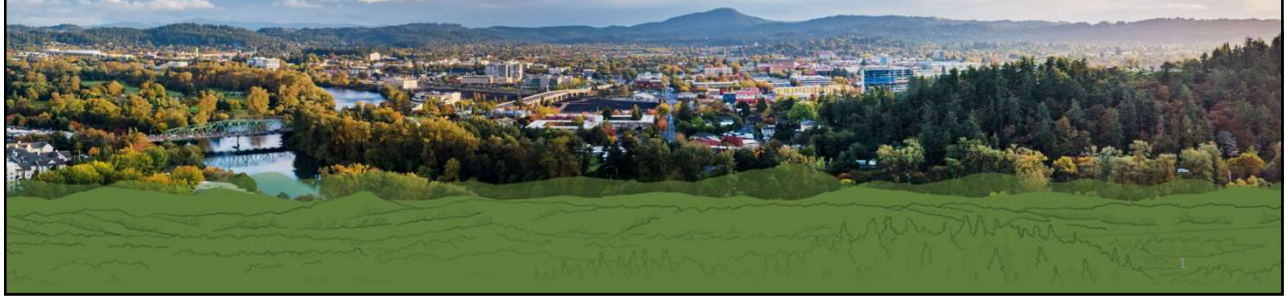
Revenue Proposal
Fire Services Fee

City Council
September 30, 2024



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Issues

- Critical Funding Gap
- Areas At Risk
- New and/or Expanded
- Tools and Mechanics

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Issues

Critical Funding Gap

$10M + Structural and Ongoing

Areas At Risk

All services funded one time
Human Services
Animal Services
Neighborhood Service Officers

New and/or Expanded

Housing
Climate
Library
Fire & EMS Services

Tools and Mechanics

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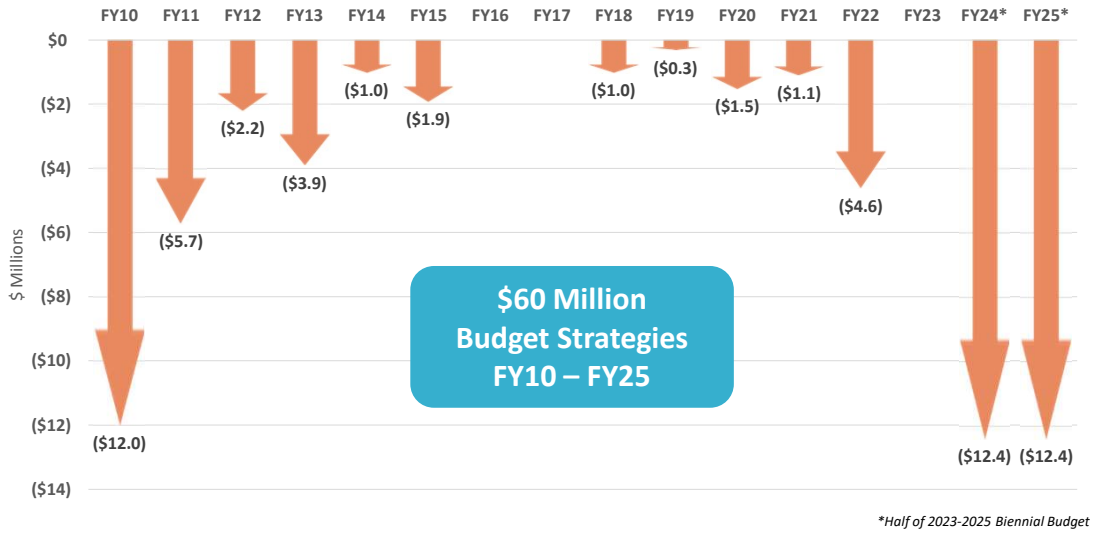
General Fund Budget Strategies



