

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
October 12, 2010

Meeting called to order at 7:02 p.m. by Chairman Ducrou

Pledge of Allegiance

Invocation – Commissioner Hansen

Roll Call: Commissioner Ducrou – Present
Commissioner Hansen – Present
Commissioner Cook – Present
Commissioner Griffin – Present
Commissioner Klos – Present
Chief Larry Nisbet - Present
Office Manager - Theresa Sharp - Present
Attorney Ian Mann - Absent

Others Present: Some public, Union DVP

Minutes –

Review and Acceptance of the minutes of the September 7, 2010 Board of Commissioners Meeting. Motion made by Commissioner Cook to accept minutes. Motion seconded by Commissioner Griffin. Call for questions or comments. With no questions or discussion and none opposed. Motion carries.

Review and Acceptance of the minutes of the September 7, 2010 Preliminary Budget Hearing. Motion made by Commissioner Hansen to accept minutes. Motion seconded by Commissioner Cook. Call for questions or comments. With no questions or discussion and none opposed. Motion carries.

Review and Acceptance of the minutes of the September 21, 2010 Final Budget Hearing Meeting. Motion made by Commissioner Cook to accept minutes. Motion seconded by Commissioner Griffin. Call for questions or comments. With no questions or discussion and none opposed. Motion carries.

Financial Report: Commissioner Griffin motioned acceptance of the September 2010 Financials. Commissioner Klos seconded the Motion. Call for questions or comments. With no questions or discussion and none opposed. Motion carries.

Admin/Ops/Fire Marshal's-Report (attached) – Chief Nisbet reads Fire Marshal and Administration Reports into the record. Commissioner Klos inquires if we went through any equipment while assisting up in Charlotte. Chief responds that we used their abrasive blade and our diamond blade but we consumed nothing. He adds that it was a well set up scene; that our crew was there and Cape was there; that we used our saws, but that they had boxes of blades laid out for us to use. Chairman Ducrou calls for questions and hearing none, calls for petitions before the board.

Petitions before the Board – None

Union Petitions/Discussions – None

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Old Business –

- Line of Credit – In response to the Board's request, Chief Nisbet states that he has gone back to TIB Bank and also confirmed with Fort Myers Shores and Alva were indeed extended lines of credit, and Alva was advised by their auditors to increase their line of credit from \$250,000 to \$500,000. He goes on to say that one of the Board's requests was the renewal fee. In speaking to Rob, he states, Rob feels he can get the renewal fee down to \$100 after the initiation; the initial costs would remain the same as the quote due to the expenses associated with doc stamps and the like; but the renewal should be \$100. Commissioner Ducrou asks how long the line of credit will be renewable for. Chief Nisbet responds that since it must be paid off every year; he does not know of a limitation on the renewals. Commissioner Griffin notes that the quote states that TIB has the option every year, whether or not to renew. Chief states that he believes that is a customary phrase that is always present in a line of credit such as this. Office Manager states that this gives the lender the opportunity to make us re-qualify if they so choose. Office Manager notes that the Resolution in front of the Board has been reviewed and that the last paragraph has been revised as per his specifications and she believes it will also be to the Board's satisfaction as it follows the previously established guidelines of all of our other banking protocol. Commissioner Cook asks where in the proposal is the \$100 renewal fee. Chief Nisbet states that it is not in the written proposal; that it as actually discussed on the phone, and that Rob had hoped to come to the meeting but that something unavoidable had come up. Chairman Ducrou inquires as to the Chief's desire. Chief Nisbet responds that he feels very comfortable with the \$100 renewal. Commissioner Cook inquires what the motivational factor was behind the decision to pursue this line of credit. Chief Nisbet responds that the flux and impact to the reserves has reached the 90 day mark; and explains how close to liquidity trouble that places us, should impacts to the reserves continue and there be delay for any reason in the receipt of revenue. He goes on to explain that we could place ourselves in the position to require a tax anticipation loan and that when reserves are too low and lending criteria is even more stringent, we might not qualify for funds when we need them. We currently have better financial stability now rather than at a time we need funds. This would avoid the need for a tax anticipation loan which historically carries higher interest rates. Commissioner Hansen explains that we used to have to get tax anticipation loans every year. Chief Nisbet explains that he does not want to use it except as protection in the case of an emergency to get through operational expenses and then, only when necessary. Commissioner Hansen states he has heard that they anticipate the Ad Valorem might be coming in slower this year. Office Manager explains that if a lot of people delay paying their taxes until May when their certificates are ready to go to auction, since we don't receive funds until they do pay, such a line of credit provides us the ability to keep our bills paid instead of ruining our credit and putting us in a position where no one will loan us money. Chief Nisbet adds that any funds we borrowed would not be in addition to the budget, but rather operational funds to carry us until the receipt of anticipated revenues. Chief Nisbet also states his concerns with the freeze on the foreclosures and the potential impact that may have on the receipt of the Ad Valorem revenues. Commissioner Ducrou asks what happens to the Ad Valorem taxes on a property that is in foreclosure for a year. Chief Nisbet states that if the mortgage holder escrows the taxes it should be ok, but if the loan does not escrow... Commissioner Cook states that someone will pay it. Chief admits that someone will pay it but that it may not be paid in a timely manner, that is his concern. Commissioner Ducrou inquires if the banks or

