

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**

Wednesday, May 26, 2021

5:30 PM

Coles Road Firehouse

105 Coles Road

Cromwell, CT

A Special Board of Commissioners meeting was held on Wednesday, May 26, 2021, at 5:30 PM, at the Coles Road Firehouse, 105 Coles Road, Cromwell, CT to consider and act upon Special Fire District business. Commissioners Jason Hinners (Vice President), Charles Epstein, David Colligan, Robert Donohue, Mertie Terry, Allan Spotts, Roger Rukowicz and Robert McIntyre attended. President Lee Brow was absent. Also attending was Executive Director Julius Neto, Water Operations Manager Joseph Palmieri, Acting Fire Chief Jason Brade and Firefighter Lieutenant Brett Hallden. The new Fire Chief who had not started his employment with the District yet, was also in attendance as part of the public.

- I. Call to Order. The meeting was called to order at 5:30 PM, by Vice President Hinners.
- II. Approval of Agenda. A motion was made by Commissioner Colligan, seconded by Commissioner Rukowicz and unanimously approved to accept the Agenda as submitted.
- III. Public Comment. Lt. Brett Hallden had comments. He began by noting that most of the people in the room were parents. Working in a 2 parent household, it is presumed that sometimes parents disagree. There are times where the children will ask one parent for something and if denied, will go to the other parent for the answer they are looking for. If the answer is yes from the second parent, the parents will disagree. To keep a happy household the parents must always show a united front. They may disagree in private, but once a decision is made, the two parents need to give one message to the children.

Looking back, the District has always been a non-partisan organization. He thinks it is nice to be non-partisan but wonders if that is changing. He did not think there were Washington politics in the Cromwell Fire District. His concern is that if Cromwell has elected officials who agree to various articles/changes/strategies and tactics during meetings, but then recommend not to fund them, are they no different than the legislators in Hartford or Washington that want to impose unfunded mandates. Going back to Lt. Hallden's non-partisan statements, he hopes the Board of Commissioners is better than that. If they keep a united front, they shouldn't get into that.

As the elected representative of the District's labor body under their employ, Lt. Hallden is not bound by the 3 minute public comment rule. Lt. Hallden stated that elected officials have

to make hard choices. He is an elected official in the Town he lives in. He recently has had to make some strong personal decisions and take a stand on some things. He serves on the Planning Commission where he lives. Some know about CGS 830G, and anyone that knows him can figure out his opinion on that. He has made his opinion very well known. However, next month when his Commission votes they will vote to move forward on a plan for affordable housing in his small town. If they don't, the State will give it to them when their eyes are closed. Although his personal believe does not allow him to smile or frown about the law that is written, once his group of people on his Commission vote, he now has to support that decision whether he likes it or not. No different than his role as a Union representative. He does not agree with everything that some of his co-workers or constituents do, but once they vote he has to support them. The same is true here for negotiations. If the District's negotiating committee makes a recommendation, they need to go back to the organization with the recommendation that was decided on in negotiations. It would be a violation of Federal Law to not do so.

Lt. Hallden also stated that going back to the previous Executive Director, there was financial damage that was done not only to the District but to the taxpayers as a whole under his watch. It is going to take a number of years to get out of that but you have to pay the piper sooner or later regardless of what you have to pay. It is not something anyone can get away from. Every November when people go to vote at whatever election level, before they even park their car, they know who they are going to vote for. He questioned why presentations were made at the night of the vote because people came with their minds made up. Whether or not a person is an elected official, an employee or a volunteer, that person is there to represent not only the District, but the Fire Department and the taxpayers in the best way possible.

Sometimes the best way hurts or we don't like it, but the Commissioners need to do a better job of selling themselves and selling the District and the Department on what they do. All of us do a remarkable service of selflessness, but if you don't want to pat yourself on the back and make sure the public has all the facts, how can you expect a favorable outcome?

Lt. Hallden added that if he were in charge he would come back to the taxpayers with a full mil increase. He would lay out on the table ahead of time exactly what is wrong, exactly what we cannot do, exactly what laws we are breaking because of what we can't do because of what we can't afford. He stated they are never going to be profitable or even break even. They are there to provide a service. Service costs money. Along with those costs, they need people to fill roles to perform tasks. Labor is the most expensive part of any budget in any part of any Town, State or Federal government. Cromwell has fire trucks that leak water faster than they can put it in. A few weeks ago one of the bumpers on one of the fire truck s fell off while they were driving it because the frame is rotted. There is an ambulance that is kind of back in service today illegally because they have no air conditioning in it because they cannot get replacement parts for it. A police car fully equipped cost \$60,000. An ambulance is \$360,000. A fire truck will cost \$1 million.

