



# Fiscal Year 2019 Budget

April 2018 Initial Budget Development Facts, Assumptions & Questions

Bill Fry, Treasurer



# Actual MMA Balances in First Quarter FY18

What is the  
desired  
Minimum &  
Maximum  
Cash  
Balance for  
FY19?

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
<b>11/15/2017</b>	<b>Tax DB 01 LEE COUNTY 1596000707</b>		<b>\$12,140</b>	<b>\$243,508</b>
11/15/2017	Xfer to UPPER CAPTIVA FI X81 AP & PR 11/15/17	(\$35,000)		\$208,508
<b>Subtotals</b>	<b>Amount Spent 1 Oct – 15 Nov 2017</b>	<b>(\$121,500)</b>	<b>\$18,512</b>	
11/16/2017	DDA REGULAR DEPOSIT (BOAT MOTOR SALE \$4,092.75)		\$4,173	\$212,681
11/30/2017	INTEREST PAID		\$86	\$212,767
<b>11/30/2017</b>	<b>Tax DB 02 LEE COUNTY 1596000707</b>		<b>\$188,417</b>	<b>\$401,184</b>
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
<b>12/15/2017</b>	<b>Tax DB 03 LEE COUNTY 1596000707</b>		<b>\$430,287</b>	<b>\$757,221</b>
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
<b>12/29/2017</b>	<b>Tax DB 04 LEE COUNTY 1596000707</b>		<b>\$120,971</b>	<b>\$883,231</b>
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



# 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
2. The Board took **two seemingly conflicting votes** in October, at the start of FY18, to **begin a search to replace** Chief Kinniry **AND** then voted to **re-increase** his compensation by **\$6,250 (plus taxes)**
3. 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
4. Hiring a replacement Chief has a currently **unknown timeline and cost, with no apparent limit** in cost
5. Required to negotiate a **contract modification or termination, effective 30 September 2018** with Chief Kinniry **by 1 August** (**Monthly Renewal vs Annual Renewal** since a new Chief has hiring authority) and any cost reductions **required for demotion to Assistant Chief** are currently unknown
6. Treasurer assumes **No Raises** since the Chief is pending replacement/demotion (and is **likely overpaid as our Assistant Chief**) ... some of his **EXISTING** dollars may be required for the New Chief's compensation or we pay the new Chief significantly less than the new Assistant Chief (**and some of our officers and paramedics are overpaid \$2-\$4/hour as the EMTs that we need**)



## Assumptions & Facts for Pay & Benefits for FY19

7. Funding Chief Kinniry's **severance payment**, if the new Chief doesn't retain him or Chief Kinniry doesn't agree to contract modifications (**roughly \$18K, including taxes, by 1 October 2018**)
8. Chief is hiring 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 but the number of EMTs hired by Summer 2018, on shift by 1 Oct 2018, **is currently unknown**
9. Working 2 officers per shift on C-shift had a Treasurer-estimated higher cost of \$5000 - \$10,000 in FY18 ... the **actual FY19 budget number** would be about **\$9,150 (if it happens 8x month, 12 months/year)**
10. Number of Officers and Paramedics that exceed staffing requirements (after **hiring 2nd Chief, a full-time Division Chief, and more EMTs** for each shift, **the excess number and COSTS gets larger**) and their disposition is currently unknown
11. 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**
12. Assuming elimination of 3 Company Drills (8 hours each), budgeted in 2017 & 2018 without being performed, that CAN **reduce the Special Assessment budget nearly \$5,000/year**



## Assumptions for 2 Chiefs' Pay & Benefits for FY19

	<b>* Cost Difference</b>	<b>* New Chief</b>	<b>* Chief Kinniry</b>
<b>Shifts/Week</b>	1 Day/2 Weeks	3.5 Shifts/Week	4 Shifts/Week
<b>Base Salary</b>	\$10,000	\$50,000	\$60,000
<b>Retirement</b>	\$10,000	10% Base Salary	25% Base Salary
<b>Paid Time Off (PTO)</b>	\$5,400+	2 Weeks (7 Days)	5 Weeks (21 Days)
<b>Housing</b>	\$17,000	None	\$14,400 + \$2,600 tax
<b>Health Insurance</b>	\$10,000+	Employee-Only	Employee & Spouse
<b>FICA &amp; Workman's Comp</b>	\$3,600+	\$6,200	\$9,800
<b>Total Compensation Costs *</b>	\$57,000	\$74,000+	\$131,000+

**\* Before negotiations and adjustments between New Chief & Chief Kinniry totalling \$205K+ and doesn't include extra paid shifts**

Existing Officers & Paramedics individually work fewer shifts after additional EMTs and a New Chief are hired



# Chief Kinniry's Pay & Benefits 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	\$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	<b>\$14,400</b>	\$16,111
20-May-16	Raise for Housing FICA Taxes	<b>\$2,600</b>	\$2,909
20-May-16	Extra Shift Pay \$400/Day ( <b>25 in CY17</b> )	<b>\$10,000</b>	\$11,188
16-Jul-16	FY17 Salary Raise, Eff 1 Oct 16	<b>\$5,000</b>	\$5,594
16-Jul-16	FY17 Retirement, Eff 1 Oct 16	\$1,900	\$1,900
<b>Total Increases Approved</b>		<b>\$38,900</b>	<b>\$42,940</b>
<b>Payments TO Chief Kinniry 2017 W-2</b>		<b>\$84,400</b>	<b>\$94,427</b>
<b>Payments FOR Chief Kinniry 2017</b>		<b>\$46,800</b>	<b>\$47,798</b>
<b><u>Grand Total CY 2017 Costs for Chief Kinniry</u></b>			<b><u>\$142,225</u></b>

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



# Questions to Answer At Next Meeting

## **1. Fire Services Special Assessment:**

- ✓ Is there a Board desire to change or leave the Special Assessment at \$447,400 (net after discounts)?
- ✓ Are there any proposed changes to the exempt properties listed in 2018?

## **2. Access-Way Maintenance Committee (AMC):**

- ✓ Is the AMC going to propose a new referendum & special assessment to the Board?
- ✓ When will the AMC have estimated costs and timeline for a referendum, to make a recommendation?

## **3. 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 funded in recent years, if any?

## **4. Capital Purchases:**

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