

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
March 11, 2014

Meeting called to order at 7:02 p.m. by Vice-Chairman Griffin

Pledge of Allegiance

Invocation – Commissioner Hansen

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

Others Present: Some Staff & Public

Minutes – Jeff Brown of Ashley, Brown & Company for Exit Interview for the Fiscal year 2012-2013. He begins with pages one and two Independent Auditor's Report stating the outcome is a "Clean, Unqualified opinion" noting that is the highest level of assurance you can receive in an audit. He continues pages three through eight are the Management's Discussion & Analysis, which he encourages the Board to review as there are some comparative schedules and financial highlights of the District. Page nine, he continues, is where the financial statements start, beginning with the Statement of Net Assets which is the snapshot of the financials as of the end of the fiscal year. The top is the Assets, basically the cash and a small amount of accounts receivable, the assets like land, building and equipment, and the center is the Liabilities short and long term, the balances owed on the aforementioned assets, and the bottom being the net assets, the difference between the assets and the liabilities reflecting unrestricted net assets of \$500,386 indicating the District is financially sound at that point in time. Page eleven, he continues, is a bit more analysis, breaking out the General Fund and the Impact Fee Fund. He notes here the negative Impact Fund balance, which is reflecting the monies due to the General Fund that the Impact Fees Fund does not currently have available to repay. He forwards to page thirteen the Statement of Revenues, Expenditures, and Changes in Fund Balance, which in the For-Profit world is referred to as the Profit & Loss or Income Statement. The right-hand column combines the General fund and the Impact Fee Fund, with the difference between the Revenue and Expenditures resulting in a reduction to the fund balances of \$32,320. The following pages are the footnotes, describing the entity, he takes us to page twenty which lays out the capital outlay which is the eases and how it schedules them out until they are paid off. He drops down to the OPEB which increased about \$12,000 with the new study as compared to the last one a few years ago for a total unfunded Post Employment Benefit liability of \$24,669. Page twenty-four is the budget to actual comparison which he states we got really close, within \$29 of budget. Pages

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twenty-five and twenty-six cover internal controls and their tests disclosed no incidences of non-compliance or other matters requiring reporting under government auditing standards. He continues the last few pages contain numerous references to the Florida Auditor General, and all are positive remarks. He offers to answer any questions for the Board. Commissioner Cook states they would have a lot more questions if there were things wrong, but since it looks good, there aren't a lot of questions. Mr. Brown offers if there should be any questions during the year, he invites them to inquire of his firm, contact information is included and Management also knows how to reach them. The Board thanks him and he is free to leave if he so desires. He exits.

Minutes – Review and Acceptance of the minutes of the February 11, 2014 Board of Commissioners meeting. Motion made by Commissioner Cook to accept the minutes. Commissioner Hansen seconded the motion. Vice-Chairman Griffin calls for questions or comments. With no questions or discussion and none opposed, motion carries.

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

Fire Marshal and Administrative Reports (attached) – Chief Nisbet states Doug has been busy, and covers the inspections, stating the fair was the special inspection and a majority of the others were Love's. Commissioner Cook asks if this is considered busy. Chief states for us for the last five years, with the exception of annuals, yes. Chief reads the Administrative Report into the record. He adds the addendum that yesterday he went to Upriver Campground for their annual donation to the fire department and the Community of Upriver donated \$9,588. Commissioner Cook asks if that is a landmark donation for them. Chief responds it is the most since he has been here. Commissioner Cook remarks he does not recall it ever being such a high number. He continues with the Apparatus and Call Volume reports. At conclusion, Commissioner Cook asks how they raise the money. Chief responds they do barn dances, chili cook-offs, boot drives... Commissioner Cook asks if they do it all year. Chief responds that as long as they are here, they do different stuff. Commissioner Cook responds that would indicate the earnings are predominantly seasonal. Chief remarks that over the past three weeks we have done four CPR classes, Commissioner Cook states we must go there often. Chief states yes, we judge their chili-cook offs, photos for their calendar, we still have a parade to do. Commissioner Cook states it sounds like we have a good relationship with them. Chief states it is humbling how supportive they are, and every year its more. Commissioner Hansen states that is until they see their assessments. Commissioner Cook asks if we have discussed that with them. He states he has, and he believes he may have a way to address that, because that is a big number change. He states we will have to address that if we are successful in June, when we do the management resolutions on the assessment. Vice-Chairman Griffin calls for questions or comments. With no further discussion or questions, Vice-Chairman Griffin calls for Petitions.

