

MINUTES
REGULAR MONTHLY MEETING
OF THE
FT. MYERS BEACH BOARD OF FIRE COMMISSIONERS
TIME: 1:00 PM
DATE: July 15, 2008
PLACE: Red Coconut Recreation Hall
Fort Myers Beach, FL 33931

IN ATTENDANCE: Chairman John Scanlon, Sec./Treasurer Betty Goodacre, Commissioner Joe Schmid, Commissioner Carol Morris, Attorney Richard Pringle, Chief Mike Becker, Assistant Chief Larry Evans, Administrative Director Margaret Banyan, and members of the public.

Absent: Vice-Chairman Ted Reckwerdt

Meeting called to order by Chairman Scanlon at 1:00 PM

Pledge of Allegiance

Moment of silence for our troops

Approval of Minutes

Chairman Scanlon called for a motion to approve the June 17, 2008 regular monthly meeting minutes. Chairman Scanlon motioned to approve the June 17, 2008 minutes. Sec./Treasurer Goodacre seconded. Minutes were approved unanimously 4 - 0.

Sec./Treasurer Goodacre read the Treasurer's Report for the record.

Sec./Treasurer Goodacre reviewed the summary of bank and investment account activities for month ending June 30, 2008.

- A. Sec./Treasurer Goodacre asked for approval of department checks 033375 through 033496 for a total of \$359,458.22. Commissioner Schmid motioned to approve the department checks and Chairman Scanlon seconded. Department checks were approved unanimously 4 - 0.
- B. Sec./Treasurer Goodacre asked for approval of Capital Fund Project (CFP) checks 030053 through 030054 for a total of \$2,682.00. Commissioner Schmid motioned to approve the CFP checks and Chairman Scanlon seconded. CFP checks were approved unanimously 4 - 0.

Commissioner Schmid questioned the vendor refund of \$2,253. Chief Becker stated that it was for a modem returned to Motorola.

Commissioner Schmid asked where the federal grant funds were received from. Chief Becker stated they were from the Hurricane Charley recovery funds.

Chief's Report

Chief Becker recognized employees with years of service:

Ed Whiteside	28 years
Everett Glover	14 years

Troy Mesick	8 years
Jennifer Gordon	2 years

Chief Becker reviewed the Chief's Report for June 2008.

- **Construction Update** - Chief Becker gave an update on the construction of Station 32 and Station 33.
- **Dr. Sharkey Medical Director Update** – Chief Becker noted that Dr. Sharkey sent a response to the district on July 14th, 2008 stating the district was obligated to maintain a 45 day notice through August 9th, 2008. Chief Becker invited commissioners to discuss any additional questions with him individually.
- **Dr. Lemmons in-service for July 10th**. Chief Becker noted that the in-service scheduled for July has been cancelled and will be rescheduled due to a death in Dr. Lemmons' family.
- Chief Becker reviewed the remaining items on his report.
- Chief Becker restated recommendations noted in the Chief's Report.
- **DR 420 Maximum Millage Cap** – Chief Becker reviewed the process for determining the millage rate. Chief Becker worked with Finance Director Jane Thompson to establish the suggested rate of 2.5652. Chief Becker noted that the next step would be to establish a date and time for the budget workshop with the commissioners and a date for the hearing.
- **Procurements** – Chief Becker stated that the procurement for the stretchers was being pulled to re-evaluate and would suggest the funds be put in reserve for a future purchase.

Chief Becker noted that there were three additional items he needed to disclose to the board not in the Chief's report.

- 1) June run reports had errors in the zones due to a census track being reset, causing the system to return to the default. The report will be corrected and amended in the August data.
- 2) Chief reviewed the letter from Finance Director Jane Thompson regarding the recommended financial institutes to transfer surplus funds and asked the board to accept these institutions; Colonial Bank, SunTrust Bank, BB&T, Reliance Bank and Wachovia.
- 3) Chief Becker stated that there has been discussion of the EMS service provided by the district and the cost associated with the service. The district is one of two districts providing EMS services. At one time Lee County wanted to own the ambulance service, but the district decided to make this service available to the community. The transport or non transport service is not a substantial difference in price. The district's EMS response time is 98% within six minutes or less, except during winter and spring break. The district is striving to get protocols to the level of all others in the county. The board will at times be asked to look at the protocols. Lee County reported that they would not provide financial backing, but would help provide service if needed.

