

Honorable Tom Anderson  
Chairman  
Pinellas County Legislative Delegation

Dear Chairman Anderson:

Pursuant to the requirements of Chapter 2007-288, Laws of Florida, the Lealman Special Fire Control District Task Force makes this report of its activities and recommendations to the Pinellas County Legislative Delegation.

## **I. BACKGROUND**

The Lealman Special Fire Control District Task Force (Task Force), was established by special act of the Florida Legislature, Chapter 2007-288, Laws of Florida. The Task Force was established to review certain changes to the special acts creating the Lealman Special Fire Control District (District), specifically those changes known as the "Farkas" bill which requires cities annexing property in the District to pay the District the equivalent of the District's tax rate until the Farkas bill expires. The original Farkas bill was enacted as a five-year statute, and was to sunset automatically as of January 1, 2008. Chapter 2007-288 extended the sunset of these restrictions from January 1, 2008 to July 1, 2008 and the Task Force was instructed to consider whether this sunset provision should be repealed. The Farkas bill is similar to F.S. 171.093 which requires cities annexing property in an independent special district to pay the independent district its millage rate for four (4) years. The applicability of this section to annexations within the Lealman Special Fire Control District is the subject of litigation between the District and the Cities of St. Petersburg and Pinellas Park.

## **II. MEMBERSHIP**

Chapter 2007-288 established the membership of the Task Force as 4 voting members representing the District, County and Cities of St. Petersburg and Pinellas Park. Additionally the Town of Kenneth City and the City of Seminole were non-voting members of the Task Force. The individuals representing their respective governmental entities were: the Chairman of the Lealman Special Fire District Board, Rebecca Harriman; Pinellas Park Mayor, William Mischler; St. Petersburg First Deputy Mayor, Tish Elston; and Pinellas County Commissioner Kenneth T. Welch. Non-voting members participating were: Town of Kenneth City Mayor, Muriel Whitman and City of Seminole Mayor, Jimmy Johnson.

## **III. PROCESS**

The Task Force has been meeting regularly since July 9, 2007. Commissioner Ken Welch was chosen as Chair of the Task Force. As provided for in 2007-288, a facilitator, local attorney Jon Kieffer, was chosen by consensus of the Task Force.

After considering the various special laws covering the District, the Task Force identified 4 options.

- 1) Interlocal Agreements between the various parties covering the issues of annexation and reimbursement for fire services.
- 2) Dissolution of the District with fire services being contracted out by the County.
- 3) Extending the Farkas Bill.
- 4) Establishing a uniform rate of tax for fire services throughout the unincorporated county.

Each of these issues, and variations on each, were discussed during the early Task Force meetings. The minutes of each meeting are attached and the course of the discussions can be reviewed. After much discussion, it was the decision of the Task Force that the most productive way to go forward was to pursue an interlocal agreement.

#### **IV. PROPOSED INTERLOCAL AGREEMENT**

By pursuing an interlocal agreement, the parties hoped to resolve certain issues and provide certainty in the future relating to revenues to the District from properties annexed by the Cities. As with any negotiation process the initial proposals reflected the policies and goals of the proponents of the individual agreements. As several competing interlocal agreements were proposed, the Task Force members requested that their attorneys meet between the meetings to work out the details and attempt to negotiate through obstacles. In this fashion it was hoped that an agreement could be reached which the Task Force could endorse for formal consideration by each party's governing body. The various governing boards were also kept up to date by progress reports by their representatives on the Task Force.

The core issues were quickly identified: The term of the agreement, which entity would provide first response fire services to any annexed property and the amount and term of reimbursement associated with annexation of properties where the District would continue to provide services.

Points of agreement:

- Term of agreement – 15 years with a referendum in year 13 for the voters of the District to determine whether the District should continue.
- Provision for discussion of extension of agreement based upon results of referendum.
- The District would continue to provide fire and EMS services to the areas currently served by the District, rather than the Cities taking over this responsibility.
- Reimbursement to the District by the annexing City for lost tax revenues would be considered, including a term for that reimbursement.
- The District would dismiss its current lawsuits against the Cities.

