

Cromwell Fire District

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FIRE DISTRICT OFFICE
WATER DIVISION

FIRE DEPARTMENT
FIRE MARSHAL'S OFFICE

BOARD OF COMMISSIONERS **Special Board of Commissioners' Meeting**

Monday, May 24, 2021

7:30 PM

**Coles Road Firehouse
105 Coles Road
Cromwell, CT**

A Special Board of Commissioners' meeting was held on Monday, May 24, 2021, at 7:40 PM, at the Coles Road Firehouse, 105 Coles Road, Cromwell, CT to consider and act upon Special Fire District business to discuss next steps based on results from the Town vote on the FY 2021/2022 Cromwell Fire District Budget. Commissioners Jason Hinnners (Vice President), Roger Rukowicz, Charles Epstein, David Colligan, Mertie Terry, Robert Donohue and Allan Spotts attended. Also attending were Executive Director Julius Neto, Acting Fire Chief Jason Brade, Water Operations Manager Joseph Palmieri, Accountant Michael Alibrio, Dispatcher Brian Petrocelli, Dispatch Supervisor Justin Lonergan, and Lt. William McKnight. Commissioners Robert McIntyre and Lee Brow were absent.

- I. Call to Order. The meeting was called to order at 7:33 PM, by Vice President Jason Hinnners.
- II. Approval of Agenda. A motion was made by Commissioner Epstein, seconded by Commissioner Rukowicz and unanimously approved to accept the Agenda as presented.
- III. Public Comment. There were no public comments to report.
- IV. New Business
 - A. Discussion and Decisions on Next Steps Based on Results of the Town Vote on the Cromwell Fire District Budget for FY 2021/2022. The Executive Director reported that for the record, the vote was 54 no votes--not in favor of the budget, and 50 yes votes—in favor of the budget. Since the budget did not pass, it is now the responsibility of the Board to give the Executive Director some direction as to what they would like to see in terms of revisions because in 10 days there needs to be another Town meeting with a new budget. He explained that the Board can add to the budget, leave the budget as is or subtract from the budget. Those are the 3 options. It was very clear that the “no” votes are looking for no tax increase or a reduced tax increase. It is up to the Board what they want to do next. They are the policy makers and the governing body.

Commissioner Colligan began the discussion by stating that he noticed voters were not staying to listen to the presentation to give a well-informed vote. It was obvious that some voters were just coming in to cast a vote and leaving. Commissioner Colligan

wanted to propose going back to the same budget but only proposing a ¼ mil increase rather than ½. Commissioner Rukowicz asked if the mil increase is reduced to ¼, how will that affect the District financially. If they reduce the increase to ¼ mil, Mr. Neto and Mr. Alibrio will find other areas in the budget to reduce. A ¼ mil is equivalent to approximately \$320,000. Mr. Neto was looking for more specifics, for example, one cut might be the 2nd ambulance coverage or the 7th person. The point was that the Board needs to take away \$320,000 from this budget. The Executive Committee has had 10 hours-worth of discussion in their budget meetings. They are aware of what is in the budget and can certainly remind the rest of the Board. Mr. Neto did not think something like a percentage equivalent to \$320,000 across the board would work.

Commissioner Epstein would not like to see the seventh person cut. He feels that the seventh person represents lives saved. If there are cuts, he would like to see them cut somewhere else, such as extending the life of a vehicle or extend the life of uniforms without being in violation. They could also perhaps cut from the training budget or from equipment. There was some agreement from the Commissioners.

Commissioner Terry stated that she did not think it was the Fire Department budget that people were opposed to. She felt from what she had heard that it was the Water Department budget that people had concerns with. There were people that would like to see the two budgets separated to vote on. If someone is in favor of Fire and not Water they would have to reject the whole budget including Fire.

Commissioner Colligan agreed with Commissioner Terry. There were more people upset with the Water Department budget and water rate increase, but he felt that they don't understand what it takes to run the Water Department and follow State mandates with the Department of Public Health.

