

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT  
MINUTES OF THE BOARD OF COMMISSIONERS MEETING  
October 11, 2016

**Meeting called to order** at 7:15 p.m. by Chairman Hansen

**Invocation** – Chairman Hansen

Commissioner Ducrou – Excused  
Commissioner Hansen – Present  
Commissioner Cook – Present  
Commissioner Griffin – Excused  
Commission Mere - 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 September 8, 2016 Preliminary Budget Hearing. Motion made by Commissioner Cook to accept the minutes. Commissioner Mere seconded the motion. Chairman Hansen calls for questions or comments. With no questions or discussion and none opposed, motion carries.

Review and Acceptance of the minutes of the September 8, 2016 Board of Commissioners meeting. Motion made by Commissioner Cook to accept the minutes. Commissioner Mere seconded the motion. Chairman Hansen calls for questions or comments. With no questions or discussion and none opposed, motion carries.

Review and Acceptance of the minutes of the September 26, 2016 Final Budget Hearing. Motion made by Commissioner Mere 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 September 2016 financials. Commissioner Cook moves to accept the September 2016 financials. Commissioner Mere 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 Fire Marshal's report into the record. He adds his apologies that there is no Administration report due to his deployment for Hurricane Matthew. He states it was pretty much a normal month. The generator on E-131 has been repaired, VFIS insurance did cover it. That re-installation was supposed to take place last week, however with Hurricane Matthew coming in, E-One concentrated their efforts to make sure the fire departments on the east coast had all their trucks up

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and running and in good shape, so we got put on the back burner. He's hoping to have them get here this week to square it away, if not, it'll probably be the first of next week, but it'll be ready to go. He adds that we also had a small repair to E-132 of a wiring harness and a couple other small items that had to be replaced. Other than that, the fleet is in good shape; everything is status quo and we're progressing into the new budget year. Commissioner Mere states "I see you had a consultation with Pritchett with Metro Development Group...Chief agrees, pretty much they're ready to go; the only thing that's holding them up right now is there is a sewage pipeline issue that the County has to do because they agreed to it almost 15 years ago when this project was first proposed. And the Metro Development Group is trying to work it out with the County because it would be more expensive to do it the way that it's written previously than what Metro is proposing now so Metro is trying to work with the County to help them out; that's the only thing that's holding them up, and then as soon as they get that squared away, and get that worked on, and what they're going to do, is you don't see anything, they're going to start turning dirt on Phase I and the pool, and they actually said that Phase II will probably get kicked up. He continued, I would imagine, with the rainy season pretty much coming to an end, they'll get to work on that; and then of course, Captain Swindle just showed me that Babcock has applied for their zoning changes in Lee County. Commissioner Mere replies, "Good". Chairman Hansen asks for any other questions. With no further discussion Chairman Hansen calls for Petitions/Public Input.

**Petitions before the Board/Public Input –None**

**Union Petitions - None**

**Old Business –**

- None Scheduled – Chief Nisbet states he has an Old Business item – "Last meeting we voted to use the Line of Credit after we used the Reserves of the Certificates of Deposit that we had moved to the Money Market for budgeted operations until our dollars start coming in for this fiscal tax year. I was contacted by the auditors this afternoon and they recommended that we not do that. Their reasoning behind that being that the event that we took last week with Hurricane Matthew, if we deplete our reserves and we end up in an emergency situation where we have to borrow money above the line of credit or something happens in that place, it shows us in a weakening position by us using the Reserves ahead of time. So, again, I turn it back to you, but my recommendation is that we rescind that previous motion of using the Reserves prior to using the Line of Credit, we'll still have to use some reserve cash until we get the documents executed, but I think that we should go ahead and use the Line of Credit sooner. And you'll see the bank worked out some better rates and fees, and Theresa can answer your questions for us if she needs to." Theresa states "They were prepared to give us 3.5% interest with an adjustable rate and I explained to them our Board's position on adjustable rates, and the fees were like seven hundred some dollars, so I had them re-do

