

LAGRANGE FIRE DISTRICT
SPECIAL MEETING
SEPTEMBER 25, 2009
MINUTES
7 pm FH#2

The 911th meeting of the Lagrange Board of Fire Commissioners of the LaGrange Fire District was held on September 25, 2009 at 7PM at firehouse#2. Present were Commissioners Hines, Lantzky, Canero; Deputy Chief Barry Ward; Secretary Holzberger and firefighters. Smith and Ziedan were absent.

Hines called the meeting to order and led the salute to the flag. Hines welcomed everyone and stated that this is a meeting of the Board of Fire Commissioners in public and not a public meeting ; at least one opportunity for public comment and if time permits a second opportunity will be offered.

Hines stated that the purpose of this meeting is to review the proposed 2010 Budget. Lantzky stated that before we begin he would like to thank Janet Canero for overseeing the replacement of the blinds here at Station2.

2010 Proposed Budget-Deputy Chief Barry Ward stated that he and Secretary Holzberger went through the benefit accruals and updated the accumulations to reflect the changes in the new labor contract. For example, sick accrual is now 12 hours per month as opposed to 10 hours per month in the previous contract. In addition, the accrual is now 100%. All timekeeping is now in hours and we reviewed all the accumulated time and re-calculated to reflect the changes in the new contract. DC Barry Ward stated that this worksheet is a statement of where we are now.

DC Barry Ward explained that this worksheet includes all the things an employee is entitled to based on the contract; base salary, stipends, longevity. Vacation hours and sick hours are then turned into the dollar value. We have to also add in the medical,dental, vision and life insurance cost as per the contract to determine the fully burdened cost for employees. In addition, we looked at overtime; we currently run approximately 28 % due to employee outages. DC Barry Ward stated that he estimated 45 % for overtime for next year as our shifts will be going to 24 hours. Every day Monday through Thursday we have to add one person as Jeff Frazier will be out of the minimum manning. There are four shifts with four people and the day shift will be one person.

DC Barry Ward stated that we spent some time on the Benefit accruals as we need to take into consideration that we have to support 100 %. This is a statement of potential. Traditionally we have funded this at 100%; after doing some homework, we found that we do not need to fund the entire amount –we may look at those that have the potential or eligibility to retire. We have approximately five and we calculated what that liability would be and that yields \$335000. We have those funds earmarked already and calculated an additional amount of \$183,000 to compensate for the possible pay out for two individuals in the next year. This would ensure that we would not have to fund this with a large sum in the future to keep us adequately funded.

DC Barry Ward stated that we have a little over \$2,500,000 for the personnel services this year; however, we have a higher overtime rate. Equipment is approximately 3% increase. DC Barry Ward

reported that he and Secretary Holzberger reviewed the contractual expenses line by line to determine what we have spent so far and we will go into further details shortly. DC Barry Ward stated that the Retirement rate is 18% for Police and Fire and 12% for Regular employees which is based on salary. We also have added the MTA tax which we must pay-estimate \$7963.00.

Workers Comp/VFBL-DC Barry Ward reported that the VFBL rate was originally estimated at a 25% increase; we have received notice that it has been revised to 6%. We left it at \$222,000 for now as we are having a premium audit on October 8, 2009 and we will have more information.

Social Security-DC Barry Ward stated that is determined by salary.

Other Benefits-DC Barry Ward stated that we combined in the line item Medical, Dental Vision in one line item.

Reserve Funds- DC Barry Ward stated that we can discuss that further. \$160,000 for Land & Building Reserve.

Hines stated that it would be helpful if DC Barry Ward indicated if the item is higher or lower.

DC Barry Ward ran through the line items as follows:

Personnel Service- up 8%

Equipment –up 3 %

Contractual and other-up 8%

Retirement-down 9%

VFBL/Workers Comp-down 1 %

Social Security-5.6% down

Medical –down 23%

Blanket Accident Policy-up 3%

MTA Tax is new this year

Total Budget is \$5,339,043. Which is a 6.6% increase from last year, however, with the reinvested of cash we project to be available, we only need to ask for \$4,945,543.00 there by keeping the increase at 0%. Hines asked where the \$400,000.00 comes from. DC Barry Ward explained that we estimated a cash spend rate of \$325,000 per month and projected that will continue we will have a residual of \$900,000 by March 15, 2009. DC Barry Ward stated that \$900,000 would be re-allocated and will have estimated \$393,000 cash. Some districts elect to use a tax anticipation note to get them through until their tax money arrives in March; we have not adopted that policy—we plan accordingly to prevent the need to borrow.

DC Barry Ward explained that regarding the Equipment Budget, we need to look at replacing scot paks. A high estimate for a scot bottle is \$6000. We need to plan replacing 20% of our scot paks per year and start our bottle replacement cycle over the next five years. We can keep this in mind during the budget modification process at the end of 2009.

DC Barry Ward stated that he did not calculate for additional staff at this point but we have time to do that. A fully burdened rate for a new hire is now \$78,421; dropping from last year at \$85,000. This was

primarily due to the change in medical. Average existing firefighter cost is \$157109. When we think about adding staff we know the cost.

Reserve Fund-DC Barry Ward stated that an addition of \$160,000 to the Building reserve will yield a balance of \$613,618. Apparatus Reserve has a balance of \$1,300,236.; \$375,000.,but we have a laid out replacement plan and we have options. DC Barry Ward stated that we have to be careful if we don't act on some items we can be criticized for having too much money –we have to balance out our spending.

Clearly we have room to purchase in the next years.