Commissioner Rukowicz asked if the vote the next time could be separate having a Water Department budget as one vote and the Fire Department as the other. The Executive Director explained that the only way to do that was to change the Bylaws. This District has one budget with two divisions. It is no different than general government. This can be changed in the future by changing the Bylaws, but it would not affect this budget.

Commissioner Terry asked if they could work with Joe since there seemed to be issues and concerns with the Water Department budget. She suggested bringing the water rate increase down a little from the 20% so that the Board can show they heard the voters. Commissioner Rukowicz suggested bringing the rate increase down to 15%.

Commissioner Hanners asked what the difference in the two budget amounts were. Mr. Neto explained that the Fire budget is twice the Water budget. It was explained as 2/3's to 1/3.

A motion was made by Commissioner Colligan, and seconded by Commissioner Donohue to decrease the proposed mil rate increase from ½ mil to ¼ mil. Commissioner Colligan rescinded his motion, and Commissioner Donohue rescinded his second.

Commissioner Donohue had concerns about the amount the Water Dept. would be losing if the water rate increase went from 20% to 15%. Mr. Neto explained that the difference in price was \$50,000 approximately. The increase would take effect for the last half of the fiscal year only. Mr. Alibrio stated that the amount would be more like \$100,000 but

it all depends on how much water is sold. Mr. Alibrio agreed that a rate increase is needed. He added that when doing the research on rate increases, the last rate increase prior to 2008 was 1996. In 2002 there was a slight rate decrease. In 25 years there were 2 rate increases and one rate decrease. Commissioner Rukowicz thought that a rate increase of 15% instead of 20% would be more reasonable. When addressing the opposition, the Commissioners tried to explain as a utility the Water Department has remained the same with their rates for the last 13 years. If you compare to other utilities or services, their rates have all gone up compared to what people paid 13 years ago. No one wants rates to go up, but it is necessary for Water Operations.

Mr. Neto discussed the 20% increase which the voters are against. On 1,000 gallons, an average consumer in Cromwell pays \$3.47. At 20% that rate would go up to \$4.16. Middletown for the same amount of water pays \$4.41. Berlin for the same amount pays \$5.54. He explained that the challenge is going to be, even if the rate increase was dropped to 15% there is no guarantee that the budget is going to pass. The dynamics and the population need to be different or they may have a different focus. The outcome is really an unknown. If there are amendments to both budgets, that would address issues for those voters that had concerns with the Fire side and those that had concerns with the Water side.

Mr. Alibrio discussed the rate increase which will go into effect the second half of the budget year. The new rates will continue into the next year as well. Even with the rate increase, they still need to use \$164,000 out of the Water Fund balance. This rate increase will not cover the whole deficit for next year. It might for the following fiscal year. If the Board decides to reduce the rate increase, the District will be in an even bigger hole next year. That means they would have to pull more out of the Fund Balance. The Water Fund has less funds or different sources of funds available to it. The Fire and General Fund have other sources of income they can pull from such as the Tower Fund. The Water Fund does not have other sources of income so it would be beneficial to sell water. Mr. Palmieri explained that this is because there has not been a water rate increase in so many years. It is not because of mismanaging funds.

Commissioner Colligan asked Commissioner Spotts what the residents are looking for. He felt that Commissioner Spotts had been very vocal to support those that may be opposing the Fire District budget. He wants to know what type of services they really want. He does not understand the politics of people's lives. He thought that Commissioner Spotts was connected with the voters.

Commissioner Spotts discussed a situation he had with the Board of Education last year. They asked for a 6.14% increase. That proposal was dead on arrival. They negotiated that amount down to 3.5%. It became 3.55%. He explained that in these cases, they are not cutting the budget, but rather cutting the increases. That is what it is all about. This budget went from 28% down to 13%. The way that was done was to take all the capital items and take them out of the budget. \$450,000 was the big amount with the Pumper. That brought the amount down, but nothing else was cut. A couple of Commissioners asked about the Fund Balance. Mr. Alibrio stated that the General Fund Balance is \$1,097,000. Mr. Alibrio stated that if the mil increase were to be ½ mil, they would still need to use \$65,000 out of that fund.

