

Manville Fire District Meeting Minutes

Date of Meeting: 7.16.14

Location of Meeting: Manville Fire District

112 Old Main Street - Equipment Bay

Manville, RI 02838

1. Meeting call to Order at 7:08 PM by Chairman Auclair who lead group in Pledge of Allegiance.
2. Roll call of Officers - Attendees: Chairman Auclair, warden's McKeon, Menard and Lake, Chief Peter Adam, Treasurer/Tax Collector McKenna present . Absent this evening, Vice Chairman Malenfant and Clerk Mel Carrier.
3. Approval and or correction of previous minutes June 11, 2014. Motion to accept previous meeting minutes as submitted by Warden Menard, Second by Warden McKeon. Discussion? Hearing none, all in favor? Vote 4-0 to accept.
4. Tax Collectors Report – Tax Collector Ron McKenna presented the attached report Collection rate 95.8% we now have exceeded our budget target goal of 95%. Mr. McKenna advised Lincoln Housing Department received a check \$3,454. McKenna stated sixty eight (68) properties delinquent, one is in bankruptcy. Statement of assets \$646,213.03. Mr. Auclair asked Mr. McKenna if collections meet or exceed expenses. Response: Yes we have \$209,000 in expense account so far. Mr. McKenna mentioned he provided a copy of Marcum compilation report dated September 30, 2013 and asked all if anyone had questions or concerns. Ron mentioned collection of tax receipts is very slow in the summer only \$100-\$200 per week. Warden Menard asked about Navigant accounts and are we still drawing interest? McKenna said interest rates at Navigant range from .7 – 1.5% depending on account balances. Mr. Menard asked what S11 account is for? Response: It's a capital account, money we used for down payment of truck. This was required by the auditors because they are considered restricted accounts. Same thing with surplus account, we are required to limit a 15% account for surplus in a separate account just in case we need it. For example last year we took \$10,000 from surplus for anticipated legal expenses. Chairman Auclair asked about a transfer of funds set aside for purchasing a generator that money was not spent and returned to surplus account to accumulate cash for new truck right? Response by Mr. McKenna: Yes, that is true. Mr. Lake asked if S10 was considered an operating account which is separate from the surplus and capital accounts which are restricted. Response by McKenna: Yes that is correct. Mr. Lake asked are interest rates for S10 and S11 earning the same rate. Response: Mr. McKenna stated the interest rate varies based on the account balance for each, the bank determines the rate of return. Mr. Menard asked why can't we merge the fund and earn the higher rate? Mr. McKenna agreed to again ask our accountant if this can be done? Mr. McKenna said interest rates have been so low that rates have not varied that much. Mr. Lake asked if this is a new issue since we became flush (influx of cash from bond proceeds) with funds from the return of the truck funds? Response by Mr. McKenna: Yes. Mr. McKeon advised that he recalled all funds use to be all in one account, rates were much higher

than they are now but, the accountant said we needed to separate accounts. Question from Mr. Menard, why has account S7 changed since last month? Response by Mr. McKenna it fluctuates because I routinely transfer funds as needed. By federal regulation I can only e-transfer funds between accounts only 3 times per month. I transfer funds once a month to pay bills for the upcoming month. I complained to Navigant but they said the bank has the option to move these funds to a standard checking account if we exceed transfer limit of 3 e-transfers in a month. Feds want to be able to track all online transfers. Regarding S12 account, Mr. Menard asked why we had not had separate accounts until now. Mr. McKenna responded, I should have done it a while ago, almost 3 years ago now, upon recommendation by Mr. Civetti but forgot to do it. Mr. Menard asked why we have two payroll accounts? Mr. McKenna responded payroll runs about \$15,000+- per month for both accounts. I have to cover payroll plus fees of like \$80 per month. Mr. McKeon asked how often we pay the fire fighters? Response: Mr. McKenna said twice a month average. Mr. Auclair asked if there was a motion? Motion made by Mr. McKeon second by Lake to accept the combined Treasurer and Tax collectors report. Mr. Auclair asked if there was any discussion? Hearing none. Call for Vote 4-0.

