

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
January 14, 2014

Meeting called to order at 7:02 p.m. by Chairman Ducrou

Pledge of Allegiance

Invocation – Commissioner Hansen

Commissioner Ducrou – Present
Commissioner Hansen – Present
Commissioner Cook – Present
Commissioner Griffin – Excused
Commissioner Klos – Present
Chief Larry Nisbet - Present
Office Manager - Theresa Sharp - Present
Attorney Ian Mann – Present (7:03)

Others Present: Some Public

Minutes – Review and Acceptance of the minutes of the December 10, 2013 Board of Commissioners meeting. Motion made by Commissioner Cook to accept the minutes. Commissioner Hansen seconded the motion. Chairman Ducrou calls for questions or comments. With no questions or discussion and none opposed, motion carries.

Financial Report - Review & Acceptance of the December 2013 financials. Commissioner Hansen moved acceptance of the December financials. Commissioner Klos seconded the motion. Chairman Ducrou calls for questions or comments. With no questions or discussion, and none opposed, motion carries.

Fire Marshal and Administrative Reports (attached) – Chief Nisbet reads the Fire Marshal and Administrative Reports into the record. Chairman Ducrou calls for questions or comments. Commissioner Cook asks where FF Gollither went. Chief Nisbet responds that he went to Iona-McGregor. With no further discussion or questions, Chairman Ducrou calls for Petitions.

Petitions before the Board – Having received a comment card from Steve Brodtkin, Chairman Ducrou invites him to speak either before or after the presentation. He opts for after the presentation. Debbie Jackow also has remarks but defers for the presentation prior. Hearing no offers for petitions or discussion at this time, Chairman Ducrou calls for Union Petitions.

Union Petitions/Discussions – None

Old Business –

- Chief Nisbet states that he the language in the Line of Credit Agreement has been suitably resolved to read 5.5 Fixed Rate, as in prior years. He therefore asks the Board to approve the retention of the credit for bridge purposes. Commissioner Klos moves to renew the Line of Credit. Commissioner Hansen seconded the motion. Commissioner

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

Hansen asks which bank we are using for that. Chief Nisbet answers, Capital Bank. Commissioner Cook asks if that is where it has been. Chief confirms that it is. Office Manager states it was just the adjustable rate we did not like; we had always had a fixed rate. Chairman Ducrou hearing no other discussion, calls for vote and with none opposed, motion carried unanimously.

- Presentation of GSG Fire Assessment Report – Jeff Rackley the Sr. Project Manager from GSG introduces himself and reviews the findings. (All Board members and the Community Leaders present have received one on one review prior to this night.) Report Attached – At conclusion, he asks for questions. Commissioner Ducrou asks if we have any information on families below the poverty line, or military, widows, how that would impact us, as far as a budget number? Mr. Rackley replies we do not. He states that is something we will want to think about moving forward, and there's numbers we can get from the property appraiser; but any exemptions, especially hardship exemptions, you probably would want to base it on a poverty guideline, and then apply that across the board. That's not to say you couldn't also do something for veterans, or widows, but he cautions, any time you get in to singling out someone, it gets hard to defend the exemption. In his opinion, that is the way you would want to go, some sort of low income – hardship exemption, if that's something you wanted to do. Not a decision you need to make tonight, he concludes. Commissioner Ducrou explains that his fear is that we establish a number tonight to base a budget off of, and then we do something with low income families that affects our income so much, because we have to try to establish a base number tonight. Jeff replies that what they have seen in other areas, the number of actual low income families that own property, that are below the federal poverty guideline, is very few. Commissioner Ducrou asks then if it would be under 5%. Jeff replies it would be well under the 5% mark. Commissioner Ducrou appears satisfied with that reply. He states he just doesn't want to move forward with an idea that is supposed to keep the Department viable and then it turns out it is still not, because of a decision we made. Jeff agrees, that Commissioner Ducrou is correct in his assumptions that any exemptions will have an affect on our funding, so with your governmental properties and your institutional exempt properties, any of those exemptions, there will be an impact there. He agrees that when you get to that point, further on down the line, you will certainly have to look at that impact. Camille reminds that you also can not make others pay on their behalf, any exemptions you provide, you just lose that money. Chairman Ducrou requests they cover how any subsequent increases are regulated, how they are controlled by the state. Mr. Rackley explains that in the packets, we had 2 rates, a single year rate and a 5-year average, and if we adopted the 5 year average rate, that would probably be our number for the next 5 years or so, barring any catastrophic events or major change that was not accounted for. If you adopted the single year rate, those could be adjusted each year based on the 5 year average household income for the state of Florida, which for the past 5 years has been like 1.68% and moving forward, it could be more in the 3-4% range. That's not to say you would have to increase those rates each year by whatever that percentage is, but you would have the ability to. Commissioner Cook asks if those rates ever go backwards. Mr. Rackley explains in looking at the past 25-30 years, the average has not, while in like 2008 or 2009, the annual dropped something like negative 6%, so that hit the then

