

Upper Captiva Fire & Rescue District

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servicing the community with pride

BOARD OF COMMISSIONERS

REGULAR MEETING

18 June 2016

COMMISSIONERS PRESENT: Zeke McDonald, Tom Jenkins, AJ LaVallie, Steve Sward (by phone), Bill Fry (by phone), Chief Bob Kinniry, and Bob Pritt.

ISLANDERS PRESENT: Bill Byrnes (by phone), Roy Wildeman (by phone), Jim Brantley (by phone), Arthur Mason (by phone), Jim Brown, and Karen Sirabian.

1) CALL TO ORDER: Chairman McDonald called the meeting to order at 10:02 AM.

2) MINUTES: Minutes of the 20 May meeting were read; **Jenkins moved**, LaVallie **seconded**, and **all voted aye** to accept the minutes without correction.

3) TREASURER'S REPORT: The current status of the accounts are:

- Balance Sheet:
 - The Ad Valorem checking account had a 31 May ending balance of \$266,197.33. On 15 June, the District received \$32,463.46 in net tax receipts from the County that will be reflected in next month's reports.
 - The Friend's checking account had a 31 May ending balance of \$15,271.84 (no change from last month).
 - The Impact Fee checking account had a 31 May ending balance of \$7,602.55.
 - The Special Assessment Fund checking account had a 31 May ending balance of \$137,723.85. On 15 June, the District received \$24,605.44 in net tax receipts from the County that will be reflected in next month's reports.
 - Fry stated that there were no unexpected outstanding liabilities other than transfers between the General Fund and Special Assessment Fund.
- Consolidated Income and Expense Report:
 - Overall, in the Consolidated Budget, the District is 68.61% spent (and we are through 67.7% of the year)
 - As we have discussed before, the Line of Credit repayments at nearly 100% skew the overall figures. It is best to focus on our major categories: Pay & Benefits that are at 66.21%, Operating Expenses are at 54.08%, and Capital Purchases are at 67.67% after the new crew boat purchase (all are at or under our straight-line expectations). The Treasurer also reported that there was up to \$14,000 in the FY16 Capital Budget

for purchasing a new Utility Vehicle this year, as requested by the Chief, that would fully spend the remaining Capital budget.

- For overall tax collections, we are at 94.81% through 31 May, compared to 93.8% for May 2015 (and about 99.95% after the 15 June deposits).
- Sward asked about Worker's Compensation expenses that are currently at 95% spent and whether all payments have been made for the rest of the fiscal year, since we pay each quarter in advance. Chief will verify with Bookkeeper before the next meeting.
- **Sward moved** to accept the Treasurer's Report, Jenkins **seconded**, **all voted aye**.

4) FY15 AUDITED FINANCIAL STATEMENTS: Chair suspended the agenda for presentation of the audit by Jeff Brown and the main point is that the Auditor provided an "Unmodified" finding (similar to the old "Unqualified" determination), which is the best finding possible; moved by **Jenkins to accept** the FY15 Audited Financial Statement report and **seconded** by LaVallie; **all voted aye**.

5) CHIEF'S REPORT: Calls to date are 74 (8 this month), including a structure fire on Cayo Costa (with Pine Island and Boca Grande departments also responding), a fire on the beach, plus a leaking Liquid Propane tank (likely caused by a tree branch falling during TS Colin)

- The total DoF grants approved were for \$5500, the total amount of repairs and modifications, and \$2750 will be returned to the District once the work is completed.
 - P-191 (500 gpm pump) Status: The Division of Forestry (DoF) military pump modifications are still in progress since DoF work became Red's AOK Motors priority but our work should be completed by the end of this month.
 - B-191 (Brush Truck Replacement) Status: The DoF brush truck modifications are still in progress since DoF work became Red's AOK Motors priority but our work should be completed by the end of this month.
- Boat Updates:
 - Replacement Crew Boat: Purchased for \$19,000, it was placed into service and was added to the insurance policy.
 - Old Crew Boat Update: The insurance company paid \$4500 for the claim for the vandalized boat's hull. We retained ownership of the old motor and it will be listed on govdeals.com with a reserve of \$5000 shortly.
- R-191 (Medical Mule) Replacement: Chief asked for permission to begin the purchase since it is within the approved budget and Chair stated that it was a sense of the Board that purchase should occur now rather than waiting, based on the needed replacement of the failing back-up rescue vehicle (and then list that 8-10 year old utility vehicle for sale on govdeals.com).

