

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT  
MINUTES OF THE BOARD OF COMMISSIONERS MEETING  
December 14, 2010

**Meeting called to order** at 7:00 p.m. by Chairman Ducrou

**Pledge of Allegiance**

**Invocation** – Commissioner Hansen

**Roll Call:** Commissioner Ducrou – Present  
Commissioner Hansen – Present  
Commissioner Cook – Excused  
Commissioner Griffin – Present  
Commissioner Klos – Excused  
Chief Larry Nisbet - Present  
Office Manager - Theresa Sharp - Present  
Attorney Ian Mann - Absent

**Others Present:** Auditor Jeff Brown of Ashley & Brown, CPAs, Some public

**2009-2010 Audit Findings** - Jeff Brown of Ashley & Brown, CPA presents highlights of the FY 2009-2010 Audit. He begins with page 1 summarizing that the District's financials accurately reflect the District's position and that staff has kept accurate and orderly records and has readily and easily provided all requested documentation. He then explains that the Management's Discussion & Analysis pages 3-8 provide some excellent overview analysis of the financial data with comparisons to the prior year. He continues that the actual audit begins on Pg. 9 Statement of net assets; ending the year with \$1,582,375 total assets and \$272,242 total liabilities with unrestricted net assets of \$361,461 indicating that the District is financially sound. He covers the audit page by page with next attention drawn to page 13, Statement of Revenues, Expenditures and Changes in Fund Balance (in a "For-Profit" world, it would be our Income Statement.) The Total Revenues less the Total Expenditures reflect a drop in the Fund Balance of \$118,278 but the District maintains a carry forward which after unencumbered funds leaves the District with the \$455,068, or approximately 4 months expenses, and auditor likes to see between 3-6 months. Pages 15-20 state the enabling act, accounting policies, describes the Funds and support the numbers in the statements. Pages 21 and 22 are new this year and Mr. Brown explains the OPEB GASB45 nuances. Mr. Brown moves on to page 23 which is the comparison of the anticipated budget to the actual in which the actual earnings were greater than anticipated earnings by \$65,594 and budgeted expenditures were greater than those actually incurred by \$64,538. Pages 24-25 relate to internal controls and compliance. Page 25 reflects there were no deficiencies in internal controls identified and no material weaknesses found. There were no instances of non-compliance found. Finally page 26 Management letter states that we complied with everything, we are not in a deteriorating financial position, and we invested our funds in compliance with Florida statutes...all very positive statements. Mr. Brown invites further questions. Commissioner Hansen asks what the end carryover is after all is said & done. Chief Nisbet responds with a round number of \$119,000. Chairman Ducrou states that it is, in a way, a little misleading though because while we carried an additional \$118,278 we are actually down \$118,000 from last year. Mr. Brown acknowledges that Commissioner Ducrou is following correctly and we did drop the fund balance from last year by \$118,278. Chairman Ducrou states that while we did well on the budget, due to circumstances, we are down almost \$120,000. Office Manager states that we ended up impacting our reserves \$118,000 less than we anticipated, however, we did impact reserves, there's no getting around it. Mr. Brown calls their attention to page 5 where it actually shows the revenue and

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expenses of 2009 compared to 2010; that our revenues are down \$260,000 so it would have been much worse had the expenses not gone down. Chairman Ducrou explains we are trying to project how much we can spend and what it's going to take to get us out of this hole. He figures we have maybe about 4 more years, at the present rate. Mr. Brown agrees. Chairman Ducrou thanks Mr. Brown for his work and the office Manager for her efficiency and cooperation, citing that she is always on top of things. Mr. Brown points out his phone number in the audit and invites any of the commissioners to call him with any questions. The entire board thanks him and he departs.

**Minutes** – Review and Acceptance of the minutes of the November 9, 2010 Board of Commissioners Meeting. Motion made by Commissioner Hansen to accept the minutes. Motion seconded by Commissioner Griffin. Chairman Ducrou calls for questions or comments. With no questions or discussion and none opposed. Motion carries.

**Financial Report:** Chairman Ducrou calls for questions regarding the November 2010 Financials. He adds that he has some, but will reserve those for when we do the budget amendments. Hearing no others, he calls for motion to adopt. Commissioner Griffin motioned acceptance of the November financials. Commissioner Hansen seconded the Motion. With no 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. Chairman Ducrou calls for questions or comments. With no discussion, he calls for Petitions before the board.