Commissioner Morris asked when we decided to take over the service.

Chief Becker stated that in 1954 it became a part of the Fire District services, but has been under scrutiny for several years.

Commissioner Morris asked if the district did not provide the service how many vehicles would the district need to maintain.

Chief Becker stated that if the district didn't utilize the ambulances, it would need rescue trucks to respond to other EMS services.

Commissioner Morris asked if Chief Becker had a number for ambulances.

Chief Becker stated that there was a need for 3 ambulances.

Commissioner Schmid asked the Chief how the 2.5662 millage rate was calculated.

Chief Becker stated it was based on 10.6 million, using the base on last year's 2.00 millage rate at 9.2 million. Chief stated that there should be a reduction in the 2.5662 millage rate in the budget proposal.

Commissioner Schmid asked why the stretchers were put on hold.

Chief Becker stated that there was only one other vendor with a similar product and both vendors are not very connected with governmental procedures. After looking at the reports from vendors, the decision was to hold off on the purchase. The stretchers in use now are still under warranty, and the district will look at other options at a later time.

Commissioner Schmid asked Chief Becker if the Floto pump bid was the most competitive bid.

Chief Becker stated yes, due to the fit for the trucks.

Attorney Report

Attorney Pringle noted he had several items to present to the Board.

- 1) Attorney Pringle noted that a copy of the HB 999 which was approved and signed by the Governor was in the packet for the boards review.
- 2) DR 420 and DR 420 MM for are required by the Dept. of Revenue and there were two actions needed. The deadline for submitting is August 4, 2008. Those two actions are as follows:
 - 1) set the maximum millage rate
 - 2) to set the date, time and place for the budget hearing meeting
- 3) The receipt of Dr. Sharkey's letter rescinding his resignation took place while Attorney Pringle was out of town, but discussion did take place with Chief Becker and Attorney Pringle to respond to Dr. Sharkey. Attorney Pringle suggested the Chief send a letter of acceptance of Dr. Sharkey's resignation 45 days of the date of the communication from the Chief to prevent any type of litigation.
- 4) Procurement process and contracting practices. Attorney Pringle stated he would answer any questions the board may have on the procurement process.

Discussion

Commissioner Schmid noted that he was confused on how the process works and that he does not understand the process and method of selecting suppliers based on service and not based on price, i.e. Overhead Doors and Sutphen.

Attorney Pringle stated that this could be discussed under new business.

Attorney Pringle stated the HB 999 bill and Dr. Sharkey's letter needed no action from the Board.

Chairman Scanlon restated the agenda items.

Public Input

Pat Smith provided public input.

Old Business

Investment allocations. Chief Becker asked the board to consider the five lending institutes which Finance Director Jane Thompson had noted in her letter. Chief noted that due to time constraints and the economic status it would be in the best interest of the board to let management transfer funds in a timely manner.

Commissioner Schmid motioned to approve the institutions, Colonial Bank, SBA, Suntrust, BB&T, Reliance and Wachovia Sec./Treasurer Goodacre seconded.

Chairman Scanlon asked if the three institutions would be split evenly.

Chief Becker stated that some funds are still in the SBA and not available to us at this time. CD's would be put into Suntrust. The Finance Director works with these institutes on a daily basis to determine allocations based on the best protection of assets and interest rates. With this authority the district would be able to protect assets.

Chairman Scanlon asked again if the funds would be split evenly among the institutions.

Chief Becker stated that not all five institutions would be used, that possibly three or four institutions would be utilized.

Commissioner Schmid asked what the methodology for choosing the selected institutions would be i.e. highest interest on a monthly basis.

Finance Director Jane Thompson stated that she looks at the current interest rate when CD's come due or idle funds that could be invested in some fashion and requests from the institutes what their current government rates are.

Commissioner Morris asked if any of these institutes have minimum amounts that are federally guaranteed principal with good interest rates.

Finance Director Jane Thompson stated that the institutions are required to collateralize their assets to 50% of funds we deposit, if at risk, we would pull all funds due to only a 50% guarantee from the institution. At a certain point Wachovia and Bank of America would not take government funds due to the lack of asset protection.

Commissioner Morris asked if we have some portion of monies that we could lock up for some time that would have guarantees.

Finance Director Jane Thompson stated that we should hesitate to put funds in long term CD's based on the uncertainty of the economy.

