

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

January 14, 2014

Minutes

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

Staff present: Chief Kevin Sasser, Division Chief Ron Gerdeman, Division Chief Joe D'Agostino, Kathryn Wagner

Present: Dawn Stuntz

The meeting was called to order at 5:33 p.m. by Tommy Green.

Public Comments: - None

Presentation of 9/30/2013 audit by Bruce Nunnally of CRI – moved down in the agenda

Review of the minutes:

Minutes for the regular meeting of December 10, 2013 and special meeting of December 23, 2013, were presented. Rick Moore made a motion to approve the minutes of December 10, 2013 and December 23, 2013. Jack Wilson seconded. Discussion: Jack Wilson requested correction on the minutes of the special meeting on December 23, 2013 on page 2, 1st paragraph, 2nd line to read “He proposed a rate from the chart presented of an incremental increase of .15 so that we....” The motion passed unanimously.

Review of the financial report:

The financial reports for the month ended December 31, 2013, were presented. Kathryn Wagner stated that balance sheet presents strong. Assets outweigh our liabilities of \$428,000. Cash position is good due to having received over 2 million in ad valorem taxes. Receivables are low and they are all collectible. Prepaid expenses are inline. The revenue over expenditures vs budget report reflect revenue from ad valorem taxes are over 50% collected for this year. The expenditures target percentage is 75% and several items are below the target due to being annual or one time payments, including haz-mat, dues and subscriptions and audit fees. Only other expenditures to mention are repair and maintenance building, equipment, cell phone and training and per diem. Hillary Anderson made a motion to approve the report. Rick Moore seconded. The motion passed unanimously.

Old Business:

1. and 2. Chief Sasser suggested removing Revenue generation options and GSG Study from agenda until after referendum and put pack on if needed. Commissioners agreed.

3. March 11, 2014 Referendum – Chief Sasser presented calendar of events with proposed items for January, February and March 2014 and discussed setting up meetings with local groups to

educate on what the changes in the District have been. Chief Sasser mentioned other avenues for the Board would be to have town hall meetings and to speak with the Destin Log. Attorney Dawn Stuntz is available to provide the Board with some guidance as to how the Commission should handle presentations and discussions.

Mike Buckingham asked how much was in advertising budget and if we spent the entire amount last year. Kathryn stated last year a budget adjustment had to be made to increase that line item. Mike Buckingham suggested placing an advertisement in the paper. Chief Sasser stated the District could not spend tax payer dollars to promote or advertise that increase. Attorney Dawn Stuntz stated that it would have to be purely factual to fall within the exception of the statute which prohibits the District from spending funds on political advertising.

Rick Moore stated he was not against town hall meetings. Mike Buckingham concurred.

Tommy Green suggested putting out a public notice and stating that we have a Commissioners meeting on February 11th and if anyone has concerns they can come to that or to the Board at any time. He further stated that if we do see a need to schedule a town meeting after that there will still be time to have one.

Tommy Green asked for public comment of the issue. Bob Wagner, 3811 Misty Way, stated your presentation worked against you and stated the town hall meetings were a waste of time and suggested advertising one time in the paper showing changes and only asking for what is needed. Claude Newland, 4033 Indian Trail, stated this is on the right track and the town hall meetings would not help this time round. He would like to see the Commissioners have their name on it, instead of Chief Sasser, so that they are spoke person to represent this. Mr. Newland expressed further concern that the public does not know of special meetings or how to contact Commissioners and that correcting this would help get the results you are looking for. He also stated he thinks the Commission is on the right track with the millage rate.

Jack Wilson asked for clarification as to how the Commission is to speak in a public forum when more than one Commissioner is present. Attorney Dawn Stuntz stated that if there is a continuing item on the agenda the board may not comment on it, however they can make factual statements. She further explained that the issue with the sunshine law is it's the public perception of what's occurring and whether or not it's appropriate or inappropriate.

Rick Moore stated that in the special meeting he cast the only no vote and now that the Chief has made some budget cuts he feels confident that now he can stand in front of the public and say this is what we have done and this is what we continue to still need from you. Rick further stated that he is now in support of going forward with the referendum.

