



SOUTH HADLEY FIRE DISTRICT NO. 2

20 Woodbridge Street * South Hadley, MA 01075

Tel: (413) 534-5748 * Fax: (413) 534-5949

PRUDENTIAL COMMITTEE

The meeting was called to order by the Moderator at 7:15 pm as the Clerk informed him that a quorum was present. (42) The Clerk then read the preface of the warrant. All board members introduced themselves to the audience.

It is noted here that all articles were moved and seconded, although such is not recorded individually here within the minutes.

Article 1

It was moved that the District vote to hear and act upon the reports of the officers of the District and to give recognitions.

Prudential Committee Chair, Richard Constant remembered Timothy Fowler and Bill Chaffee and recognized them for their service as District Clerk for 25 years and 20 year firefighter, respectively. There was a moment of silence in their memory.

Ms. Selkirk was presented with flowers in honor of this being her last Annual District Meeting. She was recognized for her 30 years of service to District 2 as the Treasurer/Clerk. All District personnel and board members were thanked for their service to the District along with all the firefighters who give their service to our residents. Mr. Constant welcomed Barbara Miller as the future Treasurer/Clerk.

Chairman of the Water Commissioners, Frank DeToma took a moment to remember Pat Mullin for her many years of service as Water Department Collector, a moment of silence was held in her memory.

Motion accepted with a unanimous vote.

Article 2

It was moved that the District vote to raise and appropriate, and/or from departmental receipts, a sum of money for the Appointed Treasurer/Clerk Account, for the twelve month period beginning July 1, 2015. The sum of **\$34,339.00 to be raised by TAXATION** and the sum of **\$34,339.00 to be raised by Water Department RECEIPTS**.

Discussion: Mr. McKenna noted the line item allows sufficient funds for 40 consultation/historical research hours by the outgoing Treasurer/Clerk, Sandy Selkirk.

Motion passed with a unanimous affirmative vote.

Article 3

It was moved that the District vote to raise and appropriate, the sum of \$18,860.00 to be used for the Maintenance and Other Expenses of the Headquarters Building. The sum of **\$18,160.00 to be raised by TAXATION** and the sum of **\$700.00 to be used from FREE CASH.**

Motion passed with a unanimous affirmative vote.

Article 4

It was moved that the District vote to raise and appropriate the sum of \$2,000.00 to be used for the Capital Expenditures of the Prudential Committee. The sum of **\$2,000.00 to be raised by TAXATION.**

Discussion: Mr. Lak noted that the building needs repair and insulation work to prevent ice build-up over the bay window.

Motion passed with a unanimous affirmative vote.

Article 5

It was moved that the District vote to raise and appropriate and/or from Departmental Receipts, the sum of \$5,000.00 to be added to the OPEB Stabilization Fund as follows: The sum of **\$2,500.00 to be raised by TAXATION,** and the sum of **\$2,500.00 to be raised from Water Department RECEIPTS.**

Discussion: There was a question from the floor regarding the number of employees in each department and whether or not the split was fair. Ms. Selkirk noted there are more fire department personnel than water department personnel but further stated that on-call firefighters do not receive post employment benefits.

Motion passed with a unanimous affirmative vote.

Article 6

It was moved that the District vote to raise and appropriate and/or transfer from available funds, the sum of \$23,060.00 for the District Operational Services account as follows: the sum of **\$18,060.00 to be raised by TAXATION,** and the sum of **\$5,000.00 to be used from Free Cash.**

Discussion: Mr. Lak noted that the Prudential Committee is again funding Legal Fees with \$5,000 as the legal process with the Town of Granby is not yet resolved.

Motion passed with a unanimous affirmative vote.

Article 7

It was moved that the District vote to raise and appropriate sum of \$146,500.00 for the District Insurance Account for the twelve month period beginning July 1, 2015 as follows: The sum of **\$146,500.00 to be raised by TAXATION.**

Discussion: Mr. Constant noted the cost of health insurance increased by 1.5% from the Hampshire County Group Insurance Trust.

