



Fiscal Year 2019 Budget

June 2018 Budget Development Facts, Assumptions, Questions & Initial Working Numbers

Bill Fry, Commissioner



Actual MMA Balances in First Quarter FY18

Desired
Ending
Minimum &
Maximum
Cash
Balance for
FY19 is
\$150,000

Date	Reason	Major Spending	Major Deposits	Running Balance
9/30/2017	Ending Balance for FY17			\$346,496
10/2/2017	Xfer to UPPER CAPTIVA FI X81 9/30/17 AP & PR	(\$18,000)		\$328,496
10/13/2017	Xfer to UPPER CAPTIVA FI X81 Stewart & Sons Insurance	(\$7,500)		\$320,996
10/13/2017	Tax DB 14 LEE COUNTY 1596000707		\$299	\$321,295
10/16/2017	Xfer to UPPER CAPTIVA FI X81 PR & AP 10/15/17	(\$40,000)		\$281,295
10/31/2017	INTEREST PAID		\$141	\$281,436
10/31/2017	Xfer to UPPER CAPTIVA FI X81 FICA	(\$10,000)		\$271,436
10/31/2017	Xfer to UPPER CAPTIVA FI X81 AP & PR 10/31/17	(\$30,000)		\$241,436
10/31/2017	Unused Rev LEE COUNTY 1596000707		\$5,932	\$247,368
11/9/2017	Xfer to UPPER CAPTIVA FI X81 Manual Checks	(\$16,000)		\$231,368
11/15/2017	Tax DB 01 LEE COUNTY 1596000707		\$12,140	\$243,508
11/15/2017	Xfer to UPPER CAPTIVA FI X81 AP & PR 11/15/17	(\$35,000)		\$208,508
Subtotals	Amount Spent 1 Oct – 15 Nov 2017	(\$121,500)	\$18,512	
11/16/2017	DDA REGULAR DEPOSIT (BOAT MOTOR SALE \$4,092.75)		\$4,173	\$212,681
11/30/2017	INTEREST PAID		\$86	\$212,767
11/30/2017	Tax DB 02 LEE COUNTY 1596000707		\$188,417	\$401,184
11/30/2017	Xfer to UPPER CAPTIVA FI X81 11/30/17	(\$30,000)		\$371,184
12/1/2017	DDA REGULAR DEPOSIT (FUN RUN CONTRIBUTIONS)		\$750	\$371,934
12/15/2017	Xfer to UPPER CAPTIVA FI X81 12/15/17	(\$45,000)		\$326,934
12/15/2017	Tax DB 03 LEE COUNTY 1596000707		\$430,287	\$757,221
12/21/2017	DDA REGULAR DEPOSIT (FUN RUN CONTRIBUTIONS)		\$5,450	\$762,671
12/27/2017	RETURN ITEM FEE	(\$10)		\$762,661
12/27/2017	RETURN ITEM DEBIT	(\$400)		\$762,261
12/29/2017	Tax DB 04 LEE COUNTY 1596000707		\$120,971	\$883,231
12/31/2017	INTEREST PAID		\$278	\$883,510
1/2/2018	Xfer to UPPER CAPTIVA FI X81 12/31/17	(\$29,000)		\$854,510
1/2/2018	DDA REGULAR DEPOSIT (FUN RUN CONTRIBUTIONS)		\$7,759	\$862,269



Potential Revenue for FY19 Budget

FY18 & FY19 Comparisons

We need \$304 Million (a \$20 Million increase needed from FY17) in Property Valuations at 3.75 Mils in FY24 to Replace the Fire Services Special Assessment at Consolidated FY18 Spending Levels of \$1.16 Million

- Ad Valorem Valuations
 - ✓ FY18 \$194,790,208
 - ✓ FY19 \$212,688,000 *Estimate*
 - ✓ Increase of \$17,897,792

- Ad Valorem Funding at 3.75 Mils
 - ✓ FY18 \$730,463 (net \$708,549)
 - ✓ FY19 \$797,580 (net \$773,653)
 - ✓ Increase of \$67,117 (net \$65,103)

- Special Assessment Funding
 - ✓ FY18 \$466,042 (net \$447,400)
 - ✓ FY19 \$466,042 (net \$447,400)
 - ✓ No Increase/Decrease

