

**FORT MYERS SHORES FIRE & RESCUE PROTECTION DISTRICT
BOARD OF FIRE COMMISSIONERS
March 19, 2020
MINUTES**

Call Meeting to Order

Commissioner Apperson called the meeting to order at 7:33 p.m. In attendance were Commissioners Apperson, Kimball, Schneider, and Ragen. Also in attendance were Chief Dowaliby, Deputy Chief Rewis, Administrative Assistant Howard, Captain Burrell, and Jeff Tuscan of Tuscan and Company to present the fiscal year 2019 audit report.

Pledge of Allegiance and Moment of Silence

Amendments to the Agenda

1. In New Business: Move money from 4-week C.D.A.R.S. to the operating account due to reduced interest in C.D.A.R.S
2. In Old Business: Approve the Verandah property purchase contract
3. In Old business: Approve Phase 1 and Phase 2 Environmental Testing on the Verandah property
4. In New Business: Approve audit
5. In New Business: Approve Declaration of Emergency

Presentations/Awards

Jeff Tuscan presented the fiscal year 2019 audit report.

Mr. Tuscan noted the unmodified opinion, which is the highest level of opinion they can give, and the fact that there are no management letter comments. He reviewed the audit process and noted that the audit was completed on December 13, 2019 but each year they have to wait for the actuary study from the FRS. He also pointed out where the financial statements are located in the audit report and then reviewed the graphs he provided separately that compare the information in the statements to previous years.

The first graph compares the District's assets for several years and shows how the cash and capital assets of the District have increased over the past several years. The District brought in more income

than it spent. The graph also shows the effect of depreciation on the total assets of the District. We have been able to replace assets and still build our reserves.

The next couple of graphs illustrated the District's current liabilities and one comparing long-term liabilities. The current liabilities consist of accrued expenses and payables at fiscal year-end, which stay relatively stable, and Unearned Revenue – Impact Fees, which were about \$957,000.00 at the end of the year. Impact Fees are deferred revenue until they are expended for an approved capital asset or improvement. Long-term liabilities consist of several items: Accrued Compensated Absences, which are the earned and unused vacation and sick pay for all current employees which are contractually owed to them; Net OPEB Obligation, which is the actuarially determined amount that is accrued for post-employment benefits (health insurance in this case) for current employees; and Net Pension Liability, which is the District's portion of the Florida Retirement System's unfunded pension liability, determined by the state's actuarial study each year. The compensated absence portion stays relatively stable from year to year and is controlled by the District's policies, the OPEB portion mainly dictated by health care costs and the number of employees you have, with a small factor of interest. The third item, FRS Net Pension Liability, has a small effect by the number of employees but the biggest effect is interest on investments that the state has on FRS funds. Historically, actuaries estimated an 8% return on investments, but the actual rate of return was much less so laws have been passed that require them to start backing those rates down. This year they backed it down to 6.9%, and the actual rate of return was about 5.9%. We anticipate that this liability will continue to rise and it could rise quite a bit depending on what the economy does the rest of the year.

Several graphs show how much the District has increased its fund balance and the breakdown of the lines showing the amounts that are assigned to planning for various capital expenses. The District has set aside funds to cover three months of operating costs and for a disaster fund, both of which are required, but we have also set aside money to plan for the second station and equipment replacements. Other graphs compare the District's other sources of income, including Impact Fees, Grants, Interest, Donations, Inspection Fees, Sale of Capital Assets, and reimbursement of health insurance costs by retirees. These are a small portion of the District's income each year. In fiscal years 2018 and 2019, the District received \$161,000 and \$318,000 respectively in other income, with interest being the biggest item each year. However, interest rates have fallen again, and the District won't be able to depend on that income for future fiscal years.

The final graphs Mr. Tuscan reviewed compare expenditures, first personnel vs. operating and capital, and then total ad valorem vs. personnel expenditures. He noted that the ad valorem vs. personnel expenditures comparison is one of the most important ones for us to keep in mind. Personnel expenditures for a Fire District can be as much as 90% of total expenditures and it is important that we be able to fund all of our operating costs out of our ad valorem income.