Bob Wagner asked if the minutes could be posted. Kathryn Wagner stated that we do have a new website, however, we have limited resources on how it is being built and since we are not expending funds to build the site unfortunately it is coming along slower than anticipated. She further stated that we are beginning to populate the site with our agendas and minutes. As to the contact information for the Commissioners which Mr. Newland commented on, all of that information is coming.

Discussion was held regarding posting of draft minutes to the website prior to each meeting. Jack Wilson stated there is a bigger service to be made to the public to get this stuff out in a

much more timely manner. Tommy Green asked Attorney Stuntz if there were any legal issues with posting a draft. Attorney Stuntz stated there was no problem and it was at the Boards discretion to do so, however, she was concerned that draft minutes will be out and there will be public comments before you review the minutes.

Presentation of 9/30/2013 audit by Bruce Nunnally of CRI:

Tommy Green recognized Bruce Nunnally of CRI to present the 9/30/2013 audit.

Bruce Nunnally presented the final audit to the Commission. Mr. Nunnally stated the audit is complete and the results are the same as the last several years and this is what you want to hear. He stated that as an auditor, our job is to say where or not these financial statements are fairly presented in accordance with generally accepted accounting principles and to look around for violation of law and see if you are in compliance with all your agreements. Mr. Nunnally stated that the financial statements are fairly stated in accordance with generally accepted accounting principles and their testing of compliance with laws and looking for fraud are favorable or good, which is what the District and the State of Florida want to hear.

Mr. Nunnally explained the Statement of Net Position on page 9 and Balance Sheet of Governmental Funds on page 11 are both fairly consistent from year to year and don't show significant fluctuations. Page 10 Statement of Activities, is a governmental profit and loss statement and reflects a change in net position of a positive \$350,000. He stated that most people look at page 13 and 14 for a governmental operation which is closer to the budgeting process showing total revenue and total expenditure and excess, for the year which was about \$50,000. Pages 35 and 36 compare the amount on page 13 and 14 with the budget. He stated that the District finished the year of 9/30/13 predicting a deficit, yet revenues were higher and expenditures have been controlled and this essential ending up with about a breakeven. Mr. Nunnally stated that this is a tribute to the Board and Chief for getting to that point.

Mr. Nunnally stated the pension system for the last couple years had some benefits in funding, from overpayments in earlier years, which has been used up. The negative of this is now you have to budget for the full funding of the plan, while the positive is that you do have some reserves and the economy is looking up. Mr. Nunnally thanked Chief Sasser and Kathryn for their help.

Rick Moore asked Bruce Nunnally to explain page 38. Bruce Nunnally stated this is a required schedule and these numbers are pulled out of an actuary report. He explained that GASB states you must record a liability for the implicit benefit of having post-employment benefits, other than pensions. He stated that you have to consider the financial effects on them as if they are still working for you, not after they are retired.

Bruce Nunnally stated the State of Florida requires that any government entity has to allow their retirees to stay in, even if the government pays none of the cost. From an insurance perception their risk is now greater which creates this implicit benefit. He further explained that this is a benefit because if they were in their own pool their premiums would be higher.

Bruce Nunnally said that GASB states you must record a liability for this, but he further stated that you will never have to pay it. The implicit benefit to all eligible participants is approximately \$900,000. He stated that there is no funding of this because the District is a pay

as you go basis. He stated that the end result is that this not going to cost the District any dollars. The actuarial report is only required to be done every 3 years, so the next two year will show the same as this year.

Jack Wilson stated he was happy to see that in the areas of internal controls and various compliances there were no findings and stated that there was a clean opinion expressed. He then asked Bruce Nunnally if you or the audit team or the second partner or the peer review have given any thought at all to a going concern exception. Bruce Nunnally said no and explained that the auditing standard says their requirement is to do some sort of analysis related to going concern for one year from the balance sheet or yearend date. There was discussion and it was considered but at this point with the reserves that the District has, they felt they could make it through the next fiscal year.

Tommy Green asked about levels of reserves. Bruce Nunnally stated that there are no hard benchmark as to what reserves should be. It is usually talked about in terms of the number of months of expenditures. He stated that nowhere in the State statues or with the Auditor General is there a rule or requirement which states this is what you need, there are just a few studies. He stated that the District is probably on the low side for the local governments as far as months of expenditures in reserves.