Motion passed with a unanimous affirmative vote.

Article 8

It was moved that the District vote to raise and appropriate and/or transfer from available funds, the sum of \$7,147.50 to defray the expenses of the Tax Collectors and Assessors of the towns of South Hadley, and Granby, incurred through the collection of taxes for the Fire District #2 and a sum of money for supplies used in those assessments and collections as follows: the sum of **\$7,147.50 to be raised by TAXATION.**

Discussion: Mr. McKenna thanked the Tax Collector and Assessors for their services.

Motion passed with a unanimous affirmative vote.

Article 9

It was moved that the District vote to raise and appropriate and/or transfer from departmental receipts, the sum of \$187,660.00 to be paid by the District Treasurer to the Treasurer Custodian of the Hampshire County Retirement System as follows: The sum of **\$126,891.00 to be raised by TAXATION**, and the sum of **\$60,769.00 to be raised by Water department RECEIPTS.**

Discussion: Mr. Lak pointed out that once the fund is fully funded, approximately 2030, our contributions will be greatly reduced.

Motion passed with a unanimous affirmative vote.

Article 10

It was moved that the District vote to raise and appropriate the sum of \$14,000.00 to be used as the Reserve Fund Account as follows: The sum of **\$14,000.00 to be raised by TAXATION.**

Discussion: Question from the floor asking why the Reserve Fund Account was being increased. Ms. Selkirk explained that the budgets were reduced and therefore it was necessary to increase the Reserve Fund to cover any unforeseen situations. The total reduction of departmental budgets was greater than the increase to the Reserve Fund. There was a further question from the floor regarding the proposed tax rate if all articles pass. Ms. Selkirk responded \$3.04 is the proposed tax rate if there are no significant changes in assessed valuation of

properties. There was an additional question from the floor, asking if there are any new firefighters. Chief Keefe responded that there are not any new firefighters.

Motion passed with a unanimous affirmative vote.

Article 11

It was moved that the District vote to authorize the Treasurer with the approval of the Prudential Committee, to borrow in anticipation of the revenue for the twelve month period beginning July 1, 2015, in accordance with General Laws, Chapter 44, Section 4, and acts in amendment thereof, and including in addition thereto, Chapter 849 of the Acts of 1969, as amended, and to renew any note or notes as may be given for a period of less than one year in accordance with General Laws, Chapter 44, Section 17.

Motion passed with a unanimous affirmative vote.

Article 12

It was moved that the District vote to raise and appropriate the sum of \$16,300.00 to be used for the Fire Prevention & Associated Expenses Reserved for Appropriation Account from Accumulated Receipts.

Discussion: Mr. Lak stated that this is the third year with this account, used for the purpose of funding fire prevention and education in our public schools, and inspection related expenses, such as: payroll, training, meeting attendance, equipment, educational materials and other code enforcement related expenses. Permit receipts have been funding this article since its inception and will continue to do so.

Motion passed with a majority vote.

Article 13

It was moved that the District vote to raise and appropriate and/or transfer from available funds, the sum of \$722,595.00 to be used for the Operations of the Fire Department to include paying Firefighters for time spent firefighting, at drills and other duties, and for leave with pay to incapacitated Officers and Firefighters as authorized by Chapter 41, Section 111-F of the Massachusetts General Laws. The sum of **\$722, 595.00 to be raised by TAXATION.**

Discussion: Mr. Constant stated that the payroll reflects a 1.5% increase as do all other payroll articles this year. Question from the floor regarding how the Operations budget could be lower if there were no fewer firefighters. Chief Keefe responded that the travel and training lines were reduced.

Motion passed with a unanimous affirmative vote.

Article 14

It was moved that the District vote to raise and appropriate and/or transfer from Departmental receipts, the sum of \$579,624.00 for the Operations of the Water Department to include insurances and wages as follows: The sum of \$579,624.00 to be raised by WATER DEPARTMENT RECEIPTS.