Lt. Hallden spoke to a lot of residents after the vote. He reported that the number one reason people voted "no" was because of the water rate increase. He reported that people found the Commission to be untrustworthy. He did not agree with that, but he knows the Commission and they know him. If the taxpayers don't know an elected official, don't know what they do or why they do it, they will not be very willing to show support on something they know nothing about. There should be more open communication. Other comments about the Commission were that there was a lack of perceived honesty. Those comments were based on the previous Executive Director and previous Commissioners that were on the Board at

that time. The take away from all the comments being that the Board can help themselves by being more open and doing more communicating.

IV. New Business

A. Discussion and Possible Approval of Revised Cromwell Fire District Budget for FY 2021/2022. The Executive Director stated that as a follow up from the Town meeting and Special Commission meeting that followed on May 24, he was instructed to go back to regroup with Mr. Alibrio to come up with different budget scenarios based on discussions and feedback after the vote. One of the scenarios requested was what would the budget look like with a ¼ mil increase, and what would it look like with a 15% water rate increase. He distributed copies of a draft that reflected those changes. He also had documents that showed the Sewer rates in Cromwell over the last few years based on comments made at the Town meeting that Sewer rates have not gone up. They actually went up 13 times in the last 20 years compared to the Water Department that went up twice and down once.

Mr. Neto reviewed the revised draft budget document. A copy is attached to the minutes on file in the Fire District Office. He started with Page 1 which was the General Fund. The objective was bringing the rate down to ¼ mil increase instead of the proposed ½ mil.

They first began working with **benefits and payroll**. After Tax Collector, the item titled **"Commissioners' Expense,"** had **\$1,800 taken out** because the Bylaws now state that Commissioners including the President will no longer receive a stipend.

The COLA's were also modified. There was a **2 ½% COLA for all non-CBA employees that was reduced to 2%.** That reduction will affect payroll, workers' comp. and insurance.

On the payroll side, they took \$10,000 out of payroll for part-time EMS. That represents taking away some dollars that has to be negotiated with the union. He does not know where negotiations are going to go. He had to make some assumptions of salary with the part-time hourly rate and medical coverage. With MERS, any employee part-time or full-time working 20 or more hours a week will be required by law to participate. Currently MERS is \$296,000 between full time and part time. He took \$10,000 out of payroll for the part time assuming that they will negotiate a reasonable amount of money that will be determined. Because this is a public meeting Mr. Neto did not want to specifically say what the dollar amount is because negotiations have just started. He decreased it to what he thought a reasonable amount was after consultation with the District's attorney.

He did the same with the **Fire Marshal's office. He reduced the COLA to 2%.** He took **\$2,000 out of the Communication Center for Non-Capital equipment.** He explained what happened during budget talks with all the Department heads. They thoroughly reviewed every line item. **Mr. Neto took \$2,500 out of training.** He did not go beyond a 10% reduction.

With all the reductions, they removed \$79,219 out of the line items that allows an 11¼% increase year over year. This budget is balanced only as it meets the need to increase the mil rate by ¼. The rest is coming from the Fund Balance and Tower Fund.

The General Fund is balanced with a ¼ mil tax increase. A ¼ mil increase on a \$285,000 home reflects a \$49 per year tax increase.

Commissioner Colligan did not think it would be wise to touch the Fund Balance. That Balance will affect the District's bond rating. Referring to the Nike site, Commissioner Epstein stated that because certain people could not look at a telephone pole with an antenna on it, the District had to spend \$80,000 extra of taxpayers' money to change the appearance by erecting a flagpole with an antenna on top. They did not have the option of not using that site because it was needed for the best signal service for the safety of the employees and townspeople when responding to calls. The District had to spend \$80,000 that they did not anticipate spending because of one Town Committee. Commissioner Hinnners wanted to go on record as agreeing with Commissioner Epstein's comments. Commissioner Colligan also agreed.

The Executive Director reported that the new Fire Chief he will not be requesting medical benefits from the District. He discussed the cost savings by not having to give the new Fire Chief and his family medical coverage.

