

DESTIN FIRE CONTROL DISTRICT
Special meeting of the Board of Fire Commissioners
Special Emergency Meeting
Main Station
848 Airport Road
Destin, Florida 32541

September 27, 2016

Minutes

Commissioners present: Tommy Green, Rick Moore, Jack Wilson, Mike Buckingham and Bob Wagner

Staff present: Chief Kevin Sasser and Allison Henderson

Staff Absent: Division Chief Kathryn Wagner

Present: Dawn Stuntz

The meeting was called to order at 9:00 a.m. by Chairman Tommy Green.

Public Comments:

Deborah Thurmon of Destin asked if comments could be held to end since she has no idea what the meeting is about.

Tommy Green stated some of those questions may be answered during the meeting.

Additional Funding of Destin Firefighters' Retirement Trust Fund

Tommy Green stated we are here to discuss and vote on additional funding to the Destin Firefighters Trust Fund.

Chief Sasser stated condolences to Battalion Chief Urenda's family and our family at the department and hated to call a meeting like this during this time when everyone is grieving, however the meeting had to be called before the end of the month. He stated Kathryn Wagner was absent due to illness and he would do his best to handle it.

Chief Sasser stated with state funding we receive an initial funding amount then a supplemental funding amount and if the Board would remember back in July when Mr. Nunnally presented the audit, he said it was normally done in February but had recommended we hold off because of negotiations. Because negotiations dragged on, the audit was done late in July as recommended by Mr. Nunnally, since it had to be done by the end of the month in order to receive state funding. When that was sent to the state, the state had questions about our audit which we have been answered; then the stated had more questions which were also answered and that has dragged on so we are not going to receive state money prior to the fiscal year ending. He stated the fund has to be made whole and the District has to make that payment and that is the reason for the meeting so the District can make and distribute those payments before the end of the year. The District is always on tap for the funding of the retirement plan, we do anticipate state funding, have received it in the past and other than being late with the audit this year, that is the only change. We have performed and submitted our paperwork the same way every year for a long time without questions. He further stated we have answered those questions, but do not

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anticipate receiving the money before the end of the fiscal year and are asking the Board to approve payment of those funds. This has been done in the past and the District ends up with prepay in the retirement fund. The Board can decide at a later date what to do with the prepay, but today we need the Board to reclassify or move the stated funding expenditure from the State to the District and then authorize the District to expend and cover those costs from our unassigned funds.

Jack Wilson stated 3 years ago we had a substantial prepay of \$300,000 or \$400,000 that we carried for several years then that became part of the reserves we used to fund the District when we were spending more than we were taking in in tax revenues.

Jack Wilson asked if we have any concern the audit will not eventually be approved by the State. Chief Sasser stated no.

Jack Wilson asked if there was concern that State funding will not come during this fiscal year but soon. Chief Sasser stated we believe soon, just not this fiscal year.

Jack Wilson asked if soon meant the next fiscal year. Chief Sasser stated yes.

Jack Wilson stated right now we have the reserves to do that and discussed all the reserves the District used to have. He stated it is unfortunate that we have to go through this, but unless he is missing something, it is not that big of a deal.

Tommy Green stated the Board is in uncharted waters with our negotiations going as long as they did and this is an anomaly that has come as a result. He stated he agreed with Mr. Wilson, this is why we have reserves and a lot of people do not believe we should have the reserves we do, but this is a prime example.

Jack Wilson made a motion to reclassify the item on the budget from State to District and approve the spending of that as a prepaid expense to carry on our balance sheet at the end of the year. Rick Moore seconded. The motion passed unanimously.

Tommy Green stated we just want to get it resolved in the best interests of the District and the firefighters.

Deborah Thurmon stated the taxpayers are confused by what they are hearing from the State because it is not what we are hearing here. She stated she had an email from Kathryn Wagner from Bruce Nunnally on June 28, 2016 getting legal advice about the share plan and bringing the multiplier up to 2.75 which did not happen through the imposed article. She stated Ms. Carr is telling us this is the hold and would like to know what the truth is.

Chief Sasser stated those are 2 different issues and that is not an issue being addressed today. He stated that is an issue that has not been advertised and would advise the Board not to discuss it.

Brain Christenson asked the amount being transferred. Jack Wilson stated \$237,950.65.

Chief Sasser stated the Board did not specify because the supplemental payment has not been determined yet.

Jack Wilson stated we basically plugged to meet our required funding for 2015-2016.

Brian Christenson asked if we were adding that amount of money to this budget to offset the difference expected to be received by the State. Chief Sasser stated no, we are not adding anything; we are transferring an expenditure from the State to an expenditure to the District, so the budget is the same.

Jack Wilson stated the operating revenue statement will end up not with a pension expense in that amount but a pension expense and a prepay, so that it becomes an asset on the balance sheet and next year when the money is received from the State it offsets.

Brian Christenson asked what happens if state money is not received. Jack Wilson stated if we do not receive money from the State then it is an expense to the taxpayer and was why he asked if there is an issue with collectability; the answer was no and assumed was backed up by Bruce Nunnally.

Chief Sasser stated we are taking about 2015-2016 money and that is the difference in some of the questions being asked.

Adjournment:

With no additional business to be discussed, the meeting adjourned at 9:13a.m.