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Petitions before the Board – None

Union Petitions/Discussions – None

Old Business –

- None - Vice-Chairman Griffin, hearing none, calls for New Business.

New Business –

- **Accept Audit** – Commissioner Cook moves to accept the audit as presented. Motion seconded by Commissioner Hansen, with none opposed, motion carries.
- **2013/2014 Budget Amendment for Carry-Over** – Chief Nisbet notes that based upon the audit the carry-forward number is improved by \$67,110.06 which he states is very close to the amount we had anticipated drawing from Reserves in the 2012/2013 fiscal year but since we had some reduction in Personnel Expenses and some smart spending, combined with the fact we had a decent brushfire season, we are able to reallocate those funds back into the Reserve line for the 2013/2014 budget year. Commissioner Cook is very pleased. Commissioner Hansen moves to accept Resolution 2014-03 as written. Commissioner Cook seconded the motion. With none opposed, motion carries. Resolution 2014-03 is executed.
- **Legal Representation Proposal for Assessment** – Chief Nisbet states we had the firm Nabors, Giblin, & Nickerson out a couple weeks ago, after our legal council recommended we entertain them to see what they have to say, since they have expertise in successfully defending the assessment methodology GSG uses. They gave us a full presentation though we had already done much of the preliminary aspects with the assistance of Florida Association of Special Districts and Ian had reviewed, but they did have some good information in their proposal. The attorneys with them were actually the group that started the fire assessments in the '90s, and they represent several entities throughout the state on their fire assessments and they ensure the validity of the methodology used. They do have an office in Fort Myers. They have given us a proposal for \$15,000, which he has to get back with them as there are facets contained in their proposal that we don't need as we are beyond that point. He continues that at first, he was pretty confident in working with GSG and Ian, we could handle everything ourselves, but he is unnerved by his uncertainty of what there is to the process that we are not aware of, and he fears to miss something or do something incorrectly. He would hate to mess up and we get a challenge, or kill it if our assessment did go through. That worries him. He asks the Board if they would entertain a presentation at the next meeting so they can hear firsthand what the firm has to say, to see if they are someone the Board wishes to use after our vote. We will have to adopt a management resolution if it passes. All the collection stuff is done. Right now we are in the Public Education phase, making sure the voters have all the information they need to make an informed decision. We can't tell them which way to vote. This, he continues, is the firm that defended GSG on the historical delivery model at the Supreme Court, all three times. It was a good meeting. One of the attorneys was the County Attorney for Lee County for a number of years, until he retired. And one attorney, Heather, was very impressive. She felt we were well on our

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way, on the right track. One of the things that stood out to Chief in their proposal was their perspective. Many attorneys might say they are here to defend us, but their approach was they are going to provide us with all the assistance we need so we don't have to defend it. Chief fears what we may need to do, that he doesn't know of that could be missed or done incorrectly, so he asks the Board if they would be willing to entertain the firm at the next meeting, so they can make a decision on where they wish to go from there. Commissioner Cook asks if we can wait until closer to the vote. Chief states it is possible, he does plan to contact them tomorrow to amend their bid as it does include key items we have already taken care of. He doesn't feel we should pay for that again. Commissioner Cook feels it may be a good idea to look into it, but he doesn't know that we need to do it now. Chief states he is not making recommendation at this time that we take them on as council. He just wanted the Board to have their information to evaluate where they stand. Commissioner Griffin asks if Chief found other places that have done this. Chief states there have been some challenged, but most who have put this through have been City Government. Chief states there are very few independent districts that have a fire assessment program. He continues, there are very few independent fire districts left. He states most of them fall under either City or County Government. Commissioner Cook states there are a lot here in Lee County. Chief continues there are thousands of special districts throughout the state, and if you look at special districts, fire districts make up a very small chunk of special districts. When you get into Collier, it's a mixed bag. They have some independent and some dependent. North Port is a dependent fire district; St. Lucie Fire Control is a dependent district. They fall under County government. They are their own special taxing authority, but their oversight is through the County. The best example he can produce here is the Port Authority. They are their own entity, their own budget, but the Lee County Commissioners are the Port Authority Board. He doesn't feel we are going to have the same issues as Cape Coral, because they used a different methodology, and everything is politically charged over there, and Lehigh is dealing with a very different dynamic of a board, which is making their process difficult. In fact, he continues, he believes they are redoing their study now. They are looking at going for it next year. Chief feels that we are ahead of the game because we have kept it very simple. We went with the 2014/2015 budget number. We are saying this is a house, this is the square footage for commercial, this is industrial, this is institutional, and this is acreage. He feels we have done very well maintaining simplicity. Honestly, he continues, he feels it is easy to explain. He actually took some time over the weekend to explain it. And one the people understood, many's greatest fear was what their taxes would be on top of the assessment. What he explained was that the direction of the Board was that we wanted to take that to zero. He feels when they found that out, he feels they were more supportive. Commissioner Cook states we almost have to in order to make it work. Chief states he starts his first public meetings on this next week with the North Olga group. That will be his first public meeting. Then we have the open house on the 22nd, this Saturday. Commissioner Cook states the way the numbers fall it is almost 50/50. He states that if someone's taxes are going to go up, they are not going to agree. Commissioner Griffin explains that it was unequal before, and though many will pay more, it will now be even. Commissioner Cook states his is going up \$160, Chief