Discussion: Mr. DeToma stated that payroll line includes a 1.5% increase for all employees and step increases for two employees. The Water Department continues to share in various expenses for the utilities, along with the Prudential Committee. Question from the floor asking which projects have been completed and the plans for future projects. Mr. DeToma indicated that the Pearl Street project was complete and East Street was to be the next project.

Motion passed with a unanimous affirmative vote.

Article 15

It was moved that the District vote to raise and appropriate by transfer from the Water Systems Improvement Stabilization Fund, the sum of \$100,000.00 to be used for Water Systems Capital Improvements

Motion passed with a unanimous affirmative vote. (2/3 vote needed)

Article 16

It was moved that the District vote to accept MA General Law Chapter 41, section 41B allowing the Treasurer to make direct deposits on behalf of the employees, per their request.

Discussion: Ms. Selkirk stated that the practice of direct deposits had been instituted at the request of the employees but the District had never adopted the necessary MGL. This is one of several housekeeping articles whose purpose is to get the appropriate votes on the books excepting the local option provisions for practices which were instituted in the past.

Motion passed with a unanimous affirmative vote.

Article 17

It was moved that the District vote to authorize the Prudential Committee to defend all suits that may be brought against the District during the Fiscal Year 2016 and to prosecute all suits on behalf of the District, to engage counsel for same, and to settle such suits as they deem advisable.

Motion passed with a unanimous affirmative vote.

Article 18

It was moved that the District vote to raise and appropriate and/or by transfer from available funds the sum of \$40,000.00 to be added to the Fire Department Capital Replacement Stabilization Fund from Free Cash.

Discussion: Mr. Lak stated that with the expected replacement of at least one of the current engines, in the very near future, it is felt that we need to continue to fund this account for that impending purchase.

Motion passed with a unanimous affirmative vote.

Article 19

It was moved that the District vote to raise and appropriate and/or transfer from available funds, and/or from departmental receipts, the sum of \$106,500.00 for the payment of principle and interest on the District portion of bond that is for the Building Debt as follows: The sum of \$6,500.00 to be raised by TAXATION, the sum of \$50,000.00 to be transferred from Water Department Receipts, and the sum of \$50,000.00 to be used from District FREE CASH.

Discussion: Mr. Constant pointed out that this is our 9th payment on the 20 year bond. There was a question from the floor asking if this could be refinanced at a lower interest rate. Mr. Constant responded that unfortunately it could not.

Motion passed with a unanimous affirmative vote.

Article 20

It was moved that the District vote to allow the Prudential Committee or the Water Commissioners, or the Fire Chief, with the approval of the Prudential Committee, to apply for, accept, and expend any state or federal grants that may come available for Fiscal 2016 and/or to accept any gifts given to the District.

Discussion: Mr. McKenna read a statement provided by Mount Holyoke College. The statement indicated a cooperative attitude and expressed the College's appreciation for the District's "professionalism and commitment to excellence". Mr. McKenna stated that the Prudential Committee is negotiating with the college and anticipates a response in early September.

Motion passed with a unanimous affirmative vote.

Article 21

It was moved that the District vote to authorize the Prudential Committee to sell and dispose of any surplus personal property belonging to the Fire District.

Motion passed with a unanimous affirmative vote.

Article 22

It was moved that the District vote to raise and appropriate or transfer from available funds, the sum of \$5,000 to be added to the District Stabilization Fund. The sum of \$5,000.00 to be used from FREE CASH.

Discussion: Mr. McKenna stated that this Stabilization Fund is a non-specific savings for future use of the District as may be presented by the Prudential Committee. It requires a 2/3 vote to use these funds for expenditure.

Motion passed with a unanimous affirmative vote.

Article 23

It was moved that the District vote to appropriate by transfer from WATER DEPARTMENT SURPLUS, the sum of \$61,630.00 for payment of principal and interest for the Water Department Capital Expense debt.

Discussion: Ms. Bedard stated that this is the 9th payment on the 20 year bond. These monies are derived from the rental of space on the water towers for antennas.

Motion passed with a unanimous affirmative vote.

