



JEFFERSON COUNTY COMMISSION

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DATE: May 10, 2018
TO: Honorable Commissioners
Jefferson County, West Virginia
FROM: Michelle Gordon, Finance Director
RE: Ambulance Fee Rate Analysis

The analysis of calls for service presented on 9/21/2017 indicated that 75% (3,238 in 2016) of all calls (4,329 total in 2016) are for residential properties. The County's assessable base is made up primarily of residential properties at 94.9% (20,812 of 21,931 in 2014). All property types experienced repeat calls to certain addresses. In 2016, only 9.6% of residential properties (2,007 addresses) had calls for service out of 20,812, and 29.0% of non-residential properties (325 addresses) had calls for service out of 1,119. Certain property types experienced higher repeat calls than others. In 2016, outliers for service calls were identified as: non-owner occupied residential properties averaged 12 calls per year of the addresses serviced; calls to the race track totaled 173; hotels, food service and grocery stores averaged 10-12 calls per address; and large department stores averaged 30 calls for service. See below for the Outlier Analysis tables:

<u>Property Type</u>	<u>Avg/Yr</u>	<u>Total Calls</u>	<u>% of Type</u>	
Residential		3,238		
Owner Occupied			58.9%	
Non-owner Occupied	2.1		41.1%	100.0%
Non-Residential				
Commercial-Othr		538	15.6%	
Race Track	173.0		18.7%	
Hotel/Motel	4.9		6.4%	
Shopping Center	14.0		17.5%	
Health Care	20.1	282	30.5%	
Education	43.0	106	4.5%	
Shepherd	63.0		6.8%	
Other		165	Excluded	100.0%
		<u>4,329</u>		

During FY19 budget discussions, certain decisions were made by majority vote of the Commission that independently affect the rate calculation. Those majority vote considerations are as follows:

- No increase in the residential owner occupied rate of \$35.
- An increase in the non-owner occupied rate will be made to ensure that residential revenue makes up approximately 75% of 'total billing revenue'.
- The proposed grade scale realignment was approved at a cost of \$136,000 to be paid for solely by ambulance fee revenue.
- The General Fund contribution amount should be kept flat at \$2,100,000; and,

- The General Fund contribution amount was subsequently decreased during FY19 budget balancing by \$63,000 to \$2,037,000. The \$63,000 was approved to be paid for solely by ambulance fee revenue that would result from: 1) The non-residential rate restructure; and 2) The inclusion of properties formerly exempted by ordinance only from payment of the Emergency Service Ambulance Fee.

Once the final majority vote decision on May 3, 2018 was made to increase in the non-owner occupied rate to ensure that residential revenue makes up approximately 75% of 'total billing revenue', the rate structure was reanalyzed. Based on that change, I recommend that the rate for non-owner occupied residential properties increase from \$35 per unit to \$45 per unit. Additionally, the non-residential fee per 100 square feet should be adjusted as follows:

<u>Category</u>	<u>Original Rate/100SF</u>	<u>Revised Rate/100SF</u>	<u>Final Rate/100SF</u>	<u>Diff</u>
Regular Rate	\$ 2.992	\$ 2.842	\$ 1.942	-31.7%
Casino (75%)	\$ 2.244	\$ 2.132	\$ 1.457	-31.6%
Warehouse (40%)	\$ 1.197	\$ 1.137	\$ 0.777	-31.7%
Empty >18mos (25%)	\$ 0.748	\$ 0.711	\$ 0.486	-31.7%

Below is the estimated revenue and average bill by property type:

<u>Residential</u>	<u>FY18</u>				<u>FY19 Estimate</u>					
	<u>Units</u>	<u>Rate</u>	<u>Billings</u>	<u>% of Tot</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>% of Tot</u>		
Residential Owner Occ	18,759	\$ 35.00	\$ 656,565		14,459	\$ 35.00	\$ 506,065	64%		
Residential Non-Owner					4,500	\$ 45.00	\$ 202,500	26%		
Homestead	3,975	\$ 20.00	\$ 79,500		3,975	\$ 20.00	\$ 79,500	10%		
Total Billings Res	22,734		\$ 736,065	92%	22,934		\$ 788,065	75%		
<u>Non-Residential</u>	<u>Units</u>	<u>Rate</u>	<u>Billings</u>	<u>% of Tot</u>	<u>Parcels</u>	<u>Total SF</u>	<u>Rate</u>	<u>Revenue</u>	<u>% of Tot</u>	<u>Avg Bill</u>
Regular Rate					790	9,006,620	\$1.942/100sf	\$ 174,909	64.9%	\$ 221
Casino Rate					1	2,401,881	\$1.457/100sf	35,000	13.0%	\$ 35,000
Warehouse Rate					170	3,121,723	\$0.777/100sf	24,300	9.0%	\$ 143
No SF Available					10		\$ 150.00	1,500	0.6%	\$ 150
Min Fee of \$85	775	\$ 85.00	\$ 65,875		400	1,265,213	\$ 85.00	34,000	12.6%	\$ 85
Total Billings Non-Res	775		\$ 65,875	8%	1,371	15,795,437		\$ 269,709	25%	
Subtotal Revenue			\$ 801,940					\$ 1,057,774		
Uncollectible Accounts			(93,772)					(88,126)		
Total			\$ 708,168					\$ 969,648		