DC Barry Ward stated that we need to keep funds in the Building Reserve as although we may not have plans for a building; we can still have major repairs that could be needed such as roof replacements or boiler replacements. These costs can be hundreds of thousands.

DC Barry Ward stated that we are at 0 % increase; the only thing we need to be careful so as not have a spike of 15% in a future year. Hines asked regarding the Apparatus Reserve, if we do not purchase anything how much would we have. DC Barry Ward stated that we would have \$1,600,000. Hines asked why that would attract attention. DC Barry Ward stated that some organizations have large sums in the reserve. We have a documented replacement plan.

DC Barry Ward stated he could calculate what it would cost for hiring 1, 2, 3 and 4. Hines asked how that would impact overtime. Dc Barry Ward stated he does not know how to determine that as there are many variables.

Contractual Expenses-Secretary Holzberger reviewed the contractual expenses.

Office Supplies/Postage- 2009 Budget is \$12000 we have spent approx. \$6600

Travel/Training-2009 Budget is 58000 2010 \$58000

Uniforms-2009 budget \$6200 2010 \$60,000 this number was determined by the fact we may be purchasing class A's for volunteers. DC Barry Ward stated that the assumption for career staff is \$10,000 and funding for class A's for volunteers. Hines stated that seems like a high number. DC Barry Ward stated that the estimate for class A's that Ralph Francisco received earlier in the year was about \$35,000.

Public drills/Inspections- 2009 Budget \$10500 2010 \$15000 Inspection dinner and award plaques are funded by this line item. To date we have spent \$10599.90

Miscellaneous and Fire Prevention was a line item that funded fire prevention, physicals, and petty cash. To better identify expenditures we have broken this down to separate line items as follows:

Petty cash \$1000

Fire Prevention \$12000 Secretary Holzberger explained that we have never had a defined budget for this-fire prevention includes Safety Day, bike helmets and fire prevention materials for the schools.

A line item for miscellaneous remains at \$8000.

In addition, we have added a line item for Physical Exams \$8000.

Hines asked what is the cost and how many physicals do we do a year. DC Barry Ward explained that we have annual physicals for all members-that's approximately 60 members. Secretary Holzberger stated that cost is approximately \$400-600 per physical exam, as well as flu shots, hep B's, plus any return to duty physicals that may occur. Hines stated that \$8000 may not be enough. DC Barry Ward recommended \$28000 and the Board agreed.

Spending to date is approximately \$563,000.

Fire Training	2009 budget was \$52,200	2010 \$50,000	
Travel	2009 budget was \$8300	2010 \$8000.	
Association Dues	2009 budget was \$1970	2010 \$2000	
Publication of Notices	2009 budget was \$1500	2010 \$1500	
Fuel	2009 budget was \$21000	2010 \$18000	
R & S Buildings	2009 budget was \$158,000	2010 140,000	
Electricity	2009 budget was 50,000	2010 50,000	
Expendable supplies	2009 budget was 35000	2010 45000.	Funds medical supplies, O2
R& S Apparatus	2009 budget was 83000	2010 80,000	repairs to all vehicles
R & S Equipment	2009 budget was 15,600	2010 25,000	repairs to radios, small equipment.
Gas	2009 budget was 26,000	2010 26,000	unleaded gas and diesel
Fire Alarm System Maint.	2009 budget was 14,500	2010 5000.	Funds alarm monitoring of all three firehouses, mechanic's facility as well as annual inspections. Lower for 2010 because we no longer have to pay the monthly fee to Dutchess County for the CAD system.
Telephone	2009 budget was \$31,200	2010 20,000	funds cell phones, internet service for all three firehouses, basic cablevision for all three firehouses, and land lines for all district buildings. Note that cell phone bills are dropping due to lower priced plans, less cell phones in the District.
Premium on Treasurers Bond	2009 Budget \$8300	2010 \$15000	
This cost is considerably more as the bond is based on the most cash on hand during the year and number of individuals who may sign checks.			
Public Liability and Property Damage Insurance	2009 budget \$78,000	2010 \$75000	
This is the liability for District vehicles/apparatus and umbrella policy.			
Life insurance	2009 budget was \$41,600	2010 \$33,000.	Funds life insurance for volunteers and career staff
Legal and Audit fees	2009 budget was 36000	2010 \$60,000	funds fees for legal counsel, annual audit and payroll processing fees. To date we have spent \$35,999. In addition, we must plan for cost for actuary to assess benefit liabilities for retirees.

Records Management- 2009 budget was \$1040 2010 \$1000 funds expenses for records management, such as materials needed for storage of records as well as any training related to our records management program.

IT 2009 budget was \$20,800 2010 \$20,000 to date have spent \$11,669.
This funds our building of our computer infrastructure and service related to this.

Total budget for Contractual expenses for 2010 is \$810,000. Hines stated that he would like to review each of these line items in detail to be sure that we are getting the most bang for our buck. Canero agreed and stated that he came on board with the idea of doing that but soon realized that it is very time consuming and he just doesn't have the time. Hines agreed and stated if we could break it down to four or five items each we could try to manage it. Canero stated that we need someone to do this.

DC Barry Ward stated this is the proposed budget for 2010 with a 0% increase which we can continue to work on in the next couple of weeks.

Canero moved to accept the 2010 proposed Budget, seconded by Lantzky and when the Board was polled the vote was as follows:

Lantzky Aye Canero Aye Hines Aye Ziedan Absent Smith Absent

The motion was carried unan.

There being no further business, Canero moved to adjourn at 8:40 pm, seconded by Lantzky and carried unan.

Respectfully submitted,
Denise A. Holzberger, Secretary/Treasurer