Generates \$1.22 million net in FY19

- Ad Valorem Funding at 3.435 Mils
 - ✓ FY18 \$730,463 (net \$708,549)
 - ✓ FY19 \$730,463 (net \$708,549)
 - ✓ No Increase/Decrease

- This is the “Roll-Back” rate that generates the same ad valorem revenue as this year AND increases year-end reserves (saving taxpayers over \$65K in FY19)

Generates \$1.16 million

- Ad Valorem Funding at 2.5 Mils
 - ✓ FY18 \$730,463 (net \$708,549)
 - ✓ FY19 \$531,720 (net \$515,768)
 - ✓ Decrease of \$198,743 (net \$192,761)

- This is the rate that generates enough revenue to begin reducing year-end reserves to the desired \$150K level (we have over \$400K now), saving taxpayers over \$250K in FY19

Generates \$963 thousand

Unaudited Estimates

Fiscal Year	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Ad Valorem Tax Rate (Mils)	2.09	2.29	2.543	2.996	3.147	3.75	3.75	3.75	3.75	3.75	3.75	
Estimated Total Value (Millions)	\$284.664	\$261.525	\$235.527	\$193.747	\$184.430	\$165.966	\$158.828	\$161.804	\$172.057	\$177.014	\$194.790	\$212.688
Annual Value Increase (Decrease)		(\$23.139)	(\$25.998)	(\$41.780)	(\$9.317)	(\$18.464)	(\$7.138)	\$2.976	\$10.252	\$4.957	\$17.776	\$17.898
Cummulative Decrease Percentage	0.0%	-8.1%	-17.3%	-31.9%	-35.2%	-41.7%	-44.2%	-43.2%	-39.6%	-37.8%	-31.6%	-25.3%
Ending Fund Balance (Actual GF & SA Only)		\$259,526	\$261,861	\$180,600	\$89,652	\$109,570	\$111,941	\$100,689	\$188,027	\$364,724	\$410,764	\$



Assumptions & Facts for Pay & Benefits for FY19

1. The Board has a fiduciary duty to the taxpayers of Upper Captiva to run the most effective fire protection and rescue service district in the most efficient manner at least cost **is apparently untrue**
2. The Board gave the Search Committee guidance in November to hold total pay & benefits costs for the **two Chiefs to \$206,000 or less** (if the new Chief worked only 3.5 shifts/week), the "budget neutral" baseline, then **increased that to \$250,000** at the April meeting, and **increased it again to \$270,000** in May
3. At the May meeting, the Board and Chief agreed to **contract termination effective 30 September 2018** or before, (with **continued "at will" employment without contract**, since a new Chief has hiring authority), with a decision on his total **cost** of employment determined after a new Chief is hired
4. Fry assumed **No Raises** since the Chief is pending replacement/demotion (and is **likely overpaid as our Assistant Chief**) ... plus some of his **EXISTING** dollars may be required for the New Chief's compensation
5. Funding Chief Kinniry's severance payment, is **roughly \$18K**, including taxes, by 1 October 2018, **if 28 days PTO or roughly \$22,000**, including taxes, **if 39 days PTO**)



Assumptions & Facts for Pay & Benefits for FY19

6. Chief **hired additional EMTs**, allowing him to schedule the "perfect model", that CAN **save over \$15,000** in the General Fund and **nearly \$14,000/year** in the Special Assessment fund (INSTEAD **no savings reduction with 6% "cushion" budgeted, as requested by Sward & LaVallie and approved by Board majority that will hide failing to staff the "perfect model"**)
7. Number of **Officers and Paramedics, if any**, that exceed staffing requirements and their disposition is currently unknown (and after hiring a **2nd Chief**, a possible **full-time Division Chief**, and more **EMTs** for each shift, **the excess number and COSTS get larger**)
8. Assuming elimination of off-island training for Chief Kinniry (budgeted in 2017 & 2018 and never used), that CAN **reduce the General Fund budget about \$3,500/year**
9. Assuming elimination of 3 Company Drills (8 hours each), budgeted in 2017 & 2018 without being performed, that COULD HAVE **reduced the Special Assessment budget nearly \$5,000/year** (INSTEAD, it was re-spent on the **Sward/LaVallie 6% Budget "Cushion"**)
10. **NEW:** Assuming elimination of Chief's Temporary Disability Insurance (budgeted in 2017 & 2018 and Chief never submitted reimbursement requests after 2016/2017 first year), **reducing the General Fund budget by \$3,000/year**



