

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
June 14, 2016

Meeting called to order at 7:04 p.m. by Chairman Hansen

Invocation: Commissioner Hansen

Roll Call:

Chairman Hansen - Present
Vice Chairman Griffin – Present
Sec./Treas. Mere – Excused
Commissioner Ducrou – Excused
Commissioner Cook – Present
Chief Larry Nisbet - Present
Office Manager - Theresa Sharp - Present
Attorney Ian Mann – Absent

Others Present: Some public

Minutes – Review and Acceptance of the minutes of the May 10, 2016 Board meeting. Motion made by Commissioner Griffin to accept the minutes. Commissioner Cook seconded the motion. Chairman Hansen calls for questions or comments. With no questions or discussion and none opposed, motion carries.

Financial Report - Review & Acceptance of the May 2016 financials. Commissioner Cook moves to accept the May 2016 financials. Commissioner Griffin seconded the motion. Chairman Hansen 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 report. He reads into record the Admin Report. Chairman Hansen calls for any other questions for the Chief on his reports. Commissioner Hansen asks if the number 8 on the Admin report stating March 31st is supposed to be May 31. Chief Nisbet confirms it is a typo and should read May. Chairman Hansen calls for any other questions or comments. Hearing none he calls for Union Petitions/Discussions.

Union Petitions – None. Hearing no Union Petitions, Chairman Hansen calls for Public Input.

Public Input – None. With no public input Chairman Hansen calls for Old Business.

Old Business – Chief Nisbet reminds all commissioners Form 1 is due with the elections office by July 1. Commissioner Hansen states the qualifying package for candidates is also coming due this month. With no other old business Chairman Hansen calls for new business.

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New Business –

- **Proposed Maximum Millage Rate** – Chief Nisbet states we need to set our proposed maximum millage rate for the upcoming budget hearings. He recommends we remain at 3.500 since we are still working with the SAFER grant and we're still not seeing a large amount of income as of right now. We need to hold the millage rate at the maximum right now. Commissioner Cook moves to hold the proposed maximum millage rate at 3.500. Commissioner Griffin seconded the motion. With no further discussion offered and none opposed, motion carried.
- **Audit results** – Chief Nisbet states as Jeff Brown could not be here he went over the audit with Chief Nisbet and since this is the last month we have to accept it in compliance with the Auditor General's guidelines, he will cover it with the Board. He notes at this time that all district's using the FRS are in the same boat this year as we have been awaiting their actuarial data. Chief begins with page 4 and notes this is the first time we have had a statement such as this in our audit, which he is not happy about, but it states the liabilities of the District exceed the assets at the close of the 2014/2015 fiscal year by \$319,570 net position. The negative net position is a result of the District's implementation of GASB 68 which has required that the \$876,520 net position liability be recognized. He continues, and what that is, is GASB 68 says that if we were required to fund our retirement plan, which isn't our retirement plan (he adds), what would be the cost to us. It's all market driven and it's a constantly moving target; but we now have to report that in our financial statement. It doesn't have to go on our balance sheet but it's still there. It's very similar to what we have to do with our OPEB. It's the same type of requirement. He continues, Theresa and I went to the Florida Association of Special Districts conference last week and a lot of people were upset about this because it shouldn't be our responsibility to report it but the way GASB is right now, we are required to report it. So that's in place. Further if you go to page 5, that negative amount that is the net position where it shows our liabilities outweigh our assets. Again, that's going to be a new number every year that's going to continue to change. He continues, all of our budgeting and forensic data review was all in compliance. Our Capital outlay expense, the only thing we have is Engine 132's payment. If you notice, the audit is a lot thicker than it usually is, that is due to a lot of the documentation that is required with the Florida Retirement System and some changes they made in depreciation calculation. He continues, if you go to page 25, the first statement there just below the top paragraph, the different amounts they utilize to figure out our liability; pretty much what it is, they look at the discounted rate, or if you have a 1% decrease in your performance in the market, our liability would be 1.66 million, but if we have a 1% increase in the market we would be \$208,477 over funded. So it kind of gives you an idea that this is going to be a moving target that is going to be out there, and pretty much it's just a reporting requirement like the OPEB is. The board is confused as they don't see the

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numbers on page 25, and it's discovered Chief is working off the draft and the final has the information on page 26. He continues, based upon their review, all of our internal controls were good, we're in full compliance in measures of GASB for reporting, and the purpose of this report, we have met all the state requirements for governmental agencies, and if you so choose to accept it, it will be transmitted to the Department of Revenue and the Auditor General with our acceptance. He concludes with the statement he will try to answer any questions the Board may have. Commissioner Cook states this is tough stuff. Chief agrees, adding "this whole FRS GASB thing has got me irritated. And I'll tell you where it's got me irritated is it shows us with a significant liability that we don't have, that we don't own, but, if we have to build a fire station in the near future, we have to go for a bond issue or something like that, that's going to show up and I'm going to have to explain, and in my opinion, it's inaccurate reporting". Commissioner Cook states to make that number a zero; you would have to have a huge reserve. Chief Nisbet agrees, "Exactly". Chief continues, "Here's the thing, this year it shows our liability at \$866,000; next year it could be 1.4 or it could be \$243,000; depending upon what the market does. It all comes down to the FRS actuarial. But to give you an idea, we already got our FRS employer contribution numbers for next year and we only went up a quarter of one percent for high risk. That's the lowest increase I've seen since our big decrease, since I've been here. It's pretty close to a flat year. Commissioners, if you don't have any questions or concerns, I recommend that you adopt the audit so we can transmit it." Commissioner Cook moves to accept the audit. Commissioner Griffin seconded. Chairman Hansen asks if there's anything else on it. Chief Nisbet responds no, next year it will be thicker, there's more rules coming down the pike. Chairman Hansen calls for any further discussion and with no further discussion and none opposed, the 2014/2015 fiscal year audit is adopted. Office Manager advises Chairman Hansen that once the auditors have the report plugged in we will contact him to come to the Department and he and Chief will sign the audit on line for the LOGER. He acknowledges and calls for Commissioner Items.

Commissioner Items - Hearing none, Chairman Hansen calls for Public Input.

Public Input – None stated. Chief Nisbet takes this opportunity to advise the Board there is some work going on with the Pritchett Project. He states they are doing the turtle relocation work. He states they've probably taken in 3 semi loads of sod, I think they're probably building the sanctuary where the gopher turtles have to go. But I've seen some more activity in the last couple of weeks. Commissioner Cook states "there're a lot of gophers back in there; I rode back in there, there are tons of them." Chief agrees, "I bet there are." Commissioner Hansen states "when they built that road through there, they removed a ton of them. There were guys walking this close to each other (he motions with his hands) and they were picking them all up. They came out and said they see

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vacated boroughs, and Commissioner Hansen agreed, adding “not on their own.”
With no further discussion he calls for recess. (7:24)

Executive Session

Reconvene – (7:44)

With no further business to discuss Chairman Hansen calls for Motion to Adjourn.

Adjournment - Commissioner Cook moves to adjourn. Commissioner Griffin seconded the motion, and with none opposed, meeting adjourned at 7:45 p.m.