



Tallahassee Fire Protection District Minutes of the Board of Directors Special Session Meeting February 2, 2022

Scott Fullerton called the Special Session Meeting to order at 5:01 p.m., on February 2, 2022.

Directors Present: Scott Fullerton, Christopher Parker, Cynthia Boyle, and Harvey Ammel
(All by teleconference) A quorum is present.

Directors Absent: None

Firefighters/Volunteers Present: Chief Mark Norris (By teleconference)

Public Present: Kristen Sanders (By teleconference)

Purpose of Special Session Meeting: To discuss Fire Chief FY 2021 Compensation and to Ratify FY 2021 Reserves, Account Descriptions and Policies

PUBLIC INPUT:

Kristen Sanders (prospective TFPD Board member) joined the Meeting by teleconference at 5:02 pm. Kristen chose not to address the Board.

BUSINESS:

Motion: It was moved by Scott Fullerton and seconded by Harvey Ammel that the District pay the TFPD Fire Chief compensation totaling \$3,100 for the shifts he covered in FY 2021 which were in excess of those anticipated under his Employment Agreement.

Scott clarified that this discussion was for FY 2021 compensation only (with FY 2022 compensation to be discussed at a later meeting). The Fire Chief's original agreement made no mention of covering shifts; nor did it envision the need to cover numerous shifts in addition to his normal duties. Chief Norris covered 73 shifts following some responder resignations in 2021 – which means he committed to being on call within a specified twelve-hour period for the 73 shifts. Shift coverage is in the budget. If we include this amount of compensation under shift coverage for 2021, we are \$190 less than the 2020 total. In both cases, we are below budget.

Scott corrected something he said at the January Board Meeting – that total actual shift costs should always match budget. That is incorrect as there are different shift rates for different skill sets or qualifications. As we budget based on an average, it is possible to come in lower than the budgeted number while still filling all the shifts.

Per the Fire Chief compensation Board document, Cindy questioned the four shifts shown for March as this was before the above-mentioned responder resignations. Upon checking his calendar, Chief Norris stated that the four shifts were for uncovered weekend shifts that no one else wanted to cover.

Chris asked if the additional compensation had a significant impact on the budget. Scott confirmed it did not based on reports from our accounting software. The shift coverage is lower than 2020 and still comes in under budget for 2021. We are not increasing expense.

There being no additional discussion, the Motion was voted upon and carried unanimously.

Motion: It was moved by both Scott Fullerton and Christopher Parker and seconded by Cynthia Boyle to account for reserve balances on the financial statements using appropriate GASB Fund categories beginning 12/31/2021 and to ratify the following account descriptions and policies:

Scott explained that this is a part of our continuing effort to move the offline spreadsheets to QuickBooks and making our financial statements more informative. Historically, we showed a large cash balance on our financials, but the reserves and contingency funds that were assumed were not shown. They were shown on offline spreadsheets or in notes from discussions. That gave the impression that all of the cash balance shown was available for any use – which was incorrect. To correct this, Chris provided the details of the appropriate government standard accounting categories at the January Board Meeting.

This Motion is to discuss the entries within those categories, and in some cases, they need to be accompanied by a policy – with the policy verbiage being shown in the detailed section below.

Chris then explained that when looking at cash, there are some itemizations of the fund balance. For example, TABOR is a restricted fund as it is money to be used in case of an emergency as required by statute. Committed funds are used for specific purposes pursuant to District policy. Assigned funds is where money is reserved in case of a major incident, replacement of PPE as they are reaching end-of-life, and P&L insurance deductible. The balance of our funds could be considered unassigned which means they are not restricted for any type of use. The three major categories are restricted, committed, and assigned – with the balance being unassigned.

Scott further explained that the concept is to have “guardrails” so that we do not forget prior commitments that we made or are outstanding. In just looking at the large total fund balance, we do not readily know about any commitments. Our current fund balance is approximately \$124K. The three major categories above account for approximately \$90K. Therefore, we have approximately \$34K in free cash.

