

WEST MANATEE FIRE & RESCUE DISTRICT COMMISSION
REMOTE BUDGET WORKSHOP

Minutes of April 21, 2020

The remote work session began at 5:00 p.m. with the following members present: Randy Cooper, Larry Jennis, George Harris, David Bishop and Al Robinson.

Chief Rigney welcomed everyone and hoped everyone was staying in good health in this unprecedented time. He stated this is the time of the year to discuss the assessment rates for the next budget year. As a non ad-valorem department, we are only able to raise rates based on the Personal Income Growth (P.I.G.). This year the max we are able to raise the rates is 5.46%. The P.I.G. for this upcoming year does not look like it will be in our favor and this would affect the ability to raise rates to fund services that we currently deliver for the next five years. The goal of this workshop is to get direction from the board as to what resolution to bring to next month's meeting. Chief Rigney stated that his recommendation is to raise the assessment by a minimum of 4% this year keeping in mind that the max we are able to raise the assessment is 5.46%.

Administrative Assistant Berggren started with a review of the mid-year budget variance. She stated that all income and expenses are on target for mid-year. Berggren then went over a review of rates between various district's similar as the ones that have been presented in the past few years. The slides were showing a commercial building and then a residential home with the difference in assessment rates.

Chief Rigney started a review of our upcoming budget projections for the next two years and reviewed the operating expenses.

Chief Rigney next reviewed the capital outlay. He stated he would like to discuss the administration building at the regular meeting in the old business discussion. He then reviewed the vehicle capital. We are ready to receive our new engine at Station 1 in the next few months. The engine that is currently there will be moved to Station 3 on the island.

Chief Rigney next reviewed the revenue growth. He reviewed the net change in fund balance for the 2018/2019 year and it was \$577,710. This was mainly because of the sale of the administration building proceeds after paying the debt off.

Chief Rigney proceeded to review rate assessment information options. Option A being a 0% would mean dipping into the reserves for \$189,000. This would be a recurring amount every year and Chief Rigney stated this is not his recommendation to operate in the negative and dip into the reserves. Option B being a 2.6% increase would get us to the break-even mark, but in the future, we will still have potential lower P.I.G. that we can raise the assessment in the future. He stated his recommendation is to still go with the 4% at a minimum. Commissioner Robinson asked if we are going to be over or under budget this year? Chief Rigney stated we will be right where we need to be with the exception of capital. Commissioner Robinson asked excluding capital outlay. Chief Rigney stated we are showing we are on track for the mid-year budget review. We are showing projection of 5% under budget. Commissioner Bishop stated that he understands that there could be a surplus at end of year. He stated in this discussion he would like to address what are our reserves for and how does that come into play when we talk about our capital outlay. He asked if our assigned funds of \$3.8M and what would the funds be if we get the big hurricane moving forward. Chief Rigney stated the contingency fund for disasters is \$2.5M in the assigned funds. Commissioner Harris stated that we will be drawing down on the contingency fund when we build the new administration building and he asked Chief Rigney how long it would take to build it back up to an acceptable figure. Chief Rigney stated we are not touching the contingency fund, that is for the catastrophe event. We are looking at taking from the unassigned fund balance. There are times that there are unbudgeted items of income that we really cannot budget for and this is where the amount would be to start building it back up.


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Chairman Cooper stated that we go through great lengths to budget just what is needed. Commissioner Jennis stated that with uncertainties going forward, the pandemic could cause additional operating expenses, workers compensation and health insurance rates and a new labor contract. The next labor contract is going to be more expensive and the P.I.G. is a rolling 5-year average. We are going to be limited and we need to be mindful when we look at this. He stated he would not be averse to having carry-over because of this. Commissioner Robinson asked what the definition of P.I.G. is and Chief Rigney explained the process of it. Commissioner Bishop stated as Commissioner Jennis pointed out about these hard-economic times, money is going to be cheap in terms of borrowing. One thing we can control is the ability to borrow money and this should be a point of discussion at the regular meeting. Commissioner Robinson said "amen" to that. The discussion will follow in the regular meeting under new business.

Chairman Cooper adjourned the meeting at 5:59 p.m.





Chairman



Secretary