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states his is going up \$280 and Commissioner Griffin's is going down \$40 or \$50 a year. Commissioner Cook agrees and asks Chief is he's going to vote yes. Chief replies "absolutely". Chief states he went through the preliminary tax roll he was supplied by GSG and it took him about a week and a half to go through the almost 2800 parcels in the list to determine whether that parcel would rise or fall. He grouped those paying more which was strictly residential, and he put paying the same or less, and acreage. The property aspect was a negligible number the difference between what they are paying now and what they would be paying. For example, 15 quarter acre lots off Nalle road, the difference was between paying \$20.14 to paying \$31 and some cents. Commissioner Cook states that we are then getting most of our increase from residential. Chief states that we are also assessing properties that have not been paying any ad valorem. Commissioner Cook doesn't think that is much, but Chief estimate all together it will be over \$200,000. Commissioner Cook states and we're still worrying about those being challenges too. Chief Nisbet states that Lee County for instance is already paying special assessment to East Lee County Water Management District. They are bound by Supreme Court language and the language of Sarasota County, to pay, as are churches. He continues to explain that what he did was take those two categories and based on the way he determined the increase/decrease, 1298 properties will pay more, which equates to 52.1% and same/less/acreage was 1193 properties was 47.8% with a total of parcels 2491. There are a few parcels of course that didn't have any numbers on it, those might be law enforcement officer and what not, attributing to a 2 or 3 decimal point variance in those numbers either way. Commissioner Cook states it then is pretty much 50/50. Chief says in all honesty, there will be some streets that are going to get completely blasted. Sedgefield, and some of the older streets south off Bayshore like Wayzata, and Caroline, except for the ones on the river, are going to be paying more. But Hunters Glen, one property is paying more. Commissioner Cook asks about Lynn Road, he guesses it's probably about $\frac{1}{2}$ and $\frac{1}{2}$. Chief states it depends on which side of the street you're on. Commissioner Cook states it is going to depend on when you purchased, and then there's some nice homes and some raggedy homes. Chief states he went back to his TRIM notice in 2008, when his home was assessed at what it was originally purchased for, and he is still almost \$175 less a year than he would have been if the market had stayed at that rate plus the 3% increase due to the save our homes cap . He explains why he used the \$75 dollar mark to determine was because if we are not successful on the assessment but are fortunate to see a three or four percent increase in taxable value, that would equate to be pretty much the same for those properties, so it wouldn't have translated to an increase. So actually, some of those that are going to be paying more aren't necessarily going to be paying much more than if the assessed values went up. Commissioner Cook states his increased this past year, but the year prior, it was only \$79,000. So it went to \$112,000, He doesn't know what it will be like this year. He states he has been working with Cindy Dick the Fire Chief in Tallahassee on that, we are doing the presentation from simply and educational perspective as to what it is that we are doing, what the plan is, and to please come vote, right or wrong, at least come vote and make an informed decision, because regardless, we are going to provide service, but we just don't know at what level the service will be after the middle of September, if we are not successful with