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

current 5 year average, but next year when that year falls off, the average is going to jump something like 2%. He states you probably could have a negative 5 year average, but you would have a lot of other concerns if you had more than 5 years of negative household income. Commissioner Hansen asks where places like Seminole and Upriver fall into? Mr. Rackley explains that RV spaces due to the RV Lobby and legislation, must be treated the same as other like properties, like hotel/motel, they fall into a commercial category, so they are charged at 191 square feet per space. The 191 sf comes from the State RV Assoc. calculation for the average size of RV in the state. They have to be treated as commercial. Commissioner Hansen asks if that would be the \$0.05. Chief and Mr. Rackley respond it would be the \$0.51 or approximately \$50 per space. Mr. Rackley continues that mobile homes in general would be treated like single family residential. He also mentions the vacancy credit he spoke of prior, for the parks that are renting those spaces out. The way it is set up, they would be charged for all of those; but we would have an affidavit they would fill out, verifying the number of spaces nights they had available and apply that vacant rate for the year to their assessment amount. Again, that would impact your assessment, he continues, but he can't state what their vacancy rates would be and how much that would affect us. Commissioner Cook asks what the calculation was on the collection rate. Mr. Rackley believes they figured it on 95% collection. Chief Nisbet states that is what we budget on now for Ad Valorem. Camille states that people can't pay their taxes and not their assessment, so whatever the collection was for taxes will be what you will see for your assessments. Commissioner Cook states he was wondering for those that were going up, if that might change that. Camille answers, it might for a year or two, but since it is on the tax bill, there will be certificates sold on the property so you will get your money eventually. Chairman Ducrou calls for other questions, and hearing none, calls for public input.

Public Input – Chairman Ducrou precedes Public Input with an expression of gratitude for the public taking their time to show up, regardless of their position on the proposed assessment, it is appreciated.

Mr. Brodtkin begins – he introduces himself and states where he lives and speaks for himself. He states he is, he believes against this proposal. He feels Chief Nisbet does a great job in the day to day responsibilities as Fire Chief in the community, when we have flooding he is out there making sure the roads are passable, when there's water running into somebody's home he's there helping out, he states he can make a whole list, but he feels he has done a great job on a day to day basis within the community. However, he feels this direction is the wrong way to go, he feels generally, not always, but generally, the higher valued residences are owned by individuals that are wealthier, have a greater income, as opposed to a lower value residence tend to have a lower income; again he states he is aware that it is not always the case but is generally so. His objection is that we need to raise money, but we are giving a tax break to the wealthiest or at least the highest valued properties and we are increasing the taxes on the lowest valued properties. A property that's worth a half million dollars a residence is going to pay way less and a person in a \$60,000 mobile home is going to pay way, way more. He continues, if you put out a proposal to the general public that said lower valued residences are going to pay 6-7 mills, and the high valued residences are going to pay 1-2 mills, it is kind of the equivalent thing if you look at

