSTU budget, bringing the total number to \$27,272,921.
- Considering the revised total FY24 budget number of \$27,272,921, we calculated the future impacts of the contract and determined that the estimated impact over the life of the contract (FY27 – FY33) could be revised to \$58 million (from the previously estimated \$68 million). These estimated impacts are based on conservative growth estimates of 5% annually over the life of the contract.
- Because the contract does not place a limit on items such as staffing levels, new station construction and administrative costs, we are still unsure of how costs will grow into the

future. It seems likely that staying within the 5% annual growth will be hard for PBCFR to achieve, based on your business model.

- Accounting errors identified during the contract negotiation process in mid-2022 obligated the Town to contract with an independent auditor to conduct a contract audit this past spring. Coupled with the concerns related to rising costs, the findings of that audit caused concerns for the Town Council regarding internal control processes at PBCFR.

Since the negotiation process began in early 2022, it has been challenging for the Town to obtain clear numbers and justifications of cost from PBCFR. During the negotiations, it was often the case that the Town's Finance Director had to create worksheets and calculations based on paper copy transmissions from your team in order to properly analyze what those numbers would mean for Jupiter taxpayers. Ultimately, lack of clarity in the numbers contained in the proposals, as well as discovered errors, led to uncertainty and lack of confidence in PBCFR's ability to manage a long-term contract going forward.

The Town Council's decision to create a Jupiter Fire Rescue Department was not made hastily, or taken lightly. After nine public meetings, countless discussions during negotiations, an exhaustive study by a recognized, credible consultant and findings from a contract audit, the Town is moving forward with a 36-month plan to implement a first-class fire and emergency rescue department. We recognize PBCFR has been a long-time service provider of the Town.

As we embark on this journey, it is our hope that our relationship can evolve to become a partnership between two excellence-driven agencies working side-by-side to serve the public in the Town of Jupiter and the Jupiter area. I look forward to working together to ensure a safe and orderly transition from Palm Beach County Fire Rescue to the Jupiter Fire Rescue Department by September 30, 2026.

Sincerely,



Frank J. Kitzerow
Town Manager

Attachments: PBCFRFY 2024 Budget Jupiter MSTU Fund 1301
PBCBCC Minutes, Regular Agenda, July 11, 2023

6. REGULAR AGENDA

A. OFFICE OF FINANCIAL MANAGEMENT & BUDGET

1. Staff recommends motion to authorize:

A) Staff to submit proposed not-to-exceed millage rates for the FY 2024 budget to the Property Appraiser as follows:

	FY 2023 Adopted		FY 2024 Rollback		FY 2024 Proposed		Over/(Under)	
	Millage	Taxes	Millage	Taxes	Millage	Taxes	Rollback	
Countywide Non-Voted	4.7150	\$1,203,884,310	4.2080	\$1,221,507,008	4.7150	\$1,368,680,025	\$147,173,017	12.05%
Library	0.5491	73,805,405	0.4900	75,130,339	0.5491	84,191,978	9,061,639	12.06%
Fire-Rescue MSTU	3.4581	357,798,230	3.0868	364,264,879	3.4581	408,080,983	43,816,104	12.03%
Jupiter Fire-Rescue MSTU	1.8713	26,418,473	1.6675	26,467,241	1.7879	28,378,279	1,911,038	7.22%
Aggregate-Excluding Voted Debt	6.5088	\$1,661,906,418	5.8887	\$1,709,384,107	6.5086	\$1,889,331,265		10.53%
Countywide Voted-Debt	0.0289	\$7,384,943			0.0188	\$5,461,247		
Countywide-Library Voted-Debt	0.0290	3,897,936			0.0108	1,655,934		

B) Staff to submit to the Property Appraiser public hearing dates of Thursday, September 7 at 5:05 p.m. and Tuesday, September 26 at 5:05 p.m. in the Commission Chambers, 6th floor of the Robert Weisman Governmental Center for the FY 2024 budget;

C) Administrative adjustments to establish funding in the FY 2024 budget for capital projects approved and established in the current fiscal year. These projects were approved in the current fiscal year (FY 2023) after the preparation of the proposed budget and are therefore not currently included in the FY 2024 budget. These adjustments will have no impact on proposed Ad Valorem taxes and will be incorporated into the tentative budget to be presented at the first public hearing; and

D) Administrative adjustments to establish funding in the FY 2024 budget for designated fund balances for contingency and other projects and carryover for encumbrances. These balances and encumbrances were approved in the current fiscal year (FY 2023) after the preparation of the proposed budget and are therefore not currently included in the FY 2024 budget. These adjustments will have no impact on proposed Ad Valorem taxes and will be incorporated into the tentative budget to be presented at the first public hearing.