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our assessment, it depends on what ad valorem dollars are, or if we are successful with any additional safer grants, or if we have to eliminate some services, and the economic impact to the community is going to be there regardless. Chief also mentions he was concerned where ISO ratings stood with the insurance companies, until yesterday when he received an invitation to speak at the Lee County Insurance Brokers Symposium in June about the ISO because, the lady told him, almost every company has picked back up on the ISO ratings. Commissioner Hansen asks if the attorney shared with Chief their initial bid. Chief states \$15,000 lump sum. Commissioner Cooks says wait on it. Commissioner Griffin asks if that is a retainer. Chief states that is for services with the exception of defense. It is for all the service outlined in the proposal. Commissioner Griffin clarifies that we have to do a Resolution when all this goes through. Chief states yes, we are going to have to do a procedural resolution on the assessment, on any exemptions, or any gradual imposition, he sites some communities have done a 25% per year increase until 100% for those new to taxation, how we will handle trailer parks like Upriver, if we wish to do a vacancy rate, all are considerations to address but the caveat to that is, that all of those will impact and reduce the 1.8 we looked to generate. So some of those things we were looking to fund will have to be reduced. That's the drawback. Commissioner Griffin asks when the Resolution would have to be done by. Chief Nisbet responds, about July, and he states he has received some samples and they appear pretty generic. It's just that since we are an assessing Board, if someone wants to come in and appeal their assessment, we have to have a process to handle that. A lot of it is administrative, where they meet with the Chief prior to, and then if it gets to where it is a legal challenge, it goes to the Board to take a look at it, and it goes forward from there. He does not, however, feel we have the dynamics the other communities have that have gone through it right now. He continues, he was speaking with Chief Noble, and he did not realize that 70% of North Fort Myers Fire District is trailers. Chief continues, referring to the proposal again and the items we have already completed, for instance task 1 evaluate reports and research issues which has already been done by GSG, review the full cost of service we have already done with GSG three different times because we have had to whittle to get it to a reasonable amount, review the appointment methodology – we are using the historical appointment methodology which is the most widely used and most widely defended, Commissioner Cook has a question here. He asks if that amount doesn't change. We are supposed to take 75% of our money from residential, won't that change? Chief Nisbet explains that if the demographics of our District change, that will absolutely change. Commissioner Cook states if we are building 600 homes over there... Chief states that would still be residential. He explains that where you would see marked changes in methodology would be if we got industrial parks here, large commercial complexes, shopping malls, things like that. More commercial activations, more alarm activations, or we're running calls to more commercial properties, things like that would change it. Brushfires would come down because brush would disappear and you would see more response to commercial properties, which would then be for more calls for service. That's why it is recommended that you do a new study every five years. At that point, we might look at doing a split system to where we could bring the assessment down, go with a low millage rate, and collect more money off of commercials with tangibles. There is some

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discussion about potential future growth and what that would do for the Department financially in the form of tangible taxes. Chief states when he went to the LPA meeting, Concerned Citizens of Bayshore had put into the Bayshore Comp Plan that didn't want any more subdivisions built in the community, no more commercial growth, they wanted to take away open burning for wildfire mitigation. He stated when he returned from the meeting he said get ready for the phones to start ringing about 3:00, and actually they started ringing about 2:30. Everyone is surprised they are not present at the meeting tonight. There is some concern over the effects they have been granted to the Community Plan when they do not meet in the Sunshine and do not maintain a public website. Chief is still seeking an answer as to whether to bring the law firm in for a presentation next month. Commissioner Cook says no. Chief states we don't have to make a decision on their proposal now, but he would like everyone to have the information so we can discuss things and get questions answered, before the election in June and we need to have someone in place last minute. We need to gather the information now so we can make informed decisions. That way if the assessment passes in June, we can have the attorneys here for July Board so we can have something done by August. He is not suggesting in any way right now that we hire them, but where we will get into issues is when we start addressing properties. We are going to need to address the churches, Commissioner Hansen states we won't have to address his. Chief states that it is nothing against Ian; it is just not what he does. This is what the proposing firm does. The Board agrees to let the firm present next month. Chief concludes with an invitation to the Board to come to the open house the 22nd of March 11-2. With no further comment and no new business Vice-Chairman Griffin calls for Public Input.

Public Input – Hearing none Vice-Chairman Griffin calls for Motion to Adjourn

Motion to Adjourn – Motion to adjourn made by Commissioner Hansen and seconded by Commissioner Cook. With none opposed, meeting adjourned 7:47pm.