5. Treasurer's Report – Treasurer Ron McKenna presented the attached report . Discussion already included in above combined report.
6. A. Chiefs Report – Chief Peter Adam presented the attached report dated July 16, 2014. He said they had 58 calls this month with an average of 8.1 men per call. He also mentioned ISO report has been distributed to board members and asked if anyone had any questions? Response: NONE. Motion to accept Chiefs report by Warden McKeon, second by Mr. Lake. Discussion? Yes Warden Menard asked Chief “where the any calls that the department missed”? Response by Chief Adam, “no I don’t believe so.” Warden Menard again asked the same question, Chief Adam again answered, and “no I don’t believe so.” Chief Adam asked for a date? He said I was on vacation but don’t recall any. Warden Menard said that he had information that another Department responded to a medical call at Manville Manor and not MFD. Chief I can’t answer that but I will check my logs, I will research it. But I am 98% sure another department never responded to one of our calls. Mr. Lake asked is it possible Chief that our department was on another call and another department was dispatched? Response: Yes it’s possible. Mr. Menard asked Chief again, I have been told that on July 5th another department responded to one of our calls at Manville Manor; can you check your records and get back to the chairman with a response? Chief Adam offered to leave the meeting go to his office and check his log; Mr. Menard said that is not necessary. Chief Adam again said he would provide a report on this matter. ” Upon Warden Menard asking another time Warden Lake raised his voice and asked if you have a specific question ask it, don’t accuse him... clearly he does not know what you are talking about. Chairman Auclair asked Lake not to raise his voice. Mr. Auclair called for a vote, Response: Vote 4-0
- 6 B. Chairman mentioned the next agenda regarding an employee payroll and scheduling discussion. The motion to discuss by Menard second by McKeon. Menard advised the Chief that several months ago there had been a motion, seconded and approved by 2 positive (Menard, Auclair) 1 no (by Malenfant) and abstention by Lake to not pay any payroll or stipend unless it was approved by the board. Chief Adam said I was not aware of this but Deputy Forget was at

that meeting and but could not answer Mr. Menard's questions. Mr. Menard said he noticed from month to month the payroll account fluctuates. I believe I asked this back in February but did not get an answer then. Menard said our Annual payroll is about \$120,000 per year which translates to about \$10,000 per month. Why does payroll fluctuate month to month? Chief said he reported back to the chairman on this previously after that meeting when he met with the Chair. He said that he, deputy, officers and McKenna get paid twice a month and everyone else gets paid one per month. Sometimes however the monthly staff will get paid twice in one month depending how many weeks are in the month or if a holiday falls within the month. This is based on a payroll cycle that I do not control. Chief said I thought I had answered this in the past to Chairman Auclair? Chief said Rene, I will be glad to show you my files and spreadsheet if you would like? Menard asked are we running into this again this month, is this why Treasurer deposited \$16,000 instead of \$10,000 this month? Response by Chief, this is why Ron does it to make sure there is a slight surplus just in case we have this situation, we got caught once and don't want to have it happen again. Mr. Auclair asked do you have an idea at the end of each week how many hours the men work? Chief response: Yes I can tell you who worked and when. Mr. Menard asked why we don't deposit say \$200,000 in the payroll account at the beginning of the year and draw on it monthly. McKenna responds because we would lose interest. Menard responds that gets back to my earlier point. Auclair asked any additional discussion? Hearing none vote 4-0 in favor to accept.

7. Payment of bills: Auclair reads expense report presented by Chief Adam's report and advises to speak up on bullet item as I read and we will go back and discuss. He goes on to read the report line by line the following issues were flagged for question and response.

Questions below:

5150 Shipmens fire – hydro test for 7 bottles, Mr. Menard said we had the same bill last month, how do we know this is not a duplicate? Response by Chief: we have 26 bottles now several we condemned, I can only send 7 at a time to vendor. This vendor does not come here so I have to send them. Menard states my question is answered, thanks!

5150 Northeast Rescue Systems – \$708 purchase two new helmets. Mr. Menard asked if this was for just helmets? It seems high...Chief Responds it also include SCB bags you see there. You now have to buy the visor and whole nine yards, not just the helmet. Mr. Menard asked Chief for a better explanation in the future. Chief said sure no problem.

