

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT  
MINUTES OF THE BOARD OF COMMISSIONERS MEETING  
May 11, 2010

**Meeting called to order** at 7:02 p.m. by Commissioner Cook

**Pledge of Allegiance**

**Invocation** – by Commissioner Hansen

**Roll Call:** Commissioner Ducrou – Excused  
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

**Others Present:** Union DVP & some staff

**Awards Presentation** - Postponed

**Minutes** - Review and Acceptance of the April 13, 2010 Board of Commissioners Meeting - Motion made by Commissioner Klos to accept minutes. Motion seconded by Commissioner Hansen. Call for questions or comments. With no further questions or discussion and none opposed. Motion carries.

**Financial Report:** Office Manager calls to Boards attention that the financials reflect \$10,000 in the Money Market Fund that was actually deposited into the Impact Fee Account by the County for the annual rent. She states that the financials reflect where it should have been placed & adds that there is paperwork to transfer it into the correct account in the bills folder. Commissioner Hansen motioned acceptance of the April 2010 Financials. Commissioner Klos seconded the Motion. Call for questions or comments. Commissioner Cook notes that the Printing & Binding line is a lot more than budgeted. Chief states it is the class we taught with the NFA and the map books and the preparation & setup for the ISO inspection. He also points to the employee recognition line which is over budget. Chief responds that there were additional recognitions and some community stuff as well. Commissioner Cook notes the expense of tile for the renovation in the showers. Chief Nisbet states that we spent only \$7,300 for that entire renovation. Commissioner Cook wants to know where we got the tile that we spent over \$2,000 on the it. Office Manager responds that the tile came from Tile Outlets of America. Commissioner Cook than asks if we tiled all the walls & everything. Engineer Lemieux states, just the entire shower walls and Chief Nisbet adds that we also tiled the entire backsplash and adds that it looks very nice. Commissioner Cook agrees he's sure it is. He adds he just thinks over \$2,000 for tile is too much and that's all the questions he had on financials. With no further questions or discussion and none opposed. Motion carries.

**Admin/Ops/Fire Marshal's-Report** (attached) – Chief Nisbet reads Fire Marshal and Administration Reports into the record. In footnote, Chief Nisbet adds that the ISO audit was completed that day and with regard to everything that is within our control; we did very well. He states we should have the outcome in about 2 weeks.

**Petitions before the Board** – None

**Union Petitions/Discussions** – None

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**Old Business:**

- **Review & Execution of Actuary Contract for Services**– Chief Nisbet states that he and legal both had a look at the contract, (which the board has copies of), and it seems very benign. Technically, we can terminate it at any time. It is for a 3-year term but we can terminate, however, even at the 3 years it is less expensive than the other responses for the RFP's. His recommendation therefore is that we proceed and execute the contract. Commissioner Cook asks if we got all the numbers figured out and what's included. Chief responds to the affirmative and adds that everything we require to comply with GASB 45 is included. We get the report. The only things additional are options and they are \$300 per hour; but we are not going to get anything extra; we get the full report for the \$2,200. Commissioner Cook asks if we have to have it for the 3 years. Chief Nisbet advises we do not. Commissioner Cook asks for clarification that we can just do it this year, and 3 years from now we can do it again? Chief confirms. Office Manager draws their attention to the reference checks that were performed. She adds that the primary difference in their fees is that we will save between \$1,800 & \$2,000 over the 3 year term. The other proposals call for more the first year and less for subsequent years where full evaluation is not required. Commissioner Cook states that we're not saving anything since we have to pay them. Office Manager also notes that she had contacted the Auditor with regard to the use of an actuary, and she reads aloud the reply from the auditor that includes clarification regarding the term "unfunded" liability and the better term "not fully funded" liability. (Copy of e-mail attached). Commissioner Cook calls for motion to accept the contract. Commissioner Klos motions to accept. Commissioner Hansen seconded the motion. Motion passes. Contract is executed.
- **Fire Chief Performance Review** – The Commissioners that have the review filled out give them to Chief Nisbet to review & discuss with them later, should he feel the inclination.
- **Ad-Valorem Cap Increase** – Chief Nisbet presents a PowerPoint presentation covering the District's recent declines in revenue and the financial needs of the District, asking that the Commissioners allow the citizens of the District the opportunity to cast their votes on the ballot in November for or against increasing the maximum millage levy cap to the state mandated 3.75 mills. Commissioner Cook asks how far we can raise it. Chief Nisbet states another ¼ mill. It is currently at 3.500 and that is the District's currently voted cap. The Referendum would propose the additional ¼ mill cap to 3.75. He proceeds with the presentation. Commissioner Cook inquires how much the .25 offsets the 10% reduction we anticipate receiving this budget year. Chief Nisbet replies that it would offset 80% of the 10%. Commissioner Cook states that that still implies a decline in the revenues from last year, and wants to know how this would allow us to cover the growth issues. Chief Nisbet states that the increase would help against the rising costs of insurance and maintenance expenses that we face annually. Commissioner Hansen explains that the school teachers last year took a 3% hit, this year they are taking a 9% pay cut. He points out that everyone is making less but the Department is asking for more money. Chief states that he understands that. Commissioner Cook says we could run it through but he doesn't believe it will pass. He adds the question how much will it cost us to do this? Chief Nisbet states that it will not cost anything. We are not going to do it like many other departments out there, by trying

