

Claryville Fire District
Minutes from October 21, 2014 – Public Budget Hearing

The public budget hearing of the Board of Fire Commissioners was called to order at 6:35 PM, Tuesday, October 21, 2014, in the Claryville Volunteer Fire Department Community Hall.

Present: Chairman/Commissioner Charles Breiner, Commissioners, Jerry Huncosky, Anthony Carminati, Daniel Forger and Andrew Ford.

Representing the Fire Department: Glenn VanDenBerg, Tom Matthews, Jeff Williams, Jennifer Pisaniello, Bonnie VanDenBerg, Gary Frear, Desiree Jimenez-Frear and Virginia Frear.

Public: Robert McConnell, Peter Donnolo, Joy Monforte, Arnold Wager, Katherine Parr, Elaine Beck and Paul Beck.

Peter Donnolo wanted the following to be reflected in the minutes:Concerns:

Under equipment line; parts and accessories and the contingency budget have the same number. Jim Tisch acknowledges this and will correct.

Line 344-60 under Contractual –Question was raised about what this line represents. Jim Tisch responds that this is notices of meetings, elections, newspaper notices; as the department is charged for these.

A3-34-10- Personal Services- Question was raised if this line is supposed to read “Personnel” instead of “Personal”. Jim Tisch acknowledges this and will correct. The first two lines in this category are monies paid to the district for secretary/treasurer and the third line is what’s paid for election clerks.

Building Costs- Other and Snow Removal- A question was raised as to why there is no cost designated to this line. Jim Tisch responds that we are still unsure of the costs. It was broken out in the budget as a precaution. Jim determined that he will add in any number to act as a placeholder for this position.

Fire Equipment Hose and Ladder Testing-- A question was raised as to why there is no cost designated to this line. Jim Tisch acknowledges this and will correct.

Peter showed this budget to two individuals for anonymous feedback; one with an MBA and involved in capital finance projects, and the other with a doctorate and employed as a high level CDO. The findings were that the budget is not clear in the explanations of what subjects are, so that anyone reading it could understand the information. Any budget must be annotated with specific notes describing the information. The anonymous reviewers stated that this was the most informal budget they had ever seen. It seemed to

lack “any planning or rational decision making”. Also, “there was a lack of tracking and documentation”. Without proper annotation, it is considered a partial document.

Peter states that it seems some subjects are not categorized correctly, such as under Fire Equipment Inspection. Jim Tisch responds that this is a Fire Fighter’s Expense according to the State, and belongs in the current category. This can include an awards dinner where the company recognizes the time and effort our firemen have put in throughout the year. Also, certificates for the number of drills completed are given, as well as the Fireman of the Year award. This money is what the state invests into the volunteer firefighters. A question was raised asking for the official nonprofit designation of the fire company. It was answered: 501C-3.

Income-Code 240 –code was designated by the state. We budgeted \$6000 as an estimate of what will be the surplus left over in the 2014 budget.

3210 -Radios and Pagers- A question was raised whether these should be two separate items. Jim Tisch acknowledges this and will insert codes such as 21A and 21B. Further discussion continued regarding the budgeted amount of \$2000. This money is for regular upgrades and maintenance. This also includes the cost of moving radios between vehicles after elections of officers. An upgrade is coming soon to change the frequencies, which costs money. These are all budgeted each year. This cost is comparable to last year’s budget for Radios.

Turnout gear reduced from 21,000 to 12,000. A question was raised regarding the use of this money. This is money used for new and replacement gear. This year there are about six sets of turnout gear that has reached the 10 year life expectancy and OSHA requires it be replaced. The cost is nearly \$2500 a set. This is actually a \$19500 budget to start building us up, including \$12k for expenditures this year and \$7500 for future expenditures.

32460-Equipment- A question was raised if the company computer needed to be replaced. There is no money budgeted for this, but it was believed that we needed a new computer. In response, the company has a laptop, and it has been stated that if you want a second computer, the company would have to buy it. The laptop is in good working condition.