Kathryn Wagner asked Bruce Nunnally to explain to the Commission the upcoming GASB regulation for inclusion of pension liability. Bruce Nunnally stated there is a new standard which becomes effective for years beginning after June 15, 2014, so this would be effective for the District for the year ended 9/30/15. He stated that this requires that you put on your balance sheet the full unfunded amount of your pension liability. These amounts are currently in the foot notes, but now will be required to be put on the statement. Page 37 of the audit shows a schedule for the pension plan and says that the pension has assets of approximately \$11,700,000, actuarial accrued liability of approximately \$21,600,000 so the unfunded amount is almost \$10,000,000. He stated that the \$10,000,000 liability would be reflected on page 9, which would cause about a \$1,300,000 shortage in equity.

Jack Wilson asked how do we offset that when we have to drop that into the liability section. Bruce Nunnally stated it would be a charge to equity. He further stated the only thing that might mitigate this somewhat for the District is consideration for funding which is received from outside sources. Since the District is receiving partial funding from the State, he does not know at this time if there will be some ability to reduce the \$10,000,000 for some anticipation continued funding from the State.

Mike Buckingham made a motion to approve the final audit report as presented. Jack Wilson seconded. The motion passed unanimously.

Chief Reports:

1. Beach Safety update

Joe D'Agostino stated he has been continuing to get ready for summer and we are back on the beach in less than 60 days. He stated that he was looking into putting GPS units on each individual ATV and stated this should help save gas, track trends, and help with training. Chief Sasser stated this will also serve as a managerial tool to assist providing good service to the citizens. Mike Buckingham asked about the cost to purchase the unit and the mobile subscription. Joe D'Agostino stated the cost for the first year to purchase the units was

approximately \$50 to 60 each and then \$25 to \$30 per month, per unit, with no yearly contract, so machines can be turned off when season is over. They will be 7 units.

2. Training report

Chief Sasser stated that each shift received 25 hours of training in December.

3. Inspection report

Ron Gerdeman presented the December inspection report.

4. Paramedic report

Chief Sasser stated that December report will be presented at the February meeting.

5. Overtime report

Chief Sasser presented the December overtime report and stated there were significant issues this month due to various personnel issues, but we are working through it and hope to discuss with the Union President the situation.

Rick Moore stated one individual received 67 hours and asked if they were working 2 days in a row. Chief Sasser stated this was for a full month and everyone has the opportunity to be offered the time before it rolls back around to the same person to be able to accept it again. Rick Moore stated that we are at the budget and we now have 9 months left so now we are going into comp time. He asked what we will do with all this comp time. Chief Sasser stated that when they earn it they have to use comp time before anything else is taken and they can't have any more on the books then 72 hours. Rick Moore asked how the employees look for sick time, are any sick time low. Chief Sasser stated some are very low. Rick stated maybe we need to look at some part-time people for that cost.

New Business:

1. Purchase of 1 new UTV

Chief Sasser stated we went out for bid for the purchase of a utility vehicle for the beach and the results are presented. Wards Yamaha came in less than everyone else and it is the recommendation to award the bid to Wards Yamaha. Discussion on our history with Wards was held. Motion made by Rick Moore to award the bid to Wards Yamaha. Mike Buckingham seconded. The motion passed unanimously.

2. Resolution 14-02 to declare on (1) UTV obsolete and to be used for parts

Chief Sasser stated this was already discussed with the board at a prior meeting and this is just a resolution to approve that decision. Hillary Anderson made a motion to accept Resolution 14-02. Rick More seconded. The motion passed unanimously.

3. Resolution 14-03 to declare two (2) ATVs obsolete and ready for sale

Chief Sasser stated this was already discussed with the board at a prior meeting and this is just a resolution to approve that decision. Hillary Anderson made a motion to accept Resolution 14-03. Jack Wilson seconded. The motion passed unanimously.

4. Award of bids for sale of two (2) ATVs

Chief Sasser asked that the Board allow us to award the bids to the highest bidder when they are opened tomorrow. Mike Buckingham made a motion to allow Chief Sasser to accept the highest bid. Rick Moore seconded. The motion passed unanimously.

5. Purchase of one (1) new Tower

The Commissioners were presented with a quote from Industrial Design Research for the purchase of 1 tower. Chief Sasser stated the beach safety budget allows for the purchase of a tower. This tower would be placed at the O'Steen public beach access which leads to the jetties. He stated that we have had a chair out there in the past, however, this does not provide for protection of our lifeguard and there is no other cover in that area. We are looking at a sole source purchase as we can only find one vendor who can produce this particular tower. This manufacturer has sold one to the County as well as Pensacola Beach.