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

how much people are going to pay against our current millage rate, and he's not certain that would go over so well. When he looks at how we pay for other things like police; where we pay our taxes, based on our millage in to the County, and the County gives a budget to the Sheriff, some people pay less and some pay more, but everybody gets the same service, and everybody pays, but people pay different amounts. He feels if everyone made the same amount of money and had the same property value, this would be fair, but he doesn't see this that way and he doesn't believe it is a fair way to go. The one thing he scratched his head about when he was trying to figure out if this thing would work, it seems like the bulk of the money the Department would get would come from the residences, something like 74% and it seemed Chief told him that about 25% of people would pay more. Other people would pay the same or less. The people who would pay more would be the people at the low end of value. When he looks at the information from the County, right now we get a little over 1 million in ad valorem tax revenue and we need 1.7 or 1.8 which is partly because we are losing other funding sources, so his question is, are we actually going to raise 7 or 800,000 dollars from the lowest income people of Bayshore? He's not quite sure he understands how those numbers work. Because those people at the bottom end are the ones who are going to be paying more. Commissioner Cook asks the Chair if we can answer the question. Chairman Ducrou says we can, he was just allowing him to finish. Mr. Brodtkin concludes, he is opposed to this approach, he doesn't doubt the Department needs more money to keep up the level of service that's been provided, but he doesn't believe this is the way to go. He doesn't know if anyone can explain how we are going to raise \$700,000 to \$800,000 from 25% of the people that are actually the lowest property values. Commissioner Ducrou states he doesn't have the exact number as far as the percentage, Chief Nisbet states that it was really a guesstimate on his part, to the information he had at that time. He continues that there really is no win-win scenario in this situation, the biggest aspect of this and whatever the board decides to do, is maintaining a 4 person engine company out here for response. We have pulled a little over 2 Million Dollars in Grant funding in the last 5 years to keep at that. Mr. Brodtkin agrees that was great. Chief concludes with the fact that September 14th is D-Day, if he doesn't have another way to figure this out, or he doesn't have a SAFER grant, we are going to 2 full time people per day. Mr. Brodtkin remarks that if we want to raise money, he's not sure why we are giving the higher valued properties such a big tax cut. If we need to raise money, then everybody is going to need to pay a bit more in some way. Commissioner Ducrou states we tried that. Mr. Brodtkin states he knows we tried a referendum a few years ago and it failed. Commissioner Ducrou states it failed terribly. Mr. Brodtkin states that he honestly doesn't know we will do any better with this one. Commissioner Ducrou states it may not, but as Chief said, you'll see half our department furloughed or fired. Mr. Brodtkin states he doesn't know if there's any way to raise more money, but he feels like going in this direction, as opposed to the other, we're squandering an opportunity where if we were able to raise the millage rate, and educate people to know that everyone is going to pay somewhat more, but we want to maintain the level of service at its current level, and what that service means both as far as safety and saving lives and response times or whatever, and insurance rates. People are either going to go for it or they aren't. He states he supported it the last time around, but he's only 1 vote. If people don't want it