*Half of 2023-2025 Biennial Budget

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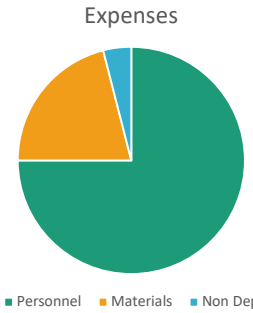
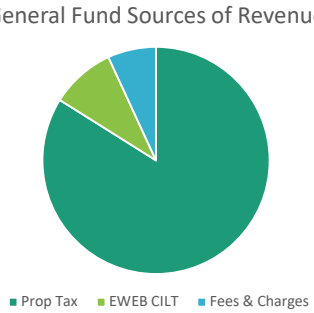
The WHY

Total Costs of Everything + All Increases **must** = Total Revenue

Every Year and Always





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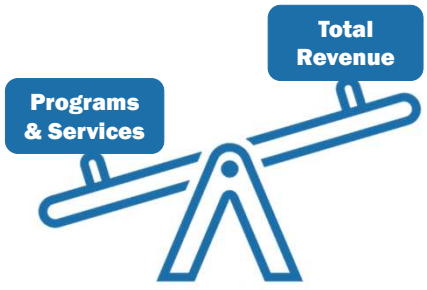
The WHY

Total Costs of Everything + All Increases **must** = Total Revenue

Every Year and Always

Department	Revised 2023-2025 General Fund Budget ($)	Revised Budget (%)	Proportionate Reduction per $1 Million
Central Services	53,000,000	15%	150,000
Fire and Emergency Medical Services	79,000,000	22%	220,000
Library, Recreation and Cultural Services	57,000,000	16%	160,000
Planning and Development	22,000,000	6%	60,000
Police	132,000,000	38%	380,000
Public Works	9,000,000	3%	30,000
TOTAL	$ 352,000,000		$ 1,000,000



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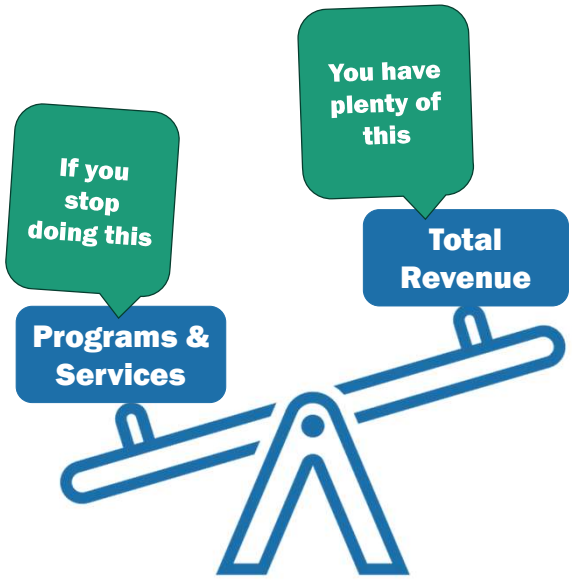
What We're Hearing

- Purchase of City Hall
- Services for Unhoused
- Building Roads/Bikeways/Parks
- _____ is not a Priority



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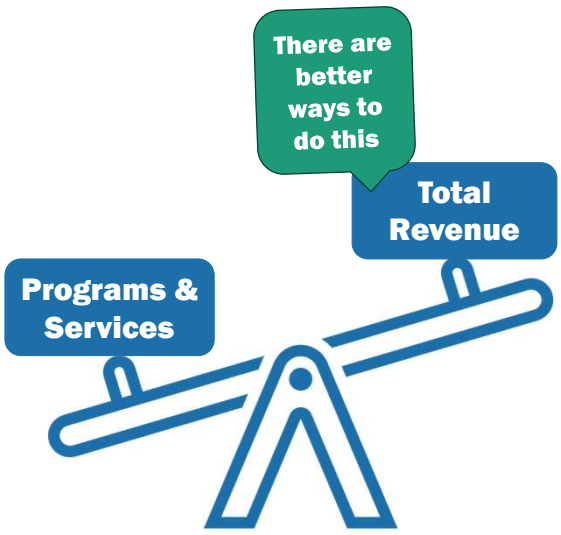
What We're Hearing