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to do it at a time other than election, when significant numbers of voters are not here; we are doing it in conjunction with elections, above board, when the census is properly represented. He goes on to explain that he will be speaking to the various community groups to rally their support and awareness of our situation. He also states that while it is not yet certain, he anticipates that the new ISO rating is expected to come in hopefully at a 4 district wide but that it may be a 3/8B because of certain situations beyond our control; but if we go to an ISO rating of 4 district wide, it will save the homeowner 40% on their hazard insurance. Commissioner Cook states he had heard that the ISO rating was only for commercial property. Chief states that that is incorrect. Office Manager adds that residents and insurance agents call regularly for rating information for their policies. Commissioner Cook asks if that means that his insurance will actually go down? Chief Nisbet verifies that it does, that all he has to do is notify them of the ISO rating change. He adds that they won't do it for him; he will have to be proactive in requesting the adjustment. Commissioner Cook asks how much that will actually change. Chief Nisbet states about 40% on the fire insurance. Commissioner Cook asks how much that is on his policy, or the average homeowner policy in the district. Chief Nisbet replies that in order to know that, a homeowner would have to look at their insurance policy to see what their particular company is charging them for fire insurance. His insurance went up \$2,000 last year. Commissioner Hansen adds that it might be about 40%, that it could only be 30%. It's just an estimate. Chief Nisbet states that flood and fire are the most catastrophic losses that you have and are consequently the largest portion of the premiums. Engineer Lemieux points out that this is generally speaking; in that where Commissioner Cook lives, there are fire hydrants there so his won't be affected nearly as much as those areas currently sitting at a 9 where they have no hydrants. Chief Nisbet agrees and thanks Engineer Lemieux for that clarification. Chief adds that the change from a 4 to a 3 in his area could mean about a 4% decrease. But the majority of our district, about 80%, is currently a 9 and would see a significant savings. There is only 1 street in the district that won't be, and that's Dukes Highway because of the lack of access; if we had access through 31, it would be different, but at the ISO inspection, regarding everything we had control of, we got 10 out of 10. Commissioner Cook takes us back to the referendum. Chief Nisbet states his recommendation is that we do the referendum from 3.5 to 3.75, which he also does not want to do, but we are in a situation that we have to balance the budget or we are going to have to lay off 3 guys this year. We are going to have to reduce our minimum staffing from 3 to 2 to offset the overtime cost. Commissioner Cook states that that doesn't change it right now; how does that help this year? Chief Nisbet states that it gives him the ability to forecast the revenues we can possibly generate for the next year. Commissioner Cook states that we still may have to lay off the 3 guys. You're asking the people to pay more but right now they could have less service. Chief Nisbet agrees. Commissioner Cook adds that 3 years from now the market will be different. Chief Nisbet acknowledges that it could; but that it could continue to go down. Commissioner Cook states it will go up. Chief Nisbet states but what if it goes down? Commissioner Cook says it isn't going to tank even more. Chief Nisbet states but what if it does? We didn't think it was going to tank this bad. Office Manager states that we have for the past several years continued to dip into our reserves to make budget, which are critically low now and at this point, we are only trying to raise the cap, not the millage, at a time when we can do it without the expenditure of a special election. If we wait until next year and then say we should have done it, it will be too late. Chief Nisbet states that it costs \$18,000 to do the special election. Commissioner Cook reiterates that it will be a hard