Assumptions for 2 Chiefs' **Costs** for FY19

	* Cost Difference	* New Chief	* Chief Kinniry
Shifts/Week	1 Day/2 Weeks	3.5 Shifts/Week	4 Shifts/Week
Base Salary	\$10,000	\$50,000	\$60,000
Retirement	\$10,000	10% Base Salary	25% Base Salary
Paid Time Off (PTO)	\$5,600+	2 Weeks (7 Days)	5 Weeks (21 Days)
Housing	\$17,000	None	\$14,400 + \$2,600 tax
Health Insurance	\$10,000+	Employee-Only	Employee & Spouse
Temp Disability Insurance	\$2,300+	None	Employee-Only
FICA & Workman's Comp	\$3,600+	\$6,200	\$9,800
Total Position Costs *	\$58,000+	\$74,000+	\$131,000+

*** Before negotiations and adjustments between New Chief & Chief Kinniry totaling \$206K and doesn't include extra paid shifts**



Chief Kinniry's **Costs** in FY17 & FY18

Chief Kinniry (**\$52,400 on 2015 W-2**)

Compensation Increases in 2016 & 2017

		<u>Pre-Tax Increase</u>	<u>District Cost Incl Taxes</u>
30-Jan-16	Added Temp Disability Plan (Ended Feb 17?)	\$3,000	\$3,000
30-Jan-16	Added 5 Days PTO, Eff 1 Oct 16	\$2,000	\$2,238
20-May-16	Added Cash Housing Stipend	\$14,400	\$16,111
20-May-16	Raise for Housing FICA Taxes	\$2,600	\$2,909
20-May-16	Extra Shift Pay \$400/Day (25 in CY17)	\$10,000	\$11,188
16-Jul-16	FY17 & FY18 Salary Raise, Eff 1 Oct 16	\$5,000	\$5,594
16-Jul-16	FY17 & FY18 Retirement, Eff 1 Oct 16	\$1,900	\$1,900
	Total Increases Approved	\$38,900	\$42,940

Payments TO Chief Kinniry 2017 W-2 **\$84,400** \$94,427*

Payments FOR Chief Kinniry 2017 **\$43,800** \$44,798

Grand Total CY 2017 to/for Chief Kinniry **\$139,225** Page 6

**Extra Shift
Pay is
Annually
Variable @
\$400/shift**

* Note: \$11,165 of the \$94,427 total are not "additive" costs to the District (he was paid what the unavailable FF-EMT would have been paid for those shifts)



Chief Kinniry's Severance Payment

For Mutually Agreed **Termination** of His Contract (**Not Employment**)

TERMINATE CONTRACT BEFORE **15** SEP 2018

✓ Salary & Benefits End **if** Employment Ends

- Housing, Health/Dental/Vision Insurance, PTO and Base Salary would **end when employment ends (not when contract ends)**
- The **\$15,000** retirement contribution is due by 1 Sep 2018
- County provides Chief an option for COBRA/post-employment coverage, at Chief's own cost

✓ 1 Month Severance Payment

- Section 4.4.2 requires 1 month's severance (**\$5,000**), if the contract is terminated **before the second** renewal date (ending 30 Sep 2018, **costing about \$5,600**, including taxes)

✓ Paid Time Off Accruals

- Up to 39 Days PTO accrued (**about \$16,800**, including taxes), if Chief Kinniry ends employment or cashes out accrued balance

CHIEF KINNARY WORKS WITHOUT CONTRACT AFTER 1 OCT 2018 IF RETAINED BY NEW CHIEF

✓ Salary, Housing & Insurance End **if** Employment Ends

- A minimum of 28 Days PTO accrued (**about \$12,000**, including taxes), plus any FY19 accrued PTO, if Chief Kinniry's employment ends
- Recommend that we convert annual retirement contributions currently paid in September each year to monthly retirement contributions paid at the end of each month, as it is "earned"

OPTIONS VIA **FY19 BUDGET PROCESS**

- ✓ Reduce salary and/or housing from \$74,400, retirement from 25%/ \$15,000, and/or add additional shifts/week
- ✓ Convert Chief Kinniry's Health/Dental/Vision Insurance from Employee & Spouse to Employee Only
- ✓ Continue paying Assistant Chief Kinniry all of his current pay & benefits, without reduction or reversion to his 2016 pre-selection as Chief of the District



Reducing Chief Kinniry's **Costs** In FY18 & FY19

Fry would prefer to propose deeper cuts down to \$75K-\$100K (Page 5) but since even these cuts are unlikely, the budget drill would be superfluous! Cut only if a New Chief is Hired.