- Growth and Eco Devo
- Voluntary Annexation
- Different Options in Report
- _____ is not a City Responsibility

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Funding Intention

Critical Funding Gap

$10M + Structural and Ongoing

Areas At Risk

All services funded one time
Human Services
Animal Services
Neighborhood Service Officers

New and/or Expanded

Housing
Climate
Library
Fire and EMS Services

Tools and Mechanics

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Other Jurisdictions

Jurisdiction	Service Fee	Typical Residential Rate per Month
Salem	City Operations Fee	$ 15.33
Medford	Parks Utility Fee	$ 5.35
Medford	Public Safety Utility Fee	$ 12.49
Corvallis	Fire Services Fee	$ 14.84
Corvallis	Police Services Fee	$ 13.55
Gresham	Police, Fire, & Parks	$ 15.00
Albany	City Service Fee	$ 9.00
Veneta	Public Safety Fee	$ 4.00
Oregon City	Community Safety Fee	$ 6.50
Jacksonville	Fire Surcharge	$ 43.00
Jacksonville	Police Surcharge	$ 35.00

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Rate Model Approach

- Generate $10 million in net revenue per year
- Use an available data set for rate basis
- Relationship between size of structure and fire response
- Understand the impact on residential and commercial accounts
- Rate Structure:
  - Keep it simple
  - Use of low-income assistance to support the community
  - Similar to existing Stormwater fee for administrative ease

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Fee Construction

- **Data source**: Square footage data from RLID
- **Who pays:** Billed to existing EWEB account holders
- **Billing & Administration:** EWEB or City

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Income-Based Assistance

- Customer Care Model
- 3% of Gross Revenues

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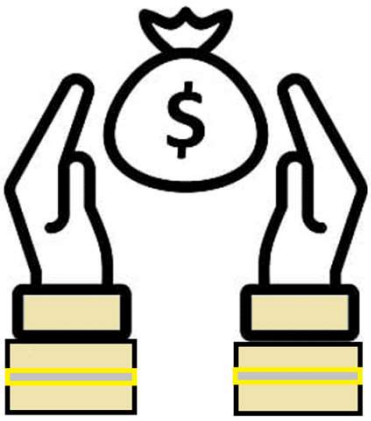
Special Revenue Fund



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Initial Proposal

	Rate Category	Square Foot Range	Monthly Cost per Account	Annual Cost per Account	Percent of Accounts*
Residential	Small Residential	0 - 1,599	**$7**	$84	49%
	Medium Residential	1,600 - 2,699	**$11**	$132	33%
	Large Residential	2,700 or greater	**$17**	$204	15%
Commercial	Small Commercial	0 - 4,999	**$13**	$156	2%
	Medium Commercial	5,000 - 19,999	**$46**	$552	1%
	Large Commercial	20,000 - 49,999	**$145**	$1,740	<1%
	XL Commercial	50,000 - 124,999	**$361**	$4,332	<1%
	XXL Commercial	125,000 or greater	**$877**	$10,524	<1%

DRAFT

Median single-family home 2,072 sq ft $11/month

Median commercial customer 6,610 sq ft $46/month

**Residential and Commercial accounts are combined*

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Revised Proposal

Rate Category (Square Feet)	Monthly Cost per Account	Annual Cost per Account	Percent of Accounts*
0 - 750	**$3**	$36	1%
751 - 1,500	**$6**	$72	22%
1,501 - 2,500	**$10**	$120	45%
2,501 - 3,500	**$15**	$180	18%
3,501 - 5,000	**$21**	$252	7%
5,001 - 10,000	**$38**	$456	3%
10,001 - 15,000	**$63**	$756	1%
15,001 - 30,000	**$113**	$1,356	1%
30,001 - 50,000	**$200**	$2,400	<1%
50,001 - 75,000	**$313**	$3,756	<1%
75,001 - 100,000	**$438**	$5,256	<1%
100,001 - 150,000	**$626**	$7,512	<1%
150,001 - 200,000	**$876**	$10,512	<1%
200,001 - 300,000	**$1,252**	$15,024	<1%
300,001 or greater	**$1,752**	$21,024	<1%

