

RESOLUTION 20-04-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT, LEE COUNTY, FLORIDA, ADDRESSING SHORT AND LONG TERM FINANCIAL SUSTAINABILITY; PROVIDING FOR FINDINGS; PROVIDING FOR DIRECTION; AND, PROVIDING FOR LIBERAL CONSTRUCTION AND FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Commissioners of the Lehigh Acres Fire Control and Rescue District ("DISTRICT") recognizes that the DISTRICT faces future challenges related to the generation of annual revenue in an amount that is sufficient to meet regulatory service requirements and the budgetary needs of the DISTRICT.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT, THAT:

SECTION I. INCORPORATION OF RECITALS.

The recitals set forth are true and correct and form a part of this Resolution.

SECTION 2. FINDINGS.

The Board of Commissioners hereby ascertains, determines and declares:

1. The DISTRICT faces critical challenges from Lee County regulators due in substantial part to funding constraints from a low tax base and from only 1 out of 4 of the approximately 125,000 parcels within the DISTRICT having to disproportionately pay for the vast majority of the cost for availability of fire protection and emergency medical services (EMS) district-wide. These critical challenges present a clear and present danger to the Lehigh Acres community, it's schools, businesses and institutions in terms of insufficient funding to adequately protect life, property, and public safety, including the continuation of the DISTRICT'S associated 'certificate of need' to provide ALS ambulance transport services, and in terms of insufficient funding to adequately provide the DISTRICT'S paramount service mission of making fire control, rescue, and emergency medical services, including ALS ambulance transport services, constantly available.

2. The DISTRICT absolutely must better prepare to address funding of the significant capital needs (including building needed additional fire stations and obtaining necessary equipment), and the funding of the resulting and associated increases in operation and administrative costs (including professional staffing); and, the DISTRICT does not have adequate funding available now or in the future to do so without a change in the DISTRICT'S funding method.

3. The DISTRICT'S means of raising revenue for capital, operations and governance is not adequate and is clearly not capable of supporting and sustaining the financial challenges on the DISTRICT on both the immediate horizon and in the long term. Without a change that results in increased funding availability, the DISTRICT and the Lehigh Acres community are vulnerable to the possibility of undue loss of life, loss of property, increases in constituent insurance rates, lack of growth and financial crisis.

4. The present means of generating DISTRICT revenue (demand-based assessments) is prone to becoming stale and inefficient and, although legally sufficient, has been criticized as being disproportionately onerous upon homeowners and business owners owning improved property in the Lehigh Acres community.

5. The present demand-based method of assessment also is subject to 'gaming' (i.e. manipulation in a manner that is unfair or unscrupulous) where some commercial properties have the ability to seek to unfairly pay lower assessments. Further, the current demand-based method of assessment cannot support community-desired exemptions from the DISTRICT'S assessments while at the same time funding the necessary DISTRICT budget. Continuing the use of the current demand-based assessment method previously authorized by residents of this community or reverting back to solely using ad valorem property taxation is neither prudent nor adequate and would undoubtedly make the funding of the DISTRICT'S mission even more unpalatable to the vast majority of homeowners and business owners who reside in this community.

6. The process to reasonably modify and fairly present a better, more proportionate and more efficient legal source of DISTRICT revenue that is based upon the adequate funding of the availability of DISTRICT services and facilities, now and in the future, continues to deserve immediate attention so that the DISTRICT'S revenue will meet the DISTRICT'S previously described financial needs and other DISTRICT financial challenges.

7. With the magnitude of these challenges, the DISTRICT'S available revenues are not going to be annually adequate, reserves are not sufficient to be used as a means to maintain any comprehensive status quo, and the DISTRICT is prudent and duty bound to continue to inform and seek a means to necessarily increase revenue immediately and over the long term.

8. Accordingly, the Board of Commissioners has directed and authorized the necessary resolution to advance a ballot question substantially in the following form:

**FUNDING LEHIGH ACRES FIRE DISTRICT
SERVICES, ADMINISTRATION, AND CAPITAL
WITH NON-AD VALOREM PROPERTY ASSESSMENTS**

As an alternative to ad valorem taxes and current assessments, may Lehigh Acres Fire District annually levy non-ad valorem assessments beginning fiscal year 2020/2021 to fund fire protection, rescue, emergency medical services, administration, governance and associated capital not exceeding \$162 per parcel plus \$.93 per \$1,000 of value of improvements thereon, together with identified administrative costs, collection costs, and statutory discounts, with increases limited by growth in Florida personal income over the previous 5 years?

_____ **Yes**

_____ **No**

9. To add further to the complexity of addressing the DISTRICT'S funding dilemma, in light of the maximum statutory tax cap of the DISTRICT, it is simply not reasonably possible to adequately fund the current needed availability of DISTRICT services in a low ad valorem tax base circumstance like Lehigh Acres. Further, the annual increases in the current assessment methodology that are based on the average annual growth in Florida personal income over the previous five (5) years will not allow for adding and staffing necessary fire stations now or at any time in the future.

10. Stated another way:

(A) The proposed simplified assessment methodology approach being placed on the primary ballot on August 18, 2020, will generate more DISTRICT revenue annually than either ad valorem taxes at the current millage tax cap or the current demand based assessment; and, the proposed simplified assessment methodology will fund the building, equipping and staffing of 4 to 6 much needed additional fire stations over the next 10 to 12 years.