Commissioner Hinnners went around the table for each Commissioner's thoughts. He began with Commissioner McIntyre. Commissioner McIntyre stated that the Executive Committee did an awful lot of work on the original budget. There were a lot of things that the Committee disagreed about. There was not much to trim off of the budget. He also agreed that there has been a lot of putting things off as long as they could. An example is fire equipment which then becomes a safety issue and a response issue. He would agree with going to a ¼ mil increase, but there has to be an understanding that the District is going to have to pay the piper with all the things that have been put off. If the mil increase is ¼ now, there will have to be another increase sooner rather than later. He stated that they are a service industry. To cut back on service hurts the townspeople and people traveling through this Town. He thanked Acting Chief Brade and the Executive Director for everything they have done to put the budget together. He hopes that long term solutions can be worked on during the course of the year so that they are not left in the same situation next year.

Commissioner Rukowicz thanked the Executive Director and Mike Alibrio for all their hard work in putting the budget numbers together and the adjustments. He agreed with Commissioner Colligan and McIntyre that if they went up ¼ mil, they would have to go up again in the near future. The fleet of trucks is aging. They are going to have to get at least one truck, and maybe another one or two after that. He doesn't understand why the townspeople don't see this. On Country Line Drive there is an Amazon warehouse and a Wayfair warehouse coming soon. If there were ever fires at either one of those places, it would be a statewide call for all fire vehicles. Cromwell could not handle it, nor could mutual aid. He agreed with Lt. Hallden regarding publicity for the Fire District.

Commissioner Rukowicz added that there were three Executive Committee meetings on this budget. The meetings were on Teams. No one called in or submitted any questions to the Executive Director. There was a fourth opportunity to discuss any issues or questions when the budget was presented to the full Board of Commissioners. There was also some adverse publicity on Facebook. There was information published about the budget before it was even presented to the full Board of Commissioners. That was not right. Regarding the night of the Town meeting, he felt that people had their minds made up before they walked through the door. He feels the Board has always done the best

they could for the taxpayer. The Commissioners live in Town too. They will be paying the same taxes.

Commissioner Donohue did not think the vote represented the numbers. He did not think the people in Town knew what the numbers meant. They seemed to have an axe to grind. He urged the tax payers to read the numbers, come to the meetings, ask questions and vote the democratic way. People can support it or not support it, but don't not support it just because someone told you to.

Commissioner Terry stated that this is a terrific group. The Commission works very hard, but they do not get the publicity. People do not know what the Commissioners' responsibilities are. They do not receive any training. She thinks the Board needs to do a better job of delivering information about the District whether it should be Facebook or some other form of social media. At the Town meeting, people filled out ballots and deposited them in the ballot box. They did not stay to hear the presentation or stay to ask questions. She thinks the District needs a PR person.

Commissioner Spotts stated he could agree with a 2.75 mil rate. He added that the people in Cromwell do not know what the Board does, and do not think there is much transparency. Historically the budget has been presented at the monthly meeting. The vote would follow the monthly meeting. Most of the citizens would have no idea that the budget was up for a vote. It would pass by a majority of fire personnel present because the Town's people were not aware to be present. May 24 was a different story. People were able to pull up the budget on the website. The calls he received had to do with the water budget. He thought that a 15% or 20% rate increase is a hard swallow. If affects a lot of businesses such as agriculture, hair salons, restaurants. He stated where he lives would be an extra \$8,000 a year. He advised the Commissioners to think about the economy. People are unemployed, underemployed, food market prices are going up, gas prices are going up, and the timing for the District for this is terrible.

Commissioner Hinnners responded to those comments regarding the cost of things going up because the cost of running a Fire Department is also going up. He noted that Commissioner Spotts has made some bold statements publically about closing fire houses such as West St. and things like that. He asked what his plan would be for closing firehouses and how that would save the District money. Commissioner Spotts responded there would not be the expense of electric or utilities. The administrative offices are located at West St. Commissioner Hinnners asked where the administrative staff would go. Commissioner Spotts stated there is plenty of space in town for rental property. Commissioner Hinnners did not understand why the District would do that when they have their own property. He did not understand why the District would think about closing a firehouse. By closing West St., that would reduce the Fire Department coverage of the Town by 1/3 which is that whole corner of the Town that is serviced by West St.

Although the primary response is out of Court St., secondary response would be out of West St. or Coles Road. He asked if we really should take West Street away. When someone is in trouble on the CT River, the firefighters can respond from West St. Although Commissioner Spotts is not a first responder, he has a financial background, and he stated that the Commissioners were not elected to raise taxes. Commissioner Hinnners stated they were elected to run a Fire Department. Part of that is supporting the members.