Mr. Neto explained that the District tries to use the same philosophy as the Town. There should be 60 days-worth of funds in the rainy day fund at least. Mr. Alibrio stated there

was \$171,000 to get the District down to that 60 day reserve. The Board as the Governing Body could decide to only have a 30 day reserve. However, that is not advisable. Mr. Alibrio and Mr. Neto are recommending staying at the 60 day mark.

Mr. Neto advised that things cannot be taken away from the CBA's. Those things have to be negotiated. The MERS portion is a financial burden that is associated with the pension. Year after year there are contractual increases and utilities which cannot be taken away. The 60 hours of the staffing model schedule is a cost. Promotion of the Communications Manager to a full time position is an increased cost. Benefits are also associated with those. There are also part-time union firefighters. Half of them will be receiving benefits. Part-timers working at least 20 hours will receive benefits. They are mandated by the State of CT to provide pensions, medical benefits and negotiate an hourly rate. The Board has already identified \$16 as the hourly rate. The marketplace rate is paying between \$18 and \$22 as an hourly rate. The turnover rate is high because Cromwell's hourly rate is not competitive. Mr. Neto needed direction because he cannot support a decision when he knows there is no stability to it half way through the budget year. The District cannot go into a budget year without having fiscally sound numbers. It is not fair to the taxpayers, the Board or the staff. There needs to be real numbers, otherwise by April they will be out of money.

Commissioner Colligan asked what was in Capital. Starting with Water, there is \$75,000 for meters, \$15,000 for hydrants. The meter replacement program is necessary because the Water Dept. needs to address old meters. Some of the old meters are not accurately reading water usage so the Water Department is losing revenue. One of the studies that was completed in compliance with the Department of Public Health shows water that is unaccounted for. The Water Department has been using a leak detection meter to pinpoint leaks which they purchased. It saved the District significant cost in leak detection, and they can use it more often.

The SCADA system was also a large expense at \$35,000. They were looking for \$95,000. The meter reading upgrades in equipment is \$21,000. Mr. Palmieri noted that they have to do this because the software is not going to be supported much longer. The \$60,000 pre-engineering study is also large. Between the meters and the pre-engineering study is where the biggest amounts are if you are looking to cut capital in the Water budget. Mr. Palmieri added that every year at the end of the year the Water Department ends up shuffling some funds around to purchase more meters because they have problematic meters. He is finding that they really can't touch that account. They are required to maintain that account.

There are no new monies. The funds that were there were reallocated to turnout gear for \$25,000. They are looking to replace 6 CBA's in the Fire Department. They are the breathing apparatus for firemen. There is \$15,000 in a facilities maintenance program. FMO Permit software was there for \$3,000. Knox Box system repair upgrade is \$13,000. This is an important component in trying to protect those keys in the apparatus. There is an accountability issue now. The boxes are old. They need to be upgraded. The apron repair has a quote of \$18,000. That amount was cut back to \$10,000. Mr. Neto plans on approaching the contractor and asking what can be done for \$10,000.

Life Pack replacement also has to be done. These are defibrillators. They have to be done. It was noted that the Department would receive a discount when turning in their

own equipment. Things like that would benefit the District receiving a few thousand dollars here and there from turning in used equipment.

Commissioner Colligan also discussed the possibility of a bond or leasing for a piece of apparatus or a chassis. If that is the case, there is enough money put aside for the apparatus to pay for 6 air packs in the truck. The Executive Director stated that you can do the purchases that way as long as whatever equipment or supplies are purchased, they exceed the life of the bond. When you go out to bond or borrow, there needs to be the same process. There would need to be a Town Meeting and it needs to be approved. Commissioner Colligan discussed considering a bond for acquiring some of the apparatus/vehicles that are needed. Mr. Neto discussed the Town's plans to use fund balance money instead of bonding. This would save the 2% rate. They want to keep the money in the rainy day fund. Otherwise they will not be able to get a bond. They want to keep the current bond rating.

