

## Chuck Wooten

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**From:** Derek Roland  
**Sent:** Tuesday, January 06, 2015 4:00 PM  
**To:** 'Chuck Wooten'  
**Subject:** Macon County Service Area  
**Attachments:** MaconCoServiceArea.pdf; MaconCoServiceAreaproperties.xlsx; MaconCoServiceAreaproperties.xlsx

Chuck,

I hope you are doing well. For quite some time now we have been discussing those properties located in Jackson County which receive Macon County Services. Per our last discussion, I have located these properties and came up with a \$ amount for the services provided. I would like to thank you and the Jackson County Board of Commissioners in advance for taking the time to give consideration to this issue. Furthermore, I would like to thank your mapping department staff as they have worked diligently with the Macon County Mapping Department throughout this process. This has been a comprehensive effort on behalf of Macon County. I have called upon our Finance Officer, Mapping Department, EM Director, Solid Waste Director and the Highlands Fire Department to assist me with gathering this information. The information contained in this email is a culmination of their efforts.

There are 332 parcels of property located in what I will refer to as the "Macon County Service Area". According to GIS/Tax Data provided by Jackson County, these 322 parcels have a total land and building value of \$445,610,370. Thus, when applying the Jackson County tax rate of .28 per \$100 of assessed value, and using a collection rate of 96.10%, Jackson County receives an estimated \$1,199,048.38 in annual tax revenue from these properties. Furthermore, assuming that the 191 parcels which contain buildings ranging in value from \$3.16M to \$120,130 contain 2-3 bedrooms, Jackson County would receive an additional \$16,044 in disposal fees at \$84 per household, bringing the total revenue received from these properties to an estimated **\$1,215,092.38**

Due to the unique topography of the area in which these 332 parcels are located, Macon County becomes their primary service provider for landfill, EMS, dispatch, and fire protection. Furthermore, Jackson County residents living in this area utilize the Macon County School System, recreation facilities and Sheriff's Department.

### Fire Protection

Upon completion of the Highlands Fire Department Sub-Station at Cherrywood Drive all of the 332 parcels in the Macon County Service area will lie inside the Highlands "5 mile district" which will afford homeowners a Class 5 insurance rating. In speaking with representatives from the Highlands Fire Department, this will save some homeowners which currently lie outside the "6 mile district" and have a Class 10 insurance rating as much as \$6,000 annually. Across the board, representatives from the Highlands Fire Department conservatively estimate a 30% reduction in annual insurance premiums to all properties that come within the district of the new sub-station.

Macon County has individual Fire Tax Districts. Tax revenues collected within each of these districts are used to fund operating expenses as well as capital expenditures for each of the respective departments. At .009 per \$100 of assessed the Highlands Fire Tax District is the lowest in Macon County. Franklin is second at .030 per \$100 of assessed value. As we have discussed, Jackson County does not have Fire Tax Districts and a flat fee is provided annually by Jackson County to each department for operating expenses. In our previous conversations, we have discussed using the Jackson County compensation method to reimburse Highlands Fire Department for fire protection inside the Macon County Service Area. I would respectfully request for Jackson County to consider reimbursing the Highlands Fire Department at a level equal to that which we would receive under the Macon County Fire Tax District method. This request is due to the fact

that the properties inside the Macon County Service Area are receiving the same high level of service, and insurance benefits as those properties located in Macon County. As a result, we feel reimbursement from the Macon County Service Area should be at a level equal to that being paid by Macon County Taxpayers under the Fire Tax District Method :  $\$445,610,370 \times .9533$  (collection rate) =  $\$424,800,365.72/100 \times .009$  (fire tax)= **\\$38,232.03** in FY 14'-15'.

### **EMS/911 Dispatch**

When a 911 call is made from the Macon County Service Area it is routed through Macon County 911 Communications. If the call requires an ambulance, Macon County EMS is dispatched to the call. The FY 14'-15' Macon County General Fund Budget is \$45,721,122. If the ambulance revenue of \$1,090,810 is deducted from this amount we arrive at \$44,630,412 which is representative of total General Fund Revenue. Of this amount, 24,528,106 or 54.9% of the General Fund Budget was gained through property tax revenues. The total EMS Budget was \$2,867,377. If we assume that 54.9% of EMS revenues came from property taxes, as is the case in the General Fund, then \$1,574,190 is representative of the EMS revenues gained through property taxes. This equates to a tax rate of .018 per \$100 of assessed value for EMS Services in Macon County. In applying this rate to the Macon County Service Area and using the Macon County Tax Collection Rate of 96.79 %, **\\$77,635.13** is representative of the level of reimbursement needed by Macon County from the Macon County Service Area for EMS Services in FY 14'-15'.

The 911 Communications Budget for FY 14'-15' is \$1,056,494. In assuming that 54.9% of 911 Communications revenues were gained through property taxes, then \$580,015 is representative of the amount of revenue in FY 14'-15' that 911 Communications gained through property taxes. This amount equates to a tax rate of .007 per \$100 of assessed value for 911 Communications. In applying this rate to the Macon County Service Area and using the Macon County Tax Collection Rate of 96.79%, we feel **\\$30,191.44** is representative of the level of reimbursement needed by Macon County from the Macon County Service Area for 911 Communications in FY 14'-15'.

### **Landfill**

Macon County charges \$72 annually to all citizens owning a parcel of property which contains a structure. This is referred to as an availability fee. In applying this availability fee of \$72 to the 191 parcels lying within the Macon County Service Area that contain a structure, we feel **\\$13,752** is representative of the level of reimbursement needed by Macon County from the Macon County Service Area for landfill usage in FY 14'-15'.

### **Summary**

In sum, I would respectfully request for the Jackson County Board of Commissioners to consider reimbursing Macon County in the amount of **\\$159,811** (13% of the \$1,215,092.38 in projected revenue to be received by Jackson County from these 332 properties) for landfill utilization, fire protection, 911 Communications, and EMS services which we continue to provide those properties located in the Macon County Service Area for FY 14'-15'. Furthermore, I would request that we begin discussing an acceptable method to ensure that this reimbursement continues to be provided on an annual basis. Although we have been providing these services to the residents of Jackson County for many years, I feel the Macon County Board of Commissioners is primarily concerned with addressing this issue moving forward.

Kindest Regards,

Derek C. Roland  
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