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the paperwork on a fixed rate and the rate is 5% and it is for something like a year and a half or something, so we won't have to pay the fees as soon, because we have to pay those every year, so the fixed rate pushed the rate to 5%." Commissioner Mere states "So the fees are still \$700". Theresa states, "No, the fees came down to \$400." Chief Nisbet states "It's really the offset of the interest rate." Theresa explains, they have to make a certain amount for doing the loan, and the fees are guaranteed charges, so if we didn't use it, it would only cost us \$400 instead of \$700. They would probably still be willing to do the 3.5% if we were willing to accept the adjustable rate." Commissioner Cook states "It's really not that much, how much are we going to get into it?" Chief Nisbet states probably \$150,000 and usually we pay it off by the middle of December or so." Commissioner Cook states "That's what I'm saying, it's not that much." Chief Nisbet states "I believe on average it costs me about \$800 to use the Line of Credit." Commissioner Mere states "The discussion last month was that we could save that \$800 by using our reserves, and then basically, if we ran into that pinch, we could still pull it from the Line of Credit." Chief Nisbet states "Honestly, it's apples to apples, but..." Commissioner Mere states, "It is, I mean I understand what the auditor is saying at that point, but the reality is, if we were to get to a point where we had to borrow more than what we had access to anyway, we'd be at that point anyhow because we still have so much money tied up in that line of credit, you still only have whatever is left of that line of credit. So it wouldn't necessarily benefit us, but it would..." Commissioner Hansen states "It looks better on paper." Chief Nisbet states, "What it shows is we still have our three months of reserves sitting there, so it actually shows us in a stronger financial condition. And he's also worried that if we got into that situation, then having to report to the Department of Revenue, if we ended up in say, something catastrophic happened, the Property Appraiser delayed his disbursement, something happened, let's just say, a cyber-attack, and they had to go back and re-do all that stuff, it would delay our income, if that would happen, then we wouldn't have those reserves for that emergency situation to deal with it." Commissioner Cook states "its fine with me, it's the auditor; they know what they're talking about." Chief states "So I give it back to you. We can stay with the course we're on, but I just wanted to relay their recommendation." Commissioner Mere states "I just have mixed feelings both ways, because I do understand where they're showing on paper, that it looks more financially sound, I just hate to throw \$800 away, just because, so it looks better on paper, not necessarily is it going to affect our rating. We're talking in a short term standpoint, so what's our likeliness of this short term showing us not as financially strong, and really causing a ripple effect down the road?" Chief Nisbet responds "I don't know, it's the what-if scenario. But I can tell you, prior to us having the reserves that we've built up, with the Board over probably the last 12 years, this District never had reserves, and every year at this time, we'd have to do a tax anticipation loan and if you look back in the records, the tax anticipation loans were a lot more expensive than the \$800 we're talking about, having to use the Line of Credit." Commissioner Mere asks for anybody else's opinion. "I mean I know I'm sitting

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here all by myself. You guys are ganging up on me.” Commissioner Cook states “No, we’re not ganging up... “Commissioner Hansen states “Not me, I’m just sitting here... I totally understand, all it is, it’s the same money, it’s just on paper.” Commissioner Mere agrees stating “It is, that’s the problem with the whole thing, our reserves are there, but it’s the same money, so the reality is we’re paying \$800 to look good on paper.” Commissioner Cook agrees, “We already have the money” Commissioner Hansen reminds “Which is a state requirement to have 3 months in reserves.” Commissioner Cook states “The reason we have the reserves is supposedly for that reason.” The office Manager explains “But that’s the auditor’s point. If you use your reserves, and for some reason the bank can’t fulfil or denies a draw on the line of credit, what do you do? You don’t have the reserves for the emergency and we spend \$100,000 a month. So if the moneys didn’t come in like we anticipate them coming in in November, we don’t get those payments. We’ve only got about \$260,000 right now and October and November, that’s 2 months right there. And if we have an emergency, hurricane season doesn’t end until the end of November.” Commissioner Mere states “I think the only problem that I would see, with the exception of the “on paper” would be if the bank for some reason would not be able to allow us access to that money. Because everybody looks at it differently, that’s what I would use the line of credit for. That’s the emergency. That’s what’s going to cost us.” Commissioner Cook agrees, “There’s the emergency”. Chief Nisbet states “That happened in 1927.” Commissioner Cook laughs stating “That was a long time ago.” Chief agrees, “That was a long time ago, but everybody thought the economy was great up until that time.” Commissioner Cook states “If that happens, our reserves don’t mean anything anyway, it goes right down to zero. It’s not like you have it in a sock somewhere. When the bank doors aren’t open, you’re not getting the money out. It doesn’t mean anything. Line of Credit versus Reserves doesn’t mean anything.” Commissioner Hansen states “I hate to spend \$800 just to spend \$800 but, with the auditors telling us this is better, and with the state recommending you have those 3 months...” Chief Nisbet states “And the only other thing I can add is that we’ve done really good not having any remarks on our audit.” Commissioner Cook agrees “Our audits have been good. I remember a time when we didn’t have audits for 3 years. We were 3 years behind. We would get one like now for 2013. And now we’re like only 3 months behind.” Chief Nisbet states that “There are a lot of auditors out there that will give different recommendations and there’s one group out there that does audits and they go over the top, our auditors don’t go over the top. They are very practical and very realistic, so for them to make this recommendation, they’re thinking practically. That’s what I’m thinking; it’s not over the top.” Commissioner Mere states “But the auditor is just a consultant. So it is just his opinion.” Chief Nisbet states “It’s just like our attorney or anybody else.” Commissioner Cook moves to use the line of credit based upon recommendation of the auditor, and not use the reserves. Chairman Hansen calls for a second. Commissioner Mere being the only other Board member present asks him “You got any opinion on this?” Chairman Hansen states, “I