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

and they don't want service, he doesn't know what to say. He knows it is very painful for all of us because he knows we want to provide the best service, he just doesn't feel this is the way to go. Chief Nisbet states a lot of the fire districts aren't in the same position we are in because of the residential, with the exception of North Fort Myers, Lehigh Acres and us, so we have 3 agencies right now that are looking at this; a lot of the departments down south, their revenue stream has increased significantly over the last 2 years, because less than half of their properties are homesteaded properties because of part year residence, mostly seasonal properties, people come down to enjoy it, he's referring to Bonita Springs, Estero, Fort Myers Beach and portions of Iona McGregor, so they benefit from an increase of market value of 25, 50, or 100 percent on that ad valorem and they get that back. We could have a market value increase here of 100% but roughly 81.6% of our properties are homesteaded properties. Just talking about residential properties, not trailers or anything like that, if the market value of the property doubles, the assessment rate can only go up 3% because of save our homes. So on a good year, the budget increase for the District is 4%. We lost 43.7%. We have filled that gap with grants and other funding sources. Is this a perfect system, he asks, he doesn't know if it is or isn't, but it's one, he states, we have looked at and tried to be as fair and equitable as possible. But it can't be all winners, there are going to be some losers, he wishes he could say were going to do it and it's going to be great for everybody. His thing, he continues, is he takes the protection of this community very seriously, as do these gentlemen who are sitting here. (He refers to the present staff and Board. He states we worked really, really hard to lower the ISO rating for the insurance to provide a level of savings, he adds we actually did that in a down turning economy, by our capabilities; which took us down from a 4/9 to a 3/5, which for some, not all, saved about \$2,500. He continues, the way they rate those is going to change, and one aspect is going to be the ability to maintain a 4 person engine company, for example Upper Captiva was just rated, and because they couldn't maintain a 4 person engine company, it went to a 10, and a 10 is considered as not having a fire department. He does not feel we would go that high, but in an economic aspect; he wouldn't want to see that happen to this community, it could have an impact on insurance ratings for the insurances that uses ISO ratings, on the low end, \$2,500 a year. That would depend on the structure and the age of the structure, but that is the potential impact. Mr. Brodtkin admits that he may not fully understand this process, but he looks over at the Babcock land that is in District, he believes is over 4 square miles, and the way he sees it is Babcock is going to pay \$677, Commissioner Ducrou states, until he starts to develop it. Mr. Brodtkin asks if that is correct, that until that time, as it is now, he would pay \$677 on over 4 square miles of land. Commissioner Ducrou states that right now, he probably isn't paying anything as it is probably all AG exempt. Mr. Brodtkin states right now he is paying \$1521 so it's not a huge difference. Chief Nisbet asks if that is total or fire. Mr. Brodtkin responds that is fire, he added all the parcels Babcock holds in Bayshore District. Chief notes, the assessment would be per parcel. Mr. Brodtkin understood that if it was contiguous, it was as one. Chief Nisbet states that is something that has to be decided yet. He states that is not how it was presented to him. Chief states he was giving examples of options the Board would have to decide on, because Mr. Brodtkin had concerns, but we aren't there yet. Commissioner Ducrou admits, it is not a perfect system, we all know that there are going to be people who

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

are paying more, and people that are paying the same or slightly less, it's the same thing even with the millage rate, it's not based on the lowest value home, you could have a huge house, but it was homesteaded so long ago, that you're paying very little taxes on that mansion because when that was homesteaded. We have people who are moving in from other sections of the state, that now have the homestead portability, so now instead of that being taxed as a new residence, we don't get that any more. Mr. Brodtkin states that the homestead doesn't count, since we don't exempt for fire. Commissioner Ducrou agrees but points out that the assessed value is held down. Mr. Brodtkin states now we are talking about the Save our Homes. Chief states we are talking about portability. He cites the example that let's say you had homestead on a property for \$80,000, and you purchase a home for \$350,000, you aren't paying taxes on the \$350,000 but rather on the \$80,000 due to portability. Mr. Brodtkin can agree there's a problem with that. Commissioner Cook states it all depends on when you bought your home, that every home on his street you can throw a rock from one to another and they are all on ¼ acres and can have the same house, but one is paying double of what another is paying. If we get away from this tax business, similar properties are paying similar fees, it's not a tax, we are providing a service, similar to trash pick-up, it is a fee for service, not a tax. Mr. Brodtkin feels it is giving a break to the highest income people and hitting the lowest income people. Commissioner Hansen notes we are also assessing people we have not assessed before, the Civic Center has not been paying. Mr. Brodtkin asks if we can't do that without this system, Commissioner Ducrou states we cannot. The services that roll out of the station for your house or my house are the exact same thing. Commissioner Ducrou states that for the most part, they probably won't have to come to his house because he has a fire sprinkler system, but it doesn't lower the taxes he has to pay the District. There are things that depending on where you've built and what you've built, the possibility of you using the District's fire suppression are minimal, but it doesn't come off his taxes that way. At least this way, it is one number, it affects everyone the same, but everyone gets the same level of service. Commissioner Cook states the reason we are in this predicament is because we are on a millage and we are taxed and when the property goes up, our taxes go up, and when they go down, ours goes way down. So it is hard for us to plan five years ahead when we don't know what we are going to get 3 years from now. Mr. Brodtkin states that of course, when they go up, we don't have to use our maximum allowed millage. Commissioner Cook states we don't. He states, we lowered ours, the problem is we probably should have kept it, and put some in savings for a later date, but we didn't, we actually let the taxpayers keep some of that. DVP Lemieux states that one of the problems we have is that with the caps that are in place now, the money we lost in 4 years, will take 10-15 years just to get back to where we were. Commissioner Hansen notes that it will actually take 17 years. Commissioner Cook states we need to get away from a millage because it is not a fair way for us to plan for future. How do you plan a future when you don't know what you're going to have in the future? Commissioner Hansen states while we are collecting 1 million now, we were collecting more than 1.3 million in the past. Mr. Brodtkin thanks the Board for hearing him. Chairman Ducrou thanks him for his time. He then calls for Ms. Jackow. Ms. Jackow introduces herself and states she came to the presentation the first time and that is why she has returned as she has some questions and has done some