SUMMARY: The proposed millage rates for Countywide, Library, and Fire Rescue MSTU are at the current year millage rate and above the rolled-back rate. The millage rate for the Jupiter Fire MSTU is below the current year millage rate and above the rolled-back rate. These millage rates are not-to-exceed rates, and may be lowered but not raised at the September public hearings, without additional Truth in Millage (TRIM) notices being sent out. If the rates are raised at the first September public hearing, new notices to the property owners must be prepared by the Property Appraiser and mailed between 10 to 15 days prior to the second September public hearing at the County's expense. This expense is estimated to be approximately \$500,000. The rates cannot be raised at the second September public hearing. Countywide (DB)

BUDGET COMPARISON BY FUND - FY 2023 AND 2024
Board of County Commissioners

2022 Tentative Non-Exempt Valuation Countywide \$255,330,712,693

2023 Tentative Non-Exempt Valuation Countywide \$290,282,083,757

Fund	Fund Name	2023 Adopted				2024 Tentative				
		Mills	Taxes	Other Revenue	Budget	Mills	Taxes	Other Revenue	Budget	Amended
1180	County Library	0.5491	73,805,405	12,986,121	86,791,526	0.5491	84,191,978	16,293,732	100,485,710	
1300	Fire/Rescue MSTU	3.4581	357,798,230	208,576,451	566,374,681	3.4581	408,080,983	227,219,949	635,300,932	
1301	Fire/Rescue Jupiter MSTU	1.8713	26,418,473	(227,396)	26,191,077	1.7879	28,378,279	(1,105,358)	27,272,921	
1303	Aviation Battalion		0	8,225,911	8,225,911		0	8,560,098	8,560,098	
1304	F/R Long-Term Disability Plan		0	8,234,469	8,234,469		0	7,842,473	7,842,473	
1305	MSBU-Hydrant Rental Boca Raton		0	358,046	358,046		0	342,190	342,190	
1306	MSBU-Hydrant Rental-Riviera Bch		0	54,640	54,640		0	63,486	63,486	
1400	MSTD - Building		0	58,039,806	58,039,806		0	66,425,338	66,425,338	
2524	19.5M GO 10 DS, Ref Part 30M Library GO 03	0.0166	2,231,232	(76,932)	2,154,300		0	0	0	
2531	11.8M GO 14 DS, Ref Part 22M Library GO 06	0.0124	1,666,704	(55,804)	1,610,900	0.0108	1,655,934	(47,284)	1,608,650	
3511	Unicorp Impr Fund		0	14,283,678	14,283,678		0	15,588,277	15,588,277	
3700	Fire Rescue Improvement		0	107,978,534	107,978,534		0	148,305,732	148,305,732	
3704	Fire Rescue Impact Fees		0	7,329,258	7,329,258		0	9,330,924	9,330,924	
3750	Library Improvement Fund		0	15,792,797	15,792,797		0	19,521,638	19,521,638	
3751	Library Expansion Prgm		0	56,626,748	56,626,748		0	69,186,431	69,186,431	
3752	Library Impact Fees		0	6,914,422	6,914,422		0	7,025,324	7,025,324	
3904	Building Capital Projects		0	75,986,864	75,986,864		0	78,713,084	78,713,084	
	Gross-Total Dependent Districts		461,920,044	581,027,613	1,042,947,657		522,307,174	673,266,034	1,195,573,208	1,195,573,208
	Less: Interfund Transfers			(85,693,760)	(85,693,760)			(87,592,283)	(87,592,283)	
	Less: Interdepartmental Charges			(8,287,589)	(8,287,589)			(8,546,214)	(8,546,214)	
	Net-Total Dependent Districts		461,920,044	487,046,264	948,966,308		522,307,174	577,127,537	1,099,434,711	1,099,434,711
	Net-Total Countywide Funds & Dependent Districts		1,673,189,297	4,094,066,540	5,774,262,564		1,834,037,798	4,886,602,116	6,720,639,914	6,880,165,934
	Gross-Total All Funds		1,673,189,297	5,030,159,507	6,710,355,531		1,834,037,798	5,877,586,567	7,711,624,365	7,873,039,892

PERCENT INCREASE (DECREASE) IN MILLAGE OVER ROLLED-BACK RATE ⁽¹⁾

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

	FY 2023 Millage Rates	FY 2024 Rolled-Back Rate		FY 2024 Proposed Taxes		Proposed Increase or Decrease		
	Millage	Millage	Taxes	Millage	Taxes	Millage	Taxes	% Inc / (Dec) From Rolled-Back Rate
Countywide ⁽²⁾	4.7150	4.2080	\$ 1,221,507,008	4.5000	\$ 1,306,269,377	0.2920	\$ 84,762,369	6.94 %
County Library District ⁽²⁾	0.5491	0.4900	75,130,339	0.5491	84,191,978	0.0591	9,061,639	12.06 %
Fire-Rescue MSTU	3.4581	3.0868	364,264,879	3.4581	408,080,983	0.3713	43,816,104	12.03 %
Jupiter Fire-Rescue MSTU	1.8713	1.6675	26,467,241	1.7879	28,378,279	0.1204	1,911,038	7.22 %
Aggregate Millage Rate ⁽³⁾	6.5088	5.8887		6.2936		0.4049		6.88 %
Total Taxes			<u>\$ 1,709,384,107</u>		<u>\$ 1,826,920,617</u>		<u>\$ 117,536,510</u>	

⁽¹⁾ Rolled-Back Rate is the millage rate which, exclusive of new construction, will provide the same Ad Valorem tax revenue as was levied during the prior year.

⁽²⁾ Exclusive of voted debt millages for FY 2023 and FY 2024 as shown below:

	FY 2023	FY 2024
Countywide	0.0289	0.0188
County Library	<u>0.0290</u>	<u>0.0108</u>
Total	<u>0.0579</u>	<u>0.0296</u>

⁽³⁾ Aggregate Millage Rate is the sum of all Ad Valorem taxes levied by the governing body of a county for countywide purposes, plus Ad Valorem taxes levied for any dependent district to the governing body, divided by the total taxable value of the county, converted to a millage rate.