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gave my opinion, I see what you're saying about the \$800 but I'm kind of on his page because of the recommendation of the auditors and the standard from the state. And having the three months. Were it my household I'd try and do with what I had. Commissioner Mere states "That's just it, that Line of Credit, I can see both sides to it, and I know there's a cost of doing business, I don't have an issue with that, it's just a matter of are we being as frugal as we need to be, without being over frugal, but being wise with the money."

Commissioner Hansen states "if we go to war with Russia next week, or the election is suspended, what happens to the banking system." Chairman Hansen states "You don't want to second it, the only thing I can do is hand you my gavel. Then I can second it. Or we can let it die on the table." After a long pause, Commissioner Mere asks "When, we need to use this money now, correct?" Chief Nisbet responds to the affirmative. Commissioner Hansen states "We'll need to use it the first of November for sure." Commissioner Mere reluctantly states "I guess I'll second it, at this point, and hopefully we won't have to do this next year. I'd like to find a way that we don't have to do this. I know it's only \$800 but..." Commissioner Hansen states "The only way to do that is to start putting more into reserves." Chief Nisbet states "Commissioners, I am trying the best I can." Commissioner Mere states "It's such a tough spot. And I know we're coming at it, but the flip on that is if we ran into a situation where we couldn't get to that money in the bank, we've got a lot bigger situation going on anyhow." Chief Nisbet adds "and here's something to remember too, is the Tender and Engine 132 were both bought on future Impact Fees. The County Attorney allowed us to make those purchases with proposed future Impact fees that were coming in because of the future developments that were going to go in the rural areas, so right now we make those payments through the General Fund so the Impact Fee Fund owes the General Fund that money. So right now, the Impact Fee Fund owes the General Fund about \$216,000 so as these new developments start coming in and those Impact Fees start coming in, we're going to be able to put that money back into the General Fund budget. With the Impact Fees, we can't use them for personnel, we can't use them for other expenses, but we can put them back into reserves. So that will replenish the reserves and help build that money back up. I'd still want to maintain the ability to have this line of credit, but we wouldn't have to use it." Commissioner Mere states "and I'm all for it, we need to maintain it. Four hundred dollars a year to maintain it is cheap to have that accessibility." Commissioner Cook states "it's almost like our fiscal year is off. The date on our fiscal year should be different." Commissioner Hansen states "if we ran it from January to January and your money comes in in November, you're good to go." The Office Manager states we don't have a choice in that matter. Commissioner Cook states "I understand that, but that would help a lot of problems." Chairman Hansen states he has a motion and a begrudged second; and calls for any further discussion. Hearing none, he calls for any opposed. Hearing none, motion passes. He calls for any other old business and hearing none, calls for New Business.

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**New Business –**

- Chief Nisbet states “Commissioners, we have no new business but I just wanted to make you aware of a purchase when I was with the engine strike team on Thursday last week, we ran into a logistical problem in Sebring where our truck was staged, and we had to secure breakfast for the crews. We had about 92 firefighters that needed breakfast and we weren’t getting any communications from the state EOC. Trying to figure it out I was able to secure breakfasts at McDonalds and we ran into some difficulty on how that was going to be paid for, from the state or from EOC, it was ridiculous. We had some problems with this deployment. I used the Department credit card to go ahead and make the purchase because I had it with me and I had already been informed by the state financial office that when the reimbursements come out for our deployment, they will cover the whole cost, but I wanted you to be aware of the purchase so when you see that visa bill with \$512 to McDonalds on there you know exactly what it was for. Chairman Hansen calls for anything else new and hearing none he calls for Commissioner Items.

**Commissioner Items** - With no Commissioner Items offered for discussion, Chairman Hansen calls for Public Input.

**Public Input** - Hearing none, Chairman Hansen calls for motion to adjourn.

**Adjournment** - Commissioner Cook moves to adjourn. Commissioner Mere seconded the motion, and with none opposed, meeting adjourned at 7:36p.m.