

Special Meeting of the
Board of TFD Fire Commissioners

DRAFT -- Meeting Minutes – April 10, 2019
Thompsonville Fire Station, 35 N. Main Street

1. Call to Order: by Comm. DuFour at 5:30 pm.

2. Roll Call: present was Comm. Perry, Comm. Reidy, Comm. Dodd, and Comm. DuFour. Absent was Comm. Crowley. Also, in attendance were Ed Stambovsky and Sean Grady from Viola Chrabascz Reynolds, Chief Deskis, and Department Secretary Wawer.

3. Audit Review:

Sean Grady said he will go over the highlights of the financial statements ending June 30, 2018.

Mr. Grady said the budgeted and actual revenues were very close at \$4.3 million. The district collected about \$10,000 more in revenue than anticipated. Some of the line items that were overbudgeted were salaries and the heart & hypertension payments. The net change in the fund balance was \$123,386. Thirty-five thousand dollars of that was put towards the building/apparatus fund. Comm. Dodd asked what the bottom-line figure was. Mr. Grady said the district collected \$4.4 million and spent \$4.2 million in expenditures.

Mr. Grady said the total long-term liabilities decreased by \$907,000. One of the problems is the unfunded pension liability. The pension contribution was \$550,000. The pension liability decreased by \$393,000. The next biggest liability is the long-term debt for the building. That decreased by \$132,000. The next biggest liability is the heart and hypertension claims which decreased by \$254,000. The other liabilities were the capital leases, compensated absences, and notes payable.

Mr. Grady said the cash accounts increased by about \$174,000. Prepaid expenses were \$25,474. Comm. Dodd asked what the cash increase was made up of. Mr. Grady said it includes the \$123,000 plus the \$35,000 and a shift around in current liabilities. The total liabilities equal about \$10 million and total assets equal about \$7.2 million. The net position is negative \$2.8 million.

Mr. Grady said last year was a great year. The district did not collect an excess of revenues. Comm. Dodd said we knew we were going to come out this way because we were using money we had collected over the past three years. Mr. Grady said the district had budgeted to use \$439,000 from its reserves. That money was not used. Expenditures were cut or they weren't as high as expected.

Comm. Perry asked Mr. Grady if he had looked at the proposed 19-20 budget because it is similar to this year's budget. Mr. Grady said he briefly looked at it. There is a potential heart and hypertension claim out there. I don't know when it will be settled. It has been going on for several years.

Comm. Dodd said the district had these reserved funds that it needed to use in this year's budget. The mill rate was lower because of those funds. Is the negative number what we are getting out of reserves? Mr. Grady said the district did not use the reserve funds in 2018. Your cash grew by \$123,000. It was budgeted to use that cash account but it was not needed. A lot of the expenses that were budgeted came under. The biggest item was payroll.

Comm. Dodd said we have not funded the pension. Dept. Secy. Wawer said we have not put in the \$325,000. Comm. Dodd said but there is a total of \$905,000 that we are funding. Dept. Secy. Wawer said that is the contribution amount for this current year. Mr. Grady is talking about 2017-2018. Mr. Grady said we are talking about a year behind. This year has not been completed. Comm. Dodd said so this year we will use the reserves. Last year our revenues and expenditures are a wash. Mr. Grady said this year the mill rate decreased and the long-term capital leases were payed off. The pension was funded by \$500,000. Comm. DuFour said we used the excess money to pay off the leases and to make an additional contribution to the pension.

Comm. Dodd said I think we are already at the budgeted amount for payroll. Comm. Reidy said there was about \$95,000 in retro pay. Mr. Grady said so currently payroll is at \$1.269 million. Is the district light in payroll for this time of year? Are you adequately staffed and is everyone healthy? Chief Deskis said one employee is expected to have shoulder surgery soon. Two employees retired in January. Each group has 4 employees right now. Every time someone is out that creates overtime. Comm. DuFour said the Board may hire someone after budget season is over to reduce overtime costs. Mr. Grady said there will be additional costs in the next year. Is that built into the payroll figure? Comm. Dodd said yes.

Mr. Grady asked how the pension contribution figure was determined. Chief Deskis said it was a recommendation by Prudential. Comm. Reidy said they didn't recommend that much. Their recommendation was around five hundred thousand dollars. Comm. DuFour said we put additional money in as well.

Comm. Dodd said the highlighted yellow sections show the changes in the two budgets. The changes are minimum. The mill rate is 8.34. Comm. Perry said that is what it would have been without the extra monies used. Reducing the mill rate to 6.73 was a one-time deal.

Mr. Grady asked is the Board comfortable with the workers' compensation figure. Comm. Perry said we don't have the final numbers on that. Chief Deskis said that figure will go down.

Mr. Grady asked if the heart and hypertension figure is based on the payments being made now. Comm. DuFour said those are all the payments that we are obligated to pay.

Comm. Dodd said there weren't many places to trim as we went over it and over it and over it. The things that we are cutting would make a minimal impact on the mill rate. Comm. DuFour said we were trying to come up with \$800 thousand when we first started. There wasn't much that we could cut to come up with that amount of money. Comm. Dodd said we cut out the gym equipment for \$15 thousand and I increased the revenue from the Fire Marshal fees based on what we've collected this year. Mr. Grady said I agree that there aren't many places cut. The biggest expenses are payroll and insurance. Unfortunately, you have to make the heart and hypertension payments.

Mr. Grady asked do you have to have the air packs. Chief Deskis said we have applied for a grant for the air packs. If we receive the grant then we would only have to pay for the grant fee. Comm. Perry said our current air packs are outdated. Comm. DuFour said the compressor is really old as well. Our bottles aren't compatible with the other fire departments.

4. Adjourn:

MOTION to adjourn made by Comm. Reidy, seconded by Comm. DuFour. All in favor by ayes at 5:55 pm.