**Petitions before the Board** – None

**Union Petitions/Discussions** – None

**Old Business** –

**Acceptance of the Line of Credit Terms and Execution** – Chief Nisbet announces that in response to the Board's decision to proceed in securing a line of credit with TIB; and the requests made by Chairman Ducrou, TIB Bank has agreed to all of the requests made with the exception of a guaranteed rollover for 5 years, but the loan document does state the renewal at \$100. Office Manager states that Rob from TIB did assure her that, while he was unable to get that guarantee in the documents, as long as the District does maintain our banking relationship and take care of our line of credit according to the terms, we would have no problem renewing each year; they just couldn't get the guarantee in writing that Commissioner Ducrou had requested. Commissioner Ducrou is fine with the terms without the guarantee. Office Manager states that Rob had requested that the minutes reflect the key points of the terms being: that it is for a 1 year term, renewable; that it is for the maximum amount of \$250,000; that the collateral is the Ad Valorem Revenues; and that we are required to let it rest for a 30 day period after drafts are repaid, before we draft on it again. She explains that should we elect to use the credit, and then pay our drafts off, we must wait for 30 days before we draft on it again; and finally that the rate is Prime Plus 1%, with a floor of 5.5%. She explains that at the present Prime rate plus 1%, the interest rate would actually be less than 5.5%, but with a floor of 5.5% the rate would be the 5.5%, no lower. It is also acknowledged that while Commissioner Klos is not listed on the lines for signing, he is an authorized signer for drafts, and any two commissioners can authorize the drafts. Commissioner Hansen asks if the floor of 5.5 was in the initial proposal. To everyone's recollection it was just noted at Prime plus 1%; however it is agreed that for the most part, we should not accrue interest as our intent is to

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repay any drafts immediately upon receipt of sufficient Ad Valorem revenues to operate and repay the drafts. All commissioners present are in agreement with the terms and execute the document. Chairman Ducrou calls for any other discussion and with none heard, he calls for any other old business. Hearing none he calls for new business.

**New Business –**

- **Audit Acceptance, and Resolution 2010-09 for the amendment of 2010-2011 Budget.** Office Manager covers the Resolution 2010-09 which, per audit, increases the Income side of the 2010-2011 budget for Accumulated Vacation (reserved) by \$43,221.50, the Impact Fees (Restricted Carryover) by \$1,077.29, and the balance of the carryover for Unencumbered Reserves by \$75,631.32 for a total amendment to the income lines of \$119,930.11 to be distributed to the Expenses side of the budget by \$119,930.11 to the Unencumbered Reserves in their entirety, taking the unencumbered Reserves to \$381,420.64. Commissioner Ducrou inquires why we would still reflect the Accumulated Vacation on the budget when the Bargaining Unit contract removed all monetary value to it, why wouldn't we just eliminate it completely. Office Manager states that since the Board had directed all funds be reflected in the budgets and since the auditor presents those liabilities in the audit, the positioning of those funds should be present in the income portion of the budget to coincide with audit remarks, and the new budget reflects no reserves in the expenditure line Accumulated Vacation. She explains further the Bargaining Unit Contract effective 10/01/2010 removes the monetary value of it, therefore the next budget should neither reflect the income, nor expenditure of those lines, and neither should the audit reflect a liability therein, thereby eliminating that line completely. So we come into the budget at the full audited amounts, but exit the budget the way that we decide to expend those funds. Commissioner Ducrou seems satisfied, so long as next years budget reflects Accumulated Vacation neither as income nor liability. This concludes his query. Commissioner Griffin asks if next year then, would the income line would be zero where Accumulated Reserves are concerned. Office Manager and Chief reply to the affirmative and Office Manager again states, neither would the Audit reflect it as a liability. Chairman Ducrou calls for any other discussion. With none being noted, Board proceeds to accept the Audit for Fiscal Year 2009-2010. Commissioner Hansen motions the acceptance of the 2009-2010 Audit as presented. Commissioner Griffin seconded the motion. With no objections Audit is accepted. Commissioner Griffin motions the adoption of Resolution 2010-09 amending the 2010-2011 Budget. Commissioner Hansen seconds the motion. Chairman Ducrou calls for any discussion; with none found calls for any opposed. With none opposed, Resolution carries and is executed.

- **Transfer #1 Budget 2009-2010 line item moves –** Chief Nisbet explains that the first page outlines the line items for the amendment, the impact to those lines being increased/decreased to reflect no overspent lines. Commissioner Hansen states that we are then basically moving around \$16,813.84. Office Manager and Chief confirm. Commissioner Hansen asks if we increased these line items in the new budget so that we would not continually have to add to those lines every year. Chief Nisbet states the Special Events Volunteers/FT Personnel was not a split budget previously, but that Governmental Accounting Standards has, this year, called for a separation in those lines and therefore we needed to move money into the volunteers line to account for the separated expenditure. He goes on to explain that the physicals \$109 excess expenditure was due to some hepatitis B boosters that were not anticipated. Commissioner Hansen notes that the Building Equipment & Furniture line in the budget was only \$500 and we