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whoever purchases it is locked in to paying the back taxes on it. Chief states they are, however it could be 6 or 8 months, or maybe even a year. Commissioner Cook states that they get paid in May because it's auctioned then. Chief notes that his first year here, we received back taxes from 3 years prior. Chairman Ducrou asks where the resolution is. (He locates it on the table.) Commissioner Hansen asks that it is discussed and structured that we do not use the line of credit unless we get board approval. Chief Nisbet states "absolutely" and adds that the board will have complete knowledge and understanding as to what is going on and what conditions are that require its use. Chairman Ducrou asks for any motion. Commissioner Griffin asks if we are going to get the terms like the \$100 renewal in writing. Chief Nisbet responds that the \$100 renewal was verbal but the initiation fees are in writing. He adds that if there is any discrepancy, he will hold off and bring it before the board again before he initiates it. Commissioner Cook states he does not feel we need it, he's waiting for someone with some input. Commissioner Ducrou asks how much reserves we used last year to cover. Chief Nisbet states that we initially budgeted to hit the reserves for \$200,000 but we replaced \$100,000 with the carryover. Commissioner Ducrou clarifies that he is referring to the transition between budget year end and the influx of revenue for the new budget. Chief Nisbet calculates that since we use about \$100,000 a month and it's about 2 months or so, we would have used about \$205,000 to \$210,000. Commissioner Hansen asks if we then put that back in. Chief Nisbet confirms, it all went back in once we started receiving our Ad Valorem. He repeats that we actually budgeted to impact reserves by \$200,000 but after audited carryover we actually impacted reserves by \$100,000. Office Manager explains that we actually keep all of our reserves and operating funds in the same account. Commissioner Cook asks what kind of carryover we have this year. Chief Nisbet responds he estimates that it will be somewhere between \$80,000 and \$100,000. Commissioner Cook states that that is about the same as last year. Chief Nisbet adds that we are waiting for the audited number because we have prepaids and such, it is only an estimate until then. Office Manager adds that the auditors are coming the first of the week. Chief Nisbet adds that \$50,000 of that is income that we did not project. Commissioner Ducrou adds that a lot is also budgeted money that was not spent. Chief Nisbet states that yes, the budget is only an estimate of what we believe we will spend in any given year. Commissioner Cook adds that we also only budget a portion of the actual Ad Valorem as well. He asks what that portion is. Office Manager states guidelines are 95%. Chief concurs that right now we are averaging 97% in receipts and then there are commission fees. Chief Nisbet points out that some of the savings this year were in areas like vehicle maintenance, since we did not have a bad brush season, so we didn't beat up the brush trucks. He also notes that grants also play a role, and we had budgeted for grant matches that we didn't end up using. Chairman Ducrou passes the gavel to Vice Chairman Griffin and makes a motion to adopt the Resolution 2010-08 to take out the line of credit in the amount of \$250,000 with the stipulation that we go back to the bank and get it in writing that the renewal is \$100 and that we can renew it for the next 5 years; that hopefully everything is played out over the next 5 years and the market has come back up. Commissioner Klos seconds the motion. Vice-Chairman Griffin calls for any further discussion. Having found none he calls for opposed. Commissioner Cook goes on record as opposed. Vote called. Motion passed 4-1. Commissioner Ducrou advises Commissioner Cook that he understands his feelings on it and also doesn't want to proceed except that as close as we are in funds, he can see

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how in the case of an emergency we could actually tap out the funds we have on hand in the case of a storm or other natural disaster and he doesn't want us to be in a position to have to acquire funds at some outrageous interest rate to get us through. Office manager states that with Hurricane Charley revenues fell behind like 90 days. Chief Nisbet agrees that that storm did put a significant strain on the City of Arcadia. Commissioner Ducrou adds that there is also the added strain of significant overtime and the possibility of damages that does exist. Chief Nisbet adds that in that scenario, should state of emergency be declared, we could get some reimbursement for those expenses, however, it can be 12, 14 or even 24 months before we would see those funds. Commissioner Klos asks if he's referring to FEMA. Chief replies to the affirmative. With a seeming end to the comments Chairman Ducrou calls for any other old business. Hearing none, he calls for New Business.