Mr. Alibrio added that the District has already taken some of the money they have already set aside in the equipment fund, repurposed it and pushed out those big capital projects. It was repurposed to cut down. There is no new money going into that equipment fund for next year. The money was already used to finance all the new projects that Mr. Neto just described. They put \$15,000 in the facilities maintenance program. There was \$75,000 to start building up an equipment and vehicle replacement fund back up. Those funds are available to use but it is not going to get to a ¼ mil. It is part of the ¼ mil picture, but the Fund Balance will need to be used as well as more money from the Tower Fund. That money has already been earmarked because going forward for the new radio project will have a \$100,000 per year maintenance fee. The more that is taken out of the Tower Fund now, the less they will have in the future to pay that fee. After the \$100,000 that they are planning on using, there will be \$333,000 in the Tower Fund available.

Commissioner Epstein asked about FMO charges. When the fee schedule for the FMO is implemented, it is estimated that the revenue will be approximately \$11,000 the first year. Commissioner Spotts asked about bonding the truck 100%, there is \$250,000 they could use towards a down payment to speed up the process. It is not the best choice but in order to make ends meet they may have to go with it. Without a down payment, they would not be able to put the order in for the new vehicle. This combined with a couple of other things would reach the \$320,000. Mr. Alibrio added that there is a path to a ¼ mil without cutting any services, and without using the \$200,000. Anything lower than a ¼ mil increase they will need to take some of that \$250,000 and cut services.

The Executive Director introduced the new Fire Chief who was observing the process on his own time. He thanked the Chief for taking the time to be a part of the process. He will be signing an employment contract with the Executive Director and the Fire District. The Chief had stated he is OK at this time regarding medical benefits which will save the District additional money even though the District had set aside funds to fund the Chief's health benefits. This will help the cause. The amount is approximately \$20,000. If the guidance is ¼ mil, Mr. Alibrio and Mr. Neto will begin working tomorrow to create a ¼ mil environment. If direction is also to go to a 15% water rate increase, they will do the same thing. They will work with Joe to figure out a way to get them to that goal. If that is the direction, that is what they will work on to provide the Commissioners with revised information.

Mr. Neto added that if they are planning on a 15% water rate increase instead of the 20%, they will need to take more money out of the Fund Balance. Commissioner Donohue asked how much of the Tower Fund could be used without being detrimental. Mr. Alibrio stated that the whole thing could be used, but once it is gone, it is gone. It is a minor fund not like the General Fund. Mr. Palmieri noted that the Water Department needs to work on a 5 year plan which includes rate increases or a 10 year plan for increases. The Water Department can no longer afford to put off rate increases for 13 years. They need to revisit it every 3 years. He noticed that there was discussion about this being a bad year for increases, but maybe next year won't be as bad so they can make up for it or the year after. However it works out.

Commissioner Spotts asked how long the Maintainer III position had been in the budget. Mr. Palmieri stated it has been about a year, and Mr. Palmieri is very anxious to fill it. He is waiting until the next Water Operations Committee meeting to discuss this position. Mr. Palmieri reported that he and his staff are running themselves ragged. They need that other person. He waited too long to hire the new person or to advertise for it. The salary for that position is roughly \$40,000 with an additional 30% for benefits. It would be a \$55,000 - \$60,000 cost. Mr. Neto added that the District is not competitive either. The Water Department has started to take on additional tasks associated with turning off water to extremely delinquent water customers. If the extra position isn't filled it will mean that the Water Department will not be able to be as aggressive with some of its activities such as water shut offs or call before you dig.

Mr. Palmieri added that he should not be on the various job sites with three people. He should have one or two more crew members. They should not be working on a state road with three crew members. The Water Department would have to stop doing jobs and hire crews. They have crews that are on standby that would cost a lot of money to fix a leak on Main Street if Cromwell Water cannot do it. They need to comply with OSHA standards and DOT standards. Mr. Palmieri will not put his guys at risk anymore on Main St. or Berlin Road because he is shorthanded. The Water Department will have to comply or they cannot do the work.

Commissioner Epstein suggested that the Executive Director have a couple of days to get together with Mike Alibrio and the Managers and come up with some revised figures and solutions to bring back to the Board. Mr. Neto stated they will identify exactly where the money will be taken to reach the ¼ mil impact. The water rate increase will be 15% instead of 20%. He will discuss with the Chief, Joe and Mike to reach those objectives.

