



Upper Captiva Fire & Rescue District

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Richard Pepper, Fire Chief • Bob Kinniry, Assistant Chief

BOARD OF COMMISSIONERS

FINAL BUDGET MEETING

19 September 2015

COMMISSIONERS PRESENT: Zeke McDonald, Roy Wildeman, Tom Jenkins, Bill Fry, Steve Sward (by phone), Acting Chief Bob Kinniry, and Chief Richard Pepper.

ISLANDERS PRESENT: Sue Ann Cousar, Karen Sirabian and by phone (John Mejia)

1) CALL TO ORDER: Chairman McDonald called the meeting to order at 10:00 AM

2) ROLL CALL: Chairman announced which Commissioners were attending in person (Fry, Jenkins, Wildeman, and McDonald) and by telephone (Sward).

3) FIRST SUBSTANTIVE ISSUE DISCUSSED:

- Proposed Millage Rate of 3.7500 mils: 3.7500 mils is the maximum rate allowed (we can lower but not increase) and this is the same millage rate as last year, if passed.
- Proposed Millage Rate is 3.58% above the roll-back rate (Rollback Rate is 3.6203 mils).
- Chair read aloud Resolution 2015-091915(1); Sirabian asked for an explanation about the rollback rate and Bookkeeper Lynch explained the rollback rate is the rollback millage rate times this year's property valuations would equal last year's tax revenue income.
- ADOPTION OF TENTATIVE MILLAGE RATE FOR FISCAL YEAR 2015/2016: **Wildeman moved, Jenkins seconded** to approve the millage rate of 3.7500 with revenue at \$645,213. Vote was **5-0 (Fry, Jenkins, Wildeman, McDonald, and Sward yes) at 10:09AM.**

4) DISCUSSION OF THE FINAL BUDGET:

- Proposed Budget:
 - Chair asked what the differences were between the original Treasurer's proposed budget and the Fry recommendations.
 - Fry stated that the numbers discussed at the Tentative Budget Hearing (setting budgeting expenditures to last year's approved budget) last week were updated to the Bookkeeper's worksheet to show the differences by line and was posted on the website before this meeting. The differences between the original

proposed Treasurer's budget and the Fry proposed budget are:

- Budgeted Revenue was **decreased by \$15,000**, eliminating the estimate for donations, equipment sale, or fund raising.
 - Budgeted Salary and Wages was **increased by \$12,027** (the amount needed above 2015's approved budget for additional part-time firefighters to maintain 4 firefighters per 24 hour shift during Chief's convalescent leave).
 - Budgeted Payroll Taxes and Fringe Benefits was **decreased by \$16,446**, increasing FICA and Workmen's Compensation for the higher salary and wages above and decreasing the retirement contribution for Chief by \$17,875 (that will be used to cover Chief's convalescent leave payments).
 - Travel and Per Diem were **decreased by \$3000** to the 2015 approved budget level.
 - Communications Services was **decreased by \$1000** to the 2015 approved budget level.
 - Rentals and Leases was **decreased by \$11,800** with the proposed decision to not renew the Staff Housing townhouse lease (and use that reduction to partially fund Chief's convalescent leave)
 - Repairs and Maintenance was **decreased by \$12,500** to "balance" the budget to the targeted 2015 approved budget level minus \$4030 (\$5970 increase in 2015 for Health Insurance and \$10,000 decrease in Accounting and Audit).
 - Promotional/Legal Advertising was **decreased by \$2000** to the 2015 approved budget level.
 - Building Improvements was **decreased by \$1500** to the 2015 actual expenditure level.
- o McDonald pointed out that Fry's proposed budget was \$143,000 under this year's expected actual spending (and Fry agreed that was about \$45K from donations and \$100K from prior year reserves).
 - o Sward asked about the \$17,875 retirement contribution reduction and Wildeman stated that this was eliminating the entire retirement for Chief, leaving only the contribution for the Assistant Chief. Fry stated that, as we discussed last week, the retirement contribution could be adjusted/increased later next year, once the Chief returns to firefighter status and we know the final dates and actual part-time costs. Sward then asked what would be done if these savings no longer pay for additional convalescent days. Fry's proposal last week would end the townhouse lease, utilities, 2015 remaining vacation days, 2016 vacation days, and his retirement contribution (fully paying for Chief's convalescent leave until mid-January); if he returned before that, whatever is left could be transferred from budgeted part-time pay back to retirement or vacation days but if he returned later, the options for Chief's convalescent pay would be "no pay due, a budget resolution that found other reductions elsewhere in the budget, out of reserves, or out of borrowing".
 - o Chair gave the floor to Chief to explain what he was asking for. Chief expressed his thanks for the compassion of the Board to work through this and agrees that

the taxpayers should not have to pay for his short-term disability pay and there needs to be a fair solution.

