

**COTUIT FIRE DISTRICT
PRUDENTIAL COMMITTEE MEETING (VIRTUAL BY ZOOM)
APRIL 25, 2022**

Present: Charles Eager, Clerk, Ray Pirrone, Treasurer, Seth Burdick, Prudential Committee, Mark Lynch, Prudential Committee and Fran Parks, Prudential Committee.

The meeting was called to order at 6 PM on April 25, 2022 remotely using the Zoom app.

Fran Parks led the Committee in the Pledge of Allegiance.

The Auditor Tony Roselli, of Roselli, Clark and Associates, presented the audit results. Last year there were some transitional issues as can be expected when going from one audit firm to another. This year's audit went smoothly. In his management letter two issues he thought were important were the OPEB account and retirement assessment. He mentioned that Barnstable County Retirement had been really lagging on its funding, he was worried that the funding would increase. The County had a great year in FY 21 and its funding level went up to just below the state average. So, this year he doesn't have a great alert on it as he did last year. Barnstable County started in the last couple years to increase the assessment.

The OPEB account has had great earning in the last year. The District has a very small unfunded liability. The OPEB account is in good shape.

He had one other comment that had to do with the Water Department. The person who is collecting the water bills is also the same person sending out the water bills and doing accounting with the bills. The auditor thought this was a segregation issue. The Treasurer mentioned there was an article for a lockbox system. The auditor thought this was a good idea because your money is in the bank faster, less expensive than hiring another employee and easier to update the records. He hoped the article passes.

One last thing which is not in the management letter is he warns the District to watch their interest rates. The feds are raising their rates which will increase borrowing and investment rates. If your bank doesn't increase its bank account interest rate it might be a good idea to look at other banks.

There was no public comment.

Motion made, seconded and passed to accept the minutes of March 28, 2022.

The Treasurer gave an abbreviated treasury report because there was a lot on the agenda to get through and every thing is going well. In general, the revenue is ahead of budget by 10 percent led by water and ambulance revenues. Tax collection are right on budget.

Expenditures below budget or complete on budget but there are two variance that will present themselves in the next two months. First there is a debt payment not accounted for in the budget of

\$31,000. The second variance is Freedom Hall wages which were straight lined from the year before which was during Covid will be \$1,000 over budget. Treasurer will request the Committee make a transfer from the Reserve Account to cover these shortfalls at the next meeting.

The Treasurer plans to move about \$100,000 of revenue and expense out of the General Fund into the Special Revenue Fund to match revenue and expenses which will offset themselves. This eliminates \$100,000 of expenses from the General Fund which presents itself as a potential addition to Free Cash.

There is nothing really to report on Special Articles. The Water Department article for Security will be closing out and used to fund two Water articles FY 2023 Warrant.

The Treasurer said that participants in the health plan will be allowed to join the Pinnacle Plan provided by the Cape Cod Municipal Health Group at no cost. The plan will find primary care physicians, get you second opinions and provide medical data for proposed treatment and evaluate it. It like having case management and healthcare advocate combined.

The Treasurer then went over his strategy of the financial articles in the Warrant. The Treasurer had a strategy of using debt to purchase the ambulance and Water service truck but after input by the Chair of the Board of Fire Commissioners he had to strap the plan and use Free Cash reducing the amount going into the Stabilization Fund to \$35,000.

Fran started going over the Warrant.

Mark Lynch asks why the costs for insurance and retirement is included in the Financial Budget and not split out by Fire, Water and Prudential. Fran explains the Treasurer before Ray put all insurance and retirement in the Financial Budget made it cleaner. Mark asks the Treasurer if he could split out the expense between departments. Treasurer offers alternative language which says "the acquisition of a purchasing control system". The Prudential Committee agree with the language change.

Seth Burdick requested the intent of Article 10 be clearer. He believes it is a little vague and not clear what they are looking to purchase. Treasurer will look to make the wording clearer.

Mark would like the Water Department to clarify the language of Article XIII to show it isn't an operational expense.

Article 21 the Stabilization Fund funding reduced to \$35,000 as discussed earlier.

Article 24 is moved and renumbered to Article 13. Article 13 will fund Article 12 software purchase and any remaining funds go to the General Fund. Then renumber the rest of the Warrant Articles.

The Committee then went over the proposed By-law changes.

Fran Parks offered a By-law change herself. She suggested the By-laws Committee meet once every three years instead of every year or as otherwise required. After discussion with Committee members, it was decided the change should be meet every other year or as otherwise required.

Motion made, seconded and passed unanimously to accept Warrant articles 1 through 29 and close the Warrant.

Nothing on Freedom Hall.

Nothing to report other than this month's meeting has been postpone until May 10th.

Policy Advisory Committee is meeting on May 2nd. Seth will have something for next meeting.

Fran Parks asked for public comment. Carol Zais said she was disappointed that the Prudential Committee without consultation with the By-law Review Committee would propose a change. Fran Parks replied they have the right to propose changes. Ms. Zais didn't disagree the Committee had the right but said she was disappointed they didn't come By-laws Meeting before proposing the change.

Motion made by Mark Lynch to adjourn the meeting, seconded by Seth Burdick and passes unanimously.