A motion was made by Commissioner Colligan, seconded by Commissioner Donohue and unanimously approved to increase the mil rate by ¼ mil instead of the originally proposed ½ for the Fire/Emergency side of the budget, and a 15% water rate increase instead of the original proposal of 20% for the Water Department side.

The Executive Director will work with staff to achieve the cuts. This vote is to provide some direction to the Executive Director to work with the mil rate reduction and the water rate reduction. Commissioner Spotts asked if this has to go back to the Executive Committee. Mr. Neto thought that going forward the full Board of Commissioners can be engaged in this process rather than going back to the Executive Committee. The Executive Committee has done its job once already. The Executive Director did not think it was necessary. Because time is of the essence, his other suggestion was to schedule a Special Commissioners' meeting at 5:30 PM for Wednesday afternoon to deal

with the changes and make decisions. Commissioner Colligan stated that they will need to get the President to call the meeting. The urgency is the fact that once the changes are approved, the Board will have 10 days to schedule a revised Budget meeting because July 1 is right around the corner. Commissioner Spotts asked if Cromwell would be able to postpone their Town budget until June 30. The Town of Rocky Hill just did that. Mr. Neto stated that Governor Lamont has given the municipalities the opportunity to go past June 30. The only challenge is if there is no money in the coffers. He stated that even though the Governor is being flexible, he thinks we should do our due diligence to have a budget finalized and approved by the Town by June 30. Mr. Alibrio added that once the decision is made and voted on regarding the mil increase, Doug Sienna is going to want to be running his bills. In the past if the District is not prepared, Mr. Sienna will have to do a special bill run for the District which they will charge the District for because it is a special bill run.

A motion was made by Commissioner Colligan, seconded by Commissioner Donohue and unanimously approved to schedule a Special Board of Commissioners meeting with the approval of the President for Wednesday, May 26, 2021, at 5:30 PM, at the Coles Road firehouse to discuss and possibly approve the changes to the budget.

A motion was made by Commissioner Colligan, seconded by Commissioner Donohue and unanimously approved that prior to the next Town Budget Meeting and vote, there be an informational meeting to explain the items that were changed in the budget with the vote to follow so that people will be able to hear what is going on and the changes that were made.

An informational workshop of the budget will be the first hour, the voting will be the second hour. Mr. Palmieri noted that there needs to be a window of time that the voting will take place. He had been asked by several people what time the voting will be. Typically a Town meeting is where the citizens are allowed to attend. Those attending are allowed to listen to the information presented and then vote. They vote by raising their hand. The Board of Commissioners decided to have this informational budget meeting and vote by ballot. You cannot keep people in a room and say you will only give them a ballot if they listen to my speech. That is not democracy. It was decided to have an informational session from 6:00 PM – 7:00 PM, and 7:00 PM – 8:00 PM will be balloting and voting.

A motion was made by Commissioner Epstein, seconded by Commissioner Donohue and unanimously approved to schedule an informational session from 6:00 PM – 7:00 PM, and balloting and voting from 7:00 PM to 8:00 PM the night of the rescheduled Town Budget meeting.

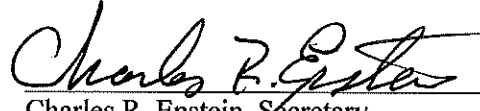
Commissioner Colligan wanted to thank the Executive Director, Mike Allibrio, the Executive Committee and Brian Petrocelli for all their work on the presentation that was given. They did a fantastic job. He was sure the people that came out and voted had their minds made up before they came to vote. A lot of them are not well informed and have only been informed by word of mouth or rumors.

- V. Commissioners' Comments. Commissioners had provided comments and feedback throughout the meeting.

- VI. Adjournment. There being no further business, a motion was made by Commissioner Rukowicz, seconded by Commissioner Donohue and unanimously approved to adjourn the meeting at 8:40 PM.

ATTEST:

Nancy Deegan
Recording Secretary
5-27-21



Charles R. Epstein, Secretary