- Chief stated that he had already agreed to forgo his remaining 2015 (20 days) and future 2016 vacation days (28 days) at the August meeting.
- Chief proposed that the Board should approve 5 or 6 days of Sick Leave
- Based on his calculations, vacation and sick days would cover him until around mid/end of October.
- And he agreed with the incremental reduction of his retirement contribution (until he can assume his full duties as a firefighter).
- Over the next few weeks, he has a full-week of continuing education next week and he has contacted the Fort Myers Deputy Chief for additional medical training and check-rides (so that his skills will remain fresh when he returns to full duty).
- Starting in October (when his physical therapy appointments end), he will be coming out to the island more frequently to still do his administrative functions (like next ISO, public facilities report, and other long-range planning, etc.) with full-time administrative work probably in November (and return to firefighter duties in January/February) so that he would like to keep the townhouse rental.
- McDonald stated that he would contact the owner to discuss not renewing the lease now but restarting the rental when Chief returns to full-time firefighter duties. Fry stated that would mean that the cost savings would run out in early December (not mid-January). The townhouse and utilities “buys” about 21 work days of part-time replacement hours.
- Fry asked:
 - Chair if prior Boards had approved 28 work days (7 work weeks) of paid vacation for the Chief and he said that he wasn’t aware of 28 days.
 - Treasurer if he budgeted for 28 work days of vacation for Chief (and Assistant Chief) and he said no, only \$13K for both Chief and Assistant Chief (and based on Fry’s calculation, that would be 25 days or 12-1/2 days each or over \$16K for 16 days each).
 - Chair stated that we were too deep in the numbers and he wasn’t prepared to examine minutely 28 days (but it seemed like a lot for the Chief to be away from the District each year).
- Fry then stated that there were 3 big questions before the Board to finalize a budget:
 - Did the Board want to support the Chief’s request for his full cash payments during his convalescence period? And that he thought the Board had already decided that was yes.
 - How long does the Board want to continue the commitment for paid convalescent leave? Fry stated that he believed that should depend on how to pay for the convalescent period.
 - Does the Board want to pay for that out of the Chief’s total compensation, elsewhere in the Operations/Capital Investment budget,

or to borrow against the line of credit? Roughly need \$48K to cover part-time replacements. Jenkins stated that when he worked for Lee County, his employer took his sick leave and vacations (and then no pay) and at some point we'll be at that same point. Chair stated that since Board had self-insured all these years for short-term disability, we could pay 70-80% but that it would have to come out of his gross compensation. Fry said that if we pay 100%, eliminate housing, utilities, vacation days, and his retirement contribution, that is \$43K reduction against a \$48K estimated cost). The "savings" to pay convalescent pay runs out about 30 days earlier if the townhouse lease isn't terminated for the full year.

- Bookkeeper Lynch stated that we are here to adopt a budget on the fund level (not individual lines) and doing adjustments during the year of individual lines as required. Chair agreed.
- **Fry moved** that we accept Treasurer's budgeted source of funds, minus estimated discounts taken, plus a currently estimated reserve carryforward of \$31K-\$32K amount, seconded by Jenkins. McDonald asked for Board discussion. Treasurer stated that it was reasonable to use a \$15K estimate for other revenue but thought it was very conservative and reasonable to eliminate it. Chair confirmed that total source of funds was \$658,987. Bookkeeper Lynch stated that the resolution amount is for the total budget (Ad Valorem and Special Assessment) or \$1,111,336 and Chair read Resolution 2015-091915(2) aloud. Board discussion then ensued, setting budgeted expenses and budgeted reserves \$1,047,028 and \$64,308 respectively. **Fry amended the motion** to include budgeted expenses of \$606,208 and budgeted reserves of \$52,779, seconded by Jenkins. Chair called the vote **(4-1, Wildeman opposed)**.

5) PUBLIC COMMENTS & QUESTIONS: Additional comments were interspersed throughout the minutes. No other comments or questions were received after Board discussion.

6) ADOPTION OF FINAL FISCAL YEAR 2015/2016 BUDGET: Chair called the vote for Final Budget Resolution 2015-091915(2), setting the Ad Valorem and Special Assessment budgets at \$1,111,336. Vote was **4-1 (Fry, Jenkins, McDonald, and Sward yes and Wildeman voted no) at 11:45AM**.

7) ADJOURN – **Move by Jenkins, seconded by Fry; all voted aye**. Meeting adjourned at 11:45AM.

Respectfully submitted,

Bill Fry
Secretary