32080-Miscellaneous Equipment –A statement as made that based on the previous nine months extrapolated from the year, the cost of the year in this category would be \$455. The concern was regarding a high budget of \$3,000 for 2015 if our costs this year are so low. The explanation is that there is no solid way to predict the actual costs of the miscellaneous expenses, as anything can occur. Also, this line includes the light bars on Chief personal vehicles. After an election, there is the potential to remove and reinstall each light bar on to other personal vehicles.

An idea was raised to consider using rubberized suctioned light strips rather than the currently used lights that could potentially puncture holes in a personal vehicle while being installed. It was explained that state and federal laws require the chiefs to have red and blue emergency lighting for warnings and directional purposes. The current lights on chief personal vehicles meet requirements. The current light bars are budgeted as the least expensive type of installation. The light bars should have their own code in the budget. Miscellaneous equipment is a state code.

322145 Rescue tools- A concern was raised about the amount budgeted in this code. Based on the last nine months, the projected budget for the year would be \$750, so there is concern that the budget for 2015 is too high. Jim stated that through the date of this meeting, 2014's year to date is now \$2162. Most of these expenses happen at the end of the year, which is common practice for the company. Items will be purchased at the end of the year; confined space spreader, chisel, and air bags. The backboard and stokes basket is included in October, 2014.

322150 Cleaning Supplies- A concern was raised that a budget of \$750 is too high. There was a clarification that the cleaning supplies are specific for the trucks and not the firehouse buildings. Special cleaning solutions are required for the masks, and different areas of the truck.

Maintenance supplies for buildings and cleaning supplies for trucks used to be categorized together under Maintenance Supplies. They are now separate, and the Maintenance Supplies budget has decreased. In the letter to the comptroller, the chiefs will be documenting more specifically to provide more accurate information in this document.

344030- Contractual – A concern was raised that the budgeted amount of \$2000 is too high. Clarification was given that this now includes audit fees and retainer for the lawyer, which were not included in the past. The retainer for the lawyer is \$500, included in the nearly \$1,000 being budgeted for legal fees

344530- Utilities/ Gas and Electric- This only includes the electric bill. We don't use natural gas, because it is not available in this area. There is oil forced air heat. The electric is for non heat. A concern was raised that the electric bill is too high. The company is charged at a commercial rate basis which is different than meter usage. They charge demand rate: the most kilowatts you use in theory. Many municipal entities are charged at lower rates, and the company is wondering if a volunteer fire department is eligible for lower rates through Central Hudson. For the last three years, the company has called Central Hudson regarding pricing and the rate has remained high. After digital meters were installed, the bills were increased significantly.

35010-Travel–Clarification was given that this is money used for personal travel to trainings, traveling to meetings, etc... The IRS governs a rate of \$.55/mile.

345520- Clarification that this is the actual cost of the trainings and courses. Bloodborne Pathogens is budgeted for 2015, and was not in 2014. It has yet to take place this year. This now has to be done by a licensed facilitator.

345540 -Active Call Personal Vehicle

Clarification was given to explain that this includes mileage reimbursements to the chiefs for use of their vehicles. There is a government approved formula to calculate this into the budget. This rate can change monthly.

345550-Physical Fitness Testing-Annual physicals cost \$2710 in 2014, but there is an increase in rates for 2015. This is not mandated for Fire Police, but can be given if requested by the individuals.

A concern was raised regarding the state's expectation for an annotated budget. Jim Tisch explains that the state does not require an annotated budget. The state noted that more documentation was needed on the equipment portion, but the rest of the budget was acceptable.

A suggestion was made in the company that annotations would make budget more transparent and easier to understand for the community. Though this may be helpful, the cost benefit to annotate it may not be met in 2015. The idea will be revisited for future budgets. Jim Tisch explains that each section is described in the accounting manual. Jim will make copies and provide them.

Building Costs- The amount of plowing budgeted was \$4200 for a 4029 square foot lot. A concern was raised regarding a written quote. The contractor, Jim Sheeley, does not provide written quotes. He has offered services at \$150 per storm (per diem), with a discounted price if there is very little snow to plow. The \$150 was multiplied by an estimate of 20 plows, and considering the possibility of having to plow more than once during some storms. This formulated the budget of \$4200. This amount includes the fire hall and truck house, and will have to confirm the two remote locations. This is money new to the budget for 2015. The parking areas will be budgeted through the district. It is the district's responsibility to keep emergency pathways and shelters accessible. The district agrees that the budgeted amount is reasonable. If the winter is mild and money is left over, it will be put into next year's budget. The company had sent a letter to the Town of Denning to request a plow truck to swipe through the lots on their way through. There was no formal response from the Town, but the meeting minutes reflect a decision of "no".

