



PSFRD Update

As the PSFRD Board of Fire Commissioners has not met recently, we want to still make sure the public is informed about everything going on in the District, and have compiled this report. As always, if you have any questions or comments, please do not hesitate to reach out to us, either by phone at (727) 595-1117 or by emailing us at info@psfrd.org. We would like to first mention, we have had several members of our community provide meals for our firefighters in some capacity – from having food delivered, to placing orders at restaurants. We can't even begin to express how grateful we are for the kindness and generosity shown to our personnel during this time.

Fire Chief Update

Chief Burton and Chief Mortellite have been attending various meetings throughout the County (most virtual, of course) to remain well-informed, as well as to inform both members of the department and the public of important updates. Some recent meetings include:

- Pinellas County Response Operations Coordination Group conference calls
- Pinellas County and Cities conference calls
- Board of County Commission meetings
- Pinellas County Fire Chiefs Association
- Town of Indian Shores emergency meetings
- Live Stream video conferences by the EMS Medical Director
- Two meetings on Infection Control efforts at assisted living facilities and nursing homes

In cooperation with the Department of Health, Pinellas EMS, and all other fire departments in the County, PSFRD (Chief Sidlauskas) has done site visits to nursing facilities, adult living facilities, and long-term care facilities in an effort to provide education and support to stop the infectious spread within those facilities.

The District has acquired a sufficient number of COVID antibody test kits which allowed for the testing of all employees on a completely voluntary basis. The tests are designed to be an indicator of an ongoing infection (IgM) antibodies as well as antibodies (IgG) that would suggest the person has been exposed at some point in the past. The testing concluded this week.

The District has been monitoring actions by the Governor and the County Commission regarding “reopenings.” Chief Burton has been working on preliminary plans to “normalize” the District and its operations, whatever that new normal may be. Starting May 2, 2020, the PSFRD status will be downgraded to monitoring the situation.

Governor DeSantis signed Executive Order 20-112 on May 29, 2020, outlining Phase 1 of efforts related to reopening the state. That order may be found here:

<https://www.flgov.com/wp-content/uploads/2020/04/Exec-Order-20-112-FAQs-1.pdf>

Starting May 4, 2020, the Fire Chief and Assistant Chief will return to a more normal daily schedule.

Beaches reopen on Monday, May 4th as well. Social distancing requirements are still in effect.

BEACH RULES

Stay 6 Feet apart.



If you don't live together, stay 6 feet apart.

Do not congregate in groups.

No groups of more than 10 people.



Commissioner Updates

Indian Shores – Commissioner Larry Schear:

The regularly scheduled Indian Shores Town Council Meeting was held on April 14th, 2020; attendees were separated from one another by much more than 6 feet, as the entire meeting was held virtually, via the ZOOM teleconferencing system. Both Chief Burton and I attended, remotely.

Indian Shores Mayor Pat Soranno ordered and deployed 100 American flags in town, mostly at the Municipal Center and at the Park Blvd. / Gulf Blvd. entryway intersection, and suggested that other organizations and condominiums in our town also do so as a sign of solidarity to our First Responders. Both the Golden Shores and Mariner's Pointe (mine!) have done so, to date.

Legal Counsel Update

Attorney Jeff Albinson has reported that all is relatively quiet at PSFRD on the legal front. The Department of Labor's FMLA investigation is completed, and a small change to protocols was made at the suggestion of DOL. Otherwise, based on our number of employees, DOL has confirmed that PSFRD is not subject to the FMLA, but is required to have rules in place to provide similar benefits to employees.

There is no ongoing litigation at this time.

Mr. Albinson stated that he has been able to stay in touch with PSFRD administration to address any small issues that has arisen.

