



## PRUDENTIAL COMMITTEE

### FIRE DISTRICT #2

20 Woodbridge Street, South Hadley, MA 01075

Tel: (413) 534-5748 - Fax: (413) 517-6054

February 19, 2019

#### Prudential Committee Meeting

Convened: 6:00 p.m.

Adjourned: 7:30 p.m.

#### Present:

Prudential Committee Chair: Kenneth McKenna

Members: Richard Constant and James Menard

South Hadley District #2: Chief Scott Brady

Asst. Chief Todd Calkins

Treasurer Barbara Miller

#### Others Present:

Brian Fay

Sam Lemanski

Pat Davis

Chrysanthi Gavagan

John Moriarty

Scott Libby

Sam Bernash

Ken LeBlanc

Kim Prough

Meeting called to order by Chairman McKenna

Chairman McKenna announced that the Fire Chief has informed him that the meeting will be recorded via an audio and video recording device.

Payroll and Vendor Warrants were reviewed by J. Menard and R. Constant. Per Sections 57-58 of the Municipal Modernization Act and PC vote of 12/15/2016 warrants were previously approved by K. McKenna PC Chair.

J. Menard made a motion to approve the minutes of January 8, 2019, motion seconded by R. Constant. The motion passed with a unanimous vote.

Chairman McKenna stated that he would allow questions for a few minutes before they begin the budget review.

- K. Prough asked where and when the election was to be held. B. Miller responded that it would be held at the high school on April 9<sup>th</sup>. K. Prough asked if we have the machine for the election. B. Miller stated that the tabulator had been ordered.
- Chief Brady requested a Fire Engine be included on the annual District meeting warrant. Stating that maintenance costs will likely be more than the engine is worth, he strongly urged the PC to consider replacing E4
- K. McKenna asked T. Calkins about the light in the garage. T. Calkins said that a RON high bay 1800 lumen light was borrowed from the equestrian center and temporarily installed. He stated the lighting is much better and less costly. He requested approval to replace all the lights in the bay. The cost for the fixtures is \$450 with an additional \$150 in ancillary expenses. The work will be done by FF/EMTs M. Cote a licensed electrician, M. Bourbeau and S. Libby.

R. Constant made a motion to purchase and install RON high bay 1800 lumen light and incidentals with up to \$650 to be transferred from the Reserve Fund to the PC Maint and Misc account. J. Menard second. The motion passed unanimously.

- K. McKenna stated that he would begin negotiations with Mount Holyoke College in July for continuation of the annual donation to the equipment gift account.

#### Budget Review

B. Miller, Treasurer provided a detailed review of the Prudential Committee portion of the budget.

- The payment to Hampshire County Retirement System (HCRS) had a 7.7% increase, which is based on the aggregate salary report provided and discussed at a previous meeting.
- Health and dental premiums stayed the same. Due to changes in coverage, there will be payments to the employees of 25% of any savings in premium created by the changes to insurance benefits as required by MGL Chap. 32B Section 21 & 22. This expense is offset by changes in enrollment with a net change to the budget of -1.72%.
- The legal line item was doubled to have funding for preparation of an RFP for the Elmer Brook property.
- The audit expense increased 25%, per T. Scanlon there are additional reporting requirements.
- The largest increase in the budget is the OPEB line which has been increased to \$26,910. Based on the report from Odyssey Advisors, page 25, this is the annual recommended contribution, if the recommended payments are made each year, we will be fully funded in the year 2045. B. Miller strongly recommends fully funding; each year that passes without making the full annual recommended contribution, increases the unfunded liability.
- B. Miller stated that she had researched cost of living data stating that Social Security COLA for 2019 was 2.8%. The Mass. Commissioner of Revenue used a 2.0% COLA additional allowance for Clause 41C exemptions. The Bureau of Labor Statistics consumer price index (CPI) increased 1.9% over the last 12 months for the all items index before seasonal adjustment.

R. Constant asked B. Miller if there were any areas of the budget which could be reduced. B. Miller stated that most items in the PC budget are beyond her control and the other items are based on current and prior year expenditures. K. McKenna stated that they would not make a determination on COLA this evening.

K. McKenna stated that the fire and ambulance budgets would be reviewed at the next meeting.

The next regular Prudential Committee meeting will be Tuesday, February 26, 2019 at 6:00 p.m.

Respectfully submitted,

Barbara Miller, Treasurer

Minutes approved \_\_\_\_\_