Joe D'Agostino stated the location, what's being asked of that personnel in that area, the amount of equipment the need to carry and the time they need to spend in the area, regardless of inclement weather, shows this tower is what we need to do that job to the best of its ability. We are basically providing water safety in a navigable waterway, he stated. The 304 grade stainless steel structure will be there forever.

Jack Wilson asked what was the expected life. Joe D'Agostino stated the manufacturer stated you will start to see some degradation at about 30 years. Hillary Anderson asked if there would be a warranty provided. Joe D'Agostino stated he could ask. Jack Wilson stated he is convinced we need something there and it needs to be the right size and house equipment and protect the guard, but asked if we reaching too far. Joe D'Agostino stated that he has seen municipalities try to do it less expense, like build it out of decking and wood, but the life expectancy is not there and the maintenance and repair costs are high.

Mike Buckingham stated he is not against this but is concerned about the amount we would be spending on one unit and we are getting ready to ask the public for more money. Tommy Green stated that this is all in the beach safety budget. Hillary Anderson stated that if we are approving the purchase of over \$20,000 for one tower. She asked what kind of structures the other beach safety programs have. She expressed concern as to what the entities giving us money will think for about this purchase. Joe D'Agostino stated the County has this exact model.

Jack Wilson stated he worries about the optics of it. At this point in time with everything else we are doing, the timing of this just bothers me, he stated. Rick Moore stated he is in favor of it but agrees that the timing is not the best. Hillary asked what the turnaround time would be. Joe D'Agostino stated we would have it before Memorial Day. Jack Wilson asked if any analysis has been done to prove to us that this is money well spent. Joe D'Agostino stated he would collect more data.

Rick Moore asked if this would have capabilities for communications like adding to like electricity or battery operated. Joe D'Agostino stated the City would have to run electricity; however you could use solar power.

Hillary Anderson made a motion to allow Joe D'Agostino to accept the quote presented if the company is unable to provide a 30 day extension. There was no second so motion dies.

Further discussion on the funding and time of this purchase and public perception.

Rick Moore made a motion to have Joe D'Agostino obtain additional information and have Jack Wilson review this information and if he feels comfortable after this review he has the authority

to authorize the purchase of the quote provided by Industrial Design Research. Mike Buckingham seconded. Additional discussion was held and Rick withdrew his motion.

Mike Buckingham made a motion to have Joe D'Agostino obtain additional information and have Rick Moore review this information and if he feels comfortable after the review he has the authority to authorize the purchase of the quote provided by Industrial Design Research. Rick Moore seconded. Additional discussion was held and Mike withdrew his motion.

Jack Wilson made a motion to move forward with purchase recommended by Chief Sasser and beach safety subject to a review of comparable analytics by a designated board member, which would be Rick Moore. Seconded by Mike Buckingham. Motion passed unanimously.

6. Resolution 14-04 adopting Beach Safety and Lifeguard Services Interlocal Agreement with the City of Destin

Chief Sasser stated that this agreement was approved by the City Council last Monday night. Hillary Anderson made a motion to approve resolution 14-04. Seconded by Jack Wilson. Motion passed unanimously.

7. Resolution 14-05 adopting ALS Interlocal Agreement with the County

Chief Sasser stated this was already discussed and approved by the board before. Hillary Anderson made a motion to accept Resolution 14-05. Rick Moore seconded. Jack Wilson stated that this agreement has no anticipation of protocol being developed for who responds to what. He asked how we move forward with this thought. Chief Sasser stated that he has had discussions with the public safety director and we are looking to setup a meeting to further discuss this matter. He then stated that we can change how and what we respond to and if we need to modify this agreement we will do so. The motion passed unanimously.

8. Election of Officers – Chairperson, Co-Chairperson, Secretary/Treasurer

Hillary Anderson made a motion that all officers remain the same. Rick Moore seconded. Motion passed unanimously.

Next Meeting:

Tommy Green stated that the next regular meeting of the Commissioners would be on February 11, 2014 at 5:30pm.

Adjournment:

With no further business to be addressed, the meeting adjourned at 7:44 p.m.