

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
March 12, 2019

Meeting called to order at 7:06 p.m. by Chairman Hansen

Invocation – Chairman Hansen

Commissioner Hansen – Present
Commissioner Griffin – Present
Commissioner Mere - Present
Commissioner Ducrou – Absent
Commissioner Cook – Present
Chief Larry Nisbet - Excused
Office Manager - Theresa Sharp - Present
Attorney Ian Mann – Absent

Others Present: DVP Swindle

Minutes – Review and Acceptance of the minutes of the February 12, 2019 Board Meeting. Motion made by Commissioner Mere to accept the minutes. Commissioner Griffin seconded the motion. Chairman Hansen calls for questions or comments. Hearing none, he calls for any opposed and with none opposed, motion passed.

Financial Report - Review & Acceptance of the February 2019 financials. Commissioner Mere moves to accept the February 2019 financials. Commissioner Griffin seconded the motion. Chairman Hansen calls for questions or comments. With no questions or discussion offered, and none opposed, motion passed.

Fire Marshal and Administrative Reports (attached) – Chairman Hansen calls for any questions or comments on the Administrative Report. Commissioner Cook asks if Upriver's donation was a little higher than normal. Office Manager states, their goal every year is to exceed the prior year; however, this year fell a bit short of last. (For reference: 2018 Bayshore rec'd \$12,104 in donations from Upriver; in 2019 it was \$11,130). Commissioner Mere asks if there is anything that we have to do, seeing that Chief lost 14 months of information and e-mails and such... Office Manager responds not to her knowledge, as he had sent so much to others that most of his work could be shared back to him. Much of it was drafts, not final docs. Commissioner Griffin asks what the Upriver Donations will go toward. Office Manager states into the General Fund and Chief Nisbet will usually use it toward PPE or training. There is some discussion about the Old Volunteer Association entity to whom the money used to go and then be given to the Fire Department General Fund but that entity has been dissolved for years. With no further discussion offered, Chairman Hansen calls for Petitions before the Board.

Petitions before the Board/Public Input – Hearing none he calls for Union Petitions.

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Union Petitions – Hearing none Chairman Hansen calls for Old Business.

Old Business –

- **FL CLASS** – Office Manager states last month we had decided to go ahead and put all of our reserves in the FL Class; however, we have since found that the fund is not guaranteed dollar for dollar, while they strive for that at minimum, there is no guarantee, the funds are neither insured nor exempt from loss. She looks for Board direction as to how they wish to proceed given the new information. Commissioner Cook asks it is on the up and up, it is legal for us to invest public funds in? Office Manager supplies the list of those governmental entities that are invested as well as the statute pertaining to the investment of public funds, and the current earnings to date for recent periods. Commissioner Mere asks, they explained to us that within a day we could pull all of our funds from it, correct? Office Manager confirms that to be true, but the situation is very much like the SBA in that if all of us decide at the same time to cash out, they will have the same situation as they are not required to keep dollar for dollar liquid as it is with the Qualified Public Depository program. Commissioner Griffin states then we currently don't have any funds invested in this manner at this time. Office Manager agrees that is the case adding, in discussion with our banker who is merging into Synovus as we speak, they raised our rate to 1.8 just by asking; and they will still be a qualified public depository. Commissioner Griffin asks and we are secure there. Office Manager confirms that since they are a QPD if they were to go belly-up, the State of Florida will cover us since we have our funds in the QPD Program. She has a Resolution prepared in case the Board decides to move forward with the investment. Commissioner Griffin asks who all else is in the FL CLASS. There is some discussion regarding who's in it. Commissioner Mere offers his opinion stating that when the markets crash, there are some signs coming up to it. Right now, things are going as is, and 2.5% vs 1.1%; I'd say we do it; even if we only do it for 10 months. Commissioner Cook states the interest would be double. Commissioner Griffin asks about the law permitting us to put the money there. Commissioner Cook states, if it happened to us before, I will almost guarantee it will happen again. Since none of us are financial wizards, at the time we decide to pull our money out, everyone else will be doing the same thing, there's no protection against that; and all our money will be tied up. Commissioner Hansen offers to reduce it to \$250,000. Commissioner Cook states that's his perspective. Commissioner Mere states he looks at who all is invested in it. Commissioner Cook states but they're no different than us; Commissioner Griffin states they're also working with much larger funds. Chairman Hansen summarizes, so we like FL Class, but with it not being guaranteed, we're not sure we like it for \$450,000. Commissioner Cook agrees, I don't want to put all of our money in 1 basket. Chairman Hansen asks him what his split is. Commissioner Cook responds either \$200,000 or \$250,000. He then asks Commissioner Mere, you want to put all of it in there, right. Commissioner Mere states he does, for 10-12 months and that when construction starts to slow down, that will indicate things are changing, and we're all out there enough we can see when it's starting to happen. Commissioner Cook disagrees, he is in construction and when we saw it last time, it was too late, we couldn't get our money

