

Cromwell Fire District

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FIRE DISTRICT OFFICE
WATER DIVISION

FIRE DEPARTMENT
FIRE MARSHAL'S OFFICE

BOARD OF COMMISSIONERS

Executive Committee Meeting

Wednesday, April 28, 2021

5:30 PM

Coles Road Firehouse
105 Coles Road
Cromwell, CT

Present: Commissioners Roger Rukowicz (Chairman), Robert McIntyre and Allan Spotts. Also attending were Executive Director Julius Neto, Accountant Mike Alibrio, Acting Fire Chief Jason Brade, Fire Lt. Barry Wolmetz and Commissioner Robert Donohue. Commissioner Mertie Terry was absent.

Per Executive Order No. 7B, Governor Lamont has ordered and directed that in-person open meeting requirements be suspended. Therefore, the Executive Committee Meeting was held via conference call. Members of the public may send questions or comments to meetings@cromwellfd.com on any agenda items.

- I. Call to Order. The meeting was called to order at 5:30 PM, by Chairman Rukowicz.
- II. Approval of the Agenda. A motion was made by Commissioner Spotts, seconded by Commissioner McIntyre and unanimously approved to accept the Agenda as submitted.
- III. Public Comment. There were no public comments to report.
- IV. New Business
 - A. Continuation of Budget Discussions FY 2021/2022. The Committee received documents with updated numbers and budget items as requested from Mr. Alibrio and Mr. Neto. The Committee also received copies of the South Fire District budget that was passed recently to review and compare with Cromwell. The Chairman asked the Executive Director to review the highlighted items. The last meeting the Committee had requested Mr. Neto and Mr. Alibrio to realign or rework the numbers and come up with a different approach as to how they are going to fund their Capital Projects as well as keeping the operating expenses at its lowest possible point. Some of those changes were incorporated into one of the documents the Committee members received.

There are 3 different scenarios described in the packets. One is with a ¼ mil increase, one is 1/3 mil increase and the last being ½ mil increase. The objective is to take the big ticket items off the Capital budget and fund it through some type of borrowing process (bank loan or bonding). This will lighten up some of the operating expenses this year.

On the General Fund it shows by way of highlighting where assumptions were made. Some funds were added or subtracted depending on requirements. The bottom line is there is still a deficit at the end of the process even with moving a lot of the capital out. The struggle for the Committee is how to fund that.

Mr. Alibrio explained that the detail shown is the second scenario on the mil rate scenario document with the bottom line showing a deficit of \$449,000. The second column on the mil rate scenario sheet is what is being reflected on the detailed report. He stated that it is up to the Committee how they would like to review this. It can be reviewed line by line or by the summary scenario document. Commissioner Spotts asked if the second ambulance or 7th person is reflected in the revised documents and the answer was yes.

Mr. Alibrio responded that no changes were made other than adding some cost they are assuming they will incur if they get any new debt. Nothing was taken away from the operating budget. The only thing they took away was on the Capital side. Apparatus, ambulances and things of that nature were taken out of the request and assume they will be able to get bonding or a private placement loan to fund those. The Executive Director did not get a directive that those things should have been taken out of the mix in terms of the numbers. If he missed that directive, he apologized. If he misunderstood he explained that he could correct that. He thought that it was agreed that the second ambulance or seventh person was not going to be a part of the numbers for next year. That is why it is there. If the Committee makes the decision to remove it, it will be removed.

Commissioner Spotts appreciated all the work both Mr. Neto and Mr. Alibrio did to reduce the 28% increase down to 13%. However, Commissioner Spotts thought that it was still too high. This type of budget would never have gotten through the door for the Board of Education. He feels that something needs to be cut somewhere at some time. He thought it would have been the second ambulance for this year. He added that the external forces are coming to play. In the State of CT there are new taxes being imposed on gasoline, bottles, etc., and the Cromwell Fire District is going to add to that. Commissioner Spotts did not think it was fair.

The Chairman added that at the last Board meeting the Board authorized the seventh person for another month until the May meeting. At that time they will vote to possibly continue it until the end of the fiscal year, June 30. Mr. Neto added that there is no funding for the seventh person. This was extended based on the Commissioners' request. Mr. Neto added they cannot have the seventh person or second ambulance unless the Commissioners decide to fund it. Un-mandated decisions cannot be done. A lot of the items in the budget are based on decisions the Commission has made over the last year or two. The staffing model has additional expenses. There are also additional expenses because of the unionization process. The Commissioners also voted for the SAFER grant. It was an additional 4 new firefighters. This year an additional \$267,000 is needed to cover the District's portion for those 4 firefighters. Whatever decisions the Commissioners make, the District administration will execute. He will push harder next year if the Commissioners make decisions without funds in the budget. The Chairman added that if a decision cannot be made tonight, the remaining option will be to cut services or people since no cuts were suggested by the Committee at the last meeting. He stated that if anyone sees anything that can be cut in this budget besides the ambulance, to please speak up.

