

Chepachet Fire District

Executive Committee – Monthly Meeting

April 24th, 2013

The Chepachet Fire District monthly meeting was held at the Chepachet Fire Station on Wednesday, March 20, 2013. Chairman Earl Newman called the meeting to order at 6:02 pm. Members present were Robert Lohr, Lynda Martone, George Leonhardt. Also present were Treasurer David Steere, District Clerk/Secretary Darlene Shields, Chief Robert Dauphinais and Deputy Chief Dennis Huestis and Tax Collector Patricia Svansson. Absent was Eric Croft.

Secretary's Report:

All members have received copies of the minutes for March 20th, 2013 monthly Meeting for their review. Motion made by Mrs. Martone to accept the minutes as presented, second by Mr. Leonhardt and passed 4 – 0.

Tax Collector's Report:

Mrs. Svansson gave an update as to the 177 warning letters she had sent out. Those letters were mailed out on the 8th of April. There has been a good response and has received payments in full or many have been removed from the list.

Mrs. Svansson is looking for the board to decide on which company they would like to use for the upcoming tax sale. She provided the board with 2 company's rates. Bridget is someone who the District has used in the past. Eric Carlson was used at our last tax sale. Mrs. Martone asked Mrs. Svansson her recommendation. Mrs. Svansson asked that the board make the decision. Mrs. Svansson does feel very comfortable going with the company Jane at the Town Hall is using – which is Glen Carlson and is the company that was used at our last tax sale. Kim in Harmony and Angie in West Gloucester have both indicated they most likely will be also using Glen Carlson.

Mrs. Martone made a motion to use Glen Carlson as the Attorney for our Tax Sale, second by Mr. Lohr and passed 4-0.

Mrs. Svansson will contact Mr. Carlson via email to set a date for the tax sale. It looks like October is when the Tax Sale will be held.

Motion made by Mr. Lohr to accept the Tax Collector's Report, second by Mrs. Martone and passed 4-0.

Treasurer Report:

Mr. Steere presented the Treasurer's Report for April 2013 and we are well within our limits for where we are through the year. So far we are \$147,000 under Budget with Incentive to be a major expense coming

up in June.

Last page of report shows \$691,000 funds of which \$311,000 is dedicated and leaves \$379,000 in operating funds. 3rd Party generated a little over \$16,000 last month.

Motion made by Mr. Leonhardt to accept the April 2013 Treasurer's Reports as presented and to pay the monthly bills, second by Mrs. Martone and Passed 4-0.

Chief's Report:

Chief Dauphinais read and submitted the March 2013 Chief's Report to be placed on file.

Motion made by Mr. Leonhardt to accept the Chief's Monthly Report for March 2013, second by Mrs. Martone and passed 4-0.

Committee:

Old Business:

1. Investing Options: Tabled until 630pm

New Business:

1. Meeting Date for Canvassing the Voter's List

Mrs. Shields contacted Attorney Craven and sent a copy the by-laws to question on when the meeting to Canvas the Voter's List can be held. In the past this meeting had been held on the Saturday Prior to the Annual Meeting at 8am. Board Members had questioned as to having the meeting at a more convenient time and day for next year. Mrs. Shields read the By-laws and they state that as long of the meeting date, time and location to Canvas the Voter's List are advertized along with the Notice for the Annual Meeting in the same Ad that the Canvas the Voter's List Meeting can be held at the board discretion. Mr. Craven did confirm that if the board wanted to hold the Canvas the Voter's List Meeting prior to May's Monthly Board Meeting it needed to be advertized with the Annual Meeting.

Chairman Earl Newman and Board members agreed to have the Canvas the Voter's List Meeting on May 15th at 6:15pm prior to the Monthly Executive Board Meeting.

2. Proposed 2013-2014 Budget:

Mr. Steere presented a proposed budget for fiscal year 2013/14. Mr. New questions why the account shows positive vs. negative. Mr. Steere mentioned that's it's shown in accounting terms. Mr. Steere noted some accounts that were increased and decreased. Mr. Steere, Chief and Mrs. Shields did sit down and go over each line item.

Overall the Budget is going down. The biggest decrease will be the banquet line item. There was an extra \$10,000 for the 100th Anniversary that will go back down to \$3,500. Mr. Steere did go through each line item that was either decreased or increase and as to why.

Overall the Budget will be lower than last year. Mr. Steere presented the budget with and without a 3% pay increase.

Budget without pay increases \$507,747 – Budget with 3% pay increases \$509,975.

Mr. Steere addressed the fact that there is no truck investment built into this budget. Mr. Steere feels that come next year see where the 3rd Party Funds Account Balance is and make a motion near the end of the fiscal year to move funds in excess into truck investment. Amount will be based on 3rd Party revenue received by that time.

Chief also indicated in meeting with Mr. Steere a change in the Scott Air Packs line item needs be to look into again. Originally he thought the Air Packs were going to expire and needed replacement within the next 2 years. The Scott Air Packs have been looked at again and the expiration is not until 2018. Chief would like the funds that were slated for the Scott Air Packs to be moved to Fire Gear (Turn Out Gear) do to the turn out gear is in need of replacement. NFPA states that Gear is only good for 10 years and a lot of gear is older than 10 years. Mr. Steere questioned to making the Scott Air Packs to zero

and move all those funds to Turn Out Gear. Turn Out Gear would then be \$14,500. Mrs. Shields will make the adjustment to the proposed budget.