Financial Update

Fiscal Year 2019-2020 Executive Summary
For the Period Ending March 31, 2020

BALANCE SHEET

GOVERNMENTAL FUNDS REPORT

Balance Sheet accounts are reconciled as of 03/31/2020. The total asset value of both Funds is \$4.2 million, consisting of \$5.6k cash, \$12.2k accounts receivable and a \$4.2 million low risk investment portfolio per FS 218.415(17), consisting of the following instruments:

A. Money Market Funds

BB&T - \$1,148,376 at 20 basis points (down from 159 basis points last month)

Seaside National Bank - \$1,006,264 at 20 basis points (down from 165 basis points last month)

B. FIXED INCOME INVESTMENT PROGRAM (Current Portfolio)

1. Investment Pool:

Florida Safe - \$2,017,490 earning 116 basis points (down from 164 basis points last month)

2. Fixed Income:

FL Safe Term Series \$0

Current liabilities are within normal month end limits for this time of year, consisting of \$90.4k accounts payable, \$1.3k due to Capital Projects Fund and \$0.8k accrued expenditures.

Due to the unfunded \$1.2 million settlement from the County the following FY 2019 – 2020 capital plan revisions have been made:

1. Squad replacement is deferred to FY 2020 - 2021: \$ 650,000
2. One command vehicle replacement is deferred to a future year: \$ 70,000
3. One utility vehicle replacement is deferred to a future year: \$ 35,000
4. 50% of the Communication radios are deferred to a future year: \$ 18,000
5. Two thermal imagers (TIC) are deferred to a future year: \$ 2,500

The settlement funding loss puts the District back into the problematic position of insufficient reserves required to fund capital acquisitions as equipment and apparatus life spans age out. Annual reserve increases are essential to sustain future capital equipment replacements. This set-back presents a more pressing need to revisit the sources of funding required to solidify the District's future, by providing sufficient funding

for annual normal and customary inflationary cost factors, while maintaining sufficient fund balance to meet long range Capital Improvement Plan requirements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

CONSOLIDATED GOVERNMENT FUNDS PROJECTION STATEMENT

Normal operating revenue is projected 24.8% (\$1,373.6k) greater than last fiscal year. This upturn is due to the non-ad valorem assessment increase and \$150k provided by the County for new marine fire and rescue vessel acquisitions. However, due to COVID-19 all fire inspections have been placed on hold resulting in a revenue reduction that will not be recovered subsequent to the end of the COVID-19 pandemic.

Our comprehensive cash and expense management programs remain guardedly engaged, providing prudent stewardship of the District's assets. We continuously search for ways to improve the efficiency and cost effectiveness of our operational processes, with an acute attentiveness in strengthening our Unassigned Fund Balance. However, COVID-19 has introduced unbudgeted expenditures, the total of which will be unknown until near the end of the fiscal year, as the majority of costs are directly related to overtime resulting from our First Responder isolations and additional EOC workload.

The FY 2019 - 2020 consolidated \$124.0k deficit consists of a \$162.5k Capital Projects Fund deficit and a \$38.5k General Fund surplus. Currently, the yearly surplus required to fulfill annual fund balance assignments for capital replacements approximate \$495k per year. The addition of COVID-19 expenditures has all but eliminated the FY 2019 - 2020's General Fund surplus needed to begin the process of rebuilding our reserves for future capital purchases. In light of this, it is even more critical that we do not repeat the 2008 to 2018 years of stagnant funding. We must focus on preparation to be prepared for emergency disaster situations and to stabilize the District's future funding sources for lasting solvency through an operating source of funding mixture consisting of an advalorem tax and a fair value on property assessments.

CAPITAL PROJECTS FUND REPORT

Revenue:

- Year to date Impact Fees amount to \$6.4k with a new Indian Shores condo development projected to be received during Q3. Additional impact fees received during the

remainder of the fiscal year will benefit in funding next year's capital plan and decreasing the amount of funds required to be transferred from the General Fund's Unassigned Fund Balance.

Expenditures:

- The ladder truck lease payment was processed in November.
- The majority of the original capital acquisitions planned for this fiscal year have been deferred to a future year, reducing this fiscal year purchase to one utility command vehicle. However, it appears that this unit will also be deferred to next fiscal year due to unavailability of product until October 2020.

Excess (Deficiency) of Revenues Over/Under Expenses:

- Due to the deferral of capital acquisitions, the FY 2019 - 2020 deficit has been reduced from \$923.8k to \$162.5k.