Chairman Rukowicz wanted to go on record as saying he did not want to cut services or layoff any people. Regarding a "0" increase, it is out of the question whether anyone liked it or not. He added that some hard decisions will have to be made. The Water Department is like a business, and it cannot keep running without any tax increases over the course of many years. The cost of doing business everywhere has gone up.

If the Committee passes this budget, it will go before the full Board and they will have the right to add or delete from it. Part of what they are seeing is a result of the new staffing model. It was nice that they got the SAFER grant but that is sunsetting, and now we have to find ways of maintaining all of that. Commissioner McIntyre did not see any areas where there was a large increase. The Commissioners have a responsibility to provide these services to the people as well as clean water. As labor and insurance costs go up, the District has no choice.

Commissioner Spotts was opposed to passing this budget. The Chairman asked for advice on what to do. Commissioner Spotts suggested closing West St., maybe not for this year, but next year. He believes the second ambulance should also be cut from this budget. He thought it was too expensive to fix the apron as it had been repaired in the past. He did not know if Cromwell ever needed 3 fire stations. He thought West St. was more of a storage area. There aren't any personnel that are assigned there 24/7.

The Executive Director discussed some possible options to reduce expenses in the budget. The Executive Director did note that there are expenses that would be reduced if West Street was closed. Whatever is decided by the Committee, the administration will work with and come up with options for the Committee or ultimately the Board to decide. They will try to achieve the objectives without taking services away. Commissioner Spotts discussed cost savings by sharing services with the Town. Acting Chief Brade gave his opinion about a second ambulance and 7th person. He does not think a 7th person is needed 24/7. However, during the peak hours that calls are received, having a second ambulance is most effective in not turning calls over.

The Chairman discussed the total cost for next year of the four firefighters through the SAFER grant which is \$367,000. The SAFER grant will cover \$155,000 of that total cost. The District will need to come up with \$211,000. The Chairman noted that at the time the SAFER grant was presented to the Board, it was approved unanimously. The reason it was approved was because the District was receiving a certain amount of money to fund the four firefighter positions. Also, the Town of Cromwell continues to grow. Additional fire personnel are needed for coverage. The Executive Director noted that the budget model presented has the exact same parameters as the 7th person staffing model being scheduled Monday through Friday, 7 AM to 7 PM. There was some discussion regarding any federal money that may come back to First Responders. The Executive Director has not heard a lot about that money yet. The Chairman mentioned that when the new Fire Chief comes on board, the District may have more opportunities to apply for more grants.

The Chairman discussed the proposed mil increases. He asked everyone to refer to the last page of the document. This is the third time this information is being reviewed. Mr. Neto explained that the capital was identified in this year's budget. They also looked at the large ticket items for next year that were deferred. They added those expenses which was \$1.6 million that could be bonded or private placement. That allows the District to get the rescue pumper and some of the other items discussed such as an ambulance. They

moved money around that was allocated for certain items to offset the cost of an ambulance. If an ambulance is purchased, they would not need to re-chasses. There is \$250,000 set aside for a rescue pumper. They can bundle the capital needs for this year. They need to be items that will last at least 10 years. They want to take the burden off the operating budget and still focus on the needs of the District from a Capital perspective. There are still capital needs that cannot be moved out of that fund because it does not meet the criteria for bundling of capital. They used some of those funds to offset the other smaller capital requests. They offset the capital projects with new debt and existing funds that were in the equipment reserve fund.

Chairman Rukowicz asked about the bond percentage. Mr. Alibrio calculated that rate at 2.65% for a bond of \$1.6 million. He noted there are no bond payments added to the budget the Committee had in front of them. Those bond payments would be deferred. Mr. Alibrio added that the General Fund has existing bond debt which will be expiring within the next 2 fiscal years. The new bond would take the place of the existing debt.

There was a lengthy discussion about the rescue pumper to be purchased and its cost, and it's purchasing and funding options. Commissioner McIntyre had concerns about running out of options with the apparatus that the Department has. It does not make sense to put a lot of money into aging equipment that the District will not get back. The Acting Chief would be advising the new Chief to look for a demo that would be coming off the line in the middle of the summer after its tour. It would be advisable to start that process now. They discussed timelines in ordering apparatus and the bonding process.

They discussed the three scenarios presented with a tax increase of ¼ mil, 1/3 mil and ½ mil. The Chairman asked the Executive Director to explain each one. There was also some discussion about a 1/3 increase this year and a 1/3 increase next year. He thinks we should take the hit and do ½ mil increase this year instead of trying to come back next year and ask the taxpayer for another increase. He does not think the District should plan for a tax increase two years in a row after not having an increase in 12 years.

