

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

March 25, 2014

Minutes

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

Absent: Hillary Anderson

Staff present: Chief Kevin Sasser, Kathryn Wagner

Present: Dawn Norris

The meeting was called to order at 5:30 p.m. by Tommy Green.

Public Comments:

Jasmine McElyea of 593 Beethoven Circle, Defuniak Springs, spoke to the effect on her family should her father, an employee of the District, lose his job and insurance. She stated that she hoped the residents, Commissioners and fireman could come to a fair agreement without cutting benefits and fireman positions. She asked to consider every possible solution such as grants and fundraisers.

Claude Newland of 4033 Indian Trail asked if the Fire Commission had the authority to set the millage rate at what is needed or does it need to go before the voters. Tommy Green stated that it needs to go before the voters.

Shane Stewart of 306 Primrose Circle stated he hopes the public input will be taken into consideration about what will be done when the Commission proceeds forward. He asked if layoffs come are we talking about starting them in October or are you talking and planning on doing this prior to the next budget year. Rick Moore stated that hasn't been discussed yet.

Tommy Green stated that this meeting is to get some communication started and would request that the board not make a decision tonight.

Shane Stewart stated he does not want to lose the ability of the department to provide the services it has provided. He stated that at the same time he understood the fiduciary responsibility to provide the best service you can for us. He asked if there are grants available, specifically, the 2 year safer grant. He asked if a non-ad valorem assessment should be explored again.

Shane Stewart stated that on the side of reducing the spending and without opening the contract, can we get with the guys and asked if they are willing to look at reducing the amount paid by the district into their health insurance for their dependents. He stated can we look at increasing the pension payment by the firefighters up to a certain percent. He asked if we could look at a reduction, if there is no overtime, to brown out a truck for a day. He asked if we could furlough people.

Shane Stewart asked if these concessions, which are possible, along with some other way to find additional revenue would be an option. He asked what does it cost per capita for the residents of Destin, as compared to the other district or cities within the area, to run its department. He further stated that he would like to see a citizens committee.

Tommy Green stated that the District made cuts and asked for what we needed and we were still voted down. He stated that hopefully the tax base has gone up a little more than what we expect this year. He stated that we do not have a source for additional money as we are not like the city or the county. He stated this is our only source, and although there may be grants out there, we cannot count on that. He further stated that this is not something that the Commission takes lightly.

Jack Wilson stated that we did have a citizen committee a few years ago, which was the five year planning committee, and one of the things they did was look at rankings against other comparable districts. He stated that this data was put out there, and we published it and shared it with people but it was not influential. Jack Wilson stated that we as Commissioners hear from the citizens that we don't want to raise taxes, we love the fire department and everything the guys do, but we don't want to pay any more money, we don't want to pay what it has cost for the last four years.

Shane Stewart asked what our ad valorem tax increase was this past year. Chief Sasser stated it was 1.48%.

Michelle Stewart of 306 Primrose Circle asked if Citizens for Good Leadership presented to the Commission a solution. She stated that they keep saying no taxes and they don't want to lose services but have they recommended solutions. Rick Moore stated nothing was on the table. Tommy Green stated that he has not heard nothing.

Jack Wilson stated that there are three things which can happen to solve the problem. He stated we could trim our services back, we could keep our services the same and reduce the cost, meaning reduction in salaries, overtime, pension benefits, medical, all the things which make up the 80% of our cost, or we could increase our revenue. He stated that we have been told twice that we cannot increase in our revenue and that leaves us to do two things. He stated that what we hear is that everyone admires this fire department and what they do, so they want the services to stay the same. Jack Wilson stated that through hearing this, they want the costs to come down.

Mark Ward of 3840 Indian Trail stated that 1% is awfully low and costs go up. He asked what can the Commissioners do to try and educate the citizens. Tommy Green stated that we attempted to do that with the public notice. Rick Moore stated that we can only spend money on certain things. Attorney Dawn Stuntz stated that the District is limited on what they can spend public dollars on as far as advertising. She stated that they can put out factual information only. Mark Ward stated that maybe volunteers in the community could produce something.