NOTE: If the Casino is billed at the normal rate, their fee would increase approximately \$10,000 annually, and the average bill for all other non-residential properties would decrease by about \$10.

In addition to the estimated average bill per non-residential property of \$221, I've estimated the potential bill for several businesses as follows:

<u>Potential Payments</u> <i>based on 2014 sf estimates</i>	<u>SF</u>	<u>FY19 SF Fee</u>	<u>FY19 Fee w/Min</u>
Home Depot	105,936	\$ 2,057.28	\$ 2,057.28
Asbury United Methodist Church	9,300	\$ 180.61	\$ 180.61
Boys & Girls Club	3,360	\$ 65.25	\$ 85.00
Jefferson Sec Bank (Wash St Downtown)	11,032	\$ 214.24	\$ 214.24
APU	174,531	\$ 3,389.39	\$ 3,389.39

Potential Payments <i>based on 2014 sf estimates</i>	SF	FY19 SF Fee	FY19 Fee w/Min
Kohls	88,697	\$ 1,722.50	\$ 1,722.50
Dunkin Donuts	4,192	\$ 81.41	\$ 85.00
Panera	4,980	\$ 96.71	\$ 96.71
Weiss	95,073	\$ 1,846.32	\$ 1,846.32
Strip with Walmart	207,341	\$ 4,026.56	\$ 4,026.56
APU	19,512	\$ 378.92	\$ 378.92
McDonalds	3,983	\$ 77.35	\$ 85.00
Chick-Fil-A	4,348	\$ 84.44	\$ 85.00
Strip with Martins	132,839	\$ 2,579.73	\$ 2,579.73
Autozone	7,680	\$ 149.15	\$ 149.15
Payless/Mattress Strip	5,733	\$ 111.33	\$ 111.33
Elle's Niche	11,900	\$ 231.10	\$ 231.10
Thompson & Pardo	1,650	\$ 32.04	\$ 85.00
The Village Shop	3,608	\$ 70.07	\$ 85.00
The Village Shop	1,760	\$ 34.18	\$ 85.00
Bavarian Inn	60,194	\$ 1,168.97	\$ 1,168.97
Clarion - Shepherdstown	159,072	\$ 3,089.18	\$ 3,089.18
St James Catholic Church	60,240	\$ 1,169.86	\$ 1,169.86
Maria's Taqueria	7,560	\$ 146.82	\$ 146.82
Taco Bell (<i>Similar Size for Mom & Pop</i>)	2,438	\$ 47.35	\$ 85.00
Board of Education (TOTAL All Parcels)	1,037,238	\$ 20,143.16	\$ 20,143.16
<i>A separate school would have a similar size to Home Depot, Kohls or Martins:</i>			
<i>BOE Sep Parcel for TA Lowery Elem</i>	69,354	\$ 1,346.85	\$ 1,346.85
<i>BOE Sep Parcel for Hale Jr High</i>	81,281	\$ 1,578.48	\$ 1,578.48
Casino Projections			
Casino Reg Rate	2,401,881	\$ 46,644.53	\$ 46,644.53
Casino Rate	2,401,881	\$ 34,995.41	\$ 34,995.41
Impact of 3 tiers on a Warehouse/ Unoccupied Building:			
Cold Storage RD (Winch Cold Stor) w/Reg Rate	221,530	\$ 4,302.11	\$ 4,302.11
Cold Storage RD (Winch Cold Stor) Warehouse	221,530	\$ 1,721.29	\$ 1,721.29
Cold Storage RD (Winch Cold Stor) if Vacant	221,530	\$ 1,075.53	\$ 1,075.53
Jefferson Mini Storage w/Reg Rate	32,478	\$ 630.72	\$ 630.72
Jefferson Mini Storage Warehouse	32,478	\$ 252.35	\$ 252.35
Jefferson Mini Storage if Vacant	32,478	\$ 157.68	\$ 157.68