

WEST MANATEE FIRE & RESCUE DISTRICT COMMISSION BUDGET WORKSHOP

*Minutes of April 19, 2022
Administration Building*

The workshop began at 5:02 p.m. with the following members present: Larry Jennis, Robert Bennett, David Bishop, Al Robinson, and George Harris.

Chief Rigney welcomed everyone and stated that this is the time of year again to set the assessment rate for the next budget year. He stated that we are still under contract for the next 2 years, which helps with getting an accurate budget projection. Chief Rigney stated that the Personal Income Growth is 6.78%. His recommendation is a 4% increase in assessment rates. He believes this is the minimum increase in order to afford the current contract. He then gave the floor to Finance Clerk (FC) Beghtel to go through the Mid-Year Financial Report.

FC Beghtel stated that all income and expenses are on target for mid-year. He mentioned that Chief Rigney decided to pay the lumpsum for the Chapter 175 Firefighter Pension Plan versus throughout the year. Chief Rigney stated that he had a conversation at the Pension Board Meeting and explained that paying it all in in the beginning of the year reduces the amount we have to pay ultimately. Chief and the Board conversed more about this topic and agreed it was a good decision.

FC Beghtel went on to explain the McDonalds comparisons. He compared WMFR with other District's in terms of business and residential assessment rates. The business table showed WMFR is right in the middle sitting above North River and Englewood, but below Cedar Hammock, Southern Manatee, and East Manatee. The residential table shows us below most assessment rates including Southern Manatee, Fort Myers Beach, Cedar Hammock, and East Manatee, but above Englewood and North River. FC Beghtel then gave the floor back to Chief Rigney.

Chief Rigney went on to speak about the Operating Expenses. He noted that Personnel Services does include the Training Officer position although they are still in negotiations. He said FRS will go away due to BC Jasinski retiring. The Chapter 175 amount will raise accordingly due to filling his spot as well as the Training Officer position. He then mentioned Retiree Insurance Reimbursement and Retiree Insurance being a "wash" because retirees pay their premiums back to the District. The Education Incentive budget has been nearly doubled. Chief Rigney stated this is because our education requirements have gone up in the past couple contracts and more personnel are taking advantage of this incentive. Accounting Services have been raised substantially due to the Performance Review Audit and not knowing what that price will be.

Chief Rigney moved to speaking about Capital Outlay. He told the Board about the idea to give the Training Officer R138 and purchase a new rescue vehicle that is more suitable for the crews. The goal is to get one that can also tow the FB136 so we do not have to rely on personal vehicles. Commissioner Bishop asked if we would buy that on a state contract. Chief Rigney said yes and that he has been quoted \$50,000 for a 4-wheel drive 4-door F-250 Diesel. He estimates an extra \$20,000 to outfit the vehicle. Commissioner Robinson said, "isn't the boat on a lift?" Chief Rigney said yes but it does need to be transferred out of the water occasionally for service. Chief Rigney then spoke about the Defibrillator Monitors that will be coming out of Capital Outlay. He said we are purchasing two, one for the new rescue vehicle and a refurbished one as a backup. Currently, we have three with no back up. Commissioner Harris asked how we have been operating without a backup. Chief Rigney explained that we have had to borrow one from our Zoll rep in Tampa if ours are ever down because neighboring agencies could never lend us one.

Chief Rigney then jumped back to the Operating Expenses page. He proposed paying off the Station 1 note completely this year. We still have a few years left on the loan and around \$800,000 with a 2.5% interest rate. He said he would use unassigned funds to pay this off. Chief Rigney stated Administrative Manager Kichar calculated the interest saved would be around \$35,000. Commissioner Robinson asked Chief Rigney about raising or lowering interest rates and if it is beneficial to keep it versus investing it. Chief Rigney would prefer to have no debt. Commissioner Harris said it was a very good idea to pay our debt. Commissioner Bishop said he is not a fan of paying it off because we have paid the bulk of the interest on the front of the loan, however the plan behind it is good to put the unassigned funds to work for us. Commissioner Harris asked Chief Rigney if he knew our bond rating. Chief did not. He said we should find

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out if paying this off would help lower that rate. Chairman Jennis said because we are a not-for-profit business, paying our debt improves our cash flow. The Board conversed more but agreed it was a good idea. Commissioner Bennett also stated it wouldn't put us in a bind because we are already preparing for other big purchases in the budget such as vehicles. With that, Chief Rigney went into referencing the "coffee can" fund and that this lowers unassigned fund and specifies where that is going more clearly. Commissioner Bishop stated the reasons he would not pay it off due to it being an asset that we are not saving money on however restated his agreement due to Chief Rigney's bigger plans behind it.

Chief Rigney began speaking about the Assigned Fund Balance. He stated that Contingency and the 90-Day Operating are the same thing. The 90-Day Operating Fund is the money that carries us from October 1st until we get our first assessment payment in. Contingency is more for emergency situations. Our auditor suggested that Contingency should be no lower than 25% of the budget, however, since we are located on a barrier island, it should be higher. Chief Rigney asked if that should be at 50% and our auditor said that would suffice. That is what is reflected on the spreadsheet. He also spoke on Vehicle Replacement.