Mr. Newman stated that the board members would take the proposed budget under advisement and budget to be approved at next month's meeting.

3. ID Cards:

Chief mentioned he was doing ID Cards for the members of the department and if any of the board members would like an ID card to fill out the form provided. Mrs. Shields has pictures from the 100th Anniversary of anyone. If anyone getting an ID card would like to use another picture please submit to Mrs. Shields.

OLD BUSINESS:

1. Investing Options

Mr. Steere introduced Eric Tunstall from Citizen's Bank. Introductions were made. Mr. Steere had met with Eric in March to discuss investing options for the District.

Mr. Tunstall expressed that Mr. Steere had made it clear that the district was looking to invest funds without taking any unnecessary

risk and to be conservative with the investment. Mr. Tunstall presented an investment options that consists of mainly US Treasuries. Mr. Tunstall expressed that for all intensive proposes it is 100% safe. He mentioned there were some other corporate bonds involved as well and that the portfolio shows the investment company and their strategy. This investment option is the lowest risk possible with

This investment option allows the District total control and access to the funds. Mr. Tunstall discussed the past 10 history of the investment option and that information are provided in the packet he provided to all present. There was only year that was negative which 1994 was. There are better years then others but overall this is a safe investment with gives consistent dividends returns. Mr. Tunstall explained that the interest rates are lead by the stock market. If the Stock Market is doing well people tends to not invest the US Treasury's however when the market is not doing well people tend to move back into the Treasury's and the interest rates increase. The bonds are back by the US Government. There are no charges for transfers. There is an annual fee of 1% once a year which is base on the assets in the account which is the net of the interest shown in the portfolio.

Mr. Lohr questioned if there was a stop gap and Mr. Tunstall said the investment company has a stop gap in placed as well as Citizens has their own stop gap. The investment company asked that the District

try and make a 1 year commitment so that you can get a full year benefit from the investment. Mr. Tunstall did mention that there is still risk as there is in any investments but this offers the lowest risk possible with the chance of a good return. Mr. Tunstall will be the District main contact with the investment however the District is also able to deal directly with the investment company if needed. Meeting will be schedule 2 times a year for review purposes.

Mr. Tunstall also provided information on Municipal Bonds Investment Options with the yield being around 1.75% and the funds will be tied up for a set amount of years compared to 2.5% as an average with the 1st option. Information was left on all investment options for the boards review.

Minimum amount to open account is \$150,000. It can go below that amount but to open it will need to be a minimum initial investment of \$150,000. Additional deposits need to be a minimum of \$1,000 or more.

The funds are fully insured through the Securities Insurance Protection plus it has the full backing of the government of the treasury side of the investment.

To open the account the District would move funds into one of the current Citizens accounts and those funds can be transferred into the new investment account. Statements would be mailed either

quarterly or monthly varies depending on activity.

Mr. Newman thanked Mr. Tunstall for his presentation and the board will discuss all options this at the next month's meeting.

Mr. Steere recommended all board members to read through the information and research the company. Mr. Steere stated there is enough money in the PIP account that can be moved to open this investment option up without touching the \$200,000 in the Money Market at Navigant. He feels that the board can either consider this kind of investment or maybe increase the Money Market at Navigant to \$250,000 by adding an extra \$50,000 which is earning 1.75%. Anything over \$250,000 is not insured. The difference in the interest rate is around 2% more which could yield a possible additional \$4,500 in interest.

Mr. Steere also mentioned the option to pay off the loan for the New Truck which is at a 3.5% interest rate. Mr. Steere went to Mr. Tunstall for the safest investment option with little risk and the portfolio presented with US Treasuries is the option he presented.

Mr. Leonhardt is looking to make the best decision for the Tax Payers and still keep the money safe. Mr. Newman asked everyone to research and read through the information to be discussed at next month's meeting.

New Business:

1. Station Lights: Rise came in to survey the Station and Back building as to the savings that the district could save by

The cost to redo all the lights would be around \$9,000. It would take 8 years to recoup that money based on the saving.

Mrs. Shields explained that there would be an annual savings of \$1100 which would take about 8 years to see a return on the cost of the project. Mrs. Martone questioned the cost of the light bulbs vs. savings. Chief mentioned that some of the light bulbs cost \$80.00 and up to replace. Chief is going to contact the Town Hall and Police Station as to what they paid.

The next monthly meetings will be on May 15th, 2013 at 6:15pm to Canvas the Voter's List and 6:30pm the Monthly Meeting at 6:30pm.

With no further business at this time, motion made by Mr. Lohr to adjourn, second by Mrs. Martone and passed 4-0. Meeting adjourned at 7:03pm

Respectfully submitted, ~~~~~

Darlene L Shields

Darlene L. Shields

District Clerk / Chepachet Fire District