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In order to summarize the proposed cash reserve balances for FY 2021:

- Restricted funds:
 - \$12,887 for TABOR, as required by statute.
- Committed funds:
 - \$17,364 for gain on assets sold for the repurposing of assets
 - Annual appeals proceeds:
 - \$637 for 2020 Community Outreach Fundraiser/delayed due to COVID
 - \$2,061.44 for 2021 Community Safety Fundraiser
- Assigned funds:
 - \$35,000 for a major incident (to cover non-reimbursable costs and/or replenish TABOR)
 - \$12,054 for replacement of PPE at end-of-life
 - \$10,000 for P&L insurance deductible (for two vehicle damage claims @ \$5,000 each)

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The amount detail and policy explanation(s) for the cash reserve categories follows:

Fund balances of governmental funds are reported in a hierarchy of classifications based on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the funds can be spent. Governmental fund balance classifications consist of the following:

- **Nonspendable** – Includes amounts that are either 1) not in spendable form or 2) are legally or contractually required to be maintained intact. Nonspendable includes items that are not expected to be converted to cash such as inventories, prepaid items and certain long-term receivables. The District did not have nonspendable fund balance at December 31, 2021.
- **Restricted** – Includes amounts which have constraints placed on the use of the resources. The constraints are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law or enabling legislation of the government itself and which are legally enforceable.

3130 – Restricted Funds

3130.1 – TABOR: Required by statute; currently \$12887.

- **Committed** – Includes amounts that can only be used for specific purposes pursuant to District policy. The District shall have a committed fund balance at December 31, 2021, of:

3132 – Committed Funds

3132.01 – Asset sales for repurposing: Balance \$17364. Gain on assets sold for the purpose of repurposing; strategic realignment of assets; etc.

3132.10 – Annual Appeal Proceeds: Funds raised for a specific program which could not be prudently spent for that purpose in the current fiscal year and must be carried forward. Generic project accounts lettered “A”, “B”, “C” etc. are used to prevent using up limited account numbers for short-duration programs. The description field within QuickBooks will be populated with the name of the program and the start and end dates to document the purpose and timing of the entries therein.

3132.11 – Project A: Currently populated with the proceeds from the community outreach fundraiser (stop the bleed, etc.) postponed by restriction of community events due to COVID. Balance \$637 (per 2020-12 Board Minutes).

3131.12 – Project B: Currently populated with the proceeds from the community safety fundraiser. Balance \$2061.44 (per 2021-12 Board Minutes)

3131.13 – Project C: No current assignment or balance.

- **Assigned** – Includes amounts that are not classified as nonspendable, restricted, or committed but which are intended by the District to be used for specific purposes. Intent is expressed by legislation or action of the Board which has authority to assign amounts for specific purposes. The District shall have an assigned fund balance at December 31, 2021, of:

3134 – Assigned Funds

3134.01 – Major Incident Reserve: Balance \$35000. Two purposes:

1. Cover the non-reimbursable costs associated with the major incident. Potential uses include compensation for our personnel and/or districts assisting us beyond the initial mutual aid period, costs for air or other assets employed before a higher authority assumes costs, replacement/repair of damaged equipment, etc.
2. An additional buffer that could be combined with unrestricted funds to replenish TABOR if required.

3134.02 – Replacement of PPE at End-of-life Reserve: Balance \$12054. PPE has a “life” based on guidelines from fire agencies, the manufacturer or others. Similar to depreciation, we should accrue funds in each fiscal year to cover the future costs of replacement at end-of-life. It is also a reminder that as we add capabilities in a fiscal year, we need to consider the cost of maintaining those capabilities in future years.

3134.03 – P&L Insurance Deductible Reserve: Balance \$10000. This is to ensure we have funds sufficient to cover the deductible for two vehicle damage claims (two \$5000 deductibles).

- **Unassigned** – Other governmental funds may report only negative unassigned fund balances if expenditures incurred for specific purposes exceeded amounts restricted or committed for those purposes. The District did not have an unassigned deficit fund balance at December 31, 2021.

There being no additional discussion, the Motion (with the associated amounts and policies agreed to during discussion as shown) was voted upon and carried unanimously.

NEXT PUBLIC MEETING:

The next regular TFPD Board Meeting is scheduled for Monday, February 14, 2022, at 2:00 p.m. (by hybrid meeting unless revised), at the Main Station.

MOTION TO ADJOURN:

It was moved by Harvey Ammel and seconded by Cynthia Boyle to adjourn the meeting at 5:22 p.m. The Motion was voted upon and carried unanimously.

Respectfully submitted by Cynthia M. Boyle, Secretary to the Board.