Chief Dowaliby asked Mr. Tuscan to discuss financing vs. using reserves to build a second station. Mr. Tuscan recommends that we not spend all of our reserves for building. Negotiating a loan with no early payoff penalty at the low interest rates currently available would be a good idea. Even if we couldn't fully staff it immediately, we could split our personnel between stations for a while.

There was some further discussion of the current economic situation.

Approval of Minutes

The minutes for February 2020 were presented for approval. Commissioner Ragen made a motion to accept the minutes as presented. Commissioner Kimball seconded and the motion passed.

Treasurer's Report

Bank account balances for the month of February 2020:

The operating account opened with \$3,314,409.97. There were deposits of \$88,528.66, expenditures of \$982,393.31, and an ending balance of \$2,420,545.32.

The impact fee account opened with \$1,024,856.09. There were deposits of \$610.70, no expenditures, and an ending balance of \$1,025,466.79.

The 4-week C.D.A.R.S. opened with \$2,250,000.00. There were transfers in of \$250,000.00 and the ending balance was \$2,500,000.00.

The 13-week C.D.A.R.S. opened with \$2,000,000.00. There were transfers in of \$500,000.00 and the ending balance was \$2,500,000.00.

The 26-week C.D.A.R.S. opened and closed with \$2,000,000.00.

The total ending balance in all accounts was \$10,446,012.11.

Commissioner Ragen made a motion to accept the Treasurer's Report. Commissioner Kimball seconded and the motion passed.

Chief's Report

Items of Interest

- Casey Gee is officially a Probie Firefighter.
- Mr. Pringle will have an update on the FPL property.
- Mr. Pringle will also have an update on the Verandah property.
- The coronavirus is part of our life for an uncertain amount of time.
- Deputy Chief Rewis and I attended the second medical in-service with Dr. Rodi at Bayshore Fire Dept.
- The annual physicals were scheduled to start on March 26th, but that has been postponed until further notice.
- Deputy Chief Rewis, Administrative Assistant Howard, Commissioner Kimball and I will meet with the Economic Development Office folks on March 30th.
- We are considering making some financial moves with our 457 plans. We were considering changes to how we manage our OPEB fund, but recent developments may postpone that since interest rates are down so much right now.
- I attended the career day at Riverdale High School. It was eventful.
- We have a bunch of birthdays to celebrate this month; FF Austin Gee, AA Debbie Howard; Captain Clouse's daughter, Engineer Swindle's wife, Engineer Poulton's wife, FF Austin Gee's wife, Engineer Poulton's son, Engineer Simmons' daughter, and Volunteer Nico Pavone. Happy Birthday!
- Engineer Pledger and his wife had a wedding anniversary this month. We hope you had a great day!

Meetings Attended

- DC Rewis, AA Howard, and I attended a meeting at Lehigh Acres Fire Dept. to review new software
- Medical Care Council meeting
- Lee County Fire Chiefs Association meeting

Training Attended

- The crews participated in the Co-op Training at the Academy
- We have several men working on their Bachelor and Associate degrees

Commissioner Ragen made a motion to accept the Chief's Report. Commissioner Kimball seconded and the motion passed.

Attorney's Report

- Verandah property: We will talk about it more in Old Business.
- FPL property: We are waiting for new FPL rep to contact us, but the local representative is very interested so we think we will be moving forward with the property. Previously the Board approved up to \$20,000.00 for the initial studies and survey. We have completed the survey and the initial site plan as well as the title search, and so far, we still have about \$8,000.00 left of the initial funds approved. We are looking at asking for at least a 35 year lease, and Mr. Pringle is going to see if they might be interested in conveying the property to us, or contributing toward the training facility we want to put there. The Board previously approved the expenditure of up to \$20,000.00 for the preliminary survey and site plan for the FPL property. We have spent approximately \$11,000.00 to \$12,000.00 to date so no new action is necessary tonight.
- Review of Executive Orders issued by the Governor: The Governor has signed several executive orders concerning the COVID 19 State of Emergency. They are available on the state's website.
- Jeff Tuscan also added that FASD's attorneys have written a letter to the Governor asking him to relax the sunshine law requirements about in-person meetings for governments. Current law requires a quorum to be physically present to conduct official meetings. Others can attend by phone, but the quorum must be present. FASD is requesting that provision to be suspended temporarily.