Article 24

It was moved that the District vote to appropriate, by transfer from Water Department Surplus, the sum of \$10,000.00 to be added to the Water Department Vehicle Stabilization Fund.

Motion passed with a unanimous affirmative vote.

Article 25

It was moved that the District vote to raise and appropriate from departmental receipts and/or transfer from available funds, the sum of \$35,000.00 to be added to the Water Storage Stabilization Fund as follows: the sum of \$15,000.00 to be raised by Water Department RECEIPTS, and the sum of \$20,000.00 to be transferred from WATER DEPARTMENT SURPLUS.

Discussion: Ms. Russell stated that in 2016 there will be an inspection of the second tank.

Motion passed with a unanimous affirmative vote.

Article 26

It was moved that the District vote to raise and appropriate from the Ambulance Receipts Reserved for Appropriations, the sum of \$30,675.00 to be used for payment of principle and interest on the Ambulance purchase bond.

Discussion: Mr. Lak stated that this is the fifth payment on a five year bond for the purchase of the new ambulance.

Motion passed with a unanimous affirmative vote.

Article 27

It was moved that the District vote to appropriate the sum of \$296,883.00 from the Ambulance Receipts Reserved for Appropriations for the operations of the District #2 Ambulance Service.

Discussion: Chief Keefe spoke of the increase to minimum wage and an additional increase mandated in the future.

Motion passed with a unanimous affirmative vote.

Article 28

(No Motion at this time)

Article 29

It was moved that the District vote to amend the By-Laws, by striking out the sentence, "The positions of chair and clerk shall rotate annually at a meeting following the District elections." to read as follows:

Article 1, Section 2,

- a. Members of the Prudential Committee shall serve for three years, the term of one member to expire each year. One member shall serve as chairperson, one as clerk, one as member.

Discussion: There was a question from the floor asking why the change was being recommended. Mr. McKenna explained that the position of chair is time intensive and not all Prudential Committee members wish to undertake the additional responsibilities of chair but they remain valued members of the committee and should be permitted to serve without the additional burden of serving as chair.

Motion from the floor to add the words: "by vote of then in office Prudential Committee" after the words "one as member".

Motion passed as amended with a unanimous affirmative vote.

Article 30

It was moved that the District vote to raise and appropriate and/or from departmental receipts the sum of \$6,000 for the purpose of paying an annual stipend to each of the three Prudential Board Members and three Water Commissioners then in office. As follows: \$3,000 to be raised by taxation and \$3,000 to be raised by Water Department Receipts. No other benefits shall be offered at this time.

Note: Under M.G.L. Chapter 32B Section 2 Part D Certain benefits may be offered to elected officials. No benefits are being offered at this time.

Discussion: Mr. Lak stated that it was the practice of the District to offer stipends to the Prudential Committee, Water Commissioners and Moderator in past history. At one point those officers elected to forego their stipends. Now, it is

proposed the practice be reinstituted. The moderator has chosen once again to forego any compensation. Mr. Lak stated that he personally is not in favor of this article. Several attendees spoke for and against this article.

Points made in opposition to the article by meeting attendees include: no justification for adding stipends when the fire chief was asked to cut his budget, a prior P.C. member stated that it had been discussed in the past but it was decided that the money could be used elsewhere in the budget, another prior P.C. member stated the elected positions are held in service to the District not for compensation.

Points made in favor of the article include: Mr. McKenna stated that it is not about the money but for the future of the P.C., Mr. Constant added that no one serves for the money but there are many people working two jobs to support their families and adding a stipend to this position might promote new blood to the Prudential Committee. Attendees added that with the stipend maybe more people would run for the positions, this is a small amount and doesn't take away from the overall budget; it's a way of saying thanks to the members whose service we value.

Motion passed with a majority vote.

Article 31

It was moved that the District vote to transfer the sum of \$70,773.07 from the Water Department Capital Receipt Revenue into the Water Systems Improvement Stabilization Fund. (This amount of money shall be the receipts received from July 1, 2014 through and including April 30, 2015.)