Fund Balance

- Changes to the FY 2019 - 2020 capital expenditure plan will result in a \$192.2k fund balance. Any additional Impact Fees received will increase the fund balance accordingly.

GENERAL FUND STATEMENT

Revenue:

- Chief Burton's Bay County deployment for the Hurricane Michael support efforts, incurred approximately \$29k in expenditures that were not reimbursed by Tallahassee in FY 2018 - 2019. It is not known how much will be approved for reimbursement and communications with the Tallahassee FEMA claims unit have been delayed again due to COVID-19. We are hopeful that our claim will be approved for payment this fiscal year, but the revenue is not included in the projection due to the unknown amount of the final distribution and the actual time of receipt.
- Public Safety Assessment income is in line with the adopted budget.

- Contracted EMS funding and the \$150,000 marine portion of the settlement is in line with the amended budget. CME pass-through overtime is an unbudgeted income that is offset in personnel overtime and benefit expenditures.
- Projected Inspection Fees and Special Event incomes are at risk due to a COVID-19 temporary cancellation of fire inspections.
- Investment incomes are prudently projected with a 25% shortfall due to a significant drop in interest earnings.
- Owners of a Belleair Beach residence have graciously donated \$2,000 to the District which has been used for improvements to station 27's officer quarters and training room.
- Refunded expenses include Worker's Compensation wage refunds, truck crash related court ordered cost recoveries, the Florida educational supplement and IRS FICA refunds.

Operating Expenditures:

Personnel Expense:

- "Personnel Services – Compensation" – the \$163.6k unfavorable variance consists of \$77.4k for unbudgeted CME overtime, over \$100k in COVID-19 cost projections less a \$19.9k contingency to cover any unexpected termination pay-outs. Under normal circumstances we would be projecting a sizable positive variance, but the COVID-19 expenditures are completely unavoidable and unbudgeted. There will be a requirement for budget amendments for the CME pass-through overtime and the final tally on COVID-19 expenditures. These amendments may not be precisely known until the end of the fiscal year, so they may have to be presented for adoption between Oct. 1st and Nov. 29th, 2020.
- "Personnel Services – Benefits" – the \$5.8k negative variance is directly related to the CME and COVID-19 FICA expense.

General Operating Expense:

- "Operating Expense" – the \$18.3k negative variance is directly related to projected COVID-19 EOC expenditures.

Excess (Deficiency) of Revenues Over/Under Expenses:

- The \$127.6k unfavorable budget variance is directly related to the COVID-19 Pandemic. Even under these extreme circumstances we will continue to adhere to our income and cost control programs, as they are imbedded in our daily operations and instrumental in our on-going success. The most important factor right now is to ensure the protection and good health of all employees. Most administrative staff are working from home, but every day our first responders are subjected to possible infection, so we are doing everything possible to utilize all prevention devices and procedures available to keep them protected. This comes with a price, so the added costs will affect our year end surplus/deficit accordingly. We do have projected contingencies that, if not utilized, will aid in improving our surplus position by fiscal year end.

Fund Balance

- The \$38.5k projected surplus will help our depleted reserves, as will any unused projected contingency expenditures. However, the much needed prior year reserve catch-up suffers the consequences from COVID-19 expenditures and the county's decision not to fund the \$1.2 million settlement for the ladder truck.
- The Unassigned Fund Balance reserve ratio recommended by GASB is 17% of normal and customary General Fund Operating Expenditures. The Unassigned Fund Balance represents the amount of budget available in the event of a catastrophic emergency. Our projected FY 2019 - 2020 ending ratio is down to 22.4%. This ratio projection will improve throughout the fiscal year through unused contingency and COVID-19 expense projections.

However, we are still quite detached from our desired reserve ratio objective of 45% required to maintain future apparatus and station replacements.

Please note:

1. FEMA cost recovery for Hurricane Michael may or may not occur this fiscal year.
2. FEMA cost recovery details for COVID-19 are still under review, so we are not in a position to predict how much of our costs may be recovered. In any event it will definitely not be during this fiscal year.