Chief Rigney went on to Vehicle Capital reviewing vehicles that are coming up for replacement. He stated they will most likely phase out the 2007 Ford F-250. He spoke of other apparatus stating the budget is planning for the replacement based on typical vehicle lifetimes. He stated we do try to spread the lifetime out as much as possible. Commissioner Robinson said we need to think out of the box with how we can maintain these vehicles for as long as possible. Chief Rigney said we do this by using newer apparatus at Station 1 and slowly rotating them to the slower stations. Commissioner Robinson said just because we have been doing it this way for so many years and other departments do too, doesn't mean we have to continue this way. Chairman Jennis verified that all vehicles are included in this sheet. Chief Rigney clarified on the \$50,000 for the boat in 2029 saying it would be for motor replacements.

Chief Rigney also informed the Board of the new line item, Long Term Equipment Replacement. This is for air packs and radio replacements. This is set for 10 years, but the hope is to get as close to 15 years as possible with these items.

Chief Rigney spoke about the Unassigned Fund Balance saying it is \$182,337. This number was over \$1 million before factoring in paying off the Station 1 note. Commissioner Bishop said this is the point, to have that number low and have the previously large number put to work.

Chief Rigney then spoke on Impact Fees stating those were used to pay for this building aside from the EOC component. He spoke on what's to come for the Restricted Funds. He said the Sinking Fund will go away with us paying the Station 1 note off.

Commissioner Robinson asked what the Assigned Fund Balance was last year. He then clarified that we raised that \$900,000. He then asked what the Contingency Fund was last year. Chief answered, \$2.1 million, and the 90-day operating amount was \$1 million. Commissioner Robinson stated that means the "coffee can" went up 25%. Chief Rigney and Commissioner Bishop tried to clarify that this is specified now and not unassigned.

Chief Rigney explained the Revenue tab and Revenue Changes tab. He summarized it and noted that unassigned was over \$1 million and will now be \$182,337. The Changes tab shows real numbers from the audit and compares to projections.

Lastly, Chief Rigney went into the Rate Options tab which compares different rate increase options. He stated his 4% recommendation again if we pay off Station 1. If not, we would have to raise to the max PIG rate.

Commissioner Robinson asked Chief Rigney if this means we are looking to spend another \$300,000 in the coming year. He asked then if the "coffee can" would be raised. Chief Rigney said it will be reduced and explained why. Commissioner Robinson asked how much of our revenue comes from the Anna Maria

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Island. Chief said he doesn't know the exact number but explained it goes by square footage so it would be evenly distributed. Commissioner Robinson said in theory then we lose a third of our revenue in the case of a hurricane. He then asked Chief Rigney what would happen if we did not raise rates. Chief Rigney said it would be risky and explained how we would have to keep playing catch up and hope that the economy stays stable. If we don't increase it, we will have to overcompensate in the future. Commissioner Harris asked if the 4% increase would allow the District to operate at current levels. Chief replied yes, it keeps us operating as we are and allows for the Training Officer position if we pay off the Station 1 note. Commissioner Harris also asked if Chief Rigney had communicated with other District's to see if they are raising rates. Chief Rigney confirmed they are all increasing rates based on the PIG, some even raising it to max in which we never have. Commissioner Bennett went on to confirm that with the 4% increase, we pay off Station 1, get a Training Officer, and cover the contracted increases. Chief confirmed. Commissioner Bishop added that we also significantly decrease the Unassigned Funds Balance. Chairman Jennis stated it provides us with adequate reserves. Commissioner Robinson asked that if it is drained by \$300,000, is it not adequate. Chief Rigney said no because we will be working from behind for years to come.

Chief Rigney reminded the Board that the Workshop is also included on the Agenda in New Business.

Chairman Jennis adjourned the meeting at 6:01 p.m.



Chairman

Secretary

(Seal)



**WEST MANATEE FIRE & RESCUE DISTRICT COMMISSION
REGULAR MEETING**

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The meeting was called to order at 6:03 p.m. with the following members present: Larry Jennis, Robert Bennett, David Bishop, Al Robinson, and George Harris. The Pledge of Allegiance was followed by a moment of silence and the oath.

AUDIT PRESENTATION: Randy Dillingham and Bo Slemons presented the 2020/2021 Audit. They had no difficulties in communication with District staff, no disagreements, and no deficiencies. They expressed that the District was compliant, and it was a clean report. Commissioner Bishop motioned to approve the audit as presented; seconded by Commissioner Robinson; motion passed unanimously.

CHANGES TO AGENDA: None

PUBLIC COMMENTS: None

CONSENT AGENDA: Commissioner Harris motioned to approve the consent agenda as presented; seconded by Commissioner Bennett; motion passed unanimously.

COMMUNICATIONS: None

CARRIED FROM CONSENT AGENDA: None

OLD BUSINESS:

- A. Performance Review Audit: Commissioner Robert Bennett let the Board know that the committee for the Performance Review RFP is himself, Randal Cooper, and Derrick Warner. The RFP was advertised on Sunday, April 17th. Proposal submittals are due to the District by June 2nd. The Committee will then consider and rank consultants at a public meeting held here on June 9th at 10 a.m. He said they will have a recommendation for the June meeting. Chief Rigney mentioned that clauses were added to include the other districts in the area that may piggyback off WMFR's RFP.