6) COMMISSION REPORTS:

A) Fry-2014 Special Assessment Update: No new payments this month

B) LaVallie-Community Committee Update: Congratulated Bill Byrnes on his work to date on the new Committee and stated that the Committee plans to focus on 6 issues: **Brush Piles** (eliminating them throughout the Upper Captiva community, working with County Code Enforcement), **Easement Issues** (trimming back roads for firetruck passage plus owner encroachment on the easements with fencing and landscaping), **Road Maintenance** (including a possible Municipal Services Taxing Unit MSTU or UCFRD-funded work under HB1717 that reauthorized the District), **Fire Access Road to the South Banks**, **Clean-Up of Unapproved Dumping Zones**, and **Finishing the House Numbering** project (about 10 homes still unnumbered after working with owners and property managers and that final listing should go to Code Enforcement for completion). Public asked question whether the District was taking a position on supporting an MSTU and Chair stated that we were not.

7) OLD BUSINESS:

A) Changing Regular Meeting Days:

- The sense of the Board is that regular meetings will continue on the 3rd Saturday for the remainder of this Fiscal Year (through 30 Sep 2015) and that, starting in October, the regular meetings will move to the 3rd Friday of each month, remaining with a 10AM start.
- The September 2017 preliminary budget meeting will likely remain on the Saturday before the September regular meeting on the 3rd Friday but will be decided at the July 2017 regular meeting.

B) Required In-Room Quorums at Meetings:

- LaVallie asked whether we needed to resolve Commissioner scheduling to ensure 3 commissioners are in the room for July and Pritt stated that Florida AG Opinions have reiterated that requirement many times over the years.
- Sward asked whether there were any Sunshine Exemptions for closed meetings, such as for open litigation or personnel issues. Pritt stated that an exception exists for union contract negotiations (doesn't apply for UCFRD), Homeland/Domestic Security, and to discuss matters in pending litigation (not threatened action) with the Board, the Chief, the Attorney and a Court Reporter but that personnel issues are not exempted.
- Chief stated that the Budget Hearings will be the Regular July Meeting (Set Tentative Millage Rate, Set Preliminary Budget Hearing Date, and Review the Special Assessment Methodology and Roll), Regular August Meeting (Accept Special Assessment Methodology and Roll), and the two September meetings for the Preliminary Budget Hearing & the Regular Meeting for Budget Approval.
 - Chair and Jenkins stated that they would be on-island for all meetings
 - Sward stated that he will return to the island for the October Meeting
 - LaVallie stated that he will be on-island for the July Meeting
 - Fry stated that he will be on-island for the August and the first Preliminary Budget

Meeting in September, as tentatively scheduled, but that we may have a quorum issue for the planned second budget meeting in September since he will be out of the Country from 15-30 Sep and proposed scheduling the meetings on 6 and 10 September (or some other dates)

- No decision was made on scheduling the two September meetings

8) NEW BUSINESS:

A) FY15 Audit Report: Moved and discussed before the Chief's Report

B) FY17 Budget Worksheets: The primary purpose of the presentation today was to provide an early look at how the numbers were put together, using end of May actual expenditures, to answer high-level questions from the Board and Public about the numbers, and then allow everyone to consider their more detailed questions for the July, August, and September budget meetings, with the goal of having the 2nd September budget meeting being less contentious than in the past 2 years.

- The preliminary working budgets were created using the high level decisions by the Board from the May meeting:
 - General Fund assumed the maximum 3.75 millage rate against the estimated \$172,225,000 in overall property valuation for total net revenue of \$626,844 (after estimated early payment discounts), an increase of only \$600 over this year
 - The Special Assessment assumed the same gross revenue of \$466,042 that would net at least \$447,400 after early payment discounts (the same net assessment for Years 1 and 2)
- The overall proposed budget shows a preliminary surplus of \$29,476 for the General Fund and \$13,544 for the Special Assessment (and these numbers will fluctuate depending on decisions of the Board throughout the process).
- The Pay & Benefits Worksheet shows current staffing, including DC Pepper and his \$10K for employee-only insurance, without raises or other benefit changes (other than the \$2600/year raise approved for Chief Kinniry last month) but we did propose reductions in the total Pay & Benefits category due to the completion of Chief Pepper's post-injury payments and no longer a need to pay for a 5th firefighter after that period
- The Equipment Worksheet shows Chief Kinniry's equipment request and confirmation that the proposed FY17 budget will provide funding for his identified priorities
- Chair asked about a "Proposed Collection Invoice" from Lee County and Fry stated that he believed that was the Tax Collector's estimate for the District's share of operating and collection costs for next year and the slight increase was included in the draft budget.
- Sward asked why valuations remain low from the Tax Assessor, despite apparent rising values from recent sales and Chair stated that Wildeman had made repeated requests in years past to the Assessor's Office without success and Fry stated that, according to an insert in the News-Press, UCFRD had the lowest increase of all Lee taxing districts of 0.25% over last year's total valuations.