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went \$1,320.82 over that, which we seem to do every year. He inquires if we increased that so we wouldn't exceed it again in the new budget. Chief Nisbet states we did not, but the overage was due to the replacement of mattresses. He goes on to explain that the Building Improvements excess expenditure of \$4,156.37 he allowed, since we were remodeling the men's shower rooms and he knew we were not going to use all the funds in Building Maintenance. Chief notes that we also put \$2,000 in Operations Supplies-Other that we had not previously budgeted, we tried to keep an eye on the prior year's variances and compensate where we knew we would require additional funds this year. Commissioner Hansen asks if we need a motion to accept these line item moves. Office Manager responds to the affirmative. Commissioner Hansen motions the acceptance of the line item moves for the 2009-2010 Fiscal Year Budget. Commissioner Griffin seconded the motion. Chairman Ducrou asks for further discussion, none found. He then calls for opposed, with none stated, motion carried.

- **Resolution 2010-10 Appropriation #2** for the acceptance of the Grants money to be added to the 2009-2010 budget. Commissioner Hansen asks why this is only \$1,099 when we just moved \$16,813.84. Office Manager explains that the first appropriation was simply to move line items allowances and no resolution was required since we did not increase the budget amount. This Resolution actually is required since we are increasing our budget by the amount of \$1,099. We would not have had to adopt a Resolution if we did not increase the budget dollar amount. Since we received grant money we had to do a Resolution to amend the budget for grants. Commissioner Hansen asks then if the Grant was \$1,099. Office Manager explains that the grant was \$1,499 and the Supp. Comp was budgeted at \$1520.00 but since we received \$400 less, the final impact to the budget was \$1,099. This makes sense to Commissioner Hansen. Chief Nisbet explains for further clarification that when we budget the Supp. Comp. we anticipate who will earn degrees during the year, an accomplishment that the state provides additional funds for that employee in the amount of \$50 per month for Associates and \$110 for Bachelors, but it is only estimated who will accomplish theirs and when, so when someone actually accomplishes this later than expected, funds will not be as much as anticipated. Chairman Ducrou calls for further discussion and with none found, Commissioner Hansen motions the adoption of Appropriation #2 Resolution #2010-10 (as attached). Commissioner Griffin seconded the motion. Chairman Ducrou calls for further discussion, hearing none, calls for opposed, none stated, motion carried.

- **Fire Chief request for approval of Expenditure** – Chief Nisbet requests the board approval for an expenditure from the 2010-2011 budget due to the increased carryover from the 2009-2010 budget, which would not have been possible without the help of the employees. He goes on to explain that when he negotiates, he does so in good faith, and he wouldn't want to take anything away from the employees that he didn't have to. At the time of the Bargaining Unit negotiations, the carryover was not anticipated to be as high as it turned out to be, so he asks commissioners to consider a one time Compensation adjustment for the staff in the amount of \$1000 per person in consideration of the concessions the staff has made to assist with the budget concerns. Commissioner Hansen asks what the total expenditure would be. Chief responds that it would be \$14,000 and the staff will pay taxes from that. He adds that if the board deems necessary, he will forgo his own, but would really like to see it for the remaining staff who has worked very hard to make the budget work. Commissioner Hansen says he has stated his favor of this action previously. Office Manager adds that the actual impact will be slightly higher than \$14,000 due to the employer match on the FICA. Commissioner Hansen states he had

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mentioned last month that with that much carryover and the fact the negotiations were done in good faith, he had suggested something be done to that regard. Chief states that it could very easily have gone a different direction if we had had a large expenditure. Commissioner Hansen agrees, that too was a likely event. He continues that since we have taken from the staff two years in a row, he feels we should do something for them. Commissioner Hansen inquires what the remainder of the board feels. Commissioner Ducrou states he does not have a problem with it. Commissioner Hansen motions the approval of the request. Commissioner Griffin seconded the motion. Chairman Ducrou asks if we need to move money into that line item. Chief states that we can do it at the end of the year when we do all of our budget adjustments, that we may even be able to absorb it through other line items, we will know more at the end of the year. Commissioner Hansen states he feels it is only right to do this since they have been hit hard for the last 2 years, and since we came out ahead of where we thought we would be. He adds that he appreciates the work they do. Chairman Ducrou calls for further discussion; hearing none, calls for opposed, hearing none, motion carries.

- **Election of Officers** – Commissioner Hansen makes the motion that all officers remain in their positions, and that they are doing an excellent job. Commissioner Ducrou would remain as Chairman, Commissioner Griffin as Vice-chairman, and Commissioner Klos as Secretary/Treasure. Commissioner Griffin seconded the motion. Chairman Ducrou calls for further discussion, hearing none, he calls for opposition, hearing none, motion passes.

**Public Input** - None

**Motion to Adjourn** – Commissioner Hansen motions adjournment. Seconded by Commissioner Griffin. Vote called & passed unanimously. Meeting adjourned at 7:48 p.m.