

Upper Captiva Fire & Rescue District

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BOARD OF COMMISSIONERS

FINAL BUDGET MEETING

30 September 2017

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

ISLANDERS PRESENT: Sue Ann Cousar, Karen Sirabian, JoAnn Beiermeister (by phone), and Bill Byrnes (by phone).

1) CALL TO ORDER: Chairman McDonald called the meeting to order at 10:01 AM

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

3) FIRST SUBSTANTIVE ISSUE DISCUSSED:

- Proposed Millage Rate of 3.7500 mills: 3.7500 mills is the maximum rate allowed
- Proposed Millage Rate is 9.3% above the roll-back rate (Rollback Rate is 3.4309 mills).
- Board Discussions:
 - Fry stated that the Board could decide, based on our public notice, to theoretically approve any millage rate between 0 and 3.75 mills (our maximum rate) but that the budget presentation in front of the Board, that was updated after the August meeting, gave revenue and reserve options for 3.4309 mills (the rollback rate), 3.51 mills (a rate that would generate about \$75K in additional reserves in FY18), and 3.75 mills that would generate
 - As a change to Fry's previous recommendations to reduce the millage rate to something closer to the rollback rate, those recommendations were before IRMA. Based on the still current unknowns for IRMA, whether we will have large bills for chipping debris, and whether we will see any reimbursements for those unknown bills, Fry now recommends that we approve the maximum millage rate of 3.75 mills. If we don't receive large bills (or receive any reimbursements), the larger millage rate will increase our reserves much more than preferred, and we can reconsider a millage rate reduction next year.
 - Sward asked whether, due to IRMA, whether we had some shifts without the normal 4 firefighters/shift, generated any large savings and Fry said it was only 3 days in savings, that we had some CAPTs stay over for 30+ hours, so that the numbers are miniscule, compared to our \$1 million annual budget.

- Sward then asked whether we have any known bills for post-IRMA clean-up and McDonald stated that the roads were cleared at no cost but there are vegetation piles on the sides of every road that will constitute a fire hazard that need to be chipped. McDonald also stated that it is too early to know whether the County-awarded vegetation disposal contract includes North Captiva or not. If it does not, we will likely need to pay for chipping and we can hope for FEMA reimbursement. Fry stated that we have \$15,000 in the proposed budget for firelane clearing and post-IRMA cleanup caused most of the clearing to be accomplished so that money would be used for further cutting and for chipping.
- Sward agreed that it would be prudent to approve the 3.75 maximum millage rate
- McDonald stated that the maximum millage rate adds about \$65K in revenue and that the Treasurer may not have fully funded a 2nd full-time employee. McDonald reiterated his desire to have a full year's operational reserve or about \$1 million and the estimated reserve at full millage rate provides \$394K or about 1/3 of that amount. Furthermore, if we don't have to spend into that reserve, the Board will have greater flexibility next year to lower the rate.
- Fry pointed to the budget present that the difference between the max millage rate and the 3.51 mils, it raises only \$40K more
- Public asked what is the difference to individual taxpayers between the 3.51 mils and 3.75 mils and the answer was less than a 4% difference, on average, to each taxpayer
- ADOPTION OF FINAL MILLAGE RATE FOR FISCAL YEAR 2017/2018: **Fry moved, seconded** by Sward to approve the millage rate of 3.7500 with revenue at \$730,463 (net \$708,549, after expected early payment discounts).
- Chair read aloud Resolution 2017-093017(1)
- Vote was **5-0 (Fry, Jenkins, McDonald, Sward, and LaVallie yes) at 10:21AM.**

4) DISCUSSION OF THE FINAL BUDGET:

- Final Budget proposed for both Special Assessment and General Fund is \$1,413,155
 - Fry proposed that we discuss the budget by our major categories, as we have in the past, to reflect our final decisions for the Public. Chair agreed.
 - Pay and Benefits:
 - **Fry moved** that we treat the \$5000 increase to Chief Kinniry's pay in FY17 as a special, non-recurring bonus for his work as Acting Chief from August 2015 – March 2016, resetting his base pay to \$55,000 and the District's retirement contribution to \$13,750, down from \$60,000 and \$15,000 respectively, **seconded** by Jenkins.
 - Chair attempted to conference in Attorney Pritt but was unsuccessful. Chair stated his concern was giving a bonus to government employees and Fry stated that he thought the limitation was giving one in the future, not looking back into the past.
 - Fry reminded the Board that every discussion about the Budget, since April, Fry believed the raise was inappropriate since it was approved only 4 months

after the contract was signed AND less than half-way through the Chief's probation period but that it might have been more appropriate as a bonus for that extra work from August 2015 – March 2016.