Attorney Pringle noted that the motion was to approve all five of the institutions.

Chairman Schmid restated the motion to include Colonial Bank, SBA, SunTrust, BB&T, Reliance Bank and Wachovia Bank. Sec./Treasurer Goodacre seconded.

Attorney Pringle noted that he had not seen the designation of institutions until today and he would need to make the board aware that he is a member of the Board of Directors at Reliance and has not had any input or interaction with the management team regarding this institution.

Motion passed unanimously 4 – 0.

New Business

Budget preparation and hearing schedule. Chief Becker asked that the Board approve the dates for August 22, 2008 at 1:00 PM for the budget workshop and September 4, 2008 at 5:05 PM for the first budget hearing both at the Red Coconut. Sec./Treasurer Goodacre motioned to approve the dates. Commissioner Morris seconded. Approved unanimously 4 – 0.

DR 420 maximum millage rate. Chief Becker stated that during discussions with the board he relayed that the process is very similar to last year. The District can accurately predict some costs, but not to the full extent with unforeseen fuel prices, etc. The Chief asked the board to consider the 2.5662 as a cap.

Sec./Treasurer Goodacre motioned to approve the millage rate cap of 2.5662. Commissioner Schmid seconded.

Chairman Scanlon asked how the number was determined.

Chief Becker stated that 2.5662 generates approximately \$10.6 million. The figure was based on property value and the dip in value. The Goal was to establish a budget that maintained last year's budget of 9.2 million. The management team would like to utilize the same process where it would have the ability to consider issues with the board as they are identified. If the District stays on the same path as last year the \$11.7 million would have been our cap on the DR 420, but when we came in at our first budget hearing, we went to the 2.0014. The DR 420 report does not recommend actual budget numbers. The District knows that offsetting costs such as, personnel and energy are going up, but that vehicle/station costs are going down. Management feels they will be able to accurately forecast personnel costs along with some other unforeseen costs from last year and be able to take an immediate 1.2 million off the top and end up in the 9.0 to 9.3 million range. Other items are still in the process of being paid, such as the engine, and discussions to replace the reserve ambulance. Management's goal is to have an understanding of costs for the new stations, such as furniture, fixtures, etc. that will be available for the board to review by August

10, 2008. At that time the budget workshop would take place to determine needs, establish the budget and back into the millage rate.

Chairman Scanlon asked if there was a certain amount of time to have the roll back done.

Chief Becker stated that the DR 420 is due August 4, 2008.

Commissioner Morris stated that the district knew it would be in a budget cutting situation and she feels the district did a good job last year bringing the budget in at a reasonable amount, which relays well with the tax payers, but thinks it is wrong to put a message out to the taxpayers that says the district wants the flexibility to raise the budget over last years. The message should be to see if we can cut from last year, but at least the same funds as last year of 2.0. Commissioner Morris stated she does not feel we should go with a higher rate than last year.

Chief Becker restated the numbers from last year: taxed at 2.0014 with \$9,226,462.00.

Sec./Treasurer Goodacre stated that the millage rate cap was 2.54 and we are only asking for a cap of 2.5662 as the maximum this year.

Chief Becker stated in the past the cap was set at 3.0 millage rate before referendum. Then it started declining with a more refined budgeting process created by the skilled professional staff and management team. The 2.5662 millage rate would represent a surplus but to what extent is unknown.

Commissioner Schmid commented that the goal was to set the millage rate low, going in with a rate of 2.5662 generating \$10.5 giving the management team the opportunity to do the budget and then challenge areas that need to be challenged. Commissioner Schmid noted he does not support the 2.5662 rate, but it would be a number to get the process going.

Commissioner Schmid asked if worksheets would be available to the board prior to the meeting.

Chief Becker stated that August 10, 2008 was the date to get budget worksheets to the board.

Commissioner Schmid asked if July numbers would be included in the worksheets so a 10-month actual would be available.

Finance Director Jane Thompson confirmed the July numbers would be included.

Chairman Scanlon called for a vote to approve the maximum millage rate of 2.5662.

Millage rate approved at 2.5662 3 to 1.

Attorney Pringle asked if a simple major was sufficient to approve the 2.5662 millage rate.

Financial Director Jane Thompson stated that a simple majority to approve a 2.5662 millage rate on the DR 420 is acceptable.