Kitty Amonds of 306 Primrose Circle asked if the Commission could put a surcharge on each household. Kevin Sasser stated that would be the same process we just went through. He stated that is a non-ad valorem assessment and it still has to be approved by the voters.

Bob Wagner of 311 Misty Way asked if the union has come to the Chief or Commissioners and asked to give something back. Mike Buckingham said, yes, the union president has approached him. Bob Wagner stated he had a problem with vacation and sick accruals and this might be something to look at to cut and could be something they look at to give back without maybe doing some layoffs.

Jack Wilson stated that he has also been approached. He stated that any enlightened company that he knows faced with a problem like this tends to ask their employees for suggestions. He stated that this is a great opportunity for us to let our employees stand up and find acceptable ways. He stated that this is not negotiations. We have a fixed amount of money we need to get and we can ask them, how would you like us to approach this problem. He stated that we are not going to avoid any hurt

because we have over \$600,000 and 80% of our costs are payroll related costs and the 20% which aren't are not very variable anyway.

Danny Blakely of 255 Twin Lakes Lane stated that the sick leave does not really save any money unless they are using it excessively. He stated that these are 24 hour shifts worked, not 8 hour shifts.

Tommy Green stated that short of opening up the contract the only thing we can do is a memorandum of understanding. He further stated that once they submit that to us we cannot negotiate that. We either reject or accept it.

Glenn Happy asked when is the next contract negotiation. Tommy Green stated next year. Glenn Happy asked if the fire department has enough reserves to carry the department until the contract negotiations. Rick Moore stated that we have been using reserves. Jack Wilson stated that we have been living off those funds for the last four years. He further stated that we need to face reality and it is not going to be different next May. He stated we will have the same revenue we have plus 1.5% and we will have exactly the same problem.

Michelle Stewart asked if trying to get revenue from EMS for medical calls was a possibility. Tommy Green stated that we will be discussing that.

Steve Menchel of 65 Siesta Bluff stated he was and has always been a supporter of the Destin Fire Department and thanked the men and women of the agency for keeping Destin residents safe. He stated that his remarks are not an attack on any member of the Destin Fire Control District but is offered to provide constructive criticism. He stated that he cannot attend the regularly scheduled meetings as they conflict with another obligation.

Steve Menchel stated he has previously provided input on ways to save money and cut expenses as well as providing ideas on how to ask the County and State for additional monies, modifying Florida statute 125.014 relating to the use of bed tax dollars. He stated he previously spoke to the Commission about the use of a special response vehicle in lieu of running a large fire truck to crash locations. He spoke about statistics regarding EMS calls and associated costs.

Steve Menchel stated that in addition to additional bed tax fund utilizations he found it alarming that, at that time, the District did not track statistics about how many calls for service were for non-resident/tourists. He stated that he did not know if either of these suggestions were supported or followed up by this body.

Steve Menchel gave a review of the two recent requests for millage increases and the two negative votes by the city of Destin. He stated that the new referendum was not marketed correctly and the millage request was faced with the problem of a well-funded campaign against the millage request which was funded by a political action committee created by the Destin Area of Commerce. He requested as a matter of professional courtesy that when one of your constituents takes their time to send you information, please consider it as a minimum to respond with a thanks, or something at least acknowledging the email. He further stated that during this last election period there was a great deal of misinformation being circulated throughout the city of Destin.

Steve Menchel reviewed a timeline of emails to the Destin Fire Control District and stated the lack of information to the public would result in a defeat of the millage request. He expressed his concern of the lack of response to his emails. He stated that it appeared to many in the community that the Commission did not take the request for millage election seriously. He stated that you failed

to properly represent the men and women of the fire department and the citizens of Destin. He stated that a few areas which should be discussed further are a small vehicle for an EMS response, increased bed tax funds utilization, review of union contracts, more response to citizens input, and for a citizens task force of volunteers to help educate the public.