Commissioner Spotts felt that he could not have an opinion because he is not a first responder. Commissioner Hinnners most definitely thought that Commissioner Spotts was entitled to his opinion. However, at the same time, Commissioner Hinnners thought that the Board needs to have a united front. Commissioner Spotts is entitled to his opinion in the Board meeting arena. That is why Commissioner Hinnners is voicing his opinion in this arena. He did not agree that those opinions should have been expressed in a public forum. At the Town meeting, the Board was saying that their body as a Commission is trying to protect its townspeople and run a Fire Department/Water Department and stating the things they need to do that. They were presenting a united front. They were saying as a Commission, these are the things they agree with, but Commissioner Spotts voiced his opinions that night about the Board not being right, and suggesting to close firehouses. Commissioner Hinnners did not feel that was the right time for those opinions in a public forum. Commissioner Spotts felt that expenses need to be cut somewhere. Commissioner Hinnners felt that it should have been expressed that it costs money to run a Fire Department.

Commissioner Spotts took exception to the fact that it does not have to be a unanimous vote. It was agreed that a vote can be 5 to 4. No one is always going to agree 100%. Commissioner Hinnners wanted it known that he supports 100% Commissioner Spotts' right to say no. He did not support his right to badmouth the Board in a public setting. Commissioner Spotts did not think he was badmouthing anyone. That was not his intention and he apologized. He does stand by what he thinks needs to be done down the road.

Commissioner Epstein stated that he feels the Board was elected by the Town's people to manage the Fire District which is not just the Fire Department. It is the Fire Department, the Ambulance service, the Fire Marshal's Office and the Emergency Dispatch and non-emergency coverage of what the Dispatch Center does in monitoring things, and it is the Water Division. He thinks they were definitely elected to watch the budget and run things and when they have to, to raise taxes. He feels the Town does not elect their officials to not raise taxes. Taxes are increased when it is necessary for the District as well as the Town as well. The Town still has expenses and they have to balance their budget even if it means taking out of their General Fund.

Commissioner Epstein stated the Commissioners are doing the job they were elected to do. However, when the District doesn't do a good job, people lose their life, or their home or their cars. It was calculated that in a complex of 160 residents, the water rate increase was \$8,000, but that averaged out to an increase of \$50 per unit. He also wanted to rebuke that one of the persons that was sitting in the back of room Monday night and complaining about the rate increase and what it would do to his farm, has not paid his water bill since 2016. If more people in Town paid their water bills, maybe the Water Department wouldn't need 20% at this point in time. There are a lot of delinquent water accounts. He added that the Board has an obligation to the taxpayers to let them know what this is all about. The District has failed to communicate with the Town efficiently so that they appreciate the Water, Fire, EMS and Fire Marshal. These people put their lives on the line every day for the taxpayers, and the Commissioners deserve to back them up.

Commissioner Colligan agreed with Commissioners Epstein and Hinnners stating we are not united, and we need to be united. Commissioner Colligan discussed his past experiences with the District and being Chief of the Fire Department. He discussed the

statements made about closing a fire station. He was upset by those comments. The Fire Department has worked very hard to maintain their ISO rating. If Cromwell loses a station, that is a cost to the overall household insurance rating. There is one piece of apparatus housed at West Street. The West Street station was used over 50 times this year alone. That piece of apparatus was also used over 400 times in the previous year. Prior to last year they also had a couple of other pieces to use out of that station, and they were used quite frequently. He had data to back up his information. The Fire Department has to comply with mandates from the State and Federal governments. There are a lot of factors to consider before any statements are made about closing fire houses.

Some of the feedback Commissioner Colligan received had to do with raising the water rate. He discussed the rate increase by the Sewer Department when it was stated at the Town meeting there hasn't been any rate increases. The Sewer Department has had consistent increases in their rates over the years. The Water Department was merely doing the same thing, a rate increase which had NOT been done over the years.

Commissioner Colligan noted that the District needs to educate the Townspeople. The Townspeople feel the tax dollars are funding the Water Department. The water rates are what fund the Water Department. The mil rate is what funds the Fire Department. He also learned that most people would like to have seen two separate votes. One for the Water Budget with a rate increase and one for the Fire Department with a ½ mil increase. Most people would have voted in favor of the mil increase for the Fire Department.

Commissioner Colligan has been involved with the District for many years and has witnessed many Budget meetings and Town meetings. The District has tried to accommodate the taxpayer's concerns regarding being transparent and trustworthy. They have made efforts to do additional public notifications of meetings and additional information on the website. Past practices have shown that people don't want to be more informed about Fire District business. The Board of Commissioners has worked very hard to keep taxes lower. Some towns have higher mil rates and provide less service to their communities. Not all fire districts provide emergency services, dispatch or water. He stated that the District needs to replace trucks before people get hurt.

