

DESTIN FIRE CONTROL DISTRICT

Budget Workshop
Main Station
848 Airport Road
Destin, Florida

August 12, 2014

Minutes

Commissioners present: Tommy Green, Hillary Anderson, Mike Buckingham, Jack Wilson, Rick Moore

Staff present: Kevin Sasser, Joe D'Agostino, Kathryn Wagner

The workshop was called to order at 6:23 p.m. by Tommy Green. He stated that the workshop is to discuss the budget for the 2013-2014 fiscal year.

Kathryn Wagner stated from our last budget workshop we have made a few adjustments. She stated if you go to page 1 of 4 under personal services the 4th item down, insurance benefits have been adjusted for the renewals which has come in from our agent. We had previously estimated a 15% renewal increase for medical insurance and 5% increases for the renewals for the remaining insurances. She stated medical insurance has come back at 13.5% and the others have comeback anywhere between 2% to 4% and this resulted in a savings of approximately \$8,400. She told the Commission that we are not finished with our insurance renewals at this point as we have a meeting setup with our agents and an insurance committee which was created.

Kathryn Wagner stated the next item which has been changed, is on page 2 of 4 under utilities, and is the cable line item. She stated \$1,032 has been added to this item due to our vendor Cox Communication no longer continuing to provide all of our cable services for free. They are going to charge us for about half the services which we receive for both stations.

Kathryn Wagner stated the next item which has been adjusted, is on the same page under insurance, and is the property/general liability item. She stated our general insurance was originally budgeted at an increase of 5%; however, we have just received a projected increase of 15%. She stated this was still in underwriting but they normally get within a few hundred dollars of their projected renewal. She stated the industry around us is seeing 10 to 12% increases so we are not far outside of that. She further stated the effect is an additional \$10,000 to that line item.

Kathryn Wagner stated the final item which she would like to go through, is on page 3, and is the beach safety budget. She stated we are in the first stages of budgeting our beach safety program and we have a preliminary number from the County of \$599,972 and a preliminary number from the City of \$100,000. She stated we have looked at the staff, the season and have estimated manning according to the calendar.

Rick Moore stated that the beach safety utilities have gone up by \$600. Kathryn Wagner stated our current 2013/2014 budget was actually under where it should be as our allocation for the water bill at Station 10 was not proper so we are going to exceed the \$900 budget this year.

Hillary Anderson asked why the payroll benefits are increasing by \$17,000. Kathryn Wagner stated that category covers all benefits to employees and beach safety. She stated in the current year we have one full time employee and the upcoming year is projected for two full time employees.

Jack Wilson stated that most of the \$51,000 increase in beach safety is related to having a second full time employee, as it is wages, unemployment and all the things that any employee costs.

Hillary Anderson asked what the second employee is going to do. Division Chief Joe D'Agostino stated in the last three or four years we have actually had increases in beach safety. He stated there have been increases in positions as we have added three chairs, one in the pass, and the County has also stipulated that no longer do we work eight hour days, we now work 10 hour days. He stated his staff has gone from having 40 people to now having 53 and that is short. He stated he needs to have 60 people. He stated it is starting to get thin and when it becomes translucent people will drown. He stated he is trying to have someone in the summer, in the peak of the season, who can help prepare for that staff to make sure they are adequately trained and if they are working an opposite schedule from me of four 10s, there will always be somebody there who is a full time dedicated employee able to do that. He stated if Kathryn has a question, she has someone she can go to, or if the public has a question, they have someone they can go to.

Rick Moore stated that Okaloosa Island has 5 full time people. Tommy Green stated they had 5 but are down to 4 now. Joe D'Agostino stated South Walton is up to two now.

Hillary Anderson stated to Joe D'Agostino that she did not have a problem with his budget, but when you say we don't want to run thin because people are going to drown, she stated we are running real thin on trucks and employees on this end so it is your budget and you have the money to cover it, but wants it to be on record that everyone is running thin right now.

Kevin Sasser stated the way our interlocal agreement is written with the County is we receive what they receive. He stated they have gone through a transition and as Commissioner Green stated, they had five but they are down to four now and they plan to maintain that. Chief Sasser stated that means they are planning on reducing their budget by about \$31,000. He stated he has had some discussions with the County and they are going to provide us with the same thing initially, which is \$519,972, and then there will be two adendums. He stated one will be for capital acquisitions for the tower we are going to put in James Lee Park and the second is a Viking, which together total out to \$40,000. He stated the second will be \$40,000 for the additional employee.

Hillary Anderson asked since the County is giving the beach safety program money is that why they are dictating how many hours. Kevin Sasser stated yes and it was a part of the interlocal agreement.

Rick Moore asked when we were looking to bring on the new full time employee. Joe D'Agostino stated sometime between October and January.

Kathryn Wagner stated that the beach safety budget still needs to be fine-tuned, but any adjustment done within this budget will be adjusted accordingly from another category.

Tommy Green asked if there was anything else left outstanding or is on the fence. Kathryn Wagner stated insurances are pretty close and there will not be any material changes made to this budget unless something happens to the TDC funding. Tommy Green stated our next budget workshop is on August 26th and we should have hard numbers on everything we have. He stated we need to have this before we make any final decisions on these things.

Rick Moore stated his personal opinion about the 3% raise is to remove it and put it back in the general fund. He stated it sends a bad message to the public that we have let people take early out and are going to use that money to give it to the remaining employees. He also stated that it sets a bad precedent that we are giving a pay raise when we have negotiations next year.

Hillary Anderson stated she feel completely opposite. She stated the employees who are remaining are taking on additional responsibilities. She stated the contract is coming up but a 3% cost of living adjustment when there has not been a raise in the past five or six years, their duties and requirements have increased, the Chief does not have an assistant, Kathryn has a part time person helping her now and she's doing double duty, Joe is wearing thin, is something that they deserve.