Steve Menchel informed the Commission that the sheriff's office had a private meeting with the Tourist Development Commission and is asking for over \$300,000 of additional bed tax monies. He stated that he urges you to look at that and as that is a significant way to obtain funding for this fire department.

Virgil May of 701 Benning Drive stated the Commission was limited at how much advertising you could do but saw no limitations as to what Mike Buckingham did on the first vote. He further commented that there was not one thing put out on the second vote saying please help us, we really need this. Mike Buckingham stated that over 300 people asked him the last time and he stated he shook their hands and stated he was supporting it.

Shane Stewart commented that he liked the idea of citizens working to get information out. He stated that he did not agree with the idea of the quick response vehicle. He further commented on the use of bed tax monies and State legislative restrictions regarding their use.

Jack Wilson stated that doing the wrong thing efficiently is not necessarily the right thing. He stated that unless we get at the manning and the personnel costs which make up 80% of our budget we are not making a dent. He stated the question he had is that he pays taxes to Okaloosa County for EMS service, so why do they elect to only have two vehicles in our entire district. He said this is because of the fire department. Jack Wilson stated that if someone wants us to be in the ALS business, like South Walton, let's get paid for it. If they don't want to pay us for it let's move that service scope line back down, that will impact our staffing, our scheduling and our personnel cost. He further stated that we will be doing this because we will be protecting our core mission of protecting our citizens and property against fires and hazards.

Shane Stewart commented that stopping the firefighters from going to the grocery store or out to eat, to cut down on cost, has taken them out of the public, which in turn, takes them out of the interaction with the public. He asked what if we do decide not to respond to EMS, what is the backup for this.

Kitty Amonds stated that if we listen to the public then services must be cut.

Mike Buckingham stated that what he has heard from the public time after time is why can't you guys get together and make this work. He stated that we are trying to work with you guys, not fight you guys.

Virgil May stated that so far everything has been on the backs of the firefighters. He stated all he wanted to do was be a firefighter here. He said since he has been here this place has gone straight downhill. He said we need to look at the reason why and it is not just economics, it is the happiness in this fire department. He further stated it is very aggravating because we work for the public and we work hard. He said we need to look at something else, if everything is going downhill at this station and all the firefighters are unhappy, there has to be something wrong and he believes it starts at the top with this man here. He said the way this whole thing has been handled with the public is sickening.

Jack Wilson stated if anyone is dissatisfied with any Commissioner, three of us are out of a job in November. He stated that if you don't like the amount of sick time that is in the union contract that opens up next year. He stated that is not going to solve the problem today and what we have to do right now is decide what is the scope of service of this department.

Steve Menchel suggested reaching out to those who voted against this and get feedback from them. He said to put it on the backs of the citizens.

Jim Foryea of 1006 Mill Drive stated this fire control district and the management and the Destin Professional Firefighters' Association is one unit trying to reach out for the same goals and the same prospective. He stated his discussions with the elected leaders of the association showed they are willing to work any way they can with the management and with the board to find whatever concessions can be done.

Felix Romero of 1014 Airport Road stated he is a firefighter at this district and some of the miscommunication we are getting is that if the union does not open the contract to certain Commissioners liking then the bottom three to nine employees are irrelevant and can be expelled at any time. Rick Moore stated that in the contract it states that if there are layoffs then you have to discuss it. Tommy Green stated that the Commission has not looked at anything at this point but has had staff draw up options available.

Prebble Ramswell of 14 Country Club Drive suggested looking at the TDC and the bed tax dollars. She stated that it can be used for tourism administration and contingencies for local emergency funding. She stated this would be worth looking into especially if we are talking about losing advanced lifesaving.

Claude Newland of 4033 Indian Trail stated that this particular set of circumstances is something that a lot of folks have gone through. He stated to focus on the procedural steps and methodology you want to take at this point. He stated a lot of good things have been suggested such as bed tax dollars or ems as a continued service. He suggested that the union come forth with some things.