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out; that's not going to work. He starts working it from the perspective how much are we losing if we don't do it, we're only talking 1.25% or something. Nothing life changing. Commissioner Hansen calculates the loss at approximately \$5,000 per year by not moving it. Commissioner Cook states \$5000 per year is not life changing; life changing is not being able to get our \$400,000 back. Commissioner Griffin states "or it going down. The market drops." Commissioner Mere states our problem we run into is, because of it being an investment, if the money sits there, even if it falls, they'll come back, investments are generally long term, our situation is if we have to get into our reserves, and the funds aren't there, that's where we're going to take a hit. Commissioner Cook states as a department we should look into long term investments because there really is nothing long term, we need this money sometimes pretty quick; it's not like we're saving for retirement. Commissioner Mere states no, we're just trying to build our reserves off of it. Commissioner Cook states but we're gaining another \$5000. We're not talking another \$40,000 or \$50,000 and I don't know that putting up to make \$5000 is worth the risk, is my personal opinion. Commissioner Hansen asks so what if we put \$300,000 in FL Class and look at it again in 3 months and decide if we want to pull \$100,000 out of FL CLASS and put it back in the bank. Commissioner Cook thinks it should be all or nothing and is still uncomfortable with the risk. Commissioner Mere states in talking with people that are significantly more intelligent when it comes to finances, we're at about a 12-16-month window right now. It's coming back down; is it a gamble, yes, but if we took \$450,000 and left it in there for 10 months, and then said ok, now let's pull it back out, we've made some money in that 10 months. We're going to pull out a little bit early, because you're going to see that interest rate go up a little bit, but, before it goes back down. Is there a gamble, yes, there is. Commissioner Cook feels the risk outweighs the reward. We don't stand to lose everything, but we do risk not being able to get our money back timely and potentially losing money. When we decide to take our money out, everybody else has decided the same thing. Commissioner Griffin agrees, you're going to lose something. Chairman Hansen asks so do we need this as a motion? Commissioner Mere states that depends, do we not want to do it at all, do we want to do partial? He agrees, the reward will always be small since we don't have a large budget to do it. Even then, 2.5% isn't a lot of money. Commissioner Griffin reads the portion of the statute that states our primary objective and priority order of investment activities shall be safety, liquidity, and competitive returns with minimization of risk. Commissioner Mere asks, have we ever gone back to our bank and try to negotiate a higher rate? Office Manger states, we just did Monday. That's when they gave us the 1.80% up from 1.12%. He asks if we told them we were talking about moving money. Office Manager states, we did not as we were getting ready to renew this LOC and we want that intact. Commissioner Mere suggests if they could bring us up to 1.8 (which they did) or 2.0%, then there's not a huge difference between them. There's a discussion about the amount in the bank and how banks use the money to make money and they make more than they give. (The difference here is the QPD is required to keep a major percentage of our funds liquid at all times). Captain Swindle states we use the LOC so we don't have to use our reserves, yet we're only making 2.6% with the risk to put the reserves in this account, but we're paying 5% to use the LOC. Commissioner Mere states we can still access our reserves in a matter of

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½ a day. So, it doesn't mean we have to use that LOC. Commissioner Cook states we do use the LOC and we have every year, at 5%. Office Manager states we did not use it last year, but we were down on staff last year so our requirements were less last year. Commissioner Cook states well were up on staff this year, so we might be using it for sure this year. Commissioner Mere states but we're still going to keep our reserves where they are, we didn't want to touch our reserves, so we keep our reserves to an amount they recommend. Office Manager agrees, that is what the auditors recommended as well. Commissioner Cook argues the fact that we don't have to do that just because it is recommended. Commissioner Mere states we went through this 2 years ago and as a Board we decided to leave the reserves and use the LOC. Commissioner Cook states but it's not a rule. Commissioner Mere agrees with what Commissioner Cook is saying and agrees he has a problem spending that when we have money sitting there, but we did it to keep the reserves there. Commissioner Hansen asks what if we table Resolution 2019-01. Discussion continues about the difference of borrowing money we already have and paying 5% interest to keep funds liquid. Office Manager states we were at 1.12% and our bank brought the rate to 1.80% on Monday just for asking; and offers to go back to the bank and let her know we are entertaining the FL CLASS and give her an opportunity to improve our rate further; and see what she is able to do. Commissioner Cook asks when were we last in the SBA. Office Manager states we were in it with funds frozen when she arrived the end of 2007 and it took us years to recover all our funds. (Last funds became liquid 09/05/2014). Commissioner Cook suggests we table it and see what our own bank can do. Commissioner Hansen agrees. Commissioner Mere also agrees if we can get them up to 2%, it's not worth the risk. Commissioner Griffin also agrees. Commissioner Mere suggests we monitor the rates closer and re-approach our bank when rates change enough to get a higher rate. All are in favor of tabling Resolution 2019-01 as discussed.

