

**BUDGET MEETING 11-08-2022**

**10 Troy Hills Road Whippany 7:30 pm**

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A Special meeting of the Board of Fire Commissioners of Fire District No. 2, Township of Hanover, was called to order by Chairman Gethins at 7:30 pm on the above date at the Whippany Firehouse.

Commissioners Present: Cobane, Ehrich, Gethins, Quinn & Willans

ABSENT: None

Also Present: Chief Perrello

Objective was to review the 2022 budget and set up the preliminary 2023 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.

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Comm. Cobane pointed out some of the accounts that were over-budget at this time.

Professional services included the fees for the bonds which we were not aware of when we made the budget last year.

Paul showed the fees in his proposed budget for 2023.

After 2024, there will be no more fees for 81 as it will be paid off.

The ladder truck is a lease / purchase.

Comm Gethins – If we decide to buy another truck in a different year, we could then use the reserve money for that and ‘beat the game’ as the interest rates are now climbing again. We did the lease/purchase when the rate was 2% so that was good.

Pickup was a ballot question for the ladder and the pickup combined – not to exceed a certain amount.

We technically paid cash out for the Chief’s truck because we took money out of our capital budget – not our operating budget.

Comm Gethins mentioned that we should keep a spreadsheet delineating our costs for the merger. If it does go through, the state is reimbursing districts for some of those costs.

At this time, the Board went over the budget line by line. (See attached worksheet)

Chief has assigned line items for everything and made it much more inclusive so we can see what we spend more precisely.

## **ADMINISTRATION**

3004 – Janet’s salary and new person – Later moved to be \$25,000

3005 – Commissioner’s Salary – keep same

5012 – about 260 / month - Includes repair and maintenance, toner etc....

5013 – Office Supplies Drop to 10,000 – Later dropped to \$8000

\*\*Comm. Willans – hand out fuel vouchers instead of mailing them. Put up a mailbox system somewhere = like we used to have?

Paul – It becomes a catch-all. But maybe in mezzanine.

Easiest to hand them out at meetings, trainings, etc.

5016, 5017,

8205 went to \$10,000

8205A

Comm. Willans – Should be able to put notices on the internet – no one buys papers any more. It is a state mandated thing – any official thing.

## **COST OF OPERATIONS & MAINTENANCE**

3001 – 0

3002 – Person to replace Ian and a new person. Plus raises for 2023. According to their union contracts. After steps – get 3%.

What happens if we merge? We’ll have to discuss that then – with the unions and different contacts.

Gethins – After you get 600 hours, you’d be smart to cash in your 40.

Three people that it affects this year.

Sick time – Upon retirement, Union contract says we can get paid for 600 hours. If we accumulate 600 hours beforehand, we can cash in 40 hours at 75%, as long as you maintain your 600 hours.

Ehrich – In other words, you’re not using it.

Paul – Saves the district money because otherwise you can leave and say I'm not working the last year and just using all my sick time instead.

Ehrich – should be use it or lose it.

Paul – That's all up to negotiations with the new contract.

Quinn – It's also good to have it – I had saved up 9 months and it came in handy when I got sick.

Paul – Ian told him July for retirement.

4005 – Disability actually went down.

All the things marked in red are Man Lee's figures.

\$3500 are Man Lee's fees and then \$8000 for the audit.

She sets the state budget.

If we merge, we would save her fees being charged twice, but she may have to increase her fees based on the phone calls about the consolidation.

Gethins – Again, good to document all of our costs to merge and the state should reimburse us for some of it.

Rob – we could also pay it out of our joint account.

4001 – Health Benefits - She shows it as a net – minus our contributions – of 20%. That's with a new employee also for the full year.

4007 - Pension - again with new employee for a full year.

4009 – Long term disability seems to have gone down.

4012 – Comm Ehrich said payroll tax may be duplicated as line 4004 says social security and FICA. Line 4012 was later removed.

Comm Cobane said we could check into different companies for our workers comp and other insurance needs.

Could 1 agent do it all and do it well?

Comm Ehrich will check with someone he knows.

Paul said to see if he does government. A lot of them don't.

5001 Comm Ehrich said there should be no bank fees with all the money we keep there.

It was mostly 2 wire transfer fees to pay the Bond payments.

5004 – Leave same

5005 – Will audit bill increase?

5006 – Braslow – The more we drag on the consolidation, the more money we'll spend. What happens if the commissioners decide not to merge?

## SEGUE INTO DISCUSSION ABOUT MERGER

Gethins – well, we're trying to answer the questions. December, we have another meeting with the DCA. Then that will be huge.

Cobane – Then that night is the joint commissioners meeting. I can't be there, and neither can John. 6:30 at Cedar Knolls.

Quinn – As a whole, what is the overall feeling of it? Does it seem more of a yes or a no?

