

**Prudential Committee  
Freedom Hall  
Minutes  
July 23, 2018  
5:00 p.m.**

**Call to order**

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

**Pledge of Allegiance**

**Auditors Report:**

Rob Lynch and George Gilmore from Lynch, Maroni and Assoc. completed audit for the district to present the FY17 audit. Prepared summary overview of the financial report this past year which was challenging with the change of personnel, as well as the conversion of financial report system, plus had a single audit as a result of the USDA grant and loan that the District received for the water tower. Mr. Gilmore went through the overview with three main objectives of the audit process. (outlines were distributed) 1. Expressed opinion as to whether the financial statements and all materials were in accordance with generally accepted accounting principles, 2. Present report on internal issues along with compliance of law and regulations of other matters, 3. Conducted a single audit on the grant/loan as relates to the USDA for water tower. In all three reports they expressed an unmodified opinion for financial statements, the report required by governmental auditing standards and 1 area of non-compliance. In the single audit report expressed an unmodified opinion with respect to compliance of material by grant compliance requirements. The results of the audit-financial statement as described in reporting package two sets of statements. Government Y presented on a full accrual based of accounting to capture all long-term assets and liabilities the district net position as of 6/30/17 was 2.1 million and increase roughly of \$700,000 from prior year. Three components of this net position unrestricted net position had deficit of 2.4 million primarily due to recording of net pension liability of roughly 3 million dollars which was an 435,000 increase from prior year. OPEd obligation under Gasby 45 which will be replaced by future Gasby pronouncement 1.6 million was roughly unchanged for other post-employment. Should be noted that Gasby 75 which are new accounting pronouncements will be in effect as of 6.30.18-we expect the liability with respect to OPEd to materially increase this upcoming fiscal year.

Fund Financial Statements: presented on modified accrued basis of accounting is similar to cash basis of accounting reflecting current assets and liabilities. Main fund presented on basis of general fund-which is the main operating fund of district total fund balance for general fund as of 6.30.17 roughly 1.3 million approx. \$668,000 considered unassigned and available for spending. Total general fun balance decreased by roughly \$470,000 in current year as a comparison to budget decrease in fun balance was \$748,000 this is a result of favorable variances in the budget to actual-noted in provided statements \$60,000 worth of reconciling items that would be stabilization fund activity is considered the general fund budget but required supplementary information. The effect of revenue recognition on modified accrual basis which is not reflected on budgeting basis of accounting. Budgeting schedule reflected in back of statements. In addition to financial statement audit performed audit in accordance with uniform guidance, A133 issued unmodified opinion with respect to material compliance with major federal grant programs. One major grant program this year the USDA grant and loan received by the District during fiscal year one item related to that grant that was not considered material noncompliance however was the non-compliance the establishment of a separate fund for tank maintenance an additional \$15-16,000 appropriated into this fund on an annual basis. In addition to that were two other findings related to general grant compliance which is noted in the single audit report. 1. In relation to timeliness of due date 3.31 will be filed at a later date. 2. Internal control policies and procedures over grant compliance issued report on internal control. Two weaknesses lack of segregation of duties (has been carried

over from prior years), second, we were required to assist the district with reconciling cash between cash book and general ledger in the beginning of the audit-noted that all record items were identified with management was a matter of booking the entries accordingly at end of fiscal year. Non-compliance as relates to debt service expenditures which is reflected along with response to comments in report. Issued management letter with suggestions for improvements over internal control financial report-material weaknesses are included in report along with other recommendations. Fran asked for suggestions regarding accounting system in the water department-was suggested that authorization and the superintendents authorizing bills before billed out and more enhanced documentation of turn overs as cash received from department. Silvio asked about material weaknesses if comes to segregation of duties and if have suggestions-answered as long as have oversight on collection and cash procedure and have department head and supervisor or commissioner authorize/check it before giving it to the Treasures office. Fran asked if the \$15-16,000 that will be set aside for the maintenance of the tank is realistic? Ray responded that it is required under provisions of the grant. He will ask the water department to specifically identify those related items and maintenance requirements. Fran asked about fees for bonds-was because had to switch banks, Cape Cod 5 stopped offering that service and we needed to find outside help. Board thanked the auditors for presenting the report.