General Fund (Current Before Hiring a 2nd Chief)	14 Shifts/ Week	Hourly Rate	Annual Pay Rate	21 PTO Days (5WKS)	Housing Allowance	FICA (7.65%)	W/C (4.00%)	Health, Dental, Vision, and Disability	Retirement (25%)	Subtotal Pay & Benefits COSTS
Payments To Chief Kinniry	4		\$60,000		\$14,400				\$15,000	\$130,194
Payments For Chief Kinniry (that Steve & AJ says shouldn't count as part of compensation)				\$8,084		\$6,310	\$3,299	\$20,100	\$3,000	

General Fund (Proposed AFTER Hiring a 2nd Chief)	14 Shifts/ Week	Hourly Rate	Annual Pay Rate	21 PTO Days (5WKS)	Housing Allowance	FICA (7.65%)	W/C (4.00%)	Health, Dental, Vision, and Disability	Retirement (20%)	Subtotal Pay & Benefits COSTS
Payments To Chief Kinniry	4		\$52,900		\$14,400				\$10,580	\$114,846
Payments For Chief Kinniry (that Steve & AJ says shouldn't count as part of compensation)				\$8,084		\$5,767	\$3,015	\$20,100	\$0	

Base Pay Was \$52,400 as Assistant Chief (May 2016)	\$52,400									
Previously Approved Cost of Living Adjustment 0.3% in FY17	\$157									
Adjusted Base Pay w/ Provision	\$52,557									

Proposed Changes	14 Shifts/ Week	2017 Current	2018 Proposed	2019 Proposed	Proposed Current	Proposed Difference	Asst Chief Difference	Asst Chief 2015 vs Future Current	Asst Chief 2015 vs Future Proposed	Asst Chief 2015 vs Future Difference
Salary Base		\$52,400	\$60,000	\$7,600	\$60,000	\$52,900	(\$7,100)	\$52,400	\$52,900	\$500
PTO Days (1 in 2016, 21 in 2017 & 2018)		\$6,159	\$8,084	\$1,925	\$8,084	\$8,084	\$0	\$6,159	\$8,084	\$1,925
Housing Allowance		\$14,400	\$14,400	\$0	\$14,400	\$14,400	\$0	\$14,400	\$14,400	\$0
FICA Tax (Employer 7.65%)		\$5,581	\$6,310	\$729	\$6,310	\$5,767	(\$543)	\$5,581	\$5,767	\$185
Workman's Compensation (Employer 4%)		\$2,918	\$3,299	\$381	\$3,299	\$3,015	(\$284)	\$2,918	\$3,015	\$97
Health, Dental, Vision Employee & Spouse		\$20,100	\$20,100	\$0	\$20,100	\$20,100	\$0	\$20,100	\$20,100	\$0
Temporary Disability Insurance		\$0	\$3,000	\$3,000	\$3,000	\$0	(\$3,000)	\$0	\$0	\$0
Retirement Contribution (25% to 20%)		\$13,100	\$15,000	\$1,900	\$15,000	\$10,580	(\$4,420)	\$13,100	\$10,580	(\$2,520)
Grand Total Costs for Chief Kinniry		\$114,959	\$130,494	\$15,534	\$130,194	\$114,846	(\$15,347)	\$114,659	\$114,846	\$187

Severance Payment/Consideration for Contract Change					\$5,000	\$5,000		ONE TIME ONLY	\$5,000
FICA & W/C Cost as Consideration for Contract Change					\$583	\$583		ONE TIME ONLY	\$583
						(\$9,765)			\$5,770