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sell. That to try and get this across to people who don't even show up for a meeting, they don't have a clue. Chief states that he will have to get out there and make them aware. But right now we have stuff that we are going to have to discuss at the negotiation table and he can't talk about those plans right now. Commissioner Cook points to the presentation that Chief Nisbet did and the goals he presented, and says that we are not going to be able to meet those goals by raising the millage up by .25. Commissioner Hansen notes that raising the millage only puts a finger in the dike. Commissioner Cook agrees and continues, it stops you from getting less than you have today but it doesn't meet those goals outlined. He points out that replacing a truck with 80,000 miles on it; in his mind it should go another 100,000. Commissioner Hansen points out that he has 5 trucks and the lowest mileage on any of them is 102,000. Chief's point is the value loss of the truck when it gets to 100,000 miles is zero and the value now is \$10,000. Commissioner Cook believes we can get another 4 years out of that truck. Chief disagrees but rather than nickel & dime this thing, he restates his recommendation and states that while it is a finger in the dike, it keeps the water level low and it gives us less to have to pump out. If we don't put a finger in the dike, we are going to be dealing with a tidal wave and we may be starting back again with 2 full time people instead of 3. Commissioner Cook says that's all fine, but we've got to pass it. Chief Nisbet asks the board to let him try to do that. He agrees it may not pass, but all he can do is get out there and try to educate the people, and if they say no, they say no. Commissioner Cook states the people will be questioning him about it, and what it's going to do for them. What can he tell them but we are still going to loose money, we just won't loose as much? But it's going to cost each homeowner more money. Chief Nisbet explains the scenario of a really bad fire where we loose life or huge property damage because we have not made the effort to keep the resources we have; they call ISO who comes out and determines with our diminished resources, and raise our rating to even higher than it has been. Commissioner Cook agrees that he understands that. Commissioner Hansen agrees. Chief Nisbet states he didn't want to go here, but he really sees no other option. Commissioner Cook points out that it's not just the board, but the entire public that has to pass it. Commissioner Cook says that our doing it in a general election makes it worse, that while it costs less, you have every voter that cares about voting showing up. He explains how when we did it in July, 300 people showed up. The people that wanted it came and it was easy. Chief says his point of doing it in the general election is it shows transparency. Commissioner Cook states that getting it to pass that way makes it tough. He asks if Chief understands that it may not pass because of the timing. Chief states that he does. He explains that a lot of Fire Departments are getting negative attention because tax payers feel that tax issues have been slid by them by not addressing them during the general election. We are putting it on the General Election; we are putting it in there with the governor's race, and the senate race. We're saying that this is the time you're supposed to vote, and we are not trying to hide anything or slip anything by them. We are actually putting the community's voice in the decision of the fire protection. If they say no, they say no. We are at 3.50. If they say yes, we get the opportunity to go to 3.75 in 2011-2012. It doesn't cost us anything to ask. Commissioner Cook states that it does. He concedes he's fine with it and asks for the Board's feelings. Commissioner Klos says he doesn't see any way out of it or any other option. Commissioner Hansen says he doesn't see any way around it but that they don't have to like it. Chief Nisbet states that he doesn't like it either. Commissioner Cook states that he doesn't like it but we just don't seem to have any other options. Chief Nisbet asks if we want to go ahead and do the Referendum now or

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in new business. Commissioner Cook asks about the board members not present and about their input. But their vote is not required to put it on the ballot for voters. Commissioner Hansen states that since we're discussing it now, we could just do it now, but states that there will be a lot of comments when we are up at Lawhon's and places like that, and Chief says he is aware that this is the case and there will be much controversy; but he sites that Golden Gate successfully raised theirs nearly 2 mills and they did it through public education and workshops and such. That's what he plans on doing. He plans on meeting with the community groups and having 2 or 3 town hall meetings, putting the big bull's-eye on himself while he defends our position. Showing them what we do, and what we have done, and how we are being responsible with their money, that we need this to keep these guys on the trucks. That's what it comes down to, keeping these guys on the trucks and being able to continue to provide that service. With the discussion apparently exhausted the Office Manager offers to read into the record the Resolution Number 2010-02. Commissioner Cook asks if we vote first, Commissioner Hansen replies to read it so they can make motion to accept after hearing. Office Manager reads the motion 2010-02 into record. Commissioner Cook calls for motion to accept. Commissioner Hansen makes motion to accept. Commissioner Klos seconded the motion. Commissioner Cook calls for opposition or discussion and with no further objections or comment, the motion carries. Commissioner Hansen asks how we pay for the promotion of the referendum. Chief says that other than the advertisements that are required, which there should be room in the budget for, there is no cost for him to hold the meetings and appear at civic meetings to present and discuss. We can put it on our website, and do a story with the News Press and the Neighbor. Commissioner Cook calls for New Business.

**New Business:**

- **Donation to the Red Cross** – Office Manager states that we donate to the American Red Cross \$250 each year and needs to know if the board wants to again this year. Commissioner Cook asks if we haven't covered that before. Commissioner Hansen states they are the ones that bring us Gatorade and stuff when we have an incident of any proportion. Office Manager states we have determined we are allowed to do it, but she never assumes that since we have always done, that we wish to continue to do and prefers to ask before she does. The Board is fine with it and authorizes her to do so. Commissioner Cook calls for additional new business.
- **Election Resolution** – Office Manager states that Commissioners Hansen, Klos, and Griffin are up for re-election and a resolution is required for elections. Office Manager reads Resolution 2010-03 into record for vote. Commissioner Hansen moves to accept Resolution 2010-03. Commissioner Klos seconds the motion. With no further discussion votes are noted and motion is passed. Resolutions require numbering changes due to order covered and are to be retyped with correct number and votes immediately following session and the commissioners will sign immediately thereafter. With no further new business, Commissioner Cook calls for Public Input.

**Public Input** – None

**Motion to Adjourn** – Motion to adjourn made by Commissioner Hansen, Seconded by Commissioner Klos. With no opposition, motion passed unanimously. Meeting adjourned at 7:55pm.