DRAFT

Median single-family home 2,072 sq ft $10/month

Median commercial customer 6,610 sq ft $38/month

**Residential and Commercial accounts are combined*

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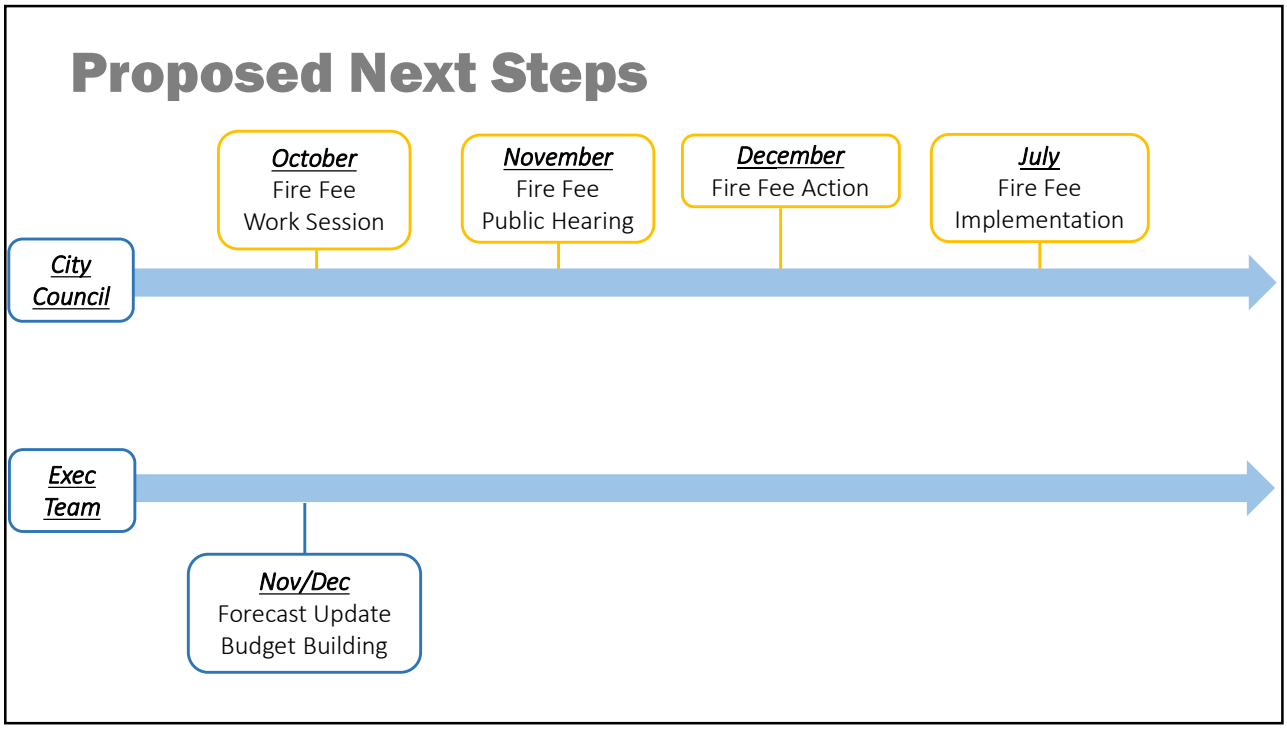
Proposed Next Steps
October
Fire Fee
Work Session
November
Fire Fee
Public Hearing
December
Fire Fee Action
July
Fire Fee
Implementation
City Council
Exec Team
Nov/Dec
Forecast Update
Budget Building