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

investigating. She recalls that at that time, she knows estimates were not accurate, but were in the area of 50% would be saving money, and 25% would be about the same, and 25% would pay more; so she went home and saw that she would be one of those that would pay more. So she surveyed about 10 roads, just for the fire assessment, in which she found Meredith (the road on which she lives) would go up 107%, Donna Drive, 125%, Skipper Rd. 86%, Sedgefield is going up 291%, Henderson Grade 73%, Palm Creek Drive though there was a whole potpourri of things going on there, they were going up 116%, Duke Highway, seemed to be the one saving 25%. She also did N. Olga Drive and North River Road, and the only one she found that was saving money was Duke Highway. Of Duke Highway she continues, there were 44 properties and only 18 of the 44 went down, the rest went up. She feels the numbers are off and it should be that 75% are paying more and 25% are going to be saving money. There were 2 on Henderson Grade that would be saving, and on Skipper there were 3. She feels that if we sat down and did all the residences in Bayshore and they were all paying the \$622.14 how much extra money are we truly bringing in. Something else that disturbed her was the AG exempt properties that are paying less than a dollar and covering a whole bunch of land. And it was mentioned at the previous meeting that if they owned multiple pieces of property that they may only get charged one time the \$677.10 which she doesn't feel we should do, that we would be losing money there. She feels from the people's point of view, if you have to raise money, and you give these people an option of raising it a ½ of a millage point to 4 or even 4.5, you have the option of being \$622.00 she feels you would have the ability to pass the millage easier than telling people on Sedgefield or Palm Creek Drive that are paying under a hundred dollars or under two hundred dollars, that they are now going to pay the \$622.14. Commissioner Ducrou notes that there are 2 Resolutions on the table. She has opted for the 5 year. Commissioner Hansen points out that we can't raise the millage rate due to the state cap. Chief states we are at our voted cap, we can only go up ¼ of a mill to hit state cap, and the last time we looked at it, we would only raise \$20,000. Commissioner Hansen points out, as Ms. Jackow has calculated; we would have to go to 4.5 or so, which by law we cannot do. Chief points out that if we could, on a \$100,000 house, that's \$450 for a \$100,000 house. Commissioner Hansen points out that as Mr. Brodtkin stated, we are at \$1 Million, and we would need 1.7 Million just to stay even with the grants we've had coming in. Commissioner Ducrou states there's not going to be an influx of money that we don't know what to do with. He states that the calculations were worked backwards. We looked at the money that we actually needed to keep the doors open, and the current staffing that we have right now, not increasing anything, and worked backwards to see what we needed to assess the parcels, as the presentation showed, based on the percentages. That was just to keep us where we are. It's not like we are going to come into money that is unexpected. Ms. Jackow looks back to the first meeting and asks about the low income hardship they said could be deferred, that would be a lien, but not, that they said they would get it in the end, but you start looking at how many people have their certificates bought out, that already can't afford their taxes, that currently can't pay less in their total tax bill than this \$622.14 and look at Sedgefield, think of what the 296% increase would be if you convert it into millage. If you take someone from \$92 and now they have to pay \$622, you're going to have a lot more people that aren't going to be able to pay. You'll

