Kingston Fire District
Finance Committee Meeting
March 4, 2010

Call to Order: Lori Horton called the KFD Finance Committee Meeting to order at 9:15 a.m. Present were Vern Wyman, Bob Drapeau, Nate Barrington, and Tom Vignali.

Minutes Approved

The members present reviewed and approved the minutes of the last meeting, 2/25/10, as drafted.

Budget Discussion

Vern Wyman noted that URI is interested in (1) seeing that former projections of capital expenditures (in prior budgets) were on track, (2) tracking URI's share vs. the taxpayers' share and maintaining equity between the two parties, and (3) that the capital reserves are appropriate.

Operating Reserves: GAO recommends an overall reserve of 5-15% of the fund balance. We currently carry three reserve funds – building, equipment, and operating reserves. The building and equipment reserves fluctuate based on the projected expenditures. The operating reserve was $91K at 6/30/09. That amount has to cover all expenses until the URI check is rec'd and/or taxes are received (beginning in November). Last year the URI check was rec'd on August 7, but the contract with URI stipulates the full year's funding will be paid to KFD in July. Vern stated that if we invoice URI in mid June we should be able to have the check in early July this year.

It was agreed between all parties that the KFD operating reserve should be 15% of the annual budget (enough to cover July and August expenses).

Building and Equipment Reserves: There was discussion regarding the "Future Expected Capital Expenditures" schedules (for building and equipment) that Tom distributed. Tom noted that although the schedules show expenditures through 2016, he has fine-tuned the first five years only; he believes that beyond five years the numbers become too much of a guess to be meaningful.

It was agreed between all parties that all truck replacements will be made per NFPA standards (15 years for most trucks), and that they will all be acquired via lease purchase.. Therefore, we will take all truck down payments out of our planned capital expenditures schedule and will budget the lease payments in the general budget.

Regarding the ladder truck replacement, Nate noted that we should develop a memorandum of understanding between KFD and URI to replace the ladder in "_X_" years. A new ladder is expected to cost around $800K and will take two years to build, so we need to start planning for that in the upcoming year.

The Wardens will review the operating budget at their next meeting on March 11. We will plan to meet again on March 18 to discuss the ratio of URI to Taxpayer contributions and to finish discussion of the capital and budget line items. The 2010-11 budget needs to be finalized and approved by the Warden's at their March 25 meeting.

Next Meeting

The next meeting will be Thursday, March 18, at 9:00 a.m.

The meeting was adjourned at 11:00 a.m.