Contracting practices. Chairman Scanlon asked Commissioner Schmid if his question had been answered earlier regarding contracting practices.

Commissioner Schmid stated that he voiced his concern and is looking for what the intangibles are to accepting higher bids.

Chief Becker stated that there are some areas where the district did acquire the ambulances, and where it was a low bid. It is important to challenge our vendors for lower pricing and it is a valuable point which will be discussed with the management team to endorse lower bids for procurement. Sometimes there are exceptions, but most often it should go to the lower bid.

Commissioner Morris stated that the Florida handbook is very clear on procurement and it states that the lower bid should be the choice unless the vendor is not cooperative or a lack of quality. Unless the procurements are justified at a higher bid, the district should award to the lowest bidder when using tax payer's money.

Chief Becker stated that there are exceptions with firefighter gear, etc. to provide safety over cost. Chief Becker stated that the trend lately has been to accept lower bids, unless safety is at a risk and then the better quality would be awarded at a higher cost.

Commissioner Schmid asked that prior to sending out a bid, if it could be sent to the board for review, stating all the options and the Chief's recommendations based on the needs.

Chief Becker stated that during the budget process, these are actual numbers that change as the months go on if not purchased at the time of quoting. If such procurements would be approved by the board once the budget is approved it could be possible to get the actual quote and not have fluctuating numbers at a later date.

Attorney Pringle stated in response to Commissioner Schmid that the board does make the decision. In the vast majority cases the board of commissioners of a special district is the decision maker as to the procedure used to make purchases. There are exceptions which are primarily professional services and construction projects where certain statutes determine the process. The question is what procedure the board is going to use with procurement selections. Most of the time it is up to the board to decide what procedure is used.

Commissioner Morris stated that the statutes clearly define five different categories, with exceptions, stating that the competitive process should be used.

Attorney Pringle stated that he believes Commissioner Morris is referring to a chapter of 287 included within section 287.055 which is the consultant's competitive negotiation act. If you look at the definition in 287; part one, the definitions talk about who constitutes an agency for purposes of the application of part one of the statutes. It covers state agencies, such as any entity part of the state government. But for purposes of part one of chapter 287 of the Florida Statutes there is a part for special districts, which is not part of that state agency definition. When you look at section 287.055 it specifically refers to special districts subjected to section 287.55. There is a distinction to special districts and section 287.1 does not apply. The board has the right to apply those thresholds in making purchases, but it is only a board decision, not a state mandate.

Commissioner Morris asked if section 255.20 applies.

Attorney Pringle stated that this statute includes a definition as what it does apply to. It refers to construction type projects and 255.20 do not require you to award the bid to the lowest bidder, it is just a competitive selection process. As long as you use a competitive selection process, you are still satisfying the requirements of the statute.

Attorney Pringle noted that the definitions in the statutes are very important to understand and to read for clarification of the statute.

Commissioner Morris would like to have some practices in place for purchasing in writing to assure the district is in compliance with procurement regulations.

Floto Pumps. Chief Becker stated that in the Chief's report copies of different styles of Floto pumps were displayed for the board to view. The district is looking at the 140 gallon pumps which are small enough to fit on the trucks and is asking the board to approve the purchase of 2 at \$2,150.00 each to put on truck 33 and engine 31. The pumps were budgeted for with the understanding that they would be part of the water solution where we cannot get water supply.

Commissioner Schmid motioned to accept the purchase of the Floto pumps at \$2,150.00 for each. Sec./Treasurer Goodacre seconded. Approved unanimously 4 – 0.

Reports from Union Representatives

No union representatives present.

Remarks from Commissioners

Commissioner Schmid asked if the Chief wanted to get involved with the district's ambulance services.

Chief Becker stated that there are three core functions of the EMS base fire system and the Chief is open to any suggestions anyone may have.

Commissioner asked when the opening of Station 33 would take place.

Chief Becker stated the opening would take place in September along with dedication of the new ambulance.

Commissioner Morris noted that she was very pleased with the appearance of Station 32 on San Carlos Blvd.

Sec./Treasurer Goodacre commended the employees with years of service. Glad that the dates are set for the budget.

Chairman Scanlon congratulated the employees with years of service and commended Joe Devito for his service to the schools.

Public Input

No public input provided.

Adjournment

Call for adjournment of meeting.
Meeting adjourned at 2:36 PM on July 15, 2008