Commissioner Schneider made a motion to accept the Attorney's Report. Commissioner Ragen seconded and the motion passed

Fire Prevention Division Report

- Current Construction: Race-Trac
- New Construction: None to report
- Projects Completed: Cricket Wireless, Home Source Realty of SWFL, Inc.

- Revenues: The Division billed \$210.00 for the month. 1 Occupancy Inspection at \$60, 2 Fire Flow Tests at \$75.00 each
- Meetings Attended: Lee County Fire Chiefs Association; Lee County Fire Marshals & Inspectors Association; Lee County Communications Committee; Met with Lehigh Acres Fire Dept. to review their fire reporting program
- Prevention Education: held a CPR/AED-BLS class for Riverdale Dental employees; attended Hoarding Awareness and Fire Alarm Inspections Class with FF Hunt
- Inspections: The division completed 31 various fire inspections for the month.
- General Information: I assisted Tice Fire Dept. with their Engineer Testing; Commissioner Ragen rode along with me one day

Commissioner Ragen made a motion to accept the Prevention Report. Commissioner Kimball seconded and the motion passed.

Public Input on Agenda Items

None

Old Business

1. Approve additional cost of canopy for boat lift. After the lift was completed, we realized that we need a slightly larger canopy than we were originally quoted. The additional cost is \$357.00.
2. Verandah property: The contract is almost ready. There is one item that we are still negotiating – the ability of the District to perform Phase 1 and Phase 2 Environmental Testing during our inspection period without prior approval of the Verandah. The Chief feels that this testing is imperative from a life-safety view for the firefighters who will eventually occupy a station built on the land. The contract gives us the right to perform Phase 1 testing, which essentially uses property records to determine if any operations carried out on the lot might put it at a greater risk of having contamination that would need to be mitigated prior to building. If anything in the Phase 1 procedure raises any flags to possible contamination, the next step would be to perform Phase 2 testing, which involves extracting samples from the lot and having them tested for any contaminants. If those tests turn up anything, the property will have to be decontaminated prior to building on it, with the cost of the decontamination falling on the

purchaser if the testing was not completed as part of the initial inspection. We are going to require that Verandah give us the ability to establish the safety of the land prior to purchasing it so that we have all of the information we need in order to make the best decision for the District. The local manager doesn't believe there will be any problem with contamination on the land, so we are confident that we can work out this last item with their attorneys. The other items we had concerns about have been worked out; we will be able to continue to have our sanitary sewer run through the Verandah's system IF we are not able to hook up to Lee County's system – Lee County's system is our preference, but in the unlikely event that we aren't able to connect to it, we will have sanitary sewer service; Verandah will continue to maintain the wall and landscaping in front of the lot on Highway 80 – they originally wanted us to take over the maintenance but since the wall is there to comply with Verandah's community plan and keep the aesthetics uniform, they have agreed to continue to maintain it through an easement we will grant. In anticipation of getting the final issue worked out, we request that the contract be approved, and the Chair be authorized to sign it when it is completed.

Commissioner Ragen made the motion to approve the agreement and authorize the Chair to sign it when ready. Commissioner Schneider seconded and the motion passed.

Commissioner Ragen made a motion to approve the wire transfer of \$25,000.00 to an escrow account when the agreement is completed and signed. Commissioner Schneider seconded and the motion passed.

New Business

1. Approve the 2019 Audit Report

Commissioner Schneider made a motion to approve the audit. Commissioner Kimball seconded and the motion passed.