A PROPOSAL FOR CHIEF KINNIRY TO KEEP HIS CURRENT PAY & ALLOWANCES

General Fund (Proposed AFTER Hiring a 2nd Chief)	14 Shifts/ Week	Hourly Rate	Annual Pay Rate	21 PTO Days (4WKS)	Housing Allowance	FICA (7.65%)	W/C (4.00%)	Health, Dental, Vision, and Disability	Retirement (25%)	Subtotal Pay & Benefits COSTS
Payments To Chief Kinniry	5		\$60,000		\$14,400				\$15,000	\$132,776
Payments For Chief Kinniry (that Steve & AJ says shouldn't count as part of compensation)				\$8,084		\$6,310	\$3,299	\$20,100	\$0	
Severance Payment/Consideration for Contract Change/Terminate Contract			\$5,000			\$383	\$200			



Pay & Benefits Worksheet for FY19

Pay and Fringe Benefits Budget Baseline Worksheet for FY19

General Fund	14 Shifts/ Week	Hourly Rate	Annual Pay Rate	Holiday Pay (12 Hrs x 4 Days)	PTO Days	Housing Allowance	FICA (7.65%)	W/C (4.00%)	Health, Dental, Vision, and Disability	Retirement & 25%)	Subtotal Pay & Ben COSTS
Payments To Chief Batz	3.5										
Payments For Chief Batz (that Steve Sward & AJ LaVallie says shouldn't count as Pay & Benefits)											
Payments To Chief Kinniry	4										
Payments For Chief Kinniry (that Steve Sward & AJ LaVallie says shouldn't count as Pay & Benefits)											
Payments To Chief Kinniry (potential maximum severance payment)			\$5,000		\$15,013		\$1,531	\$801			\$22,345
"Full-Time" Ops Division Chief	0	\$19.05	\$0				\$0	\$0			\$0
EMT	0	\$16.04	\$0				\$0	\$0			\$0
Officers	6.5	\$19.56	\$158,630	\$939			\$12,207	\$6,383			\$178,159
Budgeted FY18					\$334,600		\$25,250	\$14,000	\$23,400	\$15,000	\$412,250
Special Assessment	14 Shifts/ Week	Hourly Rate	Annual Pay Rate	Holiday Pay (12 Hrs x 4 Days)			FICA (7.65%)	W/C (4.00%)			Subtotal Pay & Ben COSTS
Paramedic	7	\$18.05	\$157,685	\$866			\$12,129	\$6,342			\$177,022
EMT	7	\$16.04	\$140,125	\$770			\$10,778	\$5,636			\$157,310
6% Plus-Up for Steve Sward & AJ LaVallie with majority Board approval			\$17,560	\$96			\$1,351	\$706			\$19,713
Subtotals			\$317,103				\$24,258	\$12,684			\$354,045
Budgeted FY18			\$316,500				\$24,100	\$13,320			\$353,920
Proposed FY19			\$317,100				\$24,260	\$12,640			\$354,000
Proposed Change			\$600				\$160	(\$680)			\$80

Note that our optimum staffing is 1 ALS paramedic and 1 EMT (and Chief hired more EMTs for each shift)

COMMISSIONERS ANSWER THESE QUESTIONS AND FILL IN FUNDING LIMIT FOR EACH CHIEF ABOVE BY 15 JUNE MEETING

1. What pay & benefit requirements does a new Chief have and how many 24-hour shifts will he work, if hired?
2. What reductions in costs for Chief Kinniry are proposed, if a new Chief is hired?
3. Will the new Chief decide to hire a "full-time" (2 shifts/week = 8 shifts/month) Operations Division Chief?



Questions to Answer At This Meeting

1. Access-Way Maintenance:

- ✓ Will the Board approve FY19 funding from the General Fund and Fire Services Special Assessment for access-way improvement and maintenance and, if yes, at what level?
- ✓ Is the Board going to propose a new referendum & special assessment to the Upper Captiva Community, with a minimum \$15,000 down-payment on Attorney & Consultant fees?
- ✓ Has the AMC updated their **final draft** estimated costs and timeline for a referendum, to make a decision?

2. Operating Expenses:

- ✓ Are there any operating expense categories that should be increased, decreased, eliminated or added?
- ✓ What Chief or Board priorities exist that have not been fully funded in recent years, if any?

3. Capital Purchases:

- ✓ Does Chief Kinniry have a proposed purchase list, prioritized for Board consideration, or do we wait for a new Chief?
- ✓ Are there high-cost requirements to purchase, like this year's High Volume/High Pressure pump & trailer?