C) Staff Housing: Chief stated that his landlord had listed his house for sale but that he didn't think the sale would be quick but that the Board might need to consider a more permanent solution for housing sooner than expected.

- Chair stated that Board could always reconsider a station addition that included a second apartment that would permanently solve the problem and Fry reminded the Board that Wildeman, after many discussions with Lee County Zoning officials, determined that a variance or exception would be required for more than one "caretaker family" to live in the fire station.
- LaVallie asked about purchase of an existing home and whether anyone was running the numbers to purchase with a mortgage rather than spending the money on rent
 - Fry stated that the Board chose in the Chief's contract to provide a housing allowance to Chief where both the District and Chief paid taxes on that money, that we provided a \$2600 raise to help Chief pay those new taxes, and that the paid housing allowance would get the District out of the housing business and put the onus on Chief for his future housing
 - Chair stated that we primarily did that to resolve the problem of no tax identification number from the landlord and asked Pritt how the District could accomplish a purchase
 - Before Pritt answered the Chair's question, Fry asked Pritt to refer a question to a Tax Attorney to provide the Board with an opinion on the tax consequences to the Board and Chief on purchasing a house "not on the UCFRD campus", the requirement to determine fair market rent, and the tax consequences of a District house purchase
 - Pritt stated first that the tax consequences would be referred to one of his firm's tax attorneys since he was limited by law from providing legal advice on tax questions but that:
 - If the District were to purchase a property, the house would be removed from the tax rolls (reducing the District's tax revenue slightly)
 - The District cannot enter into a long-term mortgage under state law
 - The District can enter into a "lease/purchase" agreement, but for long-term financing for more than 12 months that is paid out of the Ad Valorem tax revenue, a voter referendum is required.

D) Elections for UCFRD Seats: Pritt reminded the Board and the Public that all 5 seats for the Board are up for election and that the qualification period runs from 20-24 June from noon to noon, he believed. Fry stated that Chief has the website links for any Public interested in either running for a seat or seeing who the candidates are.

E) Updated Hurricane Plan: Chief stated that the updated plan is now on the website and information was in the last UCCA Newsletter, with copies available on request.

9) PUBLIC COMMENT: Comments made throughout the meeting. Public question to the Chair and Pritt on the status of DC Pepper's temporary suspension and the continued expenditure of taxpayer money without approval by the Board. Chair asked whether the question was focused on spending any money on legal fees or spending in excess of the approved budget limit for legal fees and the Questioner said the question was whether the legal fees were now above the budget limit or would be expected to exceed the approved budget in the near future. Pritt stated that his firm is General Counsel to the District and takes guidance from the Chief or the Board. Next question was whether the inquiry was completed and, if not, when it would be completed. Pritt stated that the inquiry was still incomplete with one action remaining and that, until that action is completed, the inquiry is still open and could not be discussed. Once the inquiry is complete, the outcome of the inquiry could be discussed. Next question was whether there was a budget line for legal fees and whether that limit could be exceeded without Board approval and Chair answered that the Board would have to accommodate the costs, whether it was a reallocation of funds after the fact or not but that it behooves the District to be as frugal as possible with public moneys. Fry asked Pritt whether the legal invoices received are public records that could be requested by the Public and Pritt stated that they were public records.

10) NEXT DATES: Regular Meeting Saturday, 16 July 2016

11) ADJOURN – **Moved by Jenkins, seconded** by Sward; meeting adjourned at 12:51PM.

Respectfully submitted,

Bill Fry
Secretary