NEW BUSINESS:

- A. Reallocation of the District's Non-Ad Valorem Assessment for Fiscal Year 2022-2023 Memorandum: Maggie Mooney, the Districts general council, introduced herself to the Board. She said she would be explaining the notices and statutory requirements that we must comply with.

Before getting into the reallocation, she defined the PIG (personal income growth) to the Board and the reason the District chooses to raise assessments based on the PIG. Those reasons being wages, fuel costs, and inflation. She said fire districts are the only special districts to be able to use this advantage. She explained that using the PIG, this statutory modifier, annually helps the District avoid certain otherwise required statutory notices that we would have to give to our rate payers. Mooney also stated that all other fire districts in the county also do this.

She then explained the schedule presented as new business, stating that Florida Statutes, 197 (F.S.), requires the District to send a notice in the mail to all rate payers explaining the reallocation of non-ad valorem assessments to fund new services. Chairman Jennis asked if she was referring to advanced life support (ALS) and paramedics. Mooney explained that any time you are using funds for a different service, even if rates are not increasing because of it, we must advertise and send notice in the mail to every rate payer. She said the PIG does not trigger these notices, however the reallocation does. Mooney wanted to explain so the Board knew exactly how to answer when constituents ask questions. She said we must do this to legally start collecting money for ALS. She stressed to the Board that this schedule is very important

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for her team and WMFR Administration to follow and that we must have a quorum for the July 19th Commission Meeting. Mooney requested adoption and approval of the schedule presented.

Commissioner Harris asked what new service was that she was referring to. Chief Rigney said ALS. Chief then explained that Chief Sousa said this time would come a couple years after integrating ALS services. Commissioner Harris then asked if this was from going ALS from BLS. Chief and Mooney said yes. Commissioner Harris asked, what if we don't do it. Mooney said we wouldn't be able to fund anything relating to ALS including equipment, wages, etc. She also said not sending is very risky because if we don't follow this, there is potential for residents to challenge legal deficiencies. Mooney stressed again that assessments increase only due to cost of living, not due to ALS services. Commissioner Robinson stated that is not true because we are paying a lot more due to ALS. Chief Rigney tried to explain that the District spends more money on ALS items, however rates are not raised for ALS. Mooney said those extra costs get subsumed in our assessment rates. Chief Rigney went on to say that when we upgraded to ALS, we did not raise assessments because of it, we continued what we always do with raising only based on the PIG modifier. Commissioner Harris noted that although the cost of ALS is higher, we have never raised rates to the full PIG amount. Commissioner Bishop then commented that although there is more cost associated with ALS services, we should all agree that it is well worth it. He referenced a personal situation then said it is a huge benefit that they can do all the work that EMS can and that is all someone having a heart attack cares about. The Commissioners and Mooney went back and forth on how we need to simplify the message perhaps with an executive summary. Commissioner Bennett asked if this is a "one and done" thing. Mooney said yes as long as we do not hit any of the triggers she previously spoke of.

Commissioner Bishop motioned to approve the Critical Schedule for Reallocation of the District's Non-Ad Valorem Assessment for Fiscal Year 2022-2023 as presented by our General Council; seconded by Commissioner Robinson; motion passed unanimously.

- B. Budget Workshop Continued: Chief Rigney asked for direction from the Board to present the 2022-2023 budget with 4% increase. Chairman Jennis, Commissioner Bishop, Commissioner Bennett, and Commissioner Harris all agreed to direct Chief Rigney to the 4% increase. Commissioner Robinson disagreed and asked that he present it with a 0% increase. Chairman Jennis then directed Chief Rigney to present both to the Board.

CHIEF'S REPORT: None

OTHER REPORTS: Administrative Assistant Wright reminded the board that the annual financial disclosures are due by July 1st. Commissioner Bishop stated he had not received the form in the mail. All other Board members said the same. Administrative Assistant Wright said she would email the form to each member.

COMMISSIONER'S COMMENTS: Commissioner Bennett said he will be starting the process of becoming a Certified District Official (CDO) with FASD. He will be attending the Annual Conference in June. Commissioner Robinson mentioned that we need to consider postage costs for the assessment notices. He then reflected on how we were given a boat, but now look how much it has cost us. He tied it into asking how many lives or what difference it is making to have all of our apparatuses. He asked Chief Rigney what the cost of the Administrative Building was and if it was completely paid for. Chief said it is paid for and he will send Commissioner Robinson the information on what the cost was. Commissioner Bishop had an anecdotal joke about how nothing is free. Chairman Jennis thanked WMFR staff for their work on the 2020-2021 Audit as well as the Budget Workshop.

NEXT MEETING: Tuesday, May 17, 2022, at 6:00 p.m. at Administration building.

ADJOURNMENT: Chairman Jennis adjourned the meeting at 6:51 p.m.

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Chairman



Secretary

(Seal)

