

Iona McGregor Fire District Board of Fire Commissioners Minutes

Special Meeting

July 1, 2010

6PM

**Meeting called to order** at 6:00 p.m.

**Pledge of Allegiance and Opening Prayer** observed

**Roll Call:** Present – Chairman Lees, Vice Chairman Taylor, Secretary/Treasurer Dorsett, Commissioner Barbosa; and Commissioner Brown via telephone; as read into the record by Chairman Lees.

**Agenda Items Requiring Action**

- 1) Tentative Millage Rate FY 2010/2011
- 2) **Safer Grant (added by Commissioner Dorsett)**

**Adoption of Agenda**

**Motion** (4715) to adopt agenda as amended made by Commissioner Dorsett, seconded by Commissioner Taylor... passed

**Attorney Report –**

Attorney Pringle stated that he is available to assist and discuss resolution in new business adopt Truth in Millage rate and describe fact statements to be adopted as well. Mr. Pringle discussed the ongoing process pertaining to the adoption of an assessment of fixed fee, and the Board was looking at special meeting of today. At this meeting you will adopt resolution to set millage for TRIM purposes only. This is the first round, and rate set is the highest that the District will be able to impose in the next taxing year. The current cap is 2.5 and rollback rate is 2.6282, and attorney recommends setting TRIM rate at the 2.5 cap. The resolution tonight contains more detail than previous resolutions due to rollback rate being higher than the millage cap. These special considerations are noted, along with the shortfall findings and facts including the fixed fee potential as well as the special election of August 24<sup>th</sup>. Adoption of findings of facts contained in this resolution is very important.

**Unfinished Business –**

- 1)

**New Business**

1) Tentative Millage Rate FY 2010/2011 –  
Attorney Pringle read **Resolution 2010-05** into the record as

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT RELATING TO THE FISCAL YEAR 2010-11 BUDGET; SETTING FORTH A PROPOSED TRUTH IN MILLAGE (TRIM) RATE FOR THE AD VALOREM TAXES IMPOSED BY THE DISTRICT; ADOPTING FINDINGS ASSOCIATED WITH DEVELOPMENT OF AN ALTERNATIVE REVENUE SOURCE TO SUPPLEMENT AD VALOREM REVENUES; PROVIDING FOR SEVERABILITY, CONSTRUCTION AND AN EFFECTIVE DATE.**

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**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT:**

**SECTION 1. AUTHORITY.**

(A) This Resolution is adopted pursuant to Chapter 2000-384, Laws of Florida, as amended, Chapters 189, Florida Statutes, and other applicable provisions of law.

(B) The District is an independent special district created by the Legislature in 1975 to perform public safety tasks including the provision of fire protection to lands and properties located within a portion of the unincorporated area of Lee County, Florida.

**SECTION 2. FINDINGS.** It is hereby ascertained, determined and declared by the Board of Commissioners (the "Board") of the Iona McGregor Fire Protection and Rescue Service District (the "District") that:

(A) The District is empowered by law to fix, levy, and collect ad valorem taxes for purposes of funding the annual delivery of fire protection services and facilities. The proceeds of such ad valorem taxes have historically comprised the primary source of revenue available to the District.

(B) Each year the Board undertakes the process required by law for adoption of an annual budget for the forthcoming fiscal year. Such process requires establishment of a proposed millage rate to be considered by the Board at a subsequent public hearing.

(C) Ad valorem revenues have fallen by more than 33% over the past several years as a result of recession and declining property values, while the expense of providing fire protection services and facilities has remained constant or has increased. Such precipitous decline in ad valorem revenues is expected to continue or worsen in the foreseeable future.

(D) In an effort to maintain its level of service and continue meeting the District's legal mandates, including fire fighter safety standards such as the Two In Two Out Rule, while using the significantly reduced ad valorem revenues, the District has cut expenses, reduced staff, salaries and benefits, and has taken significant action to balance its resources with the needs of the community it serves.

(E) Even at the maximum millage rate currently allowed by law of 2.5 mills, the District will still face an annual revenue deficit for the forthcoming and subsequent fiscal years, and the District's options for addressing such deficit are limited to (1) effectuating a substantial reduction in the level of fire protection services and facilities provided by the District, including potential wide-scale employment cuts, which will likely result in longer response times and the elimination of programs vital to the service mission of the District, or (2) developing and implementing an alternative and supplemental revenue source with which to address the continuing deficit.

