

BAYSHORE FIRE PROTECTION & RESCUE SERVICE DISTRICT
MINUTES OF THE PRELIMINARY BUDGET HEARING
September 6, 2011

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

Pledge of Allegiance

Invocation – Moment of Silence

Roll Call: Commissioner Ducrou – Present
Commissioner Hansen – Present (7:06)
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 public

District Identity is announced

Rollback Rate is announced – 3.8246

Percentage Increase/Decrease in Millage over Roll Back Rate - announced as: 8.49% less than the Roll Back Rate – therefore no reason is given as to the increase in Ad Valorem revenues, but rather the announcement is made that Ad Valorem revenues will actually be **BELOW 2010-2011 Ad Valorem revenues by \$89,056.00**

Chief Nisbet reads into the record Resolution 2011-02 Adopting Tentative Millage Rate

Commissioner Cook motions to adopt Resolution 2011-02 Adopting Tentative Millage Rate. Motion is seconded by Commissioner Griffin. Chairman Ducrou calls for discussion. Hearing none he calls for opposed. With no opposed resolution is passed unanimously. (7:06pm)

Chairman Ducrou calls for a synopsis of the proposed 2011-2012 budget. Office Manager explains changes in the income portion of the budget highlighting the absence of allotment in the Accumulated Vacation carry forward per changes made this year in the lack of cash value associated with that line. She also explains changes made that separate the Impact Fees into a separate fund. She explains the addition of the Due From Other Funds Line which reflects the General Fund's unreimbursed tender payments on behalf of the Impact Fee Fund; and the negative amount in the Impact Fees line indicates the deficit in the Impact Fees Fund. The \$99.35 difference between the two numbers, she explains, is the balance remaining in the Impact Fee Account left to keep the account open to receive new fees. The Board seems satisfied with the explanation of the tracking. She continues to explain that GASB 54 will have its impact on the verbiage lines for reserves that we intend to earmark. We'll see those subtleties after we adopt that change. Chairman Ducrou states that he would like the Three Month Reserves "required to maintain" verbiage changed as it is not actually required, only

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suggested. He inquires where the calculation came from to get the dollar amount. The office manager explains that she took the last 12 months of operating expenses to include personnel related expenses, and insurance, and all other expenses, not including capital purchases, and divided that figure by 12 and multiplied by three. Commissioner Ducrou explains that he gets a higher number of \$366,897 by taking the income and dividing and multiplying. He offers that we can soften the blow by utilizing the \$10,000 earmarked for emergency disaster, since we would have the 3 months reserves for that. Chief Nisbet prefers to keep the funds separate citing that in a disaster, using those funds would benefit reimbursement efforts, and we would in such an emergency expend unexpected funds to those efforts and have to wait for reimbursement. Office manager explains that they are actually two different situations. Emergency disaster has been set aside to help with unexpected needs in a case of emergency such as hurricane, severe fire, or political disturbance type events, whereas 3 months reserves is related to financial aspects and helps assure the auditor general of our solvency financially, and provide funds when shortage could occur between the end of a fiscal year and the receipt of revenue in the new fiscal year. Commissioner Cook remarks that they both look like a disaster to him, they're the same thing. Commissioner Ducrou explains that he feels they are the same thing and that we should lump everything together for shortcomings, be it a shortcoming due to a disaster or a financial shortcoming because of our budget. This gives maximum liquid funds to the unencumbered reserves since setting aside the 3 months reserves brings that down significantly. Chief Nisbet continues that the remaining budget is pretty much the same configuration as prior years. There are some minor changes in equipment and we have increased the vehicle maintenance and fuel lines as we are exceeding budget this year on those lines. He also offers that the building improvements line was increased to replace the air conditioning units on the operations side of the building. Commissioner Ducrou notes that our general liability went up 18%. Chief Nisbet states that that is state wide, and adds that work comp also went up. Chief Nisbet states that we are still looking at some possibilities on the liability and health insurance, but notes that we have used the high number for budget purposes in case nothing improves on the premiums. Commissioner Griffin inquires what the "computer maintenance agreement" under accounting and auditing is. Chief Nisbet points out that the classification is actually under Contractual Services; that the headings appear beneath not above. Commissioner Griffin inquires what the difference is between the Computer maintenance agreement and the computer assistance under the Repair & Maintenance heading. Office Manager explains that the maintenance agreement is periodic cleaning and updating of the computers and server, while the other is strictly for use when a computer requires special repairs due to virus, or other problem. Commissioner Ducrou asks what the life cycle is that we try to get out of a computer. Chief Nisbet replies 5 years. Chief Nisbet explains how nice ACT computers was to us this past year when they received a computer, which they cleaned up, and donated to the department in place of an old obsolete one we had been having a lot of trouble with. Compared to other, even larger and more well known companies we've used in the past, they have proven to be much more economical and every bit as reliable. Chairman Ducrou entertains a motion to adopt the tentative budget. Chief Nisbet asks if we are going to lump the 3 month reserves and the disaster fund. Chairman Ducrou confirms that he feels that will be sufficient to separate those funds we are desiring to set aside from those which can be utilized for budget purposes. Chief Nisbet is uncomfortable with arbitrarily changing the number to the higher amount for the three months reserves after we had researched with other departments as to what they use for the calculation. He would prefer not to include the capital expenditures. Chief Nisbet explains calculating the way Chairman Ducrou has, he would prefer to not include the \$25,000 calculated for the special details as it is

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completely in and out. If we don't earn it we don't get it and we don't spend it. He also wishes to remove the Supp comp from the calculation for the same reason. Chairman Ducrou concedes and the calculation is reset as \$360,166 to the 3 month reserves and everything else goes into the unencumbered reserves. Chairman Ducrou calls for a motion to adopt Resolution 2011-03 Adopting the Tentative Budget. Commissioner Hansen motions to adopt. Commissioner Griffin seconded the motion. Chairman Ducrou calls for further discussion and hearing none, calls for any opposed. Hearing none, motion carries. (7:31pm)

Chairman Ducrou calls for Public Input. (None)

Resolutions are executed.

Commissioner Cook motions to adjourn. Motion seconded by Commissioner Hansen. Vote called. Motion passed Unanimously.

Meeting adjourned at 7:33 p.m.