

SPECIAL BUDGET MEETING – October 28th, 2013

A Special meeting of the Board of Fire Commissioners of Fire District No. 2, Township of Hanover, was called to order by Chairman Hansch at 7:32 pm on the above date at the Whippany Firehouse at 440 Route 10, Whippany, New Jersey.

Commissioners Present: Michael Mihalko, Ronald Barz, Julie Mihalko, Robert Cobane, and Henry Hansch

ABSENT: None

Also at this meeting were Chief Joe Cortright, Chief Jim Davidson and Vince Montanino, of VM Associates, Registered Municipal Accountant. His expertise as an accountant will be very helpful in aiding the Commissioners in reviewing the 2013 budget and setting up the preliminary 2014 budget.

At this time the Chairman read the following:

Pursuant to statute made and provided, let the minutes show that notice of this meeting was transmitted to the following newspaper; the Daily Record, and filed with the Clerk of the Township of Hanover and the Clerk of this board at least 48 hours prior to the call to order of this meeting.

The Chairman now stated that the purpose of this meeting was to review the present budget and set up the 2014 budget.

The 2013 Budget was discussed and gone over. There were no transfers to be made at this time.

We are looking at a making a budget for next year, keeping in consideration a 2% cap imposed by the state. The Chief's recommendations were also looked at.

TOP PORTION OF BUDGET:

The Commissioner stipends will stay the same.

The Fire Official line will go to \$72,000 – a 3% increase.

The Fire Inspectors line will go to \$245,000.

Overtime will stay at \$25,000

Assistant will stay at \$12,200

This makes the Top portion of the budget - \$366,000.00

BOTTOM PORTION OF THE BUDGET:

Employee Benefits - Increased to \$285,000.

Purchase of assets – Discussion took place

- Engine 81 still out. Lawyer looking through other cases similar to ours.
- AFG Grants coming out. Do we apply for a new engine? Can't hurt. If we get it, we need to pay 25% of the cost – Could be \$100,000.
- Radio System – Will be purchased soon.
- Shoot for Water rescue suits – approximately \$1,100 per suit and we need 7 or 8.

Bayer is buying us a Thermal imaging Camera.

So, Purchase of Assets – Using the top 3 of Chief's request list: Make \$50,000.

Other Rentals – Increase to \$72,000 / \$6,000 per month

Insurance Premiums – down to \$47,000

Joint Purchase Agreements – stays at \$35,000

Professional Services – Stays at \$20,000

Other Outside Services – Stays at \$1,500

Advertising stays at \$1,000

Promotion stays at \$3,000

Travel expenses stays at \$500

Membership Dues stays at \$5,000

Training & education stays at \$17,000

Reimbursement for expenses stays at \$28,000

Uniforms and personal equipment stays at \$5,000

Operating Materials & Supplies goes down \$10,000 to \$85,000

Utilities go down \$5,000 to \$30,000.

Office Supplies stays at 410,000

Maintenance & Repairs goes down \$5,000 to \$35,000

Uniform Fire Safety Act – Stays at \$35,100

Discussion of SURPLUS

- **\$578,000 - Surplus designated for New Firehouse** This amount is earmarked for "Construction of New Firehouse"

This is made up of \$328,000 from sale of house (330) + 250,000 that was in there already. Approved by voters.

In 2013, we used zero Capital Improvements. So it's all still in there - \$8000 which is undesignated at this time.

Also, leftover from the purchase of the rescue Truck in 2004 is **\$57,000** – which is **designated for acquisition of Fire Apparatus.**

The District used to put money into Capital improvement Fund for future outlays in case we needed a truck or other purchase.

We are adding a line item in the new budget to start saving for a new truck or whatever we may need down the road. It will be called “**Reserve for Future Capital Outlay**”. It will appear after LOSAP on the budget, under heading: Capital Appropriations. It was decided to add \$100,000 to that line item.

*That brings the **SUBTOTAL to: \$1,350,100.00**

At some point, the public would have to vote on how to spend the funds accumulated in there. For Fire Districts, it takes 2 years to be able to spend it. Say you put money in there in 2014, you’d have to hold a special election in 2014 in order to be able to spend it in 2015.

Chief Davidson said that the election could be at a special meeting.

The same goes for the general Surplus Fund which holds about a half million. We’d have to have a special meeting to hold an election so the public can vote on whether or not we can move the funds from general undesignated into a capital project.

We can’t add to the \$57,000 which is designated for a truck already, but we can add monies to our new line item and then we’ll have to vote to merge them when we are ready to buy a truck.

Chief Davidson said - Also, for a truck – Lease/Purchase options are out there right now. Pierce Manufacturing/Oshkosh will fund you at 2 ½ %. You can finance some and it’s an operating expense. Also have to get local finance board to approve it in Trenton.

Vince said we are better off trying to fully fund it ourselves. – Or starting to shift over some surplus to capital.

We moved LOSAP down \$9,000 to \$50,000.

If we are going to apply for a grant, we have to let Vince know.

BUDGET SCHEDULE

October 28th – today – Budget Workshop held. Vince has to get ratable and tax information from Silvio and will then plug in those numbers to see how much of the surplus we will be using.

Those numbers should be in by Nov 11th, which is the next meeting.

Oct 28th – Budget Workshop

Nov 8th – 12:00 p.m. lunchtime – quick meeting. Vote to adopt the budget.

Nov 9th – Bob Cobane signs it and mails 2 books to Trenton.

One will be mailed back to us.

Nov 11th – 1st Reading of the Budget - Adopt it with a Voice vote from absentees.

Dec. 9th – Adoption of the budget, contingent on Trenton having mailed approved budget back to us by then.

Dec 10th - After adoption, we send 2 more books down to Trenton and they send 1 back.

WEBSITE:

Vince will send past 3 audits to Henry for inclusion on the website.

The board thanked Mr. Montanino for his help.

Comm. J. Mihalko made a motion to adjourn the meeting at 9:08. Comm. Barz seconded the motion and the meeting was adjourned.

Respectfully submitted:

Janet Gant-Hammond

Board Secretary