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(F) The District is empowered to fix, levy and collect non-ad valorem assessments upon the vote and authorization of its electors; and, by Resolution 2010-03 has directed and authorized a ballot question which seeks to determine elector approval of a simplified means to impose non-ad valorem assessments to serve as an additional and supplemental source of revenue with which to supplementally fund certain fire protection services and facilities. Such non-ad valorem assessments, if approved by the District electors, will be apportioned on a per parcel basis to fund all or some portion of the fixed costs included in the District's annual fire protection budget which are associated with the District's fundamental mission of maintaining continual readiness to serve and provide fire protection.

(G) Notwithstanding careful reductions in expenditures by the District, including reduction of staffing, the revenues derived from any such elector-approved non-ad valorem assessment are reasonably forecast to be necessary in order to enable the District to continue providing its constituents and the real property located within District boundaries with the current level and quality of fire protection services and facilities.

(H) Fire protection services and facilities possess a logical relationship to the use and enjoyment of real property by, along with other public safety services: (a) protecting the value of the improvements and structures through the provision of available fire rescue services; (b) protecting the life and safety of intended occupants in the use and enjoyment of real property; (c) lowering the cost of fire insurance by the presence of a professional and comprehensive fire rescue program within the District; and (d) containing the spread of fire incidents occurring on vacant or undeveloped property with the potential to spread and endanger the structures and occupants of improved property, thereby limiting liability.

(I) The mere availability of fire protection services and facilities equally benefits each tax parcel of real property by relieving the burden placed upon District services and facilities to stand ready to serve each individual tax parcel whether a fire event occurs or not. The presence of each tax parcel within District boundaries creates a requirement to stand ready to serve and continually maintain readiness to provide fire protection services and facilities.

(J) The Board is considering a special assessment apportionment methodology designed to fund all or some portion of the District's annual budget expenditures corresponding to fixed (as opposed to more variable) costs incurred in maintaining continual readiness to provide fire protection.

(K) Fixed costs can generally be described as those costs incurred in providing services, facilities and programs required for continual readiness to provide fire protection which do not vary from parcel to parcel based upon property classification, parcel-specific physical characteristics or actual demand. Variable costs are those dependent upon or which more closely bear a direct relationship to property classification, parcel-specific physical characteristics or actual demand and therefore are likely to vary from parcel to parcel.

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(L) In developing a recurring revenue source to fund a portion of the fixed cost component of the District's annual budget associated with a continued readiness to provide fire protection services and facilities, it is not necessary to focus on the size, value or physical characteristics of individual tax parcels for fire protection. Instead, it is reasonable to determine that each individual tax parcel contributes equally to the required state of readiness, equally shares the benefits from such readiness, and therefore it is fair to ask the owner of each tax parcel to contribute equally toward funding all or a portion of the fixed cost associated with such continual readiness to provide fire protection services and facilities.

(M) Allocating a portion of the fixed costs attributable to the District's continued readiness to provide fire protection services and facilities on a tax parcel basis reasonably avoids cost inefficiencies and unnecessary administration, and is a fair and reasonable method of apportionment based upon sharing such costs among all tax parcels.

(N) The use of the publicly maintained database of all tax parcels employed by the property appraiser and tax collector is an accurate, fair and efficient means to allocate or distribute fixed costs associated with fire protection and associated services and facilities. It is fair, reasonable, effective, and efficient for all tax parcels, including statutorily defined parcels such as individual condominium or cooperative units, to share equally in the fixed costs represented by the non-ad valorem assessment since such costs are not dependent upon or determined by physical characteristics or demand. It is also fair and reasonable for variable costs to be shared and distributed between non-ad valorem assessments and ad valorem taxes which are weighted more heavily toward value, physical characteristics or demand.

(O) There is no requirement that the District impose an assessment for the maximum amount of the budget which can be funded by non-ad valorem assessments. Stated in the alternative, the Board may annually determine to impose non-ad valorem assessments at a rate less than necessary to fund all fixed costs associated with the continual readiness to provide fire protection services and facilities. However, in no event shall any annual rate of non-ad valorem assessment exceed that previously approved by the electors of the District.

(P) Non-ad valorem assessments are a reliable revenue source which does not vary over time according to fluctuations in property value or market forces beyond the control of the District. Any District imposed non-ad valorem assessment (if approved by the District electors) will (1) act as an ongoing supplemental revenue source which lessens and balances the District's otherwise sole dependence upon ad valorem taxes, (2) assist the District in maintaining a constant level of fire protection service from year to year, even in the face of wide-reaching market and economic turmoil, and (3) equitably distribute certain fixed cost expenses among individual tax parcels based upon the premise that each tax parcel contributes equally to the District's required continual state of readiness and equally shares the benefits from such readiness such that it is fair to ask the owner of each tax parcel to contribute equally toward

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funding all or a portion of the fixed cost associated with such continual readiness to provide fire protection services and facilities.