- **FL Community Bank – Renew the LOC** - The bank has offered to renew the LOC for the same dollar amount and the same 5% Fixed interest rate. The only change is instead of an annual term it will be a due on demand which they explain to make it easier for renewal. Commissioner Cook moves to renew the LOC with FCB.

Commissioner Mere seconded the motion. Then asks with this being a due on demand set-up, is the \$300 fee a one-time thing since it is due on demand and not annual. Office manager doubts that, but cannot say for certain. She will inquire of the lender. Chairman Hansen calls for vote and with all in favor Resolution 2019-02 is adopted.

- **Audit and Actuary Selection Timeline/Process** – Office Manager advises as per a request of several months ago by a Board Member, March 1st we advertised we were accepting proposals for Auditor and Actuary. Timeline was issued as proposals must be received by 4pm April 1st, 2019; questions pertaining to the proposal requirements were due by March 15 and must be directed to me; they are not permitted to inquire of the Commissioners as they see you about town or by e-mail. Proposals will be distributed to the Board with your packets for the April 9th meeting so the Board will have a chance to review them before the meeting on the 9th. Target for selection of candidates to invite for presentations (if the Board desires presentations) would be the May 14th; at which time notification of our interest to have a presentation will be done on May 15th.

Presentations would be June 11 if not before, there is no meeting in July, and target

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decision date would be the August Meeting; in time for the budget process which hearings begin in September. (Audit begins in October) Commissioner Mere asks how many invitations were sent out. Office Manager advises the RFP was posted in the News Press as well as on our website; and seven auditors and six actuaries by reference from the local departments were contacted. She notes she has provided the Board with the recommendations from the Auditor General and the FGFOA as to the criteria and process the selection committee should use. Commissioner Cook asks how often we have to do the actuarial study now. Office Manager advises it is now a full every other year and an interim between. The Board is good with the timeline as laid out for the selection of the Auditors and Actuary.

- Commissioner Cook asks if we need to read the Resolution for the LOC into the record and proceeds to do so. Chairman Hansen requests execution of Resolution 2019-02. He calls for any questions or discussion on the timelines provided for the Auditor and Actuary Selection process. Hearing none he moves on to New Business.

New Business –

- **Regions Bank CC – Authorization to receive information** – Office Manager advises the girl at Regions who used to supply the credit card statement to her when need due to bill payment schedule, is no longer in that position and since there is no note on the account that it is ok to work with her, the new people are uncomfortable providing it, without annual permission form the Board. She requests the Board execute the Resolution 2019-03 effective for 1 year, which permits the bank to work with her so she can take care of this business for the next year. Commissioner Cook asks if they won't e-mail it to us. Office Manager responds the credit card company's policy is not to fax or e-mail statements, they will send another one via US mail, but that will not work with the timelines for paying the bill. We only request these when the statement falls at a bad time to allow for the cutting of checks and the mailing of the payment. (Since we do not have a bank account with Regions, they are not able to set up on-line banking of the credit card.) Commissioner Mere asks if there is any reason, we can't look at our new bank and get a credit card with them. There is not, however she would like to have this sorted out while we work out the other details. Commissioner Mere has no problem doing the Resolution to appease Regions Bank so the OM can do her job. There is some discussion as to how we are with Regions for the credit card and why we do not have accounts with them. OM explains we haven't had business banking with Regions for several years, though they were just invited to propose services for us when we changed to our current institution; however, they had a bunch of fees our old bank and our new bank do not impose; so the Board elected to go where we are now. Chairman Hansen in trying to explain the scatter of banks here, asks OM how long we have been with Regions. He estimates 12 years... Office Manager states the Regions Credit card goes back to Ian Hickin's day. He is actually still listed as primary on the account. (Ian Hickin has been gone since before October 2002) She explains in order to change the name on the account, they have to close the account and open a new credit card. Chairman Hansen and Commissioner Cook agree this is the thing to do until such time as we

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can secure a new credit card under our new bank. Commissioner Cook moves to accept Resolution 2019-03 authorizing Theresa access to the credit card accounts with Regions Bank. Commissioner Mere seconded the motion and with all in favor, motion is passed. Commissioner Mere requests we approach the new bank for a higher credit limit as we ran into a spot a couple months ago where we got pretty close to exceeding our limit and made interim payment to avoid over limit fees. Office Manager agrees to seek a new card with our current bank with a higher limit. Chairman Hansen moves on to Chief Items.

Chief Items – None - Chairman Hansen calls for Commissioner Items.

Commissioner Items –Hearing no Commissioner Items Chairman Hansen calls for Public Input

Public Input - As there's no public input offered, Chairman Hansen entertains a Motion to adjourn.

Adjournment – Commissioner Cook moves to adjourn. Commissioner Mere seconds the motion and with none opposed meeting is adjourned 7:55p.m.