Bob Flynn of 532 Kelly Street stated his appreciation for all you have been doing lately in the last election. He stated what torpedoed us at the last election was misinformation. He stated that he heard from a state council person that a starting salary for a firefighter was \$77,000 a year. He stated he is a nine year firefighter and makes \$15.14 per hour and a buck or two more an hour for being a paramedic with a four year degree. He stated we get six and a half days off a year, which doesn't include Christmas, Easter, etc. for sick leave and eight days off for vacation. He stated that he does not think that is excessive. He said we don't work a normal schedule, we work 2916 hours a year, we don't get overtime until our 54th hour, and it's hard to live in this town making \$15.14 an hour. He said it is upsetting that people don't understand that six days off for sick is not a lot and eight days off for vacation is not a lot, when you don't get Christmas off or Thanksgiving off or the day after Thanksgiving off or New Year's off. He further stated we pay 6.8% into our pension. He asks the public to look into this and to understand it.

Budget and Restructuring of the Department:

Kathryn Wagner presented the Commission with an estimated deficit for the fiscal year 14/15 of \$610,000. She stated that the estimate was derived from looking at our approved budget for the current fiscal year and adjusting it for known additional expenses up to this point. Then any know capital expenditures have been removed as they will be paid for out of our asset fund. Property values have been increased by 1.5%, as this was what we saw last year. Expenditures have been

adjusted by an inflation rate of 2%, however this does not cover all expenditures. The majority of personal costs will remain. Medical insurance has been increased by 15% after consulting with our broker.

Kevin Sasser stated we have found ourselves in a very difficult situation as we have tried to increase our revenue and has been told no. He stated we have pulled rabbits out of our hats for the last four years and have done everything possible to find funds to make up this deficit. He stated we are coming to the end of those funds that are available, which are our unrestricted reserves and we anticipate them being around \$788,000, with a deficit of \$600,000. He further stated that reductions which were made were able to increase the reserves.

Kevin Sasser stated the options which are presented to the board were given, not using any reserves, to show ways how we are you able to balance your revenue with your expenditures. He presented the options as follows:

Option 1 would be to shut down Station 10, eliminate associated position, layoff 6 employees, and restructure the shifts. He stated this would provide a savings of \$560,070 which is short of the deficit by \$50,538.

Option 2 would shut down Ladder 9, eliminate association positions, layoff 6 employees, restructure shifts, and only respond to EMS calls when requested. He state this would provide a savings of \$538,661 which is short of the deficit by \$71,947

Option 3 would discontinue responses to all medical calls and lay off 3 employees. He stated this would provide a savings of \$499,524 which is short of the deficit by \$111,804.

Kevin Sasser reviewed additional options to make up the short fall of the three options presented which were laying off 6 employees by May 1, 2014 which would provide a savings of \$156,980 in the current year and laying off 3 employees by May 1, 2014 which would provide a savings of \$80,153 in the current year.

Kevin Sasser stated this is where we start and doesn't know if this is where we finish. He said we need to have the hard facts and where we are going to be. He said he had spoken with the union president who has stated he is willing to work to try to overcome this.

Kevin Sasser stated that of these three options if he had to recommend one, he would recommend option 2. He stated a memorandum of understand could be brought forward at any time. He stated in order to get to a point where we can have some discussions with the union the board can make a decision that we need to move forward and lay these people off, then they have to come to the table, as the contract says, and have to discuss remedies to keep from laying people off. He said another way is they can come and sit down and discuss it with us at any time. We would need to advertise it. He stated their concern is they don't want to open the whole contract right now. He said they would like to talk about those things which would provide some relief of the numbers we are looking at to keep from sending guys home.

Jack Wilson asked on option 2 if we shut down ladder 9 would we sell the apparatus. He then stated the depreciation on the asset fund would no longer be necessary and long term it would reduce our accumulated depreciation for that asset. Kathryn Wagner stated that was not accounted for as we would still own the asset. Chief Sasser stated that the ladder would be cross manned for structure fires.

Jack Wilson stated that there are three things we can do. He said the first is to increase revenue, the second is to reduce the scope of services, and the third is to look at cost elements. He stated that the right answer is probably going to be a combination of all these items.

