

DESTIN FIRE CONTROL DISTRICT

Budget Workshop
Main Station
848 Airport Road
Destin, Florida

August 25, 2015

Minutes

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

Commissioners absent: Mike Buckingham

Staff present: Chief Kevin Sasser, Kathryn Wagner

The workshop was called to order at 5:30 p.m. by Tommy Green. He stated the workshop is to discuss the proposed budget for the 2015-2016 fiscal year.

Kathryn Wagner stated further adjustments were made from the last budget workshop beginning with increasing proceeds from the Sale of Assets- Beach Safety by \$5,000 which will include the sale of the Beach Safety vehicle. She stated the annual expenditure in personal services of wages-duty overtime has been split into 2 line items to segregate the cost of manning the fireboat in the summer but the total amount has not changed.

Jack Wilson asked if we are limited on what we can label the line items, under wages, could we call it boat instead of other. Kathryn Wagner stated we are not limited, however a broad term was used because these categories fall under the Chart of Accounts which would grow tremendously if specific categories are named year after year.

Jack Wilson asked if the intention was to isolate the cost of providing the fireboat service. Kathryn Wagner stated yes.

Kathryn Wagner stated on page 3 under capital outlay, vehicles Engine 9 has been split to separate the cost of the engine from the amount of money left to purchase equipment. She stated in past meetings the Board has given an amount of \$500,000, as a guideline, to spend on a new engine. The cost of the engine has been determined to be \$480,000 which leaves a remaining \$20,000 for equipment. She stated after some research we have discovered it will cost around \$69,000 to purchase new equipment. She further stated Battalion Chief Taylor, along with several engineers, are going through the equipment bid to make adjustments or remove items as well as working with the vendor to negotiate a discount.

Kathryn Wagner stated changes were made across the board to the beach safety division beginning with adjusting capital acquisition for the purchase of a new truck. She stated the

acquisition was already included in the budget, but needed to be increased after fine tuning the purchase price.

Rick Moore asked if we were going to purchase the same type of truck. Chief Sasser stated we are looking at purchasing a two door 4 wheel drive vehicle. Rick Moore asked if it will be a Nissan. Chief Sasser stated they will evaluate what is available through the state contract and based on price decide which model to choose.

Kathryn Wagner stated the remaining changes to beach safety are a result of fine tuning each item with Joe D'Agostino. She stated equipment repair and maintenance decreased, insurance-workers comp/liability increased after receiving rates, payroll benefits, payroll tax, and wages all decreased due to not hiring a second full time employee.

Kathryn Wagner stated the overall effect of all the adjustments is a decrease of over \$700 to the use of unassigned funds. She stated the last page detailed the proposed use of \$209,244 of unassigned funds starting with a base budget, then the effect of being awarded the SAFER Grant, the purchase of a new engine and the sale of Engine 10, and the manning of the boat during the summer of 2016.

Jack Wilson stated he suggested that we fund the purchase of the engine entirely from the asset fund. He stated the effect of that would be the annual charge for depreciation will be slightly higher than if some money was taken from the Asset Fund and some money was taken from the unassigned Fund. Kathryn Wagner stated we have unitized what has accumulated from the asset fund, the rest has been paid for from the working budget, and a base has been set of no less than 10%. She stated last year we were 2% under, with the budget as it is proposed now we will be 5% under, if we fund the one asset entirely from the Asset Fund we would be 15% under. She stated she requests the Board not decide to change the method until she has researched how this will affect the Asset Fund.

Jack Wilson stated this is the most significant asset we have purchased since setting up the 10% base and at the end of the day it is still the same dollars but it would be a cleaner way of accounting for the purchase. He stated if we document everything it would not be a problem for the auditors.

Tommy Green stated we used to have separate funds for different assets, but we have now moved to everything under one heading. Kathryn Wagner stated the current method provides a depreciation method which tells the District how much is contributed each year. She stated the dilemma will be how will we withdraw from the fund.

Jack Wilson stated each operational year we want to see the results of operations that year and the year we decide to purchase an apparatus, the depreciation shouldn't impact how we account for the apparatus that year and operating an Asset Fund allows us to do that.

Jack Wilson asked if annual depreciation expense will increase to get back to the 10%. Kathryn Wagner stated the depreciation has already been calculated for \$500,000, but more will have to be taken from operating income to stay within 10%.

Kathryn Wagner asked the Board to give some direction on the purchase of new equipment for the truck.

Rick Moore stated we should look at the age of the existing equipment on Engine 10 before we purchase all new. He stated he understands selling the engine with all of the equipment is more appealing, but if we have good equipment, we can still use, we would not have to spend \$69,000 for all new equipment. Chief Sasser stated between the four apparatus we would put the oldest equipment on the engine we intend to sell.

Chief Sasser stated we would do a cost analysis on replacing or repairing the existing equipment for the next meeting.

Bob Wagner asked if Commissioner Buckingham and Battalion Chief Taylor recommended purchasing new equipment. Chief Sasser stated yes.

Bob Wagner asked what the reason was. Chief Sasser stated we have never purchased a truck with all new equipment. Typically equipment is rotated onto new trucks, but the equipment is old is 25 to 30 years old and it is time to replace much of it.

Bob Wagner asked if we would get a discount for purchasing all new equipment. Kathryn Wagner stated we have gotten a verbal discount of 10% to 15% and are waiting to see that reflected in the quote. She stated meanwhile, the guys are going through the quote looking for things that they may not need.

Bob Wagner stated he is torn between the two ideas, but it may be the best to buy all new equipment for longevity.

Rick Moore stated he would like to have all the information before we make a decision.

Tommy Green stated if we estimate the equipment at 10 cents on the dollar, selling the engine with the equipment for \$45,000 really puts the price of the truck at \$38,000.