2. Approve Resolution to amend the fiscal year 2019-2020 Budget to adjust the carry-forward to the audited fund balance.

Mr. Pringle read the title of the resolutions into the record: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE FORT MYERS SHORES FIRE PROTECTION AND RESCUE SERVICE

DISTRICT (“DISTRICT”), LEE COUNTY, FLORIDA: TO AMEND THE BUDGET FOR FISCAL YEAR 2019/2020; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

The substantive portion of the resolution reads as follows: The Board of Commissioners of the Fort Myers Shores Fire Protection and Rescue Service District hereby amends the District’s budget for the 2019/2020 fiscal year to adjust the carry forward amount to equal the 2018/2019 fiscal year end fund balance of \$7,154,453.00. The total adjustment required is an increase of \$483,306.00. The fiscal year 2019/2020 budget will be adjusted as follows: Unassigned Fund Balance Carry Forward income will be increased by \$473,549.00. Non-Spendable income will be increased by \$9,757.00. Assigned Fund Balance Building Reserve expense will be increased by \$400,000.00. Operating Expense Tools and Equipment expense will be increased by \$10,000.00. Unassigned Reserves/Fund Balance expense will be increased by \$73,306.00.

Commissioner Kimball made a motion to approve the resolution. Commissioner Schneider seconded and the motion passed as follows by roll-call vote: Commissioner Ragen – Yes; Commissioner Schneider – Yes; Commissioner Kimball – Yes; Commissioner Apperson – Yes; Commissioner Detzel – Absent.

3. Approve audit engagement extension for fiscal year 2021; 2022; and 2023 with Tuscan and Company. Attorney Pringle has reviewed the engagement letter and it is identical to the one the Board approved for the previous 3-year term.

Commissioner Ragen made a motion to approve the audit engagement extension with Tuscan and Company. Commissioner Schneider seconded and the motion passed.

4. Declare the 2007 Ford Expedition surplus and authorize the Chief to dispose of it. It is completely depreciated, and the fair market value is well below \$5,000.00. Inventory #2007-137-4, original cost \$24,908.00.

Commissioner Schneider made a motion to declare the 2007 Ford Expedition as surplus and authorize the Chief to dispose of it in compliance with Florida Statute #274.06. Commissioner Kimball seconded and the motion passed.

5. Approval for radios, lights, sirens, slide-out command center, and topper for Deputy Chief Rewis’ new staff vehicle. The total estimate for all items including installation is approximately \$39,000.00. There will be a few other minor items and the possibility of slightly higher installation costs, so we request approval to expend up to \$41,000.00.

Commissioner Ragen made a motion to approve the purchase at a cost not-to-exceed \$41,000.00. Commissioner Schneider seconded and the motion passed.

6. Approval to declare the old boat surplus and authorize the Chief to dispose of it. The boat was originally purchased through a WCIND 50/50 grant from Lee County, but it has completely depreciated, and the fair market value is less than \$5,000.00. We have to inform the County of its disposal, but we don't have any financial obligation to them. Inventory #2004-022-4, 2004 Carolina Skiff, original cost \$9,946.00; #2004-023-4, Yamaha Motor, original cost \$7,300.00; #2004-025-4, Boat Trailer, original cost \$2,300.00. We would like to donate the boat to Alva Fire Department with the approval of the Board.

Commissioner Ragen made a motion to declare the 2004 Carolina Skiff, the Yamaha Motor, and the Boat Trailer as surplus and give the Chief the authority to donate it to Alva Fire Department in compliance with Florida Statutes #274.05 and #274.06. Commissioner Kimball seconded and the motion passed.

7. Approve Declaration of Emergency; Resolution #2020-02 (as amended). We are under a national state of emergency, and a Florida state of emergency, and a Lee County state of emergency. As a subsector of government, we are advised to issue our own Declaration of Emergency. A copy of the Declaration of Emergency will be made a part of the minutes of the meeting.

It directs the administrative staff to prepare, respond, recover, and mitigate anything that becomes necessary. The staff will confer with the Chief to the fullest extent possible and the Chief will act a liaison with any other agencies at the local, state, or federal level.