Unresolved issues:

- “Anti-Lobbying” provision – In exchange for a longer term of reimbursement and resolving the issue of whether or not the District is entitled to reimbursement under current law, the Cities wanted the District to agree not to seek changes to its special act which would prevent the Cities from annexing within the District. The District while willing to forgo lobbying regarding issues surrounding reimbursement, was reluctant to agree to any limitations on seeking Legislative relief on the issue of annexation. While substantial progress was made on this issue, there was no final agreement by all parties on this provision.
- “Liquidated Damages” – A goal of the Cities was to make this agreement readily enforceable. In the event there was a breach of the agreement not readily curable by actual damages (e.g. late payment of reimbursement amounts), the Cities wanted an enforcement mechanism. This provision primarily related to enforcing the anti-lobbying provisions. While the District agreed in concept to this provision, there was concern over what action could trigger this provision.
- Pinellas Park is unwilling to enter into an agreement with the District without the District reaching an agreement with the City of St. Petersburg or the County agreeing to the 00-63 planning boundaries.

It must be recognized that the Cities of Pinellas Park and St. Petersburg were not initially negotiating for identical terms. Each of these cities came from a different position regarding their particular circumstances and interests concerning the District. The main difference was the term of reimbursement and amount of reimbursement to which each City was willing to agree. On these issues the District initially proposed that the term of reimbursement be 20 years, or until the termination of the Agreement, at the Cities fire millage rate, adjusted annually. The District and Pinellas Park were able to come to agreement on these issues with the term being 15 years, or until the termination of the Agreement, at Pinellas Park’s fire millage rate of 2.1752, adjusted annually (based upon what the county pays to Pinellas Park for fire service for the unincorporated area in Pinellas Park’s fire district). The District rejected St. Petersburg’s offer of the same reimbursement period as Pinellas Park, 15 years or until the termination of the Agreement at St. Petersburg’s current millage rate for fire service 1.7487, adjusted annually. It is relevant to note that the City of St. Petersburg provided their fire millage rate and detailed budget to the District on October 11, 2007. The District subsequently determined that this rate was too low given the property the City had previously indicated an interest in annexing (Joe’s Creek). At the meeting of October 29<sup>th</sup>, the District proposed that the City of St. Petersburg pay three years at the District’s millage rate and 10 years at the City’s fire millage rate both to be adjusted annually.

It should be noted that the District has an agreement with the Town of Kenneth City to provide fire services in that city at a contracted rate of approximately \$188,000 plus a 3% annual increase. Similarly the District has negotiated an interlocal agreement with the

City of Seminole in which that city committed to not annex within the District boundaries for a period of 15 years.

**V. PUBLIC COMMENT**

Provision was made during the meetings of the Task Force for public comment as reflected in the minutes. Additionally, approximately 236 members of the public attended a Public Hearing/Town Hall Meeting held on October 18, 2007 on the issues raised through the Task Force process. The issues raised through public comment were:

- Annexation – the majority of speakers did not want the Cities to annex into the District.
- Community Protection Act – several community members spoke regarding this proposal that would allow a referendum by a community to prevent annexation within its borders.
- The Pinellas Planning Council and the Board of County Commissioners are reinstating the annexation review process to examine the question of planning boundaries within Pinellas County and the extent to which this can be agreed to by the various municipalities or if the issue should be addressed in the Pinellas County Home Rule Charter.

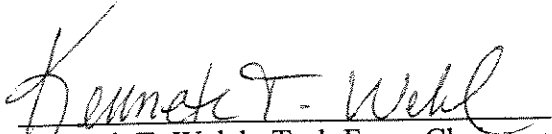
**VI. RECOMMENDATIONS**

It is the recommendation of the Task Force, by a 3-1 vote, that the resolution of this issue be handled by interlocal agreement between the parties and that the Farkas Bill not be extended. The lone dissenting vote was cast by the District.

**VII. ATTACHMENTS**

- Laws of Florida 2007-288
- Minutes of Task Force Meetings
- Map of the District
- Correspondence

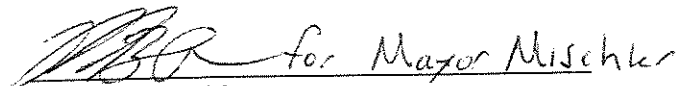
Signed by the members of the Task force on this 29<sup>th</sup> day of October, 2007,



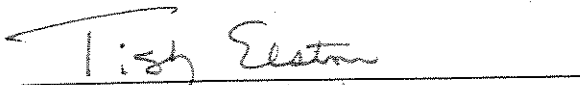
Kenneth T. Welch, Task Force Chairman  
Pinellas County Board of County Commissioners



Rebecca Harriman  
Chairman, Board of Supervisors  
Lealman Special Fire Control District



William Mischler  
Mayor, City of Pinellas Park



Tish Elston 10/29/07  
Deputy Mayor, City of St. Petersburg

H:\USERS\ATYKB31\Fire Authority\Lealman\2007 task force\Final Lealman Report 10-26-07.doc