

BUDGET MEETING 10-24-16

ACTION MEASURES:

- We need to write up an addendum to the Career Employees' contract regarding Article X – SICK LEAVE, LEAVE OF ABSENCE, AND PERSONAL DAYS. There is a cap of \$15,000 on monies that can be paid out.
- Paid men's contribution for health care. It should be 4% higher than it is. We may have to reopen their contract or put in an addendum.
- In November move money into Professional Services and Advertising. They are over budget.
- Old Business at Nov. meeting – Motion to write a letter informing anyone we are dropping from Life Insurance, that they will no longer be covered.
- New Business at Nov. meeting, - Motion to draft a Resolution that will take effect on Jan. 1, 2017 stating who we are covering for life insurance.
- Schedule a meeting to find out more about where the Company stands with the Bank, the contractor, the sale of the firehouse, the TCO, and the lawyers. We need more information.

SPECIAL BUDGET MEETING – October 24, 2016

A Special meeting of the Board of Fire Commissioners of Fire District No. 2, Township of Hanover, was called to order by Chairman Polo at 7:00 pm on the above date at the Whippany Firehouse at 440 Route 10, Whippany, New Jersey.

Commissioners Present: Michael Mihalko, Jim Kitchell, Julie Mihalko, Randy Polo & Derrick Shearer

ABSENT: None

Also at this meeting were Chief Joe Cortright 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 2016 budget and setting up the preliminary 2017 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 2017 budget.

Vince brought up the DCRP, (Defined Contribution Retirement Program) which he thinks is mandatory to implement for employees making over \$5000 / year and who do not qualify for PERS or PFRS. He said to bring it up with Samantha at Town Hall and she would help with it.

He also brought up that we should add an addendum to the Career Employees' contract regarding Article X – SICK LEAVE, LEAVE OF ABSENCE, AND PERSONAL DAYS. There is a cap of \$15,000 on what can be paid out on accumulated sick time according to the law. The men may be aware of that already, but it should be in the contract.

The 2016 Budget was discussed and gone over. There were no transfers to be made, at this time. At the November Commissioner's meeting, money will need to be reallocated to a few accounts.

Discussion took place about what number the tax rate will be – taking into consideration the 2% cap. It was decided that we would try to keep the same tax rate and not have an increase, if at all possible. Last year's rate went from 4.4 to 4.6%. Not 6% as some people have mentioned.

Mike stated that he would like to keep money for a new fire truck and also for anything we may need to purchase for our use in the new firehouse.

The Chief submitted his budget requests also. For the end of the year, we still have about \$23,000 pending in Repairs and Equipment.

We will introduce this budget at the November Commissioners' Meeting on 11-14.

TOP PORTION OF BUDGET:

The Commissioner stipends will stay the same.

The Fire Official line will go to \$81,920 – a 3% increase.

The Fire Inspectors line will go up 3% to \$268,000.

Overtime / Stipend will go to \$33,500

Assistant will stay at \$12,200

This makes the Top portion of the budget - \$401,020.00

BOTTOM PORTION OF THE BUDGET:

Employee Benefits – Stays the same at \$230,000

Purchase of assets – Will stay at \$116,000

Other Rentals – Increase to \$108,000 / \$9,000 per month

Insurance Premiums – reduced from \$112,000 to \$102,000

Joint Purchase Agreements – stays at \$5,000

Professional Services – Will stay at \$15,000

Other Outside Services – Will go down to \$15,000 from \$25,000.

Advertising will go up to \$1,500

Promotion will go down to \$5,000

Elections will stay at \$2,000

Travel expenses stays at \$500

Membership Dues stays at \$5,000

Training & Education will go down to \$15,000 from \$20,000

Reimbursement for expenses stays at \$30,000

Uniforms and personal equipment stays at \$5,000
Operating Materials & Supplies stays at \$75,000.00
Utilities stay at \$35,000
Office Supplies stays at \$10,000
Maintenance & Repairs will stay at \$45,000
Uniform Fire Safety Act – Will go up to \$38,000
LOSAP – will go down to \$45,000

This brings the budget to \$1,394,020.00
Amount to be raised by taxation will be \$1,066,020.00

Mike asked Vince to explain the PRIOR FUND BALANCE UTILIZED:

Summary: This is surplus money that we carried forward from year to year. It is \$336,000. It keeps our operating appropriations higher to keep a cushion that we may need. We used \$260,000 of that last year but will be replacing it. It also helps us keep the cap up there. You can bank the cap for 3 years. From 2014, we had \$100,000 cap levy banking. None was used in 2015 or 2016. We may have maxed out our levy.

We are starting 2017 with zero from the 2014 levy.

If we keep this year flat we'll have banking capabilities for 2018 & 2019.

We should try to reduce the \$260,000 Prior Fund Balance utilized.

Our rates:

2013	.04
2014	.042
2015	.044
2016	.046

How much do we have toward a new apparatus?

Vince said that by the end of 2017, we should have 466,000 toward the apparatus.

What do we need to buy a truck?

If we pay cash – we negotiate with the builder of the truck.

We put the question to the public the year BEFORE we buy the truck.

Question should read: We have \$407,000 in unrestricted capital improvement monies that we now want to designate for the use of purchasing a new fire truck. It will be paid for by _____. Whether it's cash or a Lease/purchase has to be disclosed in the question.

If it's a lease/purchase, we may have to run it by the Local Finance Board, although they are rubber stamping more and more items – mostly things that affect the public.

East Hanover wrote a grant and got most of their fire truck paid for.

Chief said that there are also some co-ops and the State price.

We may have to go out to bid otherwise.

Vince is looking for the amount the paid guys pay into their health insurance.

Mike replied that in the contract, it states that 20% of the premium will be paid by the guys and the District will cover the other 80%.

Vince said Samantha at Town Hall will know how to find the exact amounts.

At this time, Mr. Montenino left.

The subject of Frank DeMaio's request for us to carry his life insurance forward was brought up.

Randy pointed out that Frank had mentioned that we still carry Mike Vogt, who is no longer a member here, although he is exempt by the state.

The Board then discussed the matter.

After a discussion, it was decided that we will make a clean cut on January 1st.

Under Old Business at the November meeting, a motion will be made to send a letter will be sent to both men: "After reviewing our records, this is a program we are no longer supporting.....".

Also at the November meeting, we will make a motion to draft a Resolution under New Business. It will say that as of January 1st, 2017, we will only carry life insurance for active members in good standing, or whatever wording we decide to use.

Also brought up at this meeting, was the paid men's contribution for health care. It should be 4% higher than it is. We may have to reopen their contract or put in an addendum. Vince said that the rate stayed the same as it was.

Derrick brought up the fact that we need to discuss the new firehouse and our obligation in much further detail. It was agreed that a meeting with a representative(s) of the relocation committee is in order.

Meeting was adjourned at 9:00

Respectfully submitted:

Janet Gant-Hammond / Board Secretary