**Public Comment:**

Cynthia Gardiner discussed the edit in the Chief's contract and feels the situation requires more thought and discussion. Would also like to know if district has spent any funds to date assisting the Chief with obtaining the Paramedic cert. Asked why the Chief requested the Commissioners at the last Fire Commissioner's meeting to back date amendments of his contract to December 2017. Asked about a salary adjustment, about the yearly salary increase, about the sick time accrual. Ms. Gardiner stated she is asking for the contract to be sent back to the Fire Commissioners for a fair and reasonable contract or leave the one in place that was agreed to last year-not saying the situation can't be worked out with Chief Rhude, but the situation is not as easy as eliminating a requirement from a contract and leaving everything else the same. Negotiation requires give and take. No responses, public comment closed.

**Amendment to Chief Rhude's contract:**

Fran explained there is an amendment in the employment agreement between the Cotuit Fire District and the Fire Chief. Chief Rhude explained that when he was hired over a year ago his contract stated he would get his paramedic certification. He has completed almost all the class room portion, due to start the practical which about 500-1000 hours of ride time, hospital time. If continue with this program would be 20 hours plus a week which would not allow him to complete his administrative duties. We have created an EMS Officer position which has greatly increased our EMS training and function. Usually Have two medics on duty each shift. COMM doesn't feel should have a paramedic cert after Captain level. Lisa asked what other stations require-Chief Rhude listed a few other stations were the Fire Chief was an EMT, Falmouth and Bourne were a paramedic at one time, not sure if still is. Chief does go on calls frequently and provides medical treatment until mutual aid arrives. Lisa asked how often two paramedics are on duty, Chief answered 99% of the time, if don't always able to get a mutual aid paramedic on way to hospital. Silvio asked two questions, are there any legal requirements to the number of paramedics we should have based on our size district-Chief answered that to maintain an ALS cert we have to have the ability to get two paramedics, whether staffed or get the other from mutual aid from another dept., so yes in compliance. Second question, how do they feel about the situation. Feel initially when advertised this position the station didn't have an EMS officer and saw the fire chief as completing those duties they thought it was the requirement of the job. Since then have created the position with some money saved in other areas, Chiefs duties are mostly administrative and would not use those skills if he got them and time better spent on managerial tasks for the fire district. Fran asked if paramedics are required to have a certain number of work hours per year after licensing, answer is no, there is no requirement to perform skills. District counsel has approved this, and the Fire Commissioners voted on it, and signed it. Fran would like to make a motion accept the amendment to the employment agreement between the Cotuit Fire District and the Fire Chief, second, all in favor.

**Water Department warrant processing:**

Don Campbell and Fran had extensive conversations about this. Discussed the procedure the fire department is currently using and it was suggested to the water department which seemed to be a suggestion they thought would be a good way to handle it. Chief Rhude is working with Secure Networks to get any costs related to this. Silvio thanked everyone part of that process.

Election of the Chairman: Lisa nominated Fran Parks, seconded all in favor

**Committee Assignments:**

Lisa is going to be on the Bylaws, Silvio will be an observer his first year, and Fran will be on the Policy Advisory Committee. Lisa asked for a list of who is on the committee's

**Space Needs Project:**

Brown, Linquist, Fenuccio, Raber sent the submittal of the owner architect agreement for the space needs study for the district-including one of their contracts. Discussion about what contract to use. Lisa asked if Silvio is comfortable from his prior experience to review the AIA contract-Silvio said absolutely. Fran said Mark Deboer also needs to review it. Fran will let Ms. Girardi know we are working on it. Fran also wanted to mention that after discussion with the water department the Treasurer's office is talking about getting a postage machine for the Treasurer's Office. Discussion about where to purchase and if need to use the state-wide contract to buy the postage meter. Silvio will research prices and options.

**Minutes:**

Motion made to approve May 11 and 21, 2018 minutes with no changes, seconded, all in favor.

Minutes from June 5 and 8, 2018 reviewed, motion made to approve with no changes, seconded, all in favor.

Minutes from June 28 motion made to approve with no changes, seconded, all in favor (Lisa was not in attendance at that meeting)

Motion to Adjourn, so moved.