5115 Town of Lincoln Chairman Auclair asked if should read Lincoln Water Commission? Chief response: Yes it should be.

5165 Vision Government solutions – Mr. Auclair asked is this for annual maintenance for our Tax Program? Response by McKenna: Yes it is. Mr. Menard asked is this software? Response: Yes this is what they charge us every year. Mr. McKenna said he has questioned them if over the years if they can justify what they are charging us? McKenna said we were paying \$900 per year under Opal, and now paying a lot more. Mr. Menard asks if we don't pay this bill what happens to us? Response by McKenna, we won't get necessary software

update for our next billing cycle. Mr. Auclair asked the software does what Ron? Does it convert the assessment and rate? Response: McKenna responds yes, it also computes any interest due. Mr. Menard asks is this for last year or this year? McKenna answers 7/1 this year until 7/1 next year. Menards asked is there any other companies that offer this service? Response No, every community in RI, CT and MA all use it and its lousy software. Question by Menard are these fees in your operating budget? Response: Yes it is. Mr. McKenna advised he noted in the memo that he is paying under protest because software has not been updated in years. This vendor goes onto the Towns database, downloads it and then converts it to their software/formula to calculate property and motor vehicle tax. When they are done they access my computer to update the system based on my database. I then print the bills then I call them to let them know and they close the database. Once that database is closed I can't alter it by entering a payment, it won't accept that transaction. That is why they close my database in August. After August I can't give you the amount of taxes due until they provide the information to me. It's been like that for the 10 years I have been doing this job. I wish there was a better system.

5230 Marcum Associates – Mr. Auclair said they overbilled us last month, now they are looking for another \$1000? If we approve this expense we will be even more over budget. Mr. McKenna reviews the invoice and agrees the amount is over, more than it should have been. Mr. Auclair asked did Marcum give us a proposal at the beginning of the year. McKenna said yes we budgeted \$4,000. So they have billed us \$6,200? Why are we paying more than their proposal amount? Mr. McKenna said he will check the exact amount and get back to the board. Mr. Auclair asked this invoice be tabled and asked Ron to provide information on paid to date and if we have over paid? Mr. McKenna will review. Mr. Menard suggests we strike the bill from the total and Auclair agreed.

5220 McKinnon & Associates – Mr. Auclair said Warden Lake you had a question? Lake said I have a comment, we had a budget of \$3,000 and the first bill we received from a lawyer we did not need came in at \$4,000. These expenses are needed to defend the district and I expect the cost to continue and at least double due to ongoing litigation and open meeting complaints. Mr. Menard had a question which gets back to when we went out for RFP, we paid an attorney about \$700 to get \$300,000 back from the truck purchase, but we are paying this attorney for a possible \$5,000 settlement? Mr. Lake said the figure is a lot more than \$5000, but \$5,000 was a settlement. Mr. Auclair advises he believes the \$5,000 we paid previously was a settlement for a total possible fine of \$135,000, he said I have the figures at home Rene. I don't mean to correct you but the total we paid was much less than to total possible fines. Mr. Menard asked so how high could it go. Response by Warden Lake, I have asked the board to become active, possibly ask for injunctive relief but nobody even wanted to hire a lawyer. This is an ongoing situation relating to an issue that occurred two or three years ago and it's not going to stop until all the fine peoples taxes go up to pay for legal representation. Mr. Lake said he expects to pay, pay and pay. Mr. Auclair states and that's why we have a lawyer. Mr. Menard said I was not here last year but it is my

understanding that the former board put \$10,000 aside to pay legal fees is that correct? Do we take \$10,000 to pay this bill? Mr. Auclair states it's going to be a lot more because we have at least \$6,500 in the upcoming month. Lake states it's an unfunded expense and must be funded from surplus. That \$10,000 was specific expenses for the truck purpose only, I believe? McKeon speaks up, no the \$10,000 was for legal fees for ongoing litigation. Lake concedes you are right Paul sorry. Mr. Menard asks where do the funds come to pay for over budget items. Mr. McKenna responds you as a board need to decide where the funds come from to pay it. All expenses should be charged to legal, at the end of the year we will need to balance the accounts to the bottom line, to reconcile the entire budget. At the end of the accounting period we have to adjust all accounts. Mr. Menard asked, so does this board have authority to pay bills above the budgeted amount. Mr. McKenna said yes the board can make two \$3,000 expenses in excess of the budgeted amount.

5220 Heald & Lebuff – Chairman Auclair said the final bill came in slightly higher than \$700.96 I expected. This was a result of an extensive discussion between our attorney and the bond company attorney. It's still reasonable considering what we recovered.

5220 DeSimone Invoice – Mr. Auclair asked if someone had a copy of that bill? Mr. McKenna provided and Auclair reviewed. Lake advised DeSimone did nothing for the district in 2014. Mr. Menard asked did the board encumber this year's budget by not paying for last budget. Response: Mr. McKenna said no we did not. Mr. Lake suggested we make a claim against DeSimone and he won't vote to approve this invoice. Mr. McKenna said I called him, Chief and Charlie called him. Mr. Menard said it's not worth fighting this battle as actual cost \$1,400 would exceed benefits.

5105 Visa account for a case of bulbs (building maintenance) and carpet cleaning, Mr. Menard asked why use the Visa card to pay a carpet cleaner? Why didn't the bill get submitted like all other? Chief said Stanley Steamer is a new vendor as the old guy did not respond to multiple calls. They needed to be paid when service rendered. They wanted payment paid that day. Mr. Auclair asked, what did Stanley charged us? Chief responds \$125 dollars for the stairs and two rooms. Auclair states that is very reasonable. Light Bulbs - Mr. Menard asked why we are buying with the Visa card. Chief advised this is building maintenance; we get Mike Forget's discount when we buy from his vendors, it's much cheaper that way than going to Depot or Lowes. The U shaped bulbs are expensive Mr. Auclair said especially the U shape bulbs.

5150 New smoke machine for training – Mr. Menard asked again Chief why use the visa? Chief responds we bought then online because they were cheaper. Menard how much cheaper? Chief said \$6082.99 vs. \$804 locally. Chief says the company won't ship anything without Visa.

5230 Mr. Auclair asked for a motion to table (defer) Marcum \$1000 invoice until we get an answer from Marcum Motion by Menard Second by McKeon. No discussion 3 yes (Auclair, Menard & McKeon,) No by Lake Approved 3-1.

5115 Motion by Menard to change Town of Lincoln invoice to Lincoln Water Commission, Second by Lake. Auclair asked for discussion, hearing none Vote taken 4-0 to approve.

Chairman states total expenses reduced from \$13,019.19 to \$12,019.19

Mr. Menard asked the Chief last month we were double billed by Freightliner of Hartford, where is this correction noted in this month's report? Response by Chief, it was billed twice but we only paid once. Mr. Menard thought we paid \$5068.78. Chief said we only paid half that amount. Mr. Menard said he was concerned that the record accurately reflects what was approved by the board and any corrected amount actually paid. Chief Adam said he does not handle the books. Mr. Menard asked for a report to reconcile this. Chief said he can't change his report once it goes to the board. Chief suggest the board address any changes in their board notes. Mr. Auclair said for instance tonight we are going to pay \$12,019.19, if that amount changes the board should know that. Auclair asked Mr. McKenna if he could report back to the board if the number changes? McKenna said it happens once in a while and I only pay bills that you approve. Menard asked why can't you on next month's report note actual vs. approved? Mr. Lake commented this should have been reflected in our approval before our vote. I thought the final number reflected the correct amount. Chief states I agree with you Rene but I don't do the financial reports. Mr. Lake commented that all invoices for the month be submitted with the Chiefs report and that has not happened. Mr. McKenna said auditors sample invoices and compare that to our register. A very long discussion occurred regarding invoices, billing and reporting and how to best reflect accurate accounting of invoices and avoiding paying duplicate invoices.

It was agreed that McKenna never paid Freightliner of Hartford twice because the second invoice never entered the second invoice into the books because everyone knew it was a duplicate.

Regarding Payroll discussion, after a very long discussion approximately