(Q) The pending ballot question described in Resolution No. 2010-03 seeks elector approval for imposition of an annual fire readiness assessment not to exceed \$185 per tax parcel.

(R) If approved by the electors, the fire readiness assessment may result in a decrease in the ad valorem taxes for the 2010/2011 fiscal year and thereafter.

(S) The existence of a non-ad valorem assessment program placed before the electors by Resolution No. 2010-03 is reasonably anticipated to serve the District well in the future even when property values stabilize.

(T) The combination of ad valorem revenues and a non-ad valorem assessment (if approved by the electors) offers a more sustainable and stable means of funding the District's service mission over time.

**SECTION 3. MILLAGE RATE.**

(A) The Board hereby establishes a proposed millage rate of 2.5000 mills for the 2010-11 fiscal year for Truth in Millage ("TRIM") purposes only. Such millage rate shall be included in the annual TRIM statement mailed to property owners by the property appraiser. The proposed millage rate of 2.5000 mills described above is at the District's legally mandated millage rate cap and the District cannot increase the proposed rate of 2.5000 mills in the future for the 2010-11 fiscal year. The proposed millage rate of 2.5000 mills described above is -4.8805% below the District's rolled back millage rate of 2.6282 mills. As a result, the District will not be able to collect the same ad valorem tax revenue for the 2010-2011 fiscal year that was collected for the 2009-2010 fiscal year and the reduction in ad valorem revenue will be approximately (\$798,801).

(B) The currently projected ad valorem tax revenues for the 2010-11 fiscal year using a millage rate of 2.5000 mills will not be sufficient to pay the District's projected operating expenses for the 2010-11 fiscal year under the District's current operations.

(C) The presently proposed millage may be reduced if the electors decide to approve the supplemental and additional use of non-ad valorem assessments on August 24, 2010. The Board is required to consider adopting a final millage rate and the District's 2010-11 fiscal year budget at a public hearing to be held in September, 2010; therefore, the Board will be able to take into consideration the use of non-ad valorem assessment revenue if the non-ad valorem assessment is approved by the electors on August 24, 2010.

**SECTION 4. SEVERABILITY.** The provisions of this Resolution are severable; and if any section, subsection, sentence, clause or revision is held invalid by any

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court of competent jurisdiction, the remaining provisions of this Resolution shall not be affected thereby.

**SECTION 5. CONSTRUCTION.** This Resolution, being necessary for the health, safety and welfare of the landowners and inhabitants of the tax parcels and property served and provided with a continual readiness to provide fire protection service and facilities by the District, shall be liberally construed to effect the purposes hereof.

**SECTION 6. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**Motion** (4716) to adopt resolution as read into record by Attorney Pringle made by Commissioner Lees, seconded by Commissioner Taylor; roll call vote:

Commissioner Dorsett – Yes

Commissioner Lees – Yes

Commissioner Taylor – Yes

Commissioner Brown – Yes

Commissioner Barbosa - Yes

**2) Safer Grant**

Commissioner Dorsett proposed to Board that the District apply for a Safer Grant because we do not know what future holds. The District should go after all grant funding that is available. Although there are conditions pertaining to the grant, some of these conditions are changing... including the two year provision. Even if these do not change, we could assess at that time whether we would accept grant should it be awarded.

**Motion** (4717) to apply for Safer Grant with the intent to assess our needs for it at a later date was made by Commission Dorsett, seconded by Commissioner Taylor.

During discussion, Chairman Lees questioned the timeframe for the application. Commissioner Dorsett responded that the posting has not yet occurred. Commissioner Barbosa inquired as to the time needed for application. Chairman stated that we were already in the system and it would be a matter of transferring information from one grant to another. Rules for acceptance are stringent, and Chair does not want to dilute the pool of funding from areas that truly need it. Attorney Pringle interjected his experience with Lehigh Acres Fire District and their acceptance of the Safer Grant. The obligations and details of the grants were given by attorney. Following further discussion, motion carries by vote of 3 in favor and 2 opposed.

Public Comment – non agenda items – none

Commissioner Comments – none

Adjournment

**Motion** to adjourn meeting made by Commissioner Brown, seconded by Commissioner Barbosa... passed.

Meeting adjourned at 6:38p.m.