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

be confiscating a lot of trailers and property of people who can't afford their taxes. Camille of GSG states that the deferral and the exemption are policies that we as a District make. You can let that go and never make them pay, or you can make them pay on disposal of the property, it's not a lien where you're going to take their property in a certain number of years. You have all sorts of options there, and they threw out a couple options the other day, they are throwing out an option today, it's things as we work through this process, we will gather more information, like how many certificates are sold, how many people win or lose, right now they are just here to present the information to us to see if we want to go forward. They can give us the whole assessment roll and no one will have to do this individual research. She states it will still not be apples to apples comparison because your millage will only raise 1.2 million dollars and you want to raise 1.7 million dollars everyone is going to increase because you're raising more revenue. You're never going to have apples to apples comparison. Ms. Jackow notes in her opinion we should not give the multiple parcel owner breaks, we should get them for every parcel they have. Commissioner Ducrou notes that if it is one plot of land, we are limited to the 10 acres based on that's what we can effectively put out by ourselves, we can't bill for something that mutual aid is going to come in and assist us with. Chief Nisbet states that that was something that was brought up as a variable but we aren't even there yet. These things will all be discussed and decided down the road. Chairman Ducrou asks if any others present wish to speak. Mr. Brodtkin states he feels the method of apportionment (page 3) should read "being Protected" not "being provided" he feels that we should be charging differently for the \$500,000 home versus the \$60,000 mobile home. The Board feels we are going to come regardless of the value of your property; where Mr. Brodtkin feels that even though we pay different amounts for police protection, we all get the same protection. Commissioner Ducrou states this method we are trying to apply right now is similar to the millage without the homestead exemption. So if your home's value is \$150,000 without the save our homes, you would get assessed that full value. The problem we have is under the system we have right now, it's not as you would like to see it based on when your house was built, and how much the save our homes has taken effect, we can't make them straighten that out, we can't make them apply the taxes to the true value of your residence, this is the only way we can do it. None of us here likes this, he adds. This isn't a good situation for anyone in the District. Commissioner Cook states his almost doubles. Mr. Brodtkin states his will too, but that's not the point, if this goes through, he will just have to figure out how he's going to pay for it, but he's just here for what he feels to be best for Bayshore. That's why we are all here. Commissioner Hansen states the millage is not a perfect system, and the assessment is not going to be a perfect system either, but we have got to get something that will fund the level that we need. Chief Nisbet states that the downturn in the economy and the impact of the Save our Homes has created the "Perfect Storm" that we are looking anywhere between 11-17 years if we get continuous growth, to recover, and we could have another downturn in the economy by that time and have to deal with the same problem. Two years ago we saw an increase of 4% the current year we saw a decrease. Expenses are increasing; we had a \$60,000 increase in budget expenses, beyond our control, of keeping the lights on, keeping insurance on the trucks, fuel, retirement....We're not funding things, we're funding \$2500 a year to keep this station