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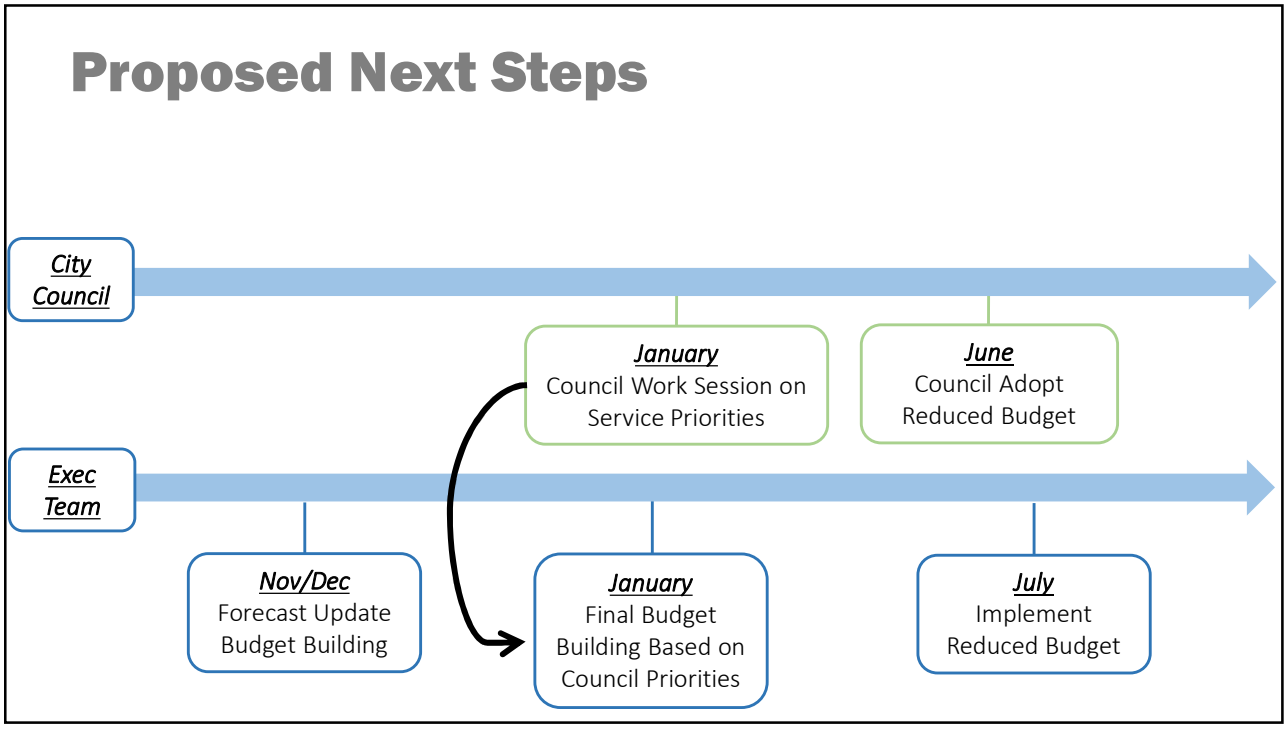
Proposed Next Steps
City Council
January
Council Work Session on
Service Priorities
June
Council Adopt
Reduced Budget
Exec Team
Nov/Dec
Forecast Update
Budget Building
January
Final Budget
Building Based on
Council Priorities
July
Implement
Reduced Budget

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Closing Thoughts

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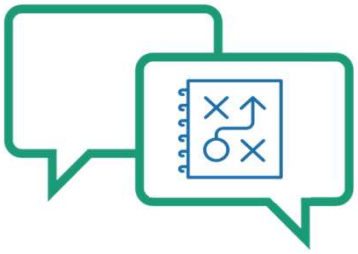

Questions & Discussion

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