A statement was made that the rent has been raised \$33.00, which totals \$1000 per month. This does not include electric and snow removal

Fire Equipment- A concern was raised that there was no cost associated with hose and ladder testing. This year is the first we are budgeting for this inspection. It was done after budget was approved last year. It is now OSHA required, and about \$3400 is a very accurate estimate.

Maintenance TNT- This includes the maintenance of the extraction tools; example, Jaws of Life. The company that maintains these tools is Extrication Concepts. It costs almost \$1300.

FICA Worker's Compensation- Ulster county health insurance dictates this amount.

899509 Transfer of Capital- Peter stated quotes from page three that the district will adopt realistic budgets to approve this year's district funds. Page five says the board should adopt realistic budgets and manage fund balances. In the past, the board adopted budgets that included equipment that the district did not actually purchase. As a result, the taxes have risen between 2009 and 2013 by 21%. During this time, district activities remained flat in emergency call responses, not increased. Page six stated that the district

planned to buy new trucks, but because the number of calls has not increased, they wondered if this was appropriate.

Considering this information, a suggestion was raised to reduce the reserve contribution to \$20,000 outright from the current \$30,000.

Other members are concerned about this contribution as well, as decreasing the contribution would lower taxes. The logic behind the \$30,000 contribution is that all trucks are reaching the 20 year life expectancy mark near the same time. This results in heavy replacement or refurbishing fees at one time.

The audit analysis completed was not for the intention to analyze the capital reserve fund, and there is not an accurate recommendation in the audit on this topic. The audit was for the budgeting practices. It stated that we must tighten our budgeting practices on what we need and why. It recommended that the company come up with a future capital plan and develop a corrective action plan that better explains the intentions of the reserve. We have prefunded the reserve by not having tighter budgeting practices, which proves to be the only tie to the reserve in that analysis. Since the district has been prefunding, it may make sense to discount the contribution amount now and for the next few years. This does not mean that the plan originally to put \$50,000 per year away was unreasonable, since it was to replace all trucks at one time. The recommendation from the public is to reduce capital reserve contribution from \$30,000 to \$20,000 per year.

A concern was raised that the amount of \$1908.74 does not have any explanation as to what it's for. This is located on page three of the budget. Jim Tisch confirms that the cells were formatted incorrectly, and this amount is the tax reduction for the Town of Neversink. Excel reformatted incorrectly.

A concern was raised regarding the District requesting the make, model, year, and miles of all fire trucks, copy of tax returns from 2008-2013. The District confirms that the District owns the trucks, so the District does not require the truck information. The Company must give Peter Donnolo the 990 within five days for the years 2008-2013. The District also requires a copy of the inventory taken when the company receives this. This can be sent to the District by email.

A concern was raised regarding the timing of expenses. A lot of money is being spent in October through December. This does not provide accurate numbers when viewing the budget earlier in the year. A suggestion was made to move some expenses to a time before August (such as testing and inspection costs). Then the To Date Expenditures in Sept would be closer to the actual budgeted amounts. The chiefs stated that they will try to spend more money up front, and then mark what money is earmarked to be spent later in the year to give accurate numbers. Concerns regarding this idea involve using budgeted money early in the year, and not having enough money to pay unexpected but necessary expenses later in the year. It is easier to shift budgets rather than go over budget.

It was stated that the 2015 Budget went down 10% from 2014.

A concern was raised regarding a statement in the Audit Letter saying that some money budgeted was not spent. It was stated that next year's budget will have more expansive explanations of: 1. What are the needs? 2. Did the needs arise? 3. Was the money spent?

Adjournment: There being no further discussion the meeting was adjourned at 8:46 PM, UPON MOTION by Dan Forger, Seconded by Jerry Huncosky. All in favor. Motion carried by a 5 to 0 vote.

Respectfully submitted

Jim Tisch, Sec/Treas.
November 13, 2014