

Executive Summary New Chief Compensation Proposals

I was approached by Rick Fox to discuss my understanding of several financial planning technical issues surrounding SEP IRA plans and other benefits as he prepared for discussions with the remaining New Chief candidates. He and Bill Byrnes were to make initial contact with our first candidate later in the week. We covered some of the technical questions he had and discussed strategy for accomplishing the goal. I suggested to him that my experience as a CFP taught me that most people are more goal driven than numbers driven if you give them the chance to focus on their goals. By facilitating and providing clarity to their next phase in life, they are more motivated to reach that goal and less focused or entrenched on the math of salary and benefits. At the end of our discussion he asked me if I would be willing to join him on the call to the candidates. Sunshine would prevent Bill Byrnes and me from being on the same call.

On Wednesday, May 23rd, Rick and I opened up our first conversation with Brad Batz. Brad was polite but was not the same warm and enthused individual either of us had initially interviewed. Brad quickly wanted to discuss the numbers rather than how this opportunity was fulfilling his life's goals. He made comments like he needed a Defined Benefit Plan at this stage of his life and that he had "no intention of working 7 day work weeks". His grasp of the numbers of Defined Contribution Plans and how they worked was flawed. He seemed to want to explain himself on why he couldn't do this at this point in his life. It was obvious to Rick and I that something had dramatically gotten to Brad Batz and that he was no longer interested in the opportunity. After some time we politely wrapped up the interview stating we should stay in touch and wished each other the best. During our pre-game warmup, Rick and I estimated that housing was going to be the wildcard with Batz...we never even got there. Upon review, Rick stated that they had originally covered the details of our existing retirement plan in depth as well as Chief Batz's needs for a regional cost of living adjustment etc. It was all there in our proposal. Rick observed again that this was NOT the same guy he had spoken with multiple times before.

This put us in a very precarious position. Having an existing Chief driven to the point of exhaustion while we sat contemplating what to do with the one and only remaining candidate was a very tenuous position to be in.

We scheduled our call with Jason Martin for Friday, May 25th. Lt. Martin provided us with an updated version of his salary and benefit requirements by email before the call. A copy of this proposal is attached. Rick and I surmised that once again the housing requirement might be the the wildcard. This expensive element combined with the fact the Jason Martin was originally posturing for a 3 shift work week was making the math a bit challenging. We concluded that if we could focus him on achieving his next life's goals that we might get some concessions on his salary and benefit demands. The initial opening went well. He appeared to be enthused at remaining in the race and was fairly easy to converse with. The opportunity, combined with the challenge and adventure seemed to appeal to him. We discussed that even though our district was relatively small and had low call volume, it nonetheless required the talents and experience of an elite Chief due to many issues including the nature of our all part time personnel, the availability of mutual aid, the nature of our water supply and road system, providing ALS services on a bridge-less island etc. etc. The risks and responsibilities for a Chief on North Captiva are unique and extreme in many ways. He mentioned his wife often and confirmed they were independent from any family constraints. They both have family living in SW Florida. Leaving Midwestern winters was definitely on their short list. She is a 911 dispatch operator in Michigan and he speculated she could relocate here easily.

Rick and I had strategized that since Jason was a Lieutenant, he might not be too sensitive to housing in the firehouse which he was already used to doing. He is very well credentialed and clearly aspires to becoming a Chief and leading a department. We hoped that if we could get him to the board's target of 3.5 shifts we could close the gap on finances. Strangely, at one point he commented on the complete impracticality of regularly working a 5 shift schedule, a topic which we had never approached. We decided to accept his salary and retirement requirements of \$75,000 and 10% (\$7,500) retirement contribution along with a solid Health, Dental and Vision package for him and his wife but counter with a 3.5 shift requirement and minimal housing obligations in the firehouse going forward. We told him that it was likely the board would approve an ultimate remodeling of the existing firehouse to include an Executive Officer Suite for our two executive officers since it was likely they would not be on duty at the same time. We discussed his request for a relocation allowance which he estimated at a \$6000-\$8000 number. Relocation is obviously a one time event. We applauded his desire for a continuing education allowance (\$1500) and suggested that was likely very doable. We discussed how he viewed his holiday and PTO requirements and agreed that we were both in the same ballpark but would have to get the board to help firm up the structure. The same also applied to his contractual severance request. We all agreed that the big picture requirements were addressed and in line and that we could work out the finer details should we offer him a contract. This compensation proposal comes in under the financial cap dictated by the Board.

It was also unanimously agreed that the next step should be a visit to North Captiva. Jason asked that his wife be included in the visit for obvious reasons. Rick reminded me that the Board had approved a budget for the interviewing process (\$4000) which had barely been touched. I have subsequently made travel arrangements for Jason and Whitney Martin to travel from Detroit Michigan on Friday, June 8th and return north on Monday, June 11th. We have reserved 3 nights for them at the Tarpon Lodge which will allow them the opportunity to research both North Captiva and the Cape Coral area while experiencing the logistics of traveling between both. I have rearranged my travel plans now for June 8th and will invite the Martins to dinner at Tarpon Lodge that night. I will also handle crossing the water in my boat on Saturday, June 9th and will coordinate a tour and visits on island for both Saturday and Sunday. Please contact me for available times in his schedule for you to meet with him if you so wish. Both on island and Mainland interviewing opportunities should be possible so let me know your plans. Ferry reservations will be made as needed to handle other crossing needs.

If all goes well with the visit, the Board should be in a position to vote at the June 15th Board meeting whether to confirm Jason Martin as our new Chief and then go to contract. A proposed contract that has already been reviewed should also be available on June 15th. Rick Fox was extremely diligent and effective in his role as interviewer and the Fire Board owes him a tremendous debt of gratitude. It was my pleasure to work with him.

This update is not intended to be published for the board meeting but will remain public record as all emails do. Please do not respond to this email and save further discussion for our next Board meeting.

Respectfully submitted,
AJ LaVallie
Fire Commissioner