



Fiscal Year 2019 Budget

May 2018 Initial Budget Development Facts, Assumptions & Questions

Bill Fry, Treasurer



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



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 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
3. Required to negotiate a **contract modification or termination, effective 30 September 2018** with Chief Kinniry **by 15 September 2018 meeting** (Monthly Renewal vs Annual Renewal, since a new Chief has hiring authority) and any cost reductions **required for demotion to Assistant Chief** need to be reflected
4. 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**)
5. 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, if 28 days PTO or roughly \$22,000, including taxes, if 39 days PTO**)



Assumptions & Facts for Pay & Benefits for FY19

6. 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** (or no savings reduction if all Paramedics or if 6% "adjustment" is budgeted) in the Special Assessment fund but the number of EMTs hired by Summer 2018, on shift by 1 Oct 2018
7. Number of Officers and Paramedics that exceed staffing requirements (after **hiring 2nd Chief, a possible full-time Division Chief, and more EMTs** for each shift, **the excess number and COSTS gets larger**) and their disposition is currently unknown (**or excess EMTs if we transition to 2 Paramedics for each shift**)
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 CAN **reduce the Special Assessment budget nearly \$5,000/year** (but re-spent on Paramedics or 6% Budget Adjustment)
10. **NEW:** Assuming elimination of Chief's Temporary Disability Insurance (budgeted in 2017 & 2018 and never renewed by Chief after 2016/2017 first year), **reducing the General Fund budget by \$3,000/year**



Assumptions for 2 Chiefs' Pay & Benefits 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 \$205K+ and doesn't include extra paid shifts**



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 (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
<u>Grand Total CY 2017 to/for Chief Kinniry</u>			<u>\$139,225</u>

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



Assumptions & Facts for Pay & Benefits for FY19

Pay and 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 (10% & 25%)	Subtotal Pay & Ben COSTS
Payments To New Chief	3.5										
Payments For New Chief											
Payments To Chief Kinniry	4										
Payments For Chief Kinniry					\$4,400						
Payments To Chief Kinniry (potential maximum severance payments for FY18)			\$5,000		\$10,779		\$1,207	\$628			\$17,614
"Full-Time" Ops Division Chief	2	\$19.05	\$47,549				\$3,637	\$1,891			\$53,078
EMT	0	\$16.04	\$0				\$0	\$0			\$0
Officers	4.5	\$19.56	\$109,821	\$939			\$8,473	\$4,406			\$123,638
DC Extra Duty Pay	4 DCs	\$20.06	\$8,000				\$612	\$318			\$8,930
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	\$6,307			\$176,987
EMT	7	\$16.04	\$140,125	\$770			\$10,778	\$5,604			\$157,278
6% for Steve Sward/Bill Byrnes for All Paramedics			\$17,560	\$96			\$1,351	\$702			\$19,709
Subtotals			\$317,103				\$24,258	\$12,613			\$353,975
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 has begun the interview and hiring process to hire more EMTs for each shift)

COMMISSIONERS ANSWER THESE QUESTIONS AND FILL IN FUNDING LIMIT FOR EACH CHIEF ABOVE BY 18 MAY MEETING

1. What pay & benefit requirements does a new Chief have, if hired?
2. What reductions in pay, benefits, or 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?



Chief Kinniry's Severance or Contract Modification

Convert Contract to Monthly Renewal or Terminate Contract (Not Employment)

MODIFY & APPROVE BEFORE 15 SEP 2018

✓ Salary & Benefits End when Employment Ends

- Housing, Health/Dental/Vision Insurance, and Base Salary would **end when employment 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
- Although the contract doesn't require any notice, recommend a minimum of 30 days since that is the typical notification period for month-to-month home rental

✓ 1 Month Severance Payment

- Section 4.4.2 requires 1 month's severance (**\$5,000**), if the contract is terminated during the first renewal period (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

TERMINATE CONTRACT AFTER 1 OCT 2018

✓ Salary, Housing & Insurance End when Employment Ends

- Section 4.4.2 requires 2 month's severance (**\$10,000**), if the contract is terminated during the second renewal period (beginning 1 Oct 2018, **costing about \$11,200**, including taxes)
- A minimum of 28 Days PTO accrued (**about \$12,000**, including taxes), plus FY19 accrued PTO, if Chief Kinniry's employment ends
- Section 6.4 requires payment of 25% of annual base salary for retirement (currently **\$15,000**), if the contract is terminated during the second renewal period (beginning 1 Oct 2018)
- Ambiguous clauses on payment of Salary, Housing, and Insurance and Attorney advises they all terminate on employment

OPTIONS TO REDUCE COSTS VIA MODIFICATION

- ✓ 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



Questions to Answer At This 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 for 2017/2018?

2. Access-Way Maintenance:

- ✓ Is the Board going to propose a new referendum & special assessment to the Upper Captiva Community?
- ✓ Has the AMC updated their **final** estimated costs and timeline for a referendum, to make a decision?

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?