



**MINUTES
BOARD OF COMMISSIONERS
REGULAR MEETING
January 11, 2011
7:00 PM**

MEETING CALLED TO ORDER AT 19:00. COMMISSIONER SZYMANSKI LED THE PLEDGE OF ALLEGIANCE. INVOCATION LED BY COMMISSIONER GORRIS.

All Commissioners were present.

CONSENT AGENDA

Agenda Item; Approve the minutes from the regular meeting on December 14, 2010. Commissioner Isakson made a motion to accept the minutes as written. Commissioner Gorris seconded the motion. All were in favor, motion carried.

ADMINISTRATIVE AGENDA

Agenda Item; Treasure's Report. Commissioner Gorris referenced an increase to salaries line item in December due it being a 3 pay period month. Commissioner Gorris pointed out a discrepancy, which has been corrected, in the sick pay line item in the month of November. Those funds were supposed to have been placed in the vacation pay line item in November. Commissioner Gorris brought to the board's attention that the computer line item has exceeded the budget by about \$5,000 due to an unforeseen need to upgrade the Firehouse software in order to make it compatible with the recent server upgrade. There are no further notable expenses on the horizon for that line item. Commissioner Gorris mentioned that the principal line item for Truck 37 is over budget by \$1758.11 and the interest line item for Truck 37 is under budget by \$1757.05 making the total of the two lines up within \$1 of budget. Commissioner McPherson questioned the ongoing account assigned to Chief's Demeter's Severance pay. Missy Scarborough made the board aware that anytime you are no longer using an account number in your chart of accounts you can remove the account after your completed audit for that fiscal year.

Commissioner Gorris moved on to discussions about the Investment Policy questionnaire that had been completed by staff and submitted to Stewart Markey Group in order to create an investment policy for Midway Fire District. The policy, once created, would

also be the basis that all recommendations from Stewart Markey Group would be built on. Commissioners were asked to review and make it known if there were any areas of disagreement from the answers provided by staff. **Baring no specific questions that needed different answers, Commission Gorris made a motion to allow this completed questionnaire to stand as the 1st pass Investment Policy to be submitted to Stewart Markey Group in order for them to make recommendations of investment options that would achieve financial goals that were in line with the written policy and Florida Statue 215. It was mentioned that the current investment vehicle, Florida Prime (Florida Investment Pool) earning about .25% interest and charging 2.18% in fees. Commissioner McPherson seconded the motion. All were in favor, motion carried.**

Commissioner Gorris pointed out for 2010, the low point in the true reserves balances were around \$530,000 and it appears that we are tracking for the low point in the true reserves for 2011 to come in around \$586,000. True reserves meaning the amount of funds that we are left with in or around October of each year before tax revenue for the new year starts coming in. Attaining a good understanding of the low point will provide useful in the current 5 year plan that has been on the agenda recently. The guidance from commission was to create budget projections for 5% decrease in revenue for the next fiscal year and then 3% increase in revenue for 4 consecutive budgets after to get a better picture of where we would finish each fiscal year and the impact it would have on the true reserve balance to finalize the 5 year plan where capital improvements and staff growth are concerned. Commissioner Gorris requested the salary increases be taken into account when projecting future budgets. Commissioner Szymanski opened the floor for a motion on the Treasurer's report. Commissioner Eaton seconded the motion. Commissioner Gorris, so carries. All were in favor, motion carried.

Agenda Item; Recommendation of lease on vacant land. Chief Kanzigg's recommendation: The Midway Board of Fire Commissioners renew the current land loan for \$250,000 for 84 months with Regions Bank, as a negative pledge loan, at 3.24% interest. Commissioner Gorris made a motion to move forward with accepting the proposal submitted by Regions Bank and to authorize staff to move forward with whatever the needs were to secure the loan. Commissioner Isakson seconded the motion. Commissioner Gorris explained his feel on moving forward with the loan vs. using reserves to pay off land were due to money being so affordable in lending. He understood there were some cost associated with the path but felt it wiser to maintain our reserve balances at this time, again, due to the low rate at which we can borrow. Commissioner Isakson agreed that borrowing now was smarter than waiting until we may have a need in the future and being forced to borrow again the land when conditions in the market may not be as favorable based on the constraints around government lending. Commissioner McPherson asked if we were to deposit \$250,000 in an interest bearing account with Regions as collateral with an agreement to not touch, would it reduce the rate. The general consensus was that it would not. Commissioner Szymanski had concerns about the cost of the letter from counsel, the expiration date of the proposal and the lack of a prepayment clause in the proposal. Commissioner Isakson verified that as long as nothing is written telling us that we are subject to a prepayment penalty, we can not be charged a prepayment penalty. Commissioner Gorris amended his motion to

reflect only moving forward on the loan with Regions @ 3.24% interest, anything else would need to come back before the board for approval. Commissioner McPherson seconded the amendment. All were in favor, motion carried.

Agenda Item; Update on Consolidation. Chief Kanzigg turned it over to Jake Noa, Midway Union President, for complete update on consolidation study. Jake Noa made the board aware that the Union had gotten feedback to expect study results within 30 days. Commissioners, Chief Kanzigg and Jake Noa, Union President discussed their desires for what they hope to see in the study results and the detail of options going forward:

McPherson commented that he hopes the study will be presented with 3 different options of funding based on the 3 departments currently involved are all funded differently. He felt that typically the study results in 2 districts getting better service and 1 getting not as good service as they are currently experiencing. Commissioner Gorris projected that our service may decrease a bit due to being more spread but that the gain for Navarre would be significant and immediate. The ALS aspect for them is an increased benefit to their current services. Chief Kanzigg commented that last he heard Navarre Beach wasn't showing any interest and even discussions of returning to a volunteer department altogether. The hope would be consolidation would solve many of Navarre Beach's current issues. Overall feel of the board was that all parties stood to gain. Commissioner Gorris requested that once the study results are in Chief Kanzigg make contact with the other 2 departments in an effort to get all board members together again for an open discussion of all concerns or issues from all parties involved.

Agenda Item; Discussion of financial planning and risk tolerance for fund currently held at Florida Investment Pool. Topic was discussed within the Treasurer's report and motion made. See **BOLD** area in Treasures report.

Agenda Item; Chief's Report. Chief Kanzigg discussed the district's December business.

No public Comment

No further items were presented. Commissioner McPherson made a motion to adjourn the meeting. Commissioner Isakson seconded the motion. All were in favor, motion carried. Meeting adjourned at 19:44.

Dave Szymanski, Chairman

Date:

William Eaton, Secretary

Date: