

COVENTRY FIRE DISTRICT
MEETING OF THE BOARD OF DIRECTORS
IN PUBLIC SESSION

May 11, 2016

A meeting of the Board of Directors was held on Wednesday, May 11, 2016 at 6:30 P.M. at the Anthony Fire Station, 571 Washington Street, Coventry, Rhode Island.

The Agenda having been properly posted in accordance with the provisions of the Open Meetings Act (a copy is attached hereto as Exhibit A). Chairman Perra called the meeting to order at 6:35 P.M.

The roll was called and the following Directors were present: John Cook, Frank Palin, Brenda Raposo, Chairman Perra, and Ahart. Also present were Frederick G. Tobin, Esq. the District's Solicitor; David P. Krekorian CPA, MST, the District's Treasurer; Robert Catalfamo, the District's Tax Collector and Clerk and Robert Warren, the District's Interim Chief.

It was unanimously MSV to enter into executive session for the purpose of discussion pursuant to RIGL 42-46-5(a) (1) & (2) and specifically items (3) (a through i) on the agenda.

Executive Session

Recess from Executive Session and reconvene in Public Session at 7:40 P.M

The Board and public recited the Pledge of Allegiance to the flag of the United States.

Interim Chief Warren explained the emergency evacuation procedures.

It is unanimously MSV to seal the minutes of the Executive Session.

Solicitor Tobin explained the votes which were taken in Executive Session as follows:

- Contract changes that were agreed to by both the Union and Board with respect to a number of different areas.
- Motion to settle a matter that is subject to acceptance by a third party, not to be announced at this time
- Salary was set for tax collector / clerk set for the balance of fiscal year at \$42,500.00/per annum

It was unanimously MSV to approve the previous meeting minutes for both Regular and Executive Session.

Surplus / Unused Equipment – Chief Warren

- Pick-up truck sold for \$4500.00
- Fire Marshall vehicle sold for \$300.00
- Engine 2 not sold as there are no interested parties at this time

Treasurer Krekorian asked about the surplus land. Chairman Perra explained that approximately sixteen (16) acres of land on Hilldan Street was donated to the District by its original owner. Several realtors have looked at it. The property is land-locked, is not in a viable location also most of it is wet. Dave Krekorian asked when it was donated and what the value of land was for audit purposes. This matter will have to be researched.

Tax Collectors Report- Rob Catalfamo

- Year to date collections are \$ 1,426,338.07
- Represents 53 % of 2016 taxes due
- 2016 collections by quarter are: Q1 86%, Q2 75%, Q3 26%, Q4 25%
- Approx. \$57,000.00 in old taxes are still outstanding (of which approx. \$7,000.00 are from properties currently deeded to District from previous tax sales).

Treasurer Krekorian would like to show percentages of collections by quarter comparing last year to this year. Tax Collector Rob Catalfamo does not have quarterly breakdown however collections year to date stand at 53% collected versus 52% collected same time last year.

It was unanimously MSV to accept the Tax Collectors Report.

Treasurers Report – Dave Krekorian

- Working with auditor
- Auditor suggest the adoption of a Fixed Asset Capitalization Policy (Exhibit B)
- Auditor is looking for history information on the acquisition of land and the Station, Chair Perra offers some information on the fire stations and its additions / improvements. Original building built around 1900-1910, front section added 1925. Second floor was added in 1974, third floor was added in 1980.
- Various reports need from Tax Collector for audit
- Audit engagement letter needs to be signed by Chair
- Monitoring cash flow closely, for next meeting, remainder of year to schedule out by month to give a better idea of where the district stands financially.
- 2016/17 Budget to start maybe next month
- Old medical bill outstanding from Care New England for service in Dec 2014, bill received in March 2016.
- Quarterly report due to State in May
- Proposed rate increase for Kent County Water

- Distribution of Balance Sheet & Profit / Loss YTD to Board

Chief's Report – Chief Robert Warren

- Monitoring assistance calls from West Warwick
- New meters needed (under \$1,000.00)
- Cleaning of premises continues, dumpster on location
- Rescue 2 to need tires
- Monitoring oil leak on engine

Director Raposo asked for a percentage of calls that are answered for West Warwick, Chief reports seventeen (17) calls out of one hundred forty-nine (149) for the month of April. Chief Warren has spoken to Chief Baris. Chairman Perra added that historically, Coventry Fire District responds to West Warwick calls approximately 150-200 times per year.

It was unanimously MSV to accept the Chief's Report.

Ad Hoc Committee-Ed Shannon

- Floor support framing work complete, balance of bill due
- Sub Floor removed
- Plywood floor needs to be purchased from Coventry Lumber

New Business- Chair

A. Invoices. (Chair)

- Chairman Perra wants all board members to see invoices from the Solicitors and Treasurer before they are approved.

B. Filer System (Director Cook)

- Venting System has been an issue for at least two contracts

Director Cook discovered that unlike the Plymovent System currently used at the Central Coventry Fire District, an alternative exists called the “Ward Diesel Filter System”, a self-contained system mounted to and activated by the vehicle itself. Director Cook explained the differences between the two types of systems offered by this company as the District would have to invest in both (as vehicles manufactured after 2007 require a different filter). A sales

representative has quoted Director Cook a cost of \$27,000.00 for all three vehicles. This system meets all requirements necessary. Financing options are available. Discussion topics include

- Suggestion that the sales rep come down and speak with the Chief and mechanic for CFD and check compatibility
- Compare prices of Ward Diesel and Plymovent systems
- Check with the Union as the contract calls for Plymovent
- Check around with other stations that are currently using the Ward Diesel System for opinions / reviews.

Tax Sale – Director Palin

- Sale worked well last year
- Currently approx. \$270,000 in outstanding taxes

Mr. Tobin advised Mr. Palin that State law states if you go three (3) years with uncollected taxes and then the property is sold, you cannot collect the taxes as a lien on that property any longer. You can sue the previous owner for the debt; however there is no longer an automatic lien. Mr. Tobin explained that the biggest concern is that the District should not let uncollected taxes go unpaid for longer than three years, and ideally a tax sale should be scheduled every year or two years, for those who are approximately a year old. Mr Tobin suggested a second tax sale for those who break payment agreements with the tax office.

Discussion topics include

- Treasurer stated the District needs to collect 95% of 2016 levy and 100% of outstanding taxes
- Date of tax sale, before the new fiscal year is recommended
- Changing of the Districts fiscal year to coincide with Town
- Procedure to change fiscal year is discussed

It is unanimously MSV to hold an annual tax sale in October, beginning October 2016.

Chairman Perra expresses concern over mortgage foreclosure fee on invoices from our solicitors and a discussion takes place as to what that fee pertains to. Chairman Perra will address this with Mr. Read for an explanation. Mr. Cook expresses concern over Mr. Reads'

involvement with two corporations the District currently engages, being Country Title (the Districts' tax sale firm) and Del Sesto & Read (the Districts' legal firm). Discussion takes place around this topic.

Treasurer Krekorian inquired about properties not sold at tax sale; Mr. Tobin explained that the District takes the property for non-payment. He continued that those properties can later be sold at a low value land sale, a different type of sale under State law. Mr. Catalfamo asked how the District recovered all the legal fees from properties not sold at tax sale. Mr. Tobin explained that they will get paid whenever the property sells again, and also confirmed the last entity to sell a property at a tax sale has the first right.

Policies: Tax Collector / Clerk – Solicitor Tobin

- Administrative policies drafted for tax collector / clerk

It is unanimously MSV to accept the drafted administrative polices for the positions of Tax Collector and Clerk as presented.

Schedule of Next Meeting – Chairman Perra

- Thursday June 9, 2016 @ 6:30pm

There being no further business it is unanimously MSV to adjourn the meeting at 8:30 P.M.

Attest:

A handwritten signature in black ink that reads "Robert Catalfamo". The signature is written in a cursive style and is positioned above a horizontal line.

Robert Catalfamo, Clerk / Tax Collector
June 9, 2016

EXHIBIT A
AMENDED
COVENTRY FIRE DISTRICT BOARD OF
DIRECTORS MEETING

DATE OF MEETING: Wednesday, May11, 2016
TIME OF MEETING: 6:30 P.M.
LOCATION OF MEETING: Anthony Fire Station
571 Washington Street
Coventry, RI 02816

- 1) Call to Order
- 2) Attendance
- 3) Move to Executive Session Pursuant to R.I.G.L. §42-46-5(a)(1)and(2)
 - a. Mold/Water loss insurance claim; Discussion/Resulting Action.
 - b. Municipal Employees Retirement System v. Coventry Fire District.
 - c. Hiring a new fire fighter; Discussion/Resulting Action.
 - d. Injured on Duty; Discussion/Resulting Action.
 - e. National Grid; Discussion/Resulting Action.
 - f. Claim of Jeanne Lukowicz; Discussion/Resulting Action.
 - g. Memorandum of Understanding amending CBA; Discussion/Resulting Action.
 - h. Memorandum of Understanding regarding Longevity, Insurance, Light Duty and Holiday amendments to CBA; Discussion/Resulting Action.
 - i. Set salary for Clerk/Tax Collector for 2015-2016 fiscal year.
- 4) Recess from Executive Session and return to Public Session
- 5) Pledge of Allegiance
- 6) Emergency Evacuation
- 7) Approval of Regular and Executive Session Minutes
- 8) Surplus and/or unused or used equipment. Discussion/Resulting Action
- 9) Tax Collector's Report
- 10) Treasurer's Report
- 11) Chief' s Report
- 12) Report of Ad Hoc Committee on Physical Fitness. Discussion/Resulting Action
- 13) New Business:
 - a. Review of legal and treasurer's invoices;
 - b. Filter System; Discussion/Resulting Action.
 - c. Tax Sale; Discussion/Resulting Action.

- d. Policies regarding Tax Collector/Clerk; Discussion/Resulting Action.
- 14) Public Comment
- 15) Schedule next meeting
- 16) Adjournment

POSTING INFORMATION: Coventry Shell Station, Coventry Housing Authority, Anthony Fire Station and the Rhode Island Secretary of State's website.

EXHIBIT B

COVENTRY FIRE DISTRICT Fixed Asset Capitalization Policy

1. PURPOSE:

The Coventry Fire District's Fixed Asset Capitalization Policy follows the requirements set forth by the Governmental Accounting Standards Board Statement No. 34 as it pertains to Capital Asset Reporting.

11. DEFINITION:

The policy applies to the Coventry Fire District's acquisition and depreciation of capital assets. Capital assets include land, improvements to land, easements, buildings and building additions, building improvements, furniture, fixtures and equipment, equipment under lease, vehicles, works of art and historical treasures, construction-in-progress, and infrastructure. Capital assets are tangible assets used in operations and have initial useful lives extending beyond one reporting period. Equipment will not change its original shape, appearance or character with use and it can be expected to last at least two years with reasonable care and maintenance.

111. GUIDELINES:

A. CRITERIA FOR FIXED ASSET CAPITALIZATION:

1. The asset purchased has a useful life of two years or more.
2. The cost of the asset is equal to or greater than \$10,000.00 individually.
3. Routine repairs and maintenance costs are expensed as incurred. However, expenditures that extend the useful life of the fixed asset are capitalized as part of the asset and depreciated over the newly established useful life.

B. VALUATION:

1. Fixed assets are to be valued at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the District's Board of Directors.
2. Donated fixed assets shall be valued at the donor's estimated fair market value at the date of gifting plus ancillary charges, if any.

3. Assets acquired by Capital Lease are recorded at the net present value of the future minimum lease payments. A corresponding liability is established at this time. Assets acquired under the terms of capital leases are depreciated over the useful lives designated for the asset class.

c. CLASSIFICATIONS AND USEFUL LIVES:

1. Useful lives of capital assets relate to the life expectancy as used by the District. The capital assets shall be classified as follows and the listing below should be used to assist the District in estimating the useful life of a capital asset:
 - a. Land N/A
 - b. Land Improvements — 15-25 years
 - c. Buildings — 75 Years
 - d. Building improvements- 15-40 Years
 - e. Furniture and fixtures — 7-15 Years
 - f. Machinery and equipment 5-20 Years Vehicles:
 - 1 Fire apparatus 10-20 years
 - 2 Officers and other vehicles — 5 years
 - 3 Trailers and other — 10-20 years
 - g. Infrastructure — No applicable

D. DEPRECIATION:

1. Depreciation is required for the District's Capital Assets. Depreciation is allocated to expense in a systematic and rational manner. Depreciation is calculated using the Straight Line method with a half year depreciation in the year of acquisition. Depreciation expense is reported in the government-wide statements as a component of functional expense classification.

E. TAGGING OF ASSETS AND INVENTORY MAINTENANCE:

1. TAGGING:

- a. Due to the establishment of a capitalization threshold of \$10,000 the District's capital assets generally consist of only large items. A detailed listing of the items will be maintained by the Chief and reviewed on an annual basis for completeness. The District Treasurer should notify the Chief whenever an invoice is paid for an item that meets the capitalization policy. A copy of the invoice

for all capital asset acquisitions should be maintained in a binder at the District office to support the acquisition cost of the asset.

- b. The District may consider maintaining a list of controllable assets and affixing identification plates/labels to such items. The controllable asset listing will enable the District to maintain a listing of all assets (including those costing less than \$10,000) owned by the District. This listing can be utilized by management but would not be used for financial reporting purposes. A controllable asset listing is helpful in safeguarding assets from theft and misuse.

2. INVENTORY MAINTENANCE:

- a. The District will perform a physical inventory of its tangible capital assets at least annually to coincide with the annual audit of the District's financial statements. A detailed listing will be updated and provided to the District Treasurer so that the information on the General Ledger accounting records may be updated as necessary.
 - 1. Discrepancies in the physical inventory of assets will be noted and investigated by the Fire Chief and reported to the Board of Directors.
 - 2. Lost or stolen property must be reported as soon as the loss or theft is known. In the case of known or suspected theft, the Fire Chief must send a written report to the Board of Directors.

F DISPOSALS:

1. SALE OF CAPITAL ASSETS:

- a. When capital assets are sold, calculation of gain or loss on disposal is required for reporting in the government-wide financial statements. The calculation is based upon the amount of proceeds received less the net book value (cost less accumulated depreciation taken on the asset).
- b. The District will maintain a Disposal of Capital Asset Form for all dispositions of capital assets. This form should be signed by the Fire Chief and list the asset being disposed, date of disposition, reason for disposition, and any proceeds received from the disposal of said asset. A copy of the Form should be provide to the

District Treasurer so that the general ledger accounting records may be properly updated. In addition, the original form should be maintained in the capital asset binder to support capital asset records. The capital asset disposition form should also be supported by minutes to the Board of Directors meeting in which the sale or disposal of the capital asset was approved by the Board.

2. TRADE-INS:

- a. The value given for a trade is part of the cost of the newly acquired asset. The cost and accumulated depreciation of the traded-in asset must be removed from the books. Any gain resulting from the trade in will reduce the value of the newly acquired asset. A loss resulting from the trade in will be recognized in the Government wide financial statements as an expense in the period of trade