- Sward stated that he agreed that the Board has the right to set the salary and benefits before the start of each contract period but can't change the numbers after the renewed contract and that, with recent events, it was prudent to re-evaluate both the \$2000 that he proposed in August and to consider re-characterizing the \$5000 increase paid this year and that, if our Attorney tells us it is illegal, we would make the change in a budget amendment process next year.
- Fry reminded the Board that no contract modification or amendment was done in September 2016 codifying that \$5000 annual increase or the \$1250 increase in retirement contributions and that the signed document at \$55,000/\$13,750 is the contract that automatically renews unless we sign a new document today.
- Chair stated that Fry's past budget presentations showed \$62,000 pay and \$15,000 retirement did not reflect a reset of salary back to \$55,000/retirement to \$13,750 and Fry reminded the Board that the presentation reflects the Board's direction at past meetings, not Fry's recommendations. The document in front of the Board is the "what if" budget that Fry was directed to provide, based on the Board's August discussions and that was generated on 19 August, the day after the meeting.
- Chair proposed delaying any discussion of a raise and passing the budget in front of us. Sward and Fry responded that, if we leave today without voting on the motion that was seconded, it very well could be moot if we don't take the vote BEFORE Chief's next contract becomes effective on 1 October 2017 tomorrow. Sward also stated that we could reevaluate the salary anytime next year and the most prudent thing would be to set the Chief's salary at \$55,000 and our retirement contribution to \$13,750, effective tomorrow. We can then discuss it again next month, if we change our mind or we determine that we don't have the legal authority to set the Chief's compensation before the start of each contract year.
- Fry also reminded the Board that no matter what the individual line items in the budget in front of the Board is, once we approved the millage rate, the bottom line budget that we would be approving is \$1,413,155, with changes between Pay & Benefits, Operations, Capital, and Unrestricted Reserves. The unrestricted reserve being the balancing line, either up or down, to make the total \$1,413,155.
- Chair asked the Chief to comment and Chief said that he believed that his base pay was \$60,000 and that the Board voted in August to give him a \$2000 raise. Chief said that he was willing to forgo a \$2000 raise if his salary and retirement remain at \$60,000 and \$15,000. He is willing to complete additional certifications to earn that \$2000 raise in the future. Chair agreed and stated that he believes Fry's motion is a punitive action and Fry stated

that it was not, that Fry was opposed to raises after the May 2016 contract signing and that position hasn't changed.

- LaVallie stated that the Board had increased the base salary to \$60,000 and that he agreed with Sward that recent events needed to be considered but that until the after action reviews are complete, it may be premature to make a decision about compensation before the reviews have played themselves out. LaVallie feels that the middle ground is to treat the salary as \$60,000, to forgo the \$2,000 proposed raise, and reconsider in October and that was rejected as a friendly amendment
- Fry agreed with Sward that, if our attorney tells us that the re-characterization is illegal AND that we can't set the Chief's compensation package up or down BEFORE the contract start date, we can adjust the budget with a budget amendment, as we have done 3 times this last year.
- Chair proposed that we pass the budget with a \$60,000 salary and that the Chief work without a contract for the next 3 weeks while we discuss this with Attorney Pritt and Fry said that the contract is renewed and that, according to past statements from the Chair, no budget numbers can be approved until the Final Budget Hearing.
- Jenkins asked Sward if he was suggesting whether we approve the salary at \$55,000 until we meet again in 3 weeks to readdress, knowing that the Chief has a large number of items to provide the Board at the next meeting and, driving around the island, he has heard an earful from islanders who are not happy with the Chief's performance or pay scale.
- Chair restated that Fry's proposal was punitive and that he doesn't believe that any action by the Chief was unreasonable. Fry agreed with the Chair that both the Fire and IRMA operations were a success, even though the Chief didn't receive prompt notice on the fire alarm and the generator ran out of propane. Fry again stated that the motion wasn't punitive but was an attempt to refight a motion that was lost 12 months ago on the inadvisability of providing a \$5000 raise so soon after the contract was signed, during the probationary period. Chair restated that Chief's pay is less than an Engineer on Pine Island and less than \$17,000 higher than a new hire on Captiva. Fry agreed but again stated that our District isn't comparable to any other District and that Chief has compensation items other than salary that we fought over between March – May 2016, including the \$400/day for extra shifts the Chief works after someone cancels at the last minute and no replacement can be found that has totaled \$8,400 this year for 21 shifts. That means that his total paycheck has totaled over \$68,400 this year, plus the non-cash benefits that includes a new disability insurance policy that costs over \$2400 each year, 5 additional days of PTO and the ability to accrue 10 PTO days each year. Chief working those extra shifts is a way for him to receive greater paychecks but those shifts don't cost the District anything, since we would have paid the part-time firefighter that he replaced.
- Sward again stated that we put into the budget \$55,000 and set the Chief's