(B) There is no feasible way to accomplish the funding of the building, equipping and staffing of the additional 4 to 6 needed fire stations using either ad valorem taxation alone or the current demand-based method alone in Lehigh Acres.

(C) The result of the voter approval of the ballot question on the proposed simplified assessment method when compared to the current demand-based method used by the DISTRICT will have the following positive impacts:

- Approximately 11 out of 12 homes will pay less for fire protection and EMS services compared to the current demand-based assessment.
- Commercial buildings such as businesses, big and small, will see lower fire and EMS protection assessments compared to the current demand-based assessment.
- The DISTRICT will be able to afford community-desired exemptions now in place, which the DISTRICT cannot realistically continue funding if the ballot question does not pass (e.g. churches, group homes, and other institutions).
- By passage of the ballot question on August 18, 2020, the DISTRICT will have, and be able to set aside incrementally each year, funds over the next 10 to 12 years to fund, finance, build, equip and staff 4 to 6 desperately needed fire stations on a 'rolling basis' so that as each additional station and its equipment

is designed and financed, future budgets can pay the debt service and also fund the additional staffing costs related to staffing the additional fire station.

- Response times will become compliant with regulation and life safety and protection of property will be better served.
- Insurance rates will stabilize or decrease.
- The new simplified fire assessment methodology approach on the ballot will annually charge ALL of the approximately 124,000 DISTRICT parcels a maximum of \$162 (both vacant and improved) each; then, only improved parcels will additionally be charged a maximum of \$0.93 per \$1,000 of improvements (from data certified the prior year to the Florida Department of Revenue). *For example*, for a residentially developed property that has an overall improvement value (i.e. land is not included) of \$100,000, the property owner will pay \$93, plus \$162, or a total assessment to the DISTRICT of \$255, which is substantially less than the current demand-based assessment method. Again, it is estimated that approximately 11 out of 12 homes will pay less for fire protection and EMS compared to the current demand-based assessment.
- Vacant parcels will pay more, but at the same rate per parcel as all other parcels (exclusive of any improvements). The cost will be about \$14 a month (\$162/12 months) for each lot or tax parcel annually.
- The assessment roll will automatically be updated each year using public data from the Florida Department of Revenue.

12. This Resolution provides initial and immediate direction, authority, and delegation to prepare for and obtain all other documents, resolutions, work orders, agreements, contracts and other papers to accomplish the implementation of the foregoing ballot question election and to

actively and fairly inform about the consequences of the DISTRICT'S use of the proposed simplified assessment method which has been approved by the Florida Supreme Court as to legal sufficiency.

SECTION 3. DIRECTION.

1. The appropriate DISTRICT representatives, employees, and agents, including DISTRICT staff (especially Chief Dilallo and Public Relations Officer Heck), general legal counsel, special legal counsel and third party vendors, are hereby authorized and directed to take all of the necessary actions, as directed and approved by the Chief, to actively pursue and support the education and informing of DISTRICT residents, parcel owners and others on the approval and results of the implementation of the DISTRICT'S proposed simplified fire assessment methodology.

2. To accomplish the authorizations and directions described above, the Chief is authorized and directed to hire third party vendors up to a maximum not to exceed per vendor price of \$50,000.00 for the third party vendors to provide their expertise and professional services to assist and better enable the DISTRICT to accomplish the goals, authority and directions contained in this Resolution.

3. The DISTRICT is authorized and directed to use data certified to the Florida Department of Revenue for the prior year for parcels and parcel improvements in the DISTRICT for fiscal year 20/21 and thereafter for purposes of updating the DISTRICT'S assessment roll regardless of which assessment methodology is being used by the DISTRICT.

SECTION 4. APPLICABILITY AND EFFECTIVE DATE.

This Resolution shall be liberally construed to implement the purposes hereof and shall take effect immediately upon this Resolution's adoption.

SECTION 5. SEVERABILITY.

If any provision of this Resolution is held to be illegal, invalid or unenforceable under any law or court of competent jurisdiction. the remaining provisions of this Resolution will remain in full

force and effect and will not be affected by the illegal, invalid or unenforceable provision or by any such severance.

SECTION 6. SCRIVENER'S ERRORS.

The Board of Commissioners intends that all sections of this Resolution which contain typographical errors which do not affect the intent of this Resolution can be administratively corrected by the authorization of the Fire Chief, or his designee, without the requirement of having a corrected Resolution adopted by the Board of Commissioners.

SECTION 7. EFFECTIVE DATE.

This Resolution shall be in full force and effect immediately upon its adoption.

The foregoing Resolution was offered by Commissioner Carter, who moved its adoption. The motion was seconded by Commissioner Cunningham, and being put to a vote, the vote was as follows:

Commissioner Catherine Kruse	aye	_____
Commissioner Debra Cunningham	aye	_____
Commissioner Linda Carter	aye	_____
Commissioner Robert Bennett	aye	_____
Commissioner Lucia Sherman	aye	_____

ADOPTED in a regular meeting of the Lehigh Acres Fire Control and Rescue District on this 28th day of April, 2020.

**LEHIGH ACRES FIRE CONTROL
AND RESCUE DISTRICT
BOARD OF FIRE COMMISSIONERS**

(Seal)

Catherine Kruse, Chairperson

Lucia Sherman, Secretary