Shane Stewart commented that the employee cost of 80% was not a bad number as this means the district has no debt. He stated this is a good thing and the employees are not only a liability but also an asset.

Chief Sasser stated that by the witting away at our non-employee costs has driven the employee cost up to 80%. He also stated that the trucks can't drive themselves and that we are a service oriented business. He stated without our personnel we don't have a service to provide, so we have to find that delicate balance.

Rick Moore asked at what point are we going to make a decision. He stated we have had options and have kicked the can down the road. He stated we need to make a decision sometime soon. He stated we have said many times to the union we need your help and at what point are you going to come to us and offer that help, so that we don't have to go down this path.

William Kennedy stated the way that just came across to him was that we have never worked with you. Rick Moore rephrased his statement that we have been kicking this down the road for the past year. He further stated that in previous meetings we have asked you guys to come up with something to help us, before we even went to the voters. He stated we want you to come back and work with us. He said we are willing to work with you, just present something so we don't have to go down this path.

Kevin Sasser told the board that they can take action now, they can wait until the next meeting to see if the union wants to work, and they can direct him to make for formal action on the EMS issue and speak with the County Administrator to discuss our ideas.

Tommy Green stated that we roll on all medical calls and our average response time is around 6 ½ to 7 minutes and the County's response time is around 12 to 14 minutes and the national average calls for it to be less than 9 minutes. He stated he believes 8 minutes is the cap for a heart attack or someone in a cardiac arrest position. He stated that pretty much we are able to respond under that 8 minute line. He said for us to be able to provide that service is awesome, however, that could be cut from our budget. He stated we need to go to the County and tell them if you need us to back you up and be there first we need to get some help.

Rick Moore made the recommendation that we start the dialog with the County.

Steve Menchel stated that as far as the TDC funds are concerned, it is not an automatic rubber stamp that you would get it, it is working with the State and our County people to expand the utilization authority. He stated the large majority of our EMS rolls during the summer are tourists.

Jack Wilson asked if we shut down station 10 what would we do with the station, can we lease it out or can we sell it, what do we do with the redundant apparatuses. He stated that because we consolidated and eliminated one apparatus, we take one shift off which is how you get to the six employees. He commented that the cost savings could be a lot more than 6 employees.

Mike Buckingham stated that we can't shut down the station. Tommy Green agreed and stated we still need to be able to respond to people.

Prebble Ramswell inquired about selling the boat and letting the beach safety division and the coast guard respond to calls. Tommy Green stated that would be a onetime deal and we need to figure out something that can reduce our loss year after year.

Shane Stewart asked that the Safer Grant be considered. Chief Sasser stated that with that grant your hands are tied and once you accept that grant, you have to maintain you manning.

Jack Wilson stated he would like to see pros and cons of options put together.

Mike Buckingham stated he hears tonight that everyone wants to work together and is hearing that Chief needs to sit down with Justin and see if they can't work out something.

Mike Snider an employee of district stated you are asking the union to come forward and we are more than willing to do that. He stated his concern is that we don't know where we stand. He said for us to split \$600,000 is a \$20,000 reduction per employee, per union member. He stated the concern is we don't know where to start, if we come forward with something ridiculously low that does not do any good, but if we come forward with something with all \$600,000 then we are all starving and cannot support our families.

Jack Wilson stated what we need to go forward with is \$610,000. He stated we can do it one of two ways. We can cut what we do, which eliminates a shift or we don't ems, or the other way to do it is to look at the cost components of what we do, and that is salary and benefits and all that. He stated there is some balance which has to happen and can we get more revenue from the TDC, can we get paid for EMS work, can there be some concessions on the cost components.

Claude Newland stated going forward he would encourage the Commission not to take anything off the table in respect to potential solutions. He recommended more time to review staff recommendation and union recommendations. He also recommended a timeline to advertise and education the public before the final decision.

Tommy Green stated we would meet again in two weeks to review more information at our regular meeting on the second Tuesday of the month at 5:30pm.

Adjournment:

With no further business to be addressed, the meeting adjourned at 7:51 p.m.