Discussion: Ms. Selkirk stated that these monies were being transferred monthly prior to recommendation by auditors to transfer as a lump sum at time of District Meeting.

Motion passed with a unanimous affirmative vote.

Article 32

It was moved that the District vote to return the unspent balance in the Water Systems Capital Improvement Account back to the Water Systems Improvement Stabilization Fund. Note: Balance as of 4/30/2015 is \$17,117.22

Motion passed with a unanimous affirmative vote.

Article 33

It was moved that the District vote to accept M.G.L. Chapter 32B, section 9A1/2 allowing for the reimbursement to a governmental unit for healthcare premium contributions received by retirees with creditable service attributable to service in one or more other governmental units.

Discussion: Ms. Selkirk stated that accepting this section of M.G.L. Ch. 32B allows for other communities where our employees worked previously to share in benefits cost for retirees.

Motion passed with a unanimous affirmative vote.

Article 34

It was moved that the District vote to accept M.G.L. Chapter 32B, section 9B allowing for continuation of insurance coverage by spouse after death of employee or retired employee for group premium for hospital, surgical, medical, dental and other health benefits.

Discussion: Ms. Selkirk pointed out that the District has been following this policy and presently pays this under our insurance article. This vote is to have an official record of acceptance of M.G.L. Ch 32B Sect.9B on file.

Motion passed with a unanimous affirmative vote.

Article 35

It was moved that the District vote to accept M.G.L. Chapter 32B, section 9D1/2 allowing the District to pay in addition to the payment of fifty percent of premium costs payable by the surviving spouse of an employee or retired employee for group general or blanket hospital, surgical, medical, dental and other health insurance pay an additional or subsidiary rate.

Discussion: Ms. Selkirk stated the District pays 75% and this is another housekeeping article to have a record of this section of the law having been accepted by District Meeting.

Motion passed with a unanimous affirmative vote.

Article 36

It was moved that the District vote to accept M.G.L. Chapter 32B section 9F providing for district to provide five (5) thousand dollars of group life insurance and zero (0) dollars of accidental death and dismemberment insurance for a retired employee in lieu of two thousand dollars of group life insurance.

Discussion: Ms. Selkirk stated that the increase was done some years ago by a vote of the Prudential Committee to increase life and accidental death from \$2,000 to \$5,000 but amounts for retirees were not clearly established as was being practiced.

Motion passed with a unanimous affirmative vote.

Ms. Selkirk thanked the district meeting attendees for their many years of coming to meetings and participating in the democratic process and reminded everyone that elections will be June 10th.

A request was made from the floor that all fire fighters and water department employees introduce themselves.

Chief Keefe thanked recent retirees: Asst. Chief Selkirk for his 34 years of service to the District and Fire Fighter Michael Pawlishen for 25 years service and for bringing his three sons in to serve the District also.

Meeting adjourned at 8:36 pm

Respectfully submitted,

Sandra Selkirk

Balance in Various Accounts as of March 31, 2015

	Balance <u>03/31/2015</u>	Proposed Amount <u>to be Used</u>
FD Capital Replacement	\$415,292.11	
Stabilization (regular)	\$36,966.52	
OPEB Stabilization Fund	\$38,138.49	
Land Acquisition Stabilization Fund	\$19,289.60	
Water Operations	\$357,964.99	
Water Systems Improvement Fund (WSIF)	\$46,691.69	\$100,000.00
Article #31 transfer to WSIF	\$70,773.07	
Article #32 transfer to WSIF	<u>\$17,117.22</u>	
WSIF Balance after Articles 31 and 32	\$134,581.98	
Tank Replacement Stabilization Fund	\$169,786.85	
WD Vehicle Stabilization Fund	\$92,204.87	
District Free Cash	\$143,438.00	\$100,700.00
Water Surplus Cash	\$142,845.78	\$91,630.00
Ambulance Receipts Reserved	\$330,565.38	\$327,558.00
Fire Prevention & Associated Reserved	\$19,353.95	\$16,300.00