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

up, and she's starting to get old. We put together what we felt was a very realistic budget, without any fluff, making sure we provided you a level of service so that if you have a fire in your home, we can put that fire out as quickly as possible, and rescue your loved ones, on your worst day. If we drop to 2, it makes it more dangerous, it makes it more difficult, and if there's nobody inside, by state statute, by current law, we can't go in, and every 30 seconds that fire doubles in size, as we are waiting for additional help from other areas. Call volume has gone up every year. Again, he states he hates to say it, but September 14th is D Day, and if we don't have the funding sorted out, that is where we will be. We will lay off half our department. Mr. Brodtkin asks when this will be voted on. Chief Nisbet states June 24, in a Special Election. That way, there will be only one question, it will just be us. There is some concern as to voter turnout since so many will have gone north, but it is noted that there will be absentee ballot. Chairman Ducrou calls for any further discussion. Hearing none, he calls for motion to adopt either the Resolution for the 1 year rate or the 5 year average. Commissioner Cook asks if we could raise this next year if we do the 1 year, and if we do the 5 year how long would it be for. Chief states that we took a five year budget and divided for a five year average, but theoretically it could sustain us for 3 years or longer than 5 years. That's 100% funding of the Department off the Assessment Roll. That is not using any Ad Valorem taxes. Commissioner Cook asks about the first one. Chief states that his big question is what Obamacare is going to do to us He really can't say. Commissioner Hansen informed Chief today that each employee at Lynx Services go \$65 deducted from their check this week for Obamacare. He doesn't know if being a small department is going to throw us into the exchange anyway or what. He also doesn't know what the FRS is going to do. He continues that much of our insurance has held premiums for 5 years that we are starting to see increases on. You can't expect them to hold forever. Apparatus are starting to age so maintenance is going to start to go up. So could that 1 year rate last just 1 year or 2, or possibly 3? Yes it is possible. He's fairly comfortable we could get 2 out of that rate. It is just a gut guess; and as always, if Chief can figure out a way to save, he will. Commissioner Ducrou asks if the increase is based on the 5 year average household income. Camille answers it is capped by that. He then asks if it takes a super majority. Camille says they haven't messed with that yet, it is not like the rollback rate. Chairman Ducrou asks if they as a Board could make it subject to a supermajority. Camille and the District's Attorney are both in agreement that the Board cannot bind future Commissions. The Attorney states they as a Board cannot take an action that restricts a future board from changing the policy. Commissioner Cook asks what about taking the Ad Valorem to zero. Chief states they can and after the first year, the ad valorem would be subject to the roll back rate requiring the supermajority to exceed, or a vote of 4 out of 5 elected seats. Commissioner Cook did not want to do both. Chief Nisbet states he feels the public has made some very good comments today and he would recommend the Board do the one year rate. Someone asks how many residential fires we respond to in a year. Chief Nisbet responds approximately 18, to include some mutual aid. The question is raised if EMS is in the station, do we still have to go out. Chief Nisbet responds we do, by state statute. Commissioner Cook states that he prefers not to see taxes, he would rather see the assessment, though he thought the residential number would be lower. He does feel that if you were to start a fire department today, you

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

January 14, 2014

would not do it through millage; you would have to come up with some kind of fee. Chairman Ducrou states it gives you more stability this way. Not so much up and down. Commissioner Cook agrees how do you hire guys and expect them to stay around if you don't know whether you can keep them 5 years, or 3 years...

Commissioner Hansen states that's why one of our guys resigned and went somewhere else. Chief notes that if we have to drop 6, two of those employees will be 5 year employees and one will be a 10 year employee. Commissioner Hansen makes the motion to adopt the 1 year rate. Commissioner Cook seconds the motion. Point is made that this just allows it to go to vote. Request is made that we come up with a plan B in case this doesn't go through. Chairman Ducrou states 6 people get layed off. That is plan B. She asks for a suitable plan B. Commissioner Hansen states there are two vehicles the state allows, the millage rate, and this. If this doesn't make it, we are stuck with the millage rate; we can't raise it any more. Commissioner Cook asks if we can charge per call. Chief Nisbet states the state changed that about 4 years ago because we were talking about charging for automobile accidents. The insurance companies lobbied that at the state level and that shot it down state wide. Chairman Ducrou calls for further discussion, hearing none, he calls for opposed. Hearing none, motion carries unanimously. He calls for any new business.

Business –

- Hearing no new business Chairman Ducrou calls for a motion to adjourn.

Motion to Adjourn – Motion to adjourn made by Commissioner Hansen and seconded by Commissioner Cook. With none opposed, meeting adjourned 8:24pm.