New Business – Revisions to the Fire Chief's Contract – All revisions are in yellow and if something is struck, there is a strikethrough. Chairman Ducrou confirms that the revisions pretty much mirror the bargaining unit contract. The contract will have a new date on page one if it is ratified by the board. It will be a 2 year contract except in the case we have to amend the bargaining unit contract to the negative, the Chief's contract would also reflect appropriate changes. If there is not contract in agreement in the end of 2012, the board wants the Chief to stay in service while the contract is in negotiation. The buyback language is struck and Chairman Ducrou asks if Chief has ever utilized the buyback. Chief Nisbet states he has only once and it was to reduce departmental financial obligations. Striking the buyback, Chairman Ducrou states, frees up money required in the GASB requirements. He covers the salary reduction from \$90,000 to \$89,214. Chief has the ability to work on any of the specified holidays and utilize that holiday at another time of his choosing. The cap has been removed for sick leave and vacation due to the lack of monetary value. Commissioner Cook motions acceptance of the contract. Commissioner Klos seconds the motion. Chairman Ducrou calls for discussion and hearing none, calls for opposition. Hearing none, the contract is ratified.

Chairman Ducrou calls for any other new business. Hearing none, he wishes to discuss the news pertaining to the flooding issues within the district. Chief was in interview with a reporter. He acknowledges that Chief puts his vehicle on scene quite a bit and since the District is not in a position to purchase a new vehicle for him to use, he asks if there isn't something that might be done, such as taller tires, and/or a winch or something to make the vehicle more scene friendly. He asks for board input. Commissioner Cook agrees that it is probably a good idea. Chief states it may extend the life of the vehicle maybe a year or two. Commissioner Cook states "or five". Chief states that he is going to have it lettered this week to make the Departmental use more obvious for federal IRS rules and he doesn't do anything that he wouldn't want the public to know it's a department vehicle. Commissioner Ducrou says Chief has e-mailed him a link pertaining to a study of the unincorporated non-paved roads and how much the county has had to expend on maintaining them through the various declared emergencies. Commissioner Klos asks what all are we talking, just lettering and tires and a winch? He feels that that's what we have the big brush trucks for. Chairman Ducrou states that Chief is off in the woods with the expedition in the case of a brush fire, as well as being in command. Commissioner Cook states that maybe it won't extend the life of it if he's going to be off in the woods stump jumping. Chairman Ducrou states no, he's not stump jumping with it, or pushing

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anything over; but rather that he needs better ground clearance with the water, trying to keep everything out of it. He states he doesn't know exactly what we could have done with it to make it better... Commissioner Cook states we should put some 24's on it. Commissioner Griffin states he feels the winch would definitely be a good idea, but what might have to be done with the suspension, he does not know. Commissioner Cook states it might be able to be lifted some. Commissioner Griffin states the longevity may be lessened by that. Commissioner Cook is in agreement that it may not be better. Commissioner Griffin admits that a winch would definitely be a plus. Chief states that the command box in the back is definitely junk and not functional, and he has asked Captain Brunson to look into building him a lighter box as it is also very heavy; one more user friendly for what we need. Chief likes the idea of the winch and will look into the possibilities for the suspension. Commissioner Hansen states we can put tires just a couple sizes larger and get away with it. He states that he did that on his truck and it raised it probably 4 inches. He adds that you wouldn't want to go more than that as it would affect the turning radius. Commissioner Cook states that it might not extend the life of the vehicle though. Commissioner Hansen agrees that that is a possibility. Chief states that the truck has 90,000 miles on it now. Commissioner Ducrou asks Chief to get professional input on any changes to the suspension or tires, to be safe, since it could have negative impact on the gear ration and performance. It may be possible to go slightly larger tires and higher suspension in combination, that might keep everything lined up, that it won't negatively affect the characteristics of the vehicle but will elevate it some. With that discussion weaning, Office Manager asks if it's possible since we have all 5 commissioners here if we could go ahead and set the next year's schedule of commissioners meetings so that we can public that. She asks if everyone is good with it remaining the 2nd Tuesday of every month. All commissioners are in agreement. Commissioner Hansen states that the election of officers will be in December, following election month. Chief Nisbet asks the board if the modifications to the Chief's vehicle end up taking us over budget on that line item, is the board ok with that. Chairman Ducrou asks him to get the pricing and bring it back to the board.