Gethins – People are looking at tomorrow – long term. Cedar Knolls has a weird feeling for it. We can't tell.

Paul – They're at a pivotal point right now. Chad is putting in his paperwork to retire. He will be leaving in March. If their commissioners start to hire a new chief, then that will be our answer.

Cobane – They're also looking into knocking down their building and building another one. Maybe ordering a ladder truck? It's all in the works.

Ehrich – So why are they looking at all that if we're going to merge?

Paul – They're just doing 'business as usual'.

Ehrich – We're not. Are we?

Cobane – Well, we ordered the ladder and the pickup.

Quinn – So what you're saying is it seems like we're a yes and it's more unknown over there.

Gethins – We have elections coming up. They may have new Board members also. We're trying to do the right thing here.

Cobane – They have an administrator on their staff who wrote a letter to the DCA with 54 questions. It was off the wall. We asked Comm Cornine about that and didn't really get an answer.

Paul – I don't think there's a negative hard no right now but still looking at the process so that if it does happen, we've already got things in place. Maybe aligning some of their scheduling with some of our scheduling?

Gethins – Talk of using an MOA (Memo of Understanding) to make 1 Chief across 2 departments after Chad leaves.

Quinn – We've been doing this for 20 years. I guess this is the farthest it's ever come. Now you get an election and change 3 or 4 people and we're right back where we were.

Gethins – Possibly

Paul – the Dec 1<sup>st</sup> meeting is a place to iron some things out.

Quinn – Yes but 2 of our guys won't be there and if some of theirs don't come, you're not really meeting with the 10 after all.

Gethins – the DCA meeting will help and then we sit down with all 10 of us. Our ultimate goal is to keep status quo – no layoffs / no cuts. We're not looking to do anything bad.

Paul – Hurry up and wait. Or we see what the DCA says – what kinds of suggestions they have for us, etc. Ask these hard questions.

Cobane – Our side is definitely working toward it.

Paul – We need to take the same attitude – business as usual.

## BACK to BUDGET DISCUSSION

5006 – Make it 30,000 – Look at invoices

5007 – Went to 1700 Can look at other places but their very responsive and help with problems

5011 – Postage – hand out fuel vouchers in person – dropped to 500

5020 – County dispatch

6000 is Operating Materials and Supplies

6001 – Gas Electric – 50k

6002 – Water Sewerage 3k

6003 – Property Insurance - \$23,500

6004 – Building – Storm water 1,200

6005 – Building – FAST fire alarm – 1,500

6006 – Building – Castle sprinkler – 4000

6007 – Building – Elevator – Schindler – 3,500

6008 – Building – Cleaning Services – 7,500

6009 – Building – HVAC – 5000

6011 – Building – Generator – 5,000

Gethins – asking if we run it. Cobane - Guy says our generator is oversized for what we need. Gethins asked if we've done a load bank test. Answer was yes – in fact, they transferred the whole building over - Paul is waiting for a response.

Gethins – in the event of losing power in the building, most people don't test to see if it works. In like a Superstorm Sandy, you could be In trouble.

6012 – Fire Alarm System - in twice - delete

6013 – Building – Cable / VOIP - Phone system / internet

6014 – Building – Vehicle Exhaust system repairs – 1,500

7000 – Vehicles

7001 – Vehicle Insurance – is half of our property insurance

Line 7003, 7004 & 7005 is our vehicle maintenance – Our current budget has them at \$50,000. We can always move those 3 around as needed.

7003 – Cars - moved to 5000

7004 – Ladder truck maintenance – 20,000

7005 – Pumpers / Rescue - \$25,000

7006 – All small engines  
7007 – Equipment Maintenance – PPE - \$2,000  
7008 – Oxygen - \$500  
7009 – Equipment Maintenance – Radios / Pagers \$500  
7010 – Equipment maintenance – Batteries - \$500  
7012 -Equipment Maintenance – SCBA - \$5,000  
7013 – Equipment Maintenance – Ground ladders = \$1000  
7014 – Air Monitoring equipment – 1000 Send out meters to be fixed  
7016 – Misc. Hydraulic Tools – 1000  
7017 - Misc. Maintenance supplies – 1000  
7018 - Fuel Apparatus – 11,000  
7019 – Extinguisher maintenance 750  
7020 – TIC - 500  
7021 – Maintenance – other – 1000  
7022 – Medical Supplies - 2000  
7024 – Equipment maintenance – hose testing / repair 1500  
8000 –  
8001 – Uniforms- Class B - 5000  
8002 – Testing Pumps 800  
8003 – Testing – Hose – 3000  
8004 – Testing – extinguishers 1000  
8005 – Testing – Ladders 800  
8200 – TRAINING  
8201 – Training – Classes 20,500  
8202 – Training – Supplies  
8401 – Physicals – new members – 3,500  
8601- Admin Code / Statutes – 200  
8602 – Trade journals – 100  
8603 – Other subscriptions  
8604 – ERS / Mobile EYES / Power DMS – 12,000  
  