pay be reset to \$55,000 doesn't preclude our re-discussing this at the October meeting. Chair stated that he was very much against the idea of the Chief working extra shifts to make up the difference and the punitive decision to reduce the Chief's salary because of internet chatter is not right for the Board to go in that direction.

- Public asked for clarification on what the Chief was paid last year, based on the May 2016 16+ month contract was \$55,000 and that the amount was raised to \$60,000 in September 2016 for 1 October 2016 – 30 September 2017 but Fry stated that no written amendment was done AND that the initial contract for that 16+ months included a probationary period that ended today. Public asked if she were to pull the contract out, what would she see, and Chair said she would see \$55,000 base salary paid in semi-monthly installments since 26 May 2016. Chair said that the Board voted a \$5,000 raise at the September Final Budget Hearing a year ago but was not documented in a written document. Sward again stated that we gave Chief a \$5,000 raise but that was for the contract period that ends today and we are talking about the salary and retirement that is effective starting tomorrow. Fry stated that if the Attorney tells us that it is out of order, then it will have to be discussed next month but remember that we have a history starting 2 years ago to discuss the last Chief's pay and benefits at nearly every monthly meeting. Fry also suggested that maybe the Board should only have discussions about the Chief's compensation at the March/April meeting, when constituents are on-island since nothing says we have to make the Chief's raise effective each October. Public says that it may not be fair to look at something retroactively and she agrees with LaVallie that the pay should remain at \$60,000/year.
- Fry asked that the question be called for a vote
- Chair called the vote and the motion **passed 3-2 (McDonald and LaVallie against)**
- No other changes to the proposed Pay & Benefits budget presentation were identified by the Board
 - Operations: No changes to the Operations budget were proposed
 - Capital: No changes to the Capital budget were proposed
- Chair read aloud Resolution 2017-093017(2) and confirmed the total budget number with Bookkeeper Lynch, which was what was advertised in the News-Press
- **ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2017/2018: Fry moved, Jenkins seconded to approve the total budget at \$1,413,155. Vote was 5-0 (Fry, Jenkins, McDonald, Sward, and LaVallie yes) at 11:21AM.**

5) PUBLIC COMMENTS & QUESTIONS: Will there be an agenda item on the October agenda to discuss the \$55,000 salary, along with the After Action Reviews? Fry said that it would. UCCA Board was asked to survey islanders regarding the Chief and the Fire and they were held off until the Chief completed his report of the Fire. Fry stated that the initial draft of the incident report was posted on the website before the 18 August meeting and the final/signed version

with timeline was posted before the 16 September meeting. Chief stated that the State Fire Marshal and Lee Arson investigators report have not been finalized or published yet. Question: What happens if the Attorney determines that the vote of the Board was illegal or out of order? Chair stated that we have set ourselves up for doing something out of order but we would have to rescind our last vote. Chair and LaVallie expressed similar comments that a punitive decision was made by the Board because of internet chatter and that we shouldn't be putting ourselves into the position where we shouldn't be reducing the Chief's compensation as a reaction to an event right before setting the Chief's compensation. Fry again stated that the motion wasn't punitive and that Fry believes that the response to the Fire was a SUCCESS, even though notifications were difficult because of our island environment and that IRMA preparations and recovery have also been a success, despite running out of propane. LaVallie and the Public agreed. Public stated that much of the internet chatter is a tissue of lies and wants the minutes to reflect that she said that.

6) ADJOURN – **Move by Fry, seconded by Jenkins; all voted aye.** Meeting adjourned at 11:42AM.

Respectfully submitted,

Bill Fry
Secretary