Commissioner Rukowicz brought up the fact that two of the newest Commissioners have terms coming to an end in October. When they came on Board they had no knowledge about the Fire District or its responsibilities. It is hard to understand it all. Commissioner Rukowicz always suggests that Commissioners attend all or some committee meetings even if they are not on all committees because it helps someone to learn about District business. He feels that the 20% rate increase is justified. He supported Commissioner Colligan's statements about needing at least two pieces of apparatus in the near future. The price of everything is going up, and it costs more to run a business.

Commissioner Spotts added whether someone agrees or disagrees, at least now it is being discussed. On the expense side, they need to look at something down the road. They agreed that a discussion about closing a fire house was something that should have been discussed with facts and figures earlier in the budget talks.

Acting Fire Chief Brade was given the floor. He stated that the Commission has tasked him with Fire Prevention, Fire Protection and EMS protection for the entire Town. He takes those responsibilities very seriously. In preparing the budget and working with the Executive Director, they both took those responsibilities very seriously. Mr. Neto had

stated that a lot was cut out of the Fire Department budget. Most of those cuts were done before the final draft was presented to the Executive Committee. The Fire Department budget presented was a lean budget knowing they were facing a difficult year. Most of the items identified in the budget were items that are needed to operate with, but not necessarily what they want to operate with. If he submitted a "want" budget, it would be so much more.

Acting Fire Chief Brade told Commissioner Spotts that he appreciated his opinion in coming out with fiscal responsibility for the District. That is also needed, and is tasked to the body of the Commission in his opinion as well as providing services. He believes as Commissioner Epstein stated, that they do need to look somewhat past some of the numbers because they have a service that needs to be provided. He believes the Commission has a right to task the new Fire Chief with an audit of the Department to assess spending to see if there are areas where they need to save money. That would be the prudent thing to do. Doing that a couple of weeks before the budget is due is probably not the right timing. There are probably other things to be looked at in trying to find savings.

He also mentioned they are desperately trying to replace the Rescue. It is only a matter of time. Engine 2 was bought at the same time as the Rescue. NFPA recommends replacement after 25 years. Both pieces are at 23/24 years now. Fiscally this is being kicked down the road, knowing that there are some serious expenditures that could be coming in the near future. They are focusing on the Rescue right now because that is what is absolutely needed right now. There are other expenditures that were put off knowing that it is a difficult budget year. He had reviewed the budget with The Executive Director and Mr. Alibrio to reduce the ½ mil in half to come up with this 1/4 mil scenario.

Acting Chief Brade does not know if it is fiscally responsible knowing they have some of these expenditures and knowing they should be saving for some of these expenditures so they are not such a big hit to minimize what they are looking for. In addition, he does not know how fiscally responsible it is to continue to take one's money from the various funds. Eventually those funds will be depleted, and they will not be able to operate in that fashion anymore. He feels that the solution he, Mr. Neto and Mr. Alibrio came up with is fiscally kicking the can because you are taking money from other areas to try to make it work. He explained that working with a ¼ mil increase, the Department would be scraping by and pulling money from those funds.

After listening to public comment tonight and those at the Town meeting the other night, and Commissioner Spotts tonight, it seemed to Acting Chief Brade that the ½ mil increase was not the issue. If that was not the issue, why is the District focused on the ¼ mil increase. The tax increase was not the issue vs. keeping the proposed increase where it should be and being fiscally responsible by not taking from our own funds.

Commissioner Hinnens believed that last year's budget cannot sustain the District for this year for the ways the Fire Department has changed, such as the staffing model, 2nd ambulance, etc. Mr. Neto agreed that a good example of that is the SAFER grant where the District will not be compensated the same amount year over year. It will be less of a reimbursement for the next two years, and then it will be the District's responsibility. Just like negotiations for the part-time staff, they already know they will have additional expenses. The status quo of last year is not going to hold. The Board voted for all these

programs, and now it is time to pay for them. The following year it will cost \$397,000 for the four SAFER grant full-time firefighters that the District will no longer be reimbursed for. The burden will fall on the taxpayer. Three years ago the Board unanimously approved the SAFER grant even after discussion about the District in the future owning the whole cost of those four firefighters. This year they will own $\frac{3}{4}$ of it, next year it will be the whole thing. Those are the incremental expenses.

Commissioner Hinners stated that the District presented a lean budget to start with. They did not ask for a lot that had to be trimmed down. The budget presented has the District barely scraping by based on the facts presented at this meeting. It is unfortunate that not everyone is on the same page. It is also unfortunate that not everyone is equally educated because we don't all go to every meeting to see why or how the department heads arrived at the numbers they did.

