

Prudential Committee
Freedom Hall
March 6, 2019

Called to order at 5:30 p.m.

Present: Fran Parks, Lisa Mycock-Kelly, Silvio Genao, Treasurer: Ray Pirrone, Clerk: Charlie Eager,

Pledge of Allegiance

Draft Fire and Water budget presentations

Water Department: Don Campbell, Water Commissioner, handouts distributed.

- ❖ Labor and Salaries biggest changes will be having an Assistant Superintendent and eliminating the Senior Operator position. A few step increases for the Operators and a cost of living increase-net change for Labor and Salaries will be just about 7%.
- ❖ Maintenance added a category that is required for the USDA money had for water tank we have to maintain a \$15,500 entry into the account each year. Grounds will increase, water testing will be decreased.
- ❖ Operations-postage will increase due to change in the billing process (will be talked about during presentation), printing costs will increase related to the number of billings we do. Additional cost of computer and copier use, have a slight increase for dues and licenses that are required, decrease in fuel, slight increase for chemicals, slight decrease for telephones, electricity and HVAC. Over all 6.29% increase, total of \$690,909.00

Fran asked the status of the wireless tower. Don replied one of the carriers has moved equipment to the top of the tower-still received the full check, not sure if transferred connection to the top as of yet. Fran asked if Open Cape is attached and running for security? Chris Wiseman, Water Superintendent answered that the electric meter is there, but not hooked up. Regarding Open Cape the security people are there, are on Open Cape now, Secure Networks has our contract-Bill McCourt waiting to hear regarding installation-which reflects on the increase in computer use. Lisa asked about the postage increase-she thinks pre metered mail is 50 cents. Chris answered they use presort first class that is \$200-250 a year then cost 43 cents each. Lisa Haven made a comment (inaudible). Silvio asked about stations tanks increase-Chris replied that it is the same as it was but had to separate the required \$15,500 onto its own. Fran asked if having a special warrant article? Chris said there won't be money articles, but may be a by-law they are talking about and possibly a change with water management act-may have to adopt new guidelines if go into new restrictions. Ray asked if Chris could get an estimate on what the revenue would be under the new billing-Yes, Chris should have that at the upcoming meeting, the rate study gave a close estimate. Lisa asked a question about billing/past dues-will be discussed later.

Fire Department: Chief Paul Rhude, presented a power point presentation

- ❖ Salary and Labor: Chiefs is a 2.5% increase per contract, the FF have a 2.79% per contractual increase, educational incentive 43.6% as the new contract provides educational stipend for the majority of the FF. No change in longevity, Have the Admin Assist budgeted at 2.79% however next week the job description will be reviewed and may change at the Commissioners Meeting. Vacation increase 6%. FF other was increased by 250% as it is the category that covers unexpected administrative leave, misc. categories-this may also change at next weeks meeting. Salary and Labor total increase 4.9%
- ❖ Operations: Zero increase in everything. We are looking to meet budget all the way across so left it as is, don't want to decrease as not sure what fuel/electric prices will be next year.
- ❖ Maintenance: Zero increase

- ❖ Misc.: Zero increase. All adds up to a 4.05% increase. Silvio commented about the maintaining budget, Chief compared budgets back to 2012, only concern is the vehicles which might be changed in next weeks meeting.
- ❖ Proposed Articles: Have an article for Scott Air tanks, last year had an appropriation to replace half of our Scott tanks, haven't expended that money yet as a new improved version of the tank came out this month (have loaner bottles that expire July 1) Didn't want to have two different types of tanks, waiting to buy half the tanks in June, then with new article tanks in July. Just waiting for updated quotes and research neighboring standards.

Space Needs Assessment Presentation: Rick Fenucio from Browne, Lindquist Architects presented an updated from the last meeting and distributed handouts. Decided that Option A was the preferred plan, based on comments and ideas from past meeting have made a few changes. Reviewed site plan including parking, have obtained an updated septic review letter-was confirmed would be under the max flow-plus the health department still would have to agree. It is still under study if able to tie into existing system. Have developed a long-range schedule up to starting construction into the Summer of 2020. Next steps after tonight is to get it out for a cost estimate, to take to the district meeting in May. Will still be ample time for lighting, drainage, etc. Fran mentioned that these plans were presented at the Civic Association meeting and a few questions were asked. One, if instead of an addition, put a free-standing building. Answer is in the beginning it made sense to connect due to the day to day communications with the FD and district, also allowed a drive under space if raised up and connected. In terms of cost-the saving would only be in the literal connection. Rick doesn't think it would be cost saving plus would lose functionality and the internal connection. If committee wants to pursue, they could modify the design, but it means taking or flipping our thinking and putting business offices in the new building and fire station would remain and would still need to be brought up to code. Floor plan option A was distributed, reviewed and discussed. Next step would be to do some cost estimating and putting together a budget. Fran asked if a ball park figure will be available for the upcoming Civic Association meeting on April 16-Rick answered yes, it should have a budget by then. Rick reviewed the finalized conceptual design drawings, prepared summary of work, and outline spec and coordinate with cost estimator-should have a soft cost number to take any version out to bid. Short term schedule to complete the study- early May a final presentation so can be presented at annual meeting on May 29. Discussed the long-term schedule including site plan review, zoning of appeals, and perhaps the Board of Health.