Commissioner Spotts stated he could live with a .3 mil increase but not .5. Commissioner McIntyre noted that he knows labor costs are going to go up significantly next year. He wanted to know how long the District can survive on a .5 mil increase before maybe needing more while waiting for other revenue streams to come in. They discussed the impact on a home worth \$250,000. It was thought to recalculate that figure with the home value being \$300,000. Mr. Alibrio stated that would add an additional \$275 to that property's tax bill. Commissioner McIntyre made some suggestions about planning for the future. What is decided for this year's budget should not be the end of coming up with solutions for future budgets. There should be more thought about putting things off. There really needs to be a 5 year plan or a 10 year plan. As a new Chief coming in there should be an audit of the Department done as a starting point. Commissioner McIntyre did not want to come back next year and ask for another .3 increase. He reluctantly was in agreement with a .5 mil increase. Mr. Alibrio added that even if there is a .5 mil increase, it is not to say another tax increase will not be needed next year. There are too many unknown variables to say for certain if a tax increase will be necessary.

A motion was made by Commissioner McIntyre, seconded by Commissioner Rukowicz and approved 2 to 1 to recommend a ½ mil increase on the Water District taxes. Commissioner Spotts voted nay.

Chairman Rukowicz stated that this has been a very difficult year. Having 3 budget meetings is unprecedented. He thanked the Executive Director, the Accountant and the Acting Chief, Joe Palmieri and Justin Lonergan and committee members for their input. Everyone's input was very helpful and important. There were many tough but valuable budget discussions. He felt that the Board got spoiled year after year with no increases. Of course, there was never any public comment or input with a "0" increase budget. He did not think there would be much feedback for this budget because the increases are minimal.

The Committee had to vote on the bottom line of the budget. The Fire Department budget or bottom line cost center of each division. The General Fund budget is \$5,551,351. The Water Enterprise Fund budget is \$2,563,202.

Mr. Neto discussed the Water Enterprise Fund budget stating there is a caveat to this budget and how the funds will be obtained. Everyone was reminded that there is also a deficit on the water side. They discussed a water rate increase of 10% for the full year. There was also talk of 20% for half a year. Those are the numbers built in to meet those objectives. A 10% increase will give the District \$192,000 for next year's budget. They are still dipping into the Fund Balance by \$164,000. That will continue to happen if they go up 10% every year. Going up 20% at the half year puts off the increase until 2022, but will bring in double if the increase is applied over the full year which would cover the amount they are dipping into the Fund Balance for.

A motion was made by Commissioner McIntyre, seconded by Commissioner Rukowicz and approved 2 to 1 to increase the Water rates by 20% for the second half of the fiscal year. Commissioner Spotts voted nay.

The Chairman stated that these were very, very hard decisions for both the Fire and Water Divisions, but it had to be done. They will need to look ahead and determine where they can cut next year. Just because increases were voted on, it does not mean that the District's budget is good going forward.

A motion was made by Commissioner McIntyre, seconded by Commissioner Rukowicz and approved 2 to 1 to approve the Water Division budget at \$2,563,202. Commissioner Spotts voted nay.

A motion was made by Commissioner Rukowicz, seconded by Commissioner McIntyre and approved 2 to 1 to approve the Fire/EMS/Dispatch budget at \$5,551,315. Commissioner Spotts voted nay.

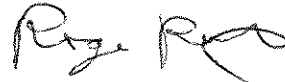
The Executive Director noted that the next step will be that a budget vote come before the full Board of Commissioners. He is planning to schedule a Special Personnel Committee meeting and a Special Board of Commissioners meeting on May 5. The Board of Commissioners' meeting will be to vote on the proposed budget and to vote on the Fire Chief candidate that will be recommended by the Personnel Committee.

- V. Commissioners' Comments. Commissioner Donohue commented that he has looked over the numbers and has attended the 3 budget meetings. He has had conversations with someone from South Fire District who has explained that they struggle with the same issues that Cromwell does. 55% - 60% of their budget is contracts, healthcare and salaries. They had a

relatively low turnout for their vote, but it passed by 111 votes. He wanted to make the point that it is not just Cromwell Fire it is across the Board in many Fire Districts. Everyone is facing some tough decisions. South Fire does a lot of grant writing. Commissioner Donohue thanked the Committee for doing a thankless job.

- VI. Adjournment. There being no further business, a motion was made by Commissioner Spotts, seconded by Commissioner McIntyre and unanimously approved to adjourn the meeting at 7:08 PM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Roger Rukowicz".

Roger Rukowicz, Chairman

Nancy Deegan
Recording Secretary
6-24-21