Public Input – DVP District 12 William Lemieux identifies himself and states that he just wants to put it on record that during contract negotiations he was advised that the rollover amount would be between \$40,000 and \$60,000, not a minimum of \$80,000; and he wants it on the record that he was unaware of that number at that point; whether it it came from somewhere unknowingly or what, wherever the money came from, that is not what he was told at negotiations, and he just wanted it on record. He leaves the room. Chief states that at the time of negotiations, that is where we thought we would be, there was no intent to deceive or to not be completely upfront and forward with anything. Commissioner Cook asks if negotiations have to be done when we do them, before the end of the fiscal year, could they be done in November. Commissioner Griffin states that they could be drug out for however long it takes to come to agreement. Commissioner Ducrou states that we could reset the date, that right now they occur in October. Commissioner Hansen points out that we start negotiations in June or July, 3 months before we know what the result is going to be. Commissioner Cook says we wouldn't run into that issue if we did them later. Commissioner Ducrou states that his personal belief is that how much we roll over is potentially the Chief trying to be conservative with the line items, but he would get upset if it went the other way. He doesn't feel that we should budget money in a line item we are not going to use and the guys are going to beat us up if we always overestimate our

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expenditures and underestimate our income; a classic management tactic. He states he does not feel we are doing that, but that the guys might get the impression we are, so we should buy it or spend it, or not put it in the line. Office Manager states that we have just begun the new budget year and we already have 2 expenditures this week that we did not budget for, and that is replacement of the ductwork on the other end of the building because everyone is complaining they can't breathe and they're waking up all stuffy because of allergies and mold, and the other is the server replacement we have discussed since before she came. Commissioner Cook adds the \$2575 for the line of credit was also not budgeted. Commissioner Ducrou points out that those were unforeseen expenses. Commissioner Hansen points to the line item copier maintenance agreement as an example where \$850 dollars was budgeted and no money spent. The office manager responds that she is going through each classification in preparation for the audit, and locating any misapplied expenditures and reclassifying them to the proper line item, noting that this is one item that has accidentally fallen into an incorrect line item and is being corrected. She assures we are under contract for that maintenance and have indeed spent that money. Commissioner Hansen responds that if we are to figure an expense line we need to spend it. Commissioner Cook states he understands it from both perspectives, that Chief isn't going to give away \$80,000 when he doesn't know for certain he has it. Chief Nisbet reiterates that same point, that he's not certain how much we have until after the audit, because they can come in and say that that should be there or move that there and nothing is final until they give us our numbers, and he's not comfortable giving away money he's not certain is there to give. Commissioner Cook states that actually that just makes good business sense, and that you're helping the longevity of the department, you saved money during the year, and you rolled it over into a new budget, it's like a savings account providing revenues for next year when we have less income, which we already figure that's going to happen. Chief states that that is his concern for next year, that if we don't get the 2nd SAFER grant and we have to impact our reserves to keep everyone working, we have that ability to do so. Commissioner Cook adds that the money hasn't gone anywhere. It's still there. Commissioner Griffin asks for a re-statement of how much the rollover is. Chief replies, right around \$80,000. Commissioner Griffin states what he is getting at is that that figure is not fact. Chief says no, it won't be fact until the auditor gets done. It might be \$40,000 or \$60,000, that's just me going through the line items we haven't spent. But we did take in some additional income that we didn't count such as Ad Valorem income that we were above our budgeted amount on that. We did get the EMS rental income for \$10,000 that we didn't budget. Commissioner Hansen asks if we go into negotiations thinking we have \$40,000 carryover, and now you find out there's \$80,000, is it wrong to give the guys that took pay cuts a bonus? Chief states that we can do that but that we'll have to reopen the contract. Commissioner Hansen asks that we would have to reopen the contract to give a bonus? Chief states "yes". Commissioner Hansen states that they didn't have to for the school superintendent, a bonus is a bonus, it's above & beyond. Commissioner Cook points out that it's not really extra money, that it's only helping to offset the \$124,000 shortage. We're still under, we're just taking less out of our reserves is what we're really doing. That's this operating year, with the cut they took. Chief Nisbet states that his concern is if we don't get the SAFER grant, or the ad valorem increase, and we're probably going to take another ad valorem hit next year, if we don't want to take an exemption in the next safer grant to fund the next 3 higher positions, and lay-off the 3 lowest positions, and we choose not to do that, that impact is going to cost us another \$100,000-\$125,000 if we have to pull out of reserves, he wants to be able to have the

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funds in there to do that. Commissioner Ducrou states that it will cost us more than \$125,000. Chief agrees, that's off the top of his head, ball park figure. Office Manager points out that we also took \$38,500 from accumulated vacation and utilized those funds to the budget. Commissioner Cook agrees, there's another thing. Commissioner Ducrou agrees we had to, and that reserves are still going down, in response to what Chief's doing, but he would like to see us get it as tight as possible. Commissioner Cook asks if we can revisit that halfway through the year. Chief Nisbet says in all honesty, if we had had a brush season, it wouldn't be there. We saved some money in fuel costs & vehicle repairs. Office Manager states that hopefully by the next commissioner meeting or the December meeting we will have the true final number. Chairman Ducrou asks for any other input. With no further discussion he asks for motion to adjourn.

Motion to Adjourn – Commissioner Klos motions adjournment. Seconded by Commissioner Griffin. Vote called & passed unanimously. Meeting adjourned at 7:40 p.m.