Treasurer: Debt Authorization for Water Department Chemical Upgrade-When loaded December on, did not include all of the chemical upgrade and so avoid a deficit, since was paid off and needed the authorization the simple and long-term solution is to issue a new 8-month bond maturing next December that will give us the opportunity to put the chemical and security system into a long-term bond which fits more with the type of equipment we put in. Ray spoke with Chris who spoke with the engineer and the life on both of those is in the 10-15-year range. It would be reasonable to exceed the five-year limit by establishing an eight- or ten-year bond, which can look at next December as look at rates to see how those fall. Ray provided the tentative finance schedule if have approval to proceed will then advertise and have the papers for the bid sold and ready for signatures at the next meeting later this month. Motion made to authorize the issuance of an 8-month bond for \$225,000, seconded all in favor. Second point is we ran into a new feature in the December bond issue-a bond premium which is a device that the banks use to be more competitive without lowering their interest rate; the effective rate is lower, but have more money then asked for and the state has several pages of rules related to how one copes with getting more money. Ours is going to be split because there are different rules for new funding vs rollover funding. Ray needs the committee's authority to use the bond premium received \$4,000 in December for debt service. Motion made for the Treasurer to use the \$4,000 for debt service, seconded, all in favor. Thirdly, in line with the budget-Ray has the Finance Dept budget prepared. Ray reviewed, though some are place holders. After did this budget, he picked up the numbers from other departments and incorporated in with what the total budget would look like and the impact is- particularly this year since we have very limited free cash to apply to the budget. Starting with the

Finance Dept the largest increase is in salaries including a cost of living increase for the Assistant Treasurer. Ray is also proposing to increase his hours to reflect the time he is spending and increase his salary from \$59,000 to \$76,000 with a run rate to \$78,000. Phone rate went up slightly, Payroll went down to about \$200 per pay period, accounting services is at the last year of three-year agreement at \$14,500. Office supplies has been reduced, small increase in dues and memberships to reflect running rate, insurance (preliminary estimate) \$107,000 is a slight increase includes property liability and workman's comp. Payroll taxes-Ray took money out and brought down to what he anticipates based on what salary figures were that he received from departments and taking the cushion out of that number. The balance of everything else is level funded. Finance department increases 4%, Fire Dept numbers changed slightly to just below 4%, Water Dept is at 6.9 or 7%-few placeholders. Few placeholders in public buildings-few placeholders including internet service and maintenance/groundskeeping service Budget for debt service-Ray reduced the debt services payments substantially as saw things would be tight-reflected on the third page of handout. The long-term projects will be put into a long-term bond next year and will be putting the short-term trucks and air packs on a three-year paydown. The roof and floor on a five-year paydown, which minimizes the amount of principal payments next year. Open to suggestions, but in light of that the projected tax rate is 14 or 15%. Ray has incorporated some increase from ambulance revenue-Chief Rhude and Ray will look into this with more detail as revenue is up. Ray has not reflected anything for the water rate increase-he has a question To Chris W to get more details. Fran asked if know what the COLA is? Ray will look into the government stats. Silvio interested in seeing what the increase and difference in revenue will do to the tax rate. Ray responded that based on the numbers on page 3, the anticipated tax increase would be 13.17% does not assume any increase in evaluation which may occur. Ray has not included a \$7,000 bill that the CCMHG believes that we owe from prior to 2015, have asked for specifics, but only received bill from last two years. It appears to equal a med ex payment-Lisa is reviewing. Silvio commented that this is a conservative view on what the tax levy could be and made comments about free cash for 2020 and debt funding. Fran commented that we don't know about the water rates and Ray said that is an upside potential for tax increase along with when cell town payments kick in. Ray said that is difficult to project, and have until November to make the final decisions but what tell tax payers at annual meeting will be a guess. Silvio asked next time this is on the agenda if he could have a copy in advance for review.

Freedom Hall: Silvio discussed the floor project. The timeframe to accept quotes closes tomorrow at noon, will then review quotes and who meets the criteria. A meeting will be scheduled next week to discuss further and award the contract. In the quote, it states once awarded the work cannot last more than a month. Fran commented that there may be a scheduling problem with the Tango, Civic Association meetings, elections, and other meetings. Lisa asked if the 30 days included the securing of materials as that seems to be the longest time needed rather than the work. The work can be delayed if needed.

Public Comment: Cynthia Gardner commented that it was very helpful that the water department brought handouts and wondering if all the presentations could be posted to the website for review or will she have to make a public records request? Fran replied she could put them on the website. Charlie had a (inaudible) bond counsel whether the district needs a By-Law change so that the moderator could claim a two-thirds majority in votes, luckily was unanimous. With the bonding issue he doesn't have authority unless have a bylaw is in place. The moderator doesn't have the ability to claim two thirds vote without a count. Ray commented it was a unanimous vote, but was recorded as two thirds exceeding the requirement so will refile with the bonds counsel, but going forward will be useful if the moderator had the ability to declare two thirds vote without taking count if it appears verbally (inaudible) Fran said need a bylaw change for that, Silvio commented worst case scenario do a roll call.

Motion to adjourn, seconded, all in favor