Rick Moore stated we do not know if the \$45,000 is a true figure or not. Kathryn Wagner stated we are in the process of refining that number since Pierce gave us a trade in offer of \$5,000.

Bob Wagner asked if that was with the equipment too. Kathryn Wagner stated yes, but for that number we would rather keep the truck.

Tommy Green asked if that truck has been fully depreciated. Kathryn Wagner stated no, it does have a few more years.

Tommy Green stated we need to do an inventory of the equipment we have and get fresh numbers in on purchasing new equipment.

Kathryn Wagner stated our next meeting is the tentative budget hearing where the budget should be set. She stated if a decision is not made tonight, the tentative budget hearings would need to be pushed back or an additional meeting could be held before the September 8, 2015 meeting.

Jack Wilson stated the only choice would be to meet again September 1, 2015 at 5:30pm.

Tommy Green stated he agreed. He would like to see the numbers for the asset fund and adjusted numbers on new equipment. He further stated he should be able to tell the Board if the TDC is willing to pay for what he and Chief Sasser are calling the East Pass Rescue.

Rick Moore asked if we would use swift water rescue. Chief Sasser stated swift water rescue is significantly different than what happens in the Pass.

Tommy Green stated he would present the TDC with three different options for patrolling the Pass and Crab Island. The first option would be to run the boat Friday, Saturday and Sunday during the summer, the second would be to run the boat every day of the summer, and the third would be to operate a jet ski Monday through Thursday and the boat Friday, Saturday and Sunday.

Bob Wagner asked if the boat we have now is sufficient for what we are proposing. Tommy Green stated yes, all he is requesting from the TDC is the money to man the boat and the fuel to run it.

Jack Wilson asked if we are significantly increasing the hours on the boat. Tommy Green stated yes, however the boat would idle through the Pass and Crab Island most of time.

Kathryn Wagner stated the renewals from the insurance companies came in and no adjustments need to be made.

Tommy Green asked if there are any public comments.

Deborah Thurman of Kelly Plantation Destin, FL stated on page 1 of the budget she noticed the Commissioner pay went from \$12,000 to \$30,000. She stated she knew in the past Commissioner Rick Moore and Commissioner Hilary Anderson took it and that at the debate Bob Wagner pledged he would never take it. She asked if the Board is prepared to explain or not explain who will be taking Commissioner Pay and who will not.

Kathryn Wagner stated the Commissioners have the right to waive their pay at any time, but it is typically done at the beginning of the fiscal year. She stated this is a proposed budget so the entire commissioner pay must be budgeted for. She further stated if Commissioners choose to waive it, a yearend adjustment is made, but until they sign a paper waving their pay we must budget the full Commissioner Pay.

Deborah Thurman stated she could accept that, but last year's budget had budgeted \$12,000 and an actual of \$12,000. Kathryn Wagner stated she must have had signed papers in her hands.

Deborah Thurman asked if it would be something we could find out today. Kathryn Wagner stated it is the Commissioner's personal choice.

Jack Wilson stated he will not be taking the stipend. Tommy Green stated he will not be taking the stipend. Rick Moore stated he will be taking the stipend. Bob Wagner stated to call him at home if she would like the answer. This is not the time or the place for that question.

Deborah Thurman stated she will not call Bob Wagner at home. She stated she came to the public meeting to find out. Bob Wagner stated public comments are for comments not questions and answers.

Tommy Green stated to his knowledge, Commissioner Buckingham will not be taking the stipend.

Deborah Thurman asked for clarification on other professional Services and why it has increased. Kathryn Wagner stated other professional services are costs for actuarial services for the postemployment benefit actuarial study, which is required by state statute, and grant services.

Deborah Thurman asked if we have hired an outside grant writer. Chief Sasser stated no and if the District decides to apply for a grant, a grant writer will be hired to peruse that grant.

Deborah Thurman stated Commissioner Green said the boat does not need any equipment, however on page 3 of the budget; there are two items, the FLIR and side sonar, proposed for purchase. She stated it is her understanding that those are duplications of the Coast Guard.

Tommy Green stated the equipment in question was not available at the time the District purchased the boat. He stated it will assist in helping to recover people that have presumably drowned in difficult conditions and stated this equipment will be funded from the Impact Fee and not be a cost to taxpayers.

Deborah Thurman asked if the increase in legal fees has to do with lawsuits filed against the District. Kathryn Wagner stated no and that the legal fees increased to \$40,000 because the District is in full negotiations with the Union.

Deborah Thurman asked why an attorney has been hired to negotiate. Tommy Green stated an attorney was hired because every article is up for negotiations and considerable changes are being proposed which they want to make sure are done legally.

Deborah Thurman asked if any projections of cost can be made. Tommy Green stated not at this time, as much of it depends on if the Union decides to drag out negotiations and we reach an impasse.

Deborah Thurman asked if the Commissioners and the Chief all decided on the changes being proposed. Tommy Green stated executive meetings were held, but he could not comment on specifics having to do with negotiations with the firefighters.

Deborah Thurman asked the Board to elaborate on the increase in training and per diem. She asked if it was for computer training or sending someone to school. Kathryn Wagner stated it is a combination of target safety training, small event training, and large event training for all shifts.

Deborah Thurman asked if management training is included with in-house training or if that was just computers. Chief Sasser stated that would be firefighters training firefighters or possibility purchasing supplies to build props to do certain training.

Steve Mitchell 65 Siesta Block stated he suggested Commissioner Green include in his presentation to the TDC how many of the total rescues performed were on tourists. He stated as an example, the Sheriff's department stated 82% of the calls in Destin were tourists.

Tommy Green reminded the Board the next budget workshop will be September 1, 2015 at 5:30pm.

With no other discussion, the meeting adjourned at 6:32 p.m.