Rick Moore stated it sounds like the staff is working extra hard. Hillary Anderson stated she believed so, yes. Rick Moore stated he would not have a problem with the staff then because they are not contract employees and a contract is a contract.

Tommy Green asked how many promotions we had with the seven employees gone. Chief Sasser stated we had a total of five, which were four firefighters promoted to engineers and one engineer promoted to a lieutenant. Tommy Green stated these promotions came with an increase in pay.

Tommy Green stated he understands both sides. He stated if I had an employee and I put more work on them, I would expect to pay them more to do that more work. He stated the public's perception is a raise, but he sees it as a cost of living increase and he wished we could give more than that because he knows the cost of living has gone up. He stated this is something we need to think hard on.

Jack Wilson stated he could argue both sides of this as well. He stated one of the things we need to be very careful of is that we don't tangle up the public side in order to meet the budget constraints that they are forced upon us because they won't stand up and even pay for the department which we have today. He stated we have had to degrade the capabilities of this department. He stated one of the perceptions that would bleed into this is one of the reasons we degraded the department was so we could give raises to people. He stated we have a strong story

which we need to get out to the public that we have reduced the capability of this department because you have made us do that.

Hillary Anderson stated we reduced the capability and in return we are compensating the employees. She stated it is not just the staff that is working harder. She stated there are times now that there is only one paramedic on the truck, which gives extra work on scene and extra reports when they get back to the station. She stated we did not tell these people they had to leave, these people chose this program and it was a benefit to us and a benefit to most of them, hopefully. She further stated in return for putting all of this extra work on these employees we are compensating them for the past several years which they have been working without a raise or a cost of living adjustment.

Mike Buckingham stated he wished that would have been the package in the beginning because he made the comment that we weren't going to reduce the level of service and listening to Commissioner Rick and Jack now, he can understand what the public is going to think now. He stated we are telling them we are not going to do this and now we are going to put a program out and let the public know what we are providing and what we're not providing, and now we say we are cutting the level of service but we are still going to give you what you need, and by the way we just gave 3%. He stated this is something we really need to think about.

Kevin Sasser stated it was not easy for him to approach this topic to the board. He stated he is just as concerned about the public perception over this issue. He stated we needed five people to take it and seven people took it. He stated with the combination of adding the two people to the tier two system there was around \$120,000 or \$130,000. He stated he is seeing the wear on the personnel and he thought maybe the Board would see fit to do a little something for them.

Hillary Anderson asked how many employees we have now. Chief Sasser stated 31. Hillary Anderson stated we are hiring two more. Kathryn Wagner stated that includes beach safety so we will have 34.

Tommy Green commented about the public perception and that when the 20 and out was given no one realized there was a cost savings from that. He stated they don't see the assistant chief which we did not hire back or that we eliminated three firefighter positions. He stated this is the same thing here, that they see us giving a raise, not that you cut the department and meet the budget, no you gave them a raise. He stated the public will find something wrong with it every time and stated this was a tough decision on the boards part and asked that we give it a couple weeks to see what will be fair for the public and the firefighters and everyone else concerned.

Jack Wilson stated it is all in how we present it. He stated the fact is that through the volunteer program we took out x dollars and we put 90% of that savings on the bottom line of the department. He stated it cost us some money to do it because we had to compensate the people who are taking on the extra work, so we did not realize 100% of the savings we only realized 90%.

Tommy Green asked Chief Sasser how many firefighters are we are down from what we should be. Chief Sasser stated we are down nine firefighters, an assistant chief, a medical division chief,

an administrative assistance as well as a receptionist who is now changed over to part time. Tommy Green asked by standards, how many people need to be on a truck. Chief Sasser stated NFPA recommends four on an engine to operate efficiently on a fire apparatus which shows up on a scene. He stated most fire departments will operate with three and that is what happens in our general area.

Jack Wilson stated when we did an analysis early on we compared ourselves on two measures to every other district, 20 some odd districts we felt were comparable, we looked at how many people we are protecting per capita and we were way down under the average, and we looked at the property value we were protecting and we were way, way down. He stated just looking at those two if we are here to protect life and protect property we are half as expensive as the Island or South Walton or Naples or all the other districts we looked at. He stated we tried to tell this information to everyone and it is fairly easy to show the efficiency in this department, but nobody believes it.

Kevin Sasser asked the Commission if there is anything that the Board would like to change or move within the budget. Kathryn Wagner stated we had one more budget workshop on August 26th and the next meeting is the first public hearing on the budget, and it is a tentative and you can make changes at that point.

Jack Wilson stated the gut issues we need to resolve is the cost of living issue which we have and the staffing we have. He stated he is good with most everything else in here.

Tommy Green asked if there were any public comments.

Patty DeFerenza of 4648 Sunsail Circle stated she did contact an Okaloosa Commissioner and was told they were already preparing for your withdraw of paramedic services. She asked, did you ever think about instead of hiring new people and increasing the budget to go to a paid on call volunteer staff. She stated this would end the overtime pay and there is substantial talent out there that has two or three days off in a row. She stated this would cut out all of the health care, all of the pension benefits and you have wiped half your budget out by hiring all these people. She stated there is a department in the Chicago suburbs that is all paid on call. She stated the engine and the two trucks are manned 24/7 and four paramedics on that ambulance every day and they are not even full time. She further stated retired Chiefs come in, Captains, Lieutenants, Battalion Chiefs, and Engineers who all want to make extra money but don't want to commit to a full time second job.

With no other discussion, the meeting adjourned at 7:04 p.m.