9000 – Communication Equipment  
9001 – Radios Pagers 2000  
9002 – Equipment (non-bondable) Rescue equipment – 20,000  
9003 – Equipment (non-bondable) Fire equipment – 20,000  
9004 – Equipment (non-bondable) – PPE 25,000  
9005 – Equipment (non-bondable) – SCBA cylinders – 20,000  
9006 – Equipment (non-bondable) – Computer equipment – 3000  
9007 – Other (non-bondable) – 1000  
9100 – Reserve for future Capital Outlays – 150,000

Appropriations Offset with Revenue

3601 – Fire salaries offset with UFSA Revenue – 45,000

**DEBT Service –**

Principal – 410012.00

Interest – 218010.00

Fees – 7432.00

REVENUE – Outstanding registration fees are outstanding – some for years. We will get a percentage of the amount collected.

2001 – Fire alarms – 800

2002 – Fire Safety Rebate – 2197

2003 – Donations (903-905) – 5000

2005 – Interest – 1000

2006 – Rental Income – 133,000.00

2007 – EMS income

2008 – Local Fire Safety Registration Fees – 16,500

2009 – Stand-by Fire/EMS

2014 – Chapter 78 Employee Contributions

2010.1 Cap Bank Utilized

2011 – Permit Fees – 8,500

2012 – Fire Bureau Penalties – 3000

2013 – State Fire Safety rebates 45,000

Fund Balance Utilized –

Man Lee explained to Paul that we have \$293,916 in available cap bank.

2020 – 118,330

2021 – 139,436

2020 - 36,150

That's money not used in those years' budgets. Man Lee told Paul that if we don't use the money from 2020 this year, we lose it.

Where does it go? No one knows.

We can take that number (\$118,330) and put it in the line that says Cap Bank Utilized. Line 2010.1

That means less to be raised by taxation. We're still short and will raise amount to be collected by taxes from 84 cents to 90 cents.

Last year's tax amount was 1,927,258.00  
2% would be \$38,545

But Pension increase is outside of that as is the debt service exclusion – (17,564) which is the ladder truck that we don't have yet but have to pay. And with an increase in ratables of \$20,659.

Then the maximum allowable to be raised would be \$2,169,086 and we are under that at \$2,143,851.

Personnel Discussion took place in Closed Session at marker 1:35:33

Meeting resumed at hour 1:59:59

Training – add an additional amount to allow for EMS training. It's now at \$20,500. Difference is \$91.

Cobane – talked to Man Lee. At the end of this year, we'll have \$900k for Future Capital Outlays. We could have used this money to pay half of the fire truck or something but we didn't. We got a great rate anyway so that's done.

Gethins – But in 2 years, if we need another truck, we could pay cash. The interest rate will be much higher by then so that would be a good time to use it.

In order to be used, it has to be passed on a resolution, then be on a ballot and approved by the public.

Example is Chief would like to order new air packs. All of them could potentially be paid for by that money. Cost would \$250,000.

We'd need a notice in the paper 10 days prior to a meeting and then it would have to be on a paper ballot and be voted upon by the public.

One year we put away 250k. Last year was 150k.

Paul – You could even drop it further – only put away 100k.

Quinn – If it's just sitting there, why don't we use it?

Cobane - If we continue to save at this rate, next year would be over a million and in a few years when we need a new pumper, we could pay cash - no loan – no additional fees and interest.

Quinn – I say take \$50,000 and use it for something.

Cobane – we can certainly use some of it.

Gethins – I say use it for an air machine and new tanks.

Paul – We can let Man Lee run it both ways and see where we are. Leave 150 there or put it in and use it.

Cobane – Next year, we can have another special election if there's something we want to use it for.

We have 42 air packs now. Only looking to purchase 35. We don't have 42 interior firefighters. Manufacturer no longer supports these and we take parts off our extras to re-purpose our packs.

Quinn – What if this merger goes through? How many packs do they have over there? Do we even know? They could have none and now they get a piece of these.

Paul – So, before we merge, we'll just buy a new engine.

Gethins – It's still has to go to a vote – We're not 2 separate. Everything is for the benefit of the township. I say throw the air machine in also and go for the vote.

Cobane – There is potential for a grant for \$500,000 from DCA to help out with the merger. Can be used for anything – re-lettering the trucks, offset salaries, etc. The salaries would only be offset the first year so maybe use it somewhere else.

Meeting adjourned at hour 2:17:11

Transcribed on 11-14-22

Janet Gant-Hammond