Management's rights will be fully declared, and the Chief will be able to do things like change shifts, mandate overtime, decide which vehicles run, take away the classifications for employees so that we can operate our equipment. If we would have half our department under quarantine, we could be significantly impacted. The Chair is going to make sure that administration documents all items for personnel, the preparation, the response, and the recovery. We are utilizing ICS-214 forms; FEMA has declared this a level one emergency, which invokes the 214's, but the 214's are also a necessary means for us to get reimbursement should there be a declaration in our area. I will be able to purchase supplies, food, rentals, personal protective equipment (PPE).

The most important part of this declaration is in Section 5 which states that the Board authorizes the transfer of funds from the Disaster Fund, line 522.940 as needed to any relevant operating fund line. We can't spend any money directly out of the Disaster Fund reserve line if it becomes necessary, so this gives the Board's authorization to the Chief to move funds out of the reserve line and into whichever operating expense line is needed. At this particular time, it isn't an issue, but a lot has happened in a week and we want to be prepared for whatever might happen over the next few weeks until our next meeting.

Section 6 just authorizes mutual aid and Section 7 allows the Chief to cancel public events, which we have already done. We can cancel educational events and non-essential services. Section 8 allows the Chief to adjust staffing levels and waive qualifications where necessary. Section 9 allows administrative employees to tele-work as needed. The Chief, Deputy Chief, and Administrative Assistant are directed to provide off-site support and assistance to each other. It also directs any employee demonstrating signs and symptoms of illness including shortness of breath, fever, or other flu-like symptoms will be sent home to self-quarantine or be medically cleared by a physician.

Section 10 directs all media releases, public information and instructions regarding this emergency to be disseminated by the Fire Chief or his designee as a single Point of Contact. All material released will be preauthorized by the Fire Chief prior to release.

The declaration will expire in 90 days unless the National State of Emergency, Florida State of Emergency, and the Lee County State of Emergency are lifted or this declaration is extended.

Attorney Pringle further explained that the most important part of the Declaration of Emergency for the Board is Section 5, which authorizes the movement of funds between the reserve and operating accounts if necessary. Most of the other actions outlined in the document are things the Chief could do without Board action through his administrative authority. But moving funds between budget lines is something that can only be done with Board approval. It shouldn't be an issue because this is happening fairly early in the fiscal year, but through an abundance of caution, the Chief is making sure that the Board has authorized those actions if they should become necessary.

Commissioner Ragen asked if we really need a Declaration of Emergency since the Governor has already declared a state of emergency for the state. Attorney Pringle explained that the Chief could exercise the operational portions of the Declaration of Emergency through his own authority under the Governor's State of Emergency, the transfer of funds is something only this Board has the authority to approve.

Commissioner Ragen made a motion to approve the Declaration of Emergency. Commissioner Kimball seconded. The resolution passed by roll-call vote as follows: Commissioner Apperson – Yes; Commissioner Ragen – Yes; Commissioner Schneider – Yes; Commissioner Kimball – Yes.

Chief Dowaliby reminded the Commissioners that we intend to have the resolutions for the elections next month.

Public Input on Non-Agenda Items:

None

Union Report:

None

Comments from Commissioners:

Commissioner Ragen rode with Deputy Chief Rewis while he did inspections one day and he was very impressed with Bobby. He said Bobby has a very good relationship with the business owners.

Commissioner Schneider asked everyone to pray for the small business owners.

Commissioner Kimball is concerned about the fact that our staff vehicles and the boat are black instead of red. He feels that they aren't visible enough in daily use and he doesn't think it gives the public sufficient access to our personnel. Chief Dowaliby said it is his understanding that is an operations decision that the Board is not involved with. Attorney Pringle said that the Board does not have responsibility for operational decisions unless they choose to make a change in procedures. Until that time, the authority is with the Chief.

Commissioner Apperson made a comment about a nice comment one of her neighbors made about the department on the Next Door app.

Adjourn

Commissioner Ragen made a motion to adjourn. Commissioner Schneider seconded and the motion passed. Meeting was adjourned at 9:22 p.m.