Commissioner Spotts and the Executive Director had a previous engagement with the Board of Finance at this time. The Executive Director stayed for the rest of the meeting. Commissioner Spotts excused himself to chair the Board of Finance meeting.

Before Commissioner Spotts excused himself, Commissioner Colligan apologized to Commissioner Spotts for listening to the frustrations of Board members based on the outcome of the Town meeting. He acknowledged Commissioner Spotts' knowledge of finance based on his background and his experience working with town budgets. Commissioner Colligan feels that the Fire District budget is different than the Town because of the way they operate. He agreed that Commissioner Spotts brought up some good points about communicating and working together. He feels that the District should come up with a 5 year plan or even a 10 year plan.

Commissioner Epstein addressed the group by addressing the "elephant in the room." He felt that the elephant was that if the District was a municipality, the cost would be less. The cost would not be less for labor or equipment if it were the Town vs. the Fire Commission. The question becomes how much is being spent per student in the Board of Education budget vs. how much is being spent per taxpayer for Fire and Water services. Commissioner Hinners had to stop Commissioners Epstein and Colligan at the one minute mark for comments in order to respect Commissioner Spotts' commitment to be excused to Chair a Board of Finance meeting for the Town.

Mr. Palmieri was allowed to add that he received a phone call from a business owner in Town who mentioned to Mr. Palmieri that he had a Commissioner at his business informing him that he should vote against the budget, and that the District should just give in and join forces with the Town. Mr. Palmieri thought this practice was wrong, and he should not be having phone conversations like that. Commissioner Hinners thanked Mr. Palmieri for his comments to be put on the record.

Commissioner Hinners was of the opinion that there needs to be a lot more conversation that needs to take place. The group was of the opinion that they needed to continue this conversation even though Commissioner Spotts needs to leave. The budget issues need to be resolved so that another Town meeting can be scheduled sooner rather than later.

Commissioner Hinners apologized to Commissioner Spotts for Commissioner Hinners' hostility, but agreed they are on the right track. They had conversation that was productive. If Commissioner Spotts finished his Board of Finance meeting before this

meeting was over, he would stop back over here for the conclusion of the meeting. Commissioner Spotts left the meeting at 6:51 PM.

The conversation got off track. They continued to review the rest of the revised budget document. They learned from what has transpired that they need to change the way they vote by changing the Bylaws, educate people about water rates and water taxes. He felt that the Water Dept. budget should have been presented first. Commissioner Hinner agreed and he heard from around the table that they need to better educate the public and make their business more visible to the public. However, that is for a different agenda for a different meeting.

There were no further questions regarding the General Fund or Fire Department/Public Safety/Life Safety services. The Executive Director took some time to go through the **Water Department budget**. The Executive Director and Mr. Palmieri were asked to look at the numbers to **increase water rates by 15% instead of 20%**. The document presented reflects that change. **\$7,000 was taken away from payroll**. They used the same COLA concept as before, starting with 2 ½ %. The Water Department is non-CBA and would have been getting the 2 ½ % COLA, but as with the other COLA's for non-CBA employees, that **COLA was reduced to 2 %**. Also in that payroll number, there were funds designated for an additional 2 ½ % separate from the COLA for the Water Department in an effort to bring some equity between the Water Division salaries and those of their counterparts in the industry who by comparison have a higher salary structure than the Cromwell Fire District. \$3,000 was set aside for that purpose. However, in an effort to make some reductions, those funds were part of the \$7,000 that was cut from payroll. He did not take out the laborers, non-management, non-administration. There is money there for those people on the front lines. He identified administration as one administrative staff and Joe under the scenario of not receiving the increase. Initially the increase was for the whole department, but Mr. Neto made the decision to cut back as a way to save money.

Mr. Neto gave the floor to Mr. Palmieri to discuss the effects of the cuts on his department. Mr. Palmieri stated that most importantly the 2 ½ % above the COLA is going to the three employees that are laborers or equipment operators. That was the most important thing to Mr. Palmieri. He is very focused on keeping them happy and keeping them here. This is just a little incentive for them. He was not happy that he was not receiving anything because the budget was being cut. He did not know what his total increase would be if he were receiving one, but he did not think it was a lot. This was a decision that was made within the last couple of days. He is OK with everything. He has to do what he has to do, and is dedicated to the Water Division. Life goes on and he will continue to serve.

Mr. Neto continued by saying that \$936 was taken out of General Administration which is related to the COLA. The majority of the \$67,000 that is being taken out comes out of reallocating funds. The pre-engineering study (for interconnection with MDC and Middletown) for \$60,000, (tank inspection) was taken out of this year's budget. They went into the present Capital Budget. There were a couple of small projects where there was extra money that was going to fall into that fund. They repurposed one of the water tank inspections that the State is not going to require until 4 years from now. Hopefully by then they will be in that major project so they re-allocated those resources. They ended up taking out \$67,935 which is a reduction of almost 3½% from what they presented last Monday night. With that they can cover the 15% rate increase, and they

will have a year over year budget with a 2.3% reduction because they reallocated Capital. They have decided to borrow large Capital so as not to burden the budget.

Commissioner McIntyre added that the purpose of the interconnection study for water is that it will guarantee a water supply for Cromwell should something happen to their water supply. We would also have the ability to obtain funds from the Federal or State government which would benefit Cromwell by not having as much to pay back. Commissioner McIntyre thought that it would be foolish for Cromwell to give this up. Mr. Neto explained that the District is not giving up the study. They are simply postponing funding it. There was a lengthy discussion explaining the interconnection project, its funding and its benefits for potential revenue.

Vice President Hinners asked if there was a way that they did not have to sacrifice Mr. Palmieri's raise. Mr. Neto noted it would be possible if they can find \$3,000 to adjust and reallocate towards Water Payroll. Commissioner Hinners felt that Mr. Palmieri deserves his increase, and he would like to see if Mr. Neto can find those funds from somewhere else besides Mr. Palmieri's paycheck.

Commissioner Terry stated that there are concerns with water customers not paying their water bills. People need to pay their delinquent water bills so that Mr. Palmieri can get his raise. The District needs to be aggressively trying to collect their money. Commissioner Terry made a motion to that effect. As a point of clarity, the Executive Director explained that any unpaid water that is out there as pending has been penciled in as revenue. That means by accounting standards the money is categorized as revenue even though it is not collected. There is usually a 12% loss that the District can write off. That is all part of the audit. There had been some discussion about shutting customers off, but then the pandemic took place and it was not feasible to enforce.

Mr. Palmieri reported that this week they had 5 households that they had planned to shut off. After notification to these households, there was full compliance. Next week there are six. Donna Boccuzzi has been doing a great job in managing delinquent accounts, and the results have been very successful with people paying their delinquent bills. As aggressive as they are becoming with water rates, they are equally as aggressive with collecting unpaid debt. Mr. Palmieri reported that Ms. Boccuzzi has collected approximately \$60,000 since she began this program. Mr. Neto stated that they are going to need to find \$3,000 to compensate Mr. Palmieri. It cannot be taken from the collections. Commissioner Colligan wanted to see what was left over in this year's budget. He thought it would be at least \$3,000.

The Executive Director explained that they cannot use that type of strategy. They need to figure it out and not leave the task to the Executive Director to figure out. Under the Commissioners' guidance, the Executive Director can take a line item or find \$3,000 and footnote it so that if that item is over budget at the end of the year, it will be footnoted as to why so that it is clear. Commissioner Colligan asked if someone was getting left out of the mix. He was right, and the Executive Director stated he would put the program back into the budget the way it was 2 weeks ago. He plans to take out of truck and garage expenses. He will put the \$3,000 back to the payroll side. The directive to Mr. Neto from the Board was to take the \$3,000 from Truck and Garage expenses and put it into Water Payroll.

There was more discussion about the last Town meeting vote. The margin by which the budget did not pass was very small. Everyone needs to come back out when the second Town meeting is scheduled. Commissioners need to get the word out and bring as many supporters as possible. The public needs to be better informed. The public had concerns last time about a 5 year plan. The Executive Director stated that a 5 year plan can be put together, but not this week. If the question is asked about a 5 year plan, the answer should be that they have one, but it needs to be updated according to today's standards.

Commissioner Rukowicz did not want to see any other changes made to the Water Division budget. He did not think the water rate increase should go any lower than 15%. A 20% water rate increase based on a \$50 water bill per quarter would be an increase of \$10 per quarter. If the increase was 15%, it would be \$7.50 per quarter. Commissioner Rukowicz noted that because the concerns of the public had to do with the water rate increase and not the mil rate, he agreed with Acting Chief Brade to leave the mil rate at a ½ mil increase, and only adjust the water rate increase. There will be all kinds of opportunities for the District to collect revenue from selling water, and charging fees for services previously provided for free.

There was discussion about the divide in Town between Town Hall and the Fire District. Everyone needs to understand their positions when they serve the same taxpayer. He also knows that the employees for the Fire District make less money than the Town employees. Mr. Neto discussed the comment made by a Commissioner and Board of Finance member that some of the District's services can be combined with the Town at no additional cost. Mr. Neto has scheduled a meeting with the Town Manager to better understand that comment. He wanted to know if the Town has the capacity to take that on. If there is capacity, the District will want to know why. Why is their budget being inflated to have capacity?

A motion was made by Commissioner Colligan, seconded by Commissioner Epstein and unanimously approved to keep the mil rate increase at ½ mil, and decrease the water rate increase to 15%. To be noted was the absence of the President and Commissioner Spotts on the vote. Otherwise, all present voted unanimously for a ½ mil increase and a 15% water rate increase to go in effect at the half year mark. Commissioner Colligan requested that everyone in the room get a fact sheet about the budget so they are able to speak about it and support it and be able to explain any questions or concerns.

The Executive Director will work on the revised budget numbers for the Water Division to reflect a 15% water rate increase instead of 20%. The second Town meeting on the budget will be scheduled for Monday, June 7, 2021. The presentation will be scheduled from 6:00 PM to 7:00 PM. Voting will be from 7:00 PM to 8:00 PM. It will be advertised in the Middletown Press. The question also is how does the Commission want to proceed in what is to be presented during that hour. It may need to be different from the first meeting since that did not seem to be that effective.

There was discussion regarding showing the public what the District does. Acting Chief Brade has been in contact with Comcast to do a Public Service Announcement. They will provide the customer with free camera equipment and other free stuff and show how to edit. They will make a program with you, not for you.

Commissioner Colligan suggested that the informational presentation be done first with the slides to follow. The slides will be running during the hour of the vote. This should

be done for both the Fire Department and Water Department. It was also mentioned that the Board is unsure how they would get newspaper coverage since there are no reporters assigned to Cromwell anymore.

The difference of opinion amongst the Board members was discussed. Vice President Hinnners stated that he thinks there is some opportunity for understanding on both sides. All sides shared information that hopefully opened everyone's eyes somewhat.

- V. Commissioners' Comments. Commissioner Colligan wanted it on the record that he wanted to thank all the employees of this organization. He thanked the Executive Director, the Financial Manager, the Water Operations Manager, the Acting Fire Chief and everyone that worked on this budget for the Commission. In the 45 years Commissioner Colligan has been involved in the budget process, this was one of the most difficult budgets to work with. It is a reflection of the times. They learned that they need to educate themselves as well as the public. Everyone should appreciate each other for what they do.

Vice President Hinnners was asked by Commissioner Epstein for a 10 minute recess before adjournment.

The meeting reconvened at 8:16 PM. Commissioner Epstein reported that there appears to be nothing in the Bylaws as enacted that preclude the District from separating out the Fire Budget from the Water Budget. That was a bone of contention by the public. Commissioner Epstein recommended separating the two. There may be a bigger fight on one than the other. Commissioner Epstein felt that if one passed and one didn't, there would be less work to revise one budget rather than two.

The Executive Director noted that if it is decided to separate the two budgets, it cannot be decided on tonight because it is not an agenda item on this Special Meeting agenda. The second reason would be that this action is inconsistent with the first Town meeting vote. Mr. Neto explained if this issue needs to be resolved before the next Town meeting, a Special Board of Commissioners meeting needs to be called. Vice President Hinnners did not have the authority to call a Special Board of Commissioners meeting.

There was continued discussion about the timing of changing the rules on the budget vote by separating the two budgets to be voted on. There was a concern that the inconsistency would promote a lack of trust by the Townspeople which was mentioned earlier as part of the feedback from the public.

Commissioner Hinnners asked if a question can be added to the ballot asking the public if they would prefer to have two separate votes for the Fire District budget. One vote would be for the Fire Department budget and the other would be for the Water Division budget. He did not think the Board should change the voting rules in between the Town budget meetings.

The Executive Director was going to update the fact sheet tomorrow so that Commissioners would be able to distribute to townspeople and answer any questions they may have. There was a consensus to put the question about separating the two budgets to be voted on separately. They all felt that the public should decide the answer to that question.

- VI. Adjournment. There being no further business, a motion was made by Commissioner McIntyre, seconded by Commissioner Rukowicz and unanimously approved to adjourn the meeting at 8:38 PM.

ATTEST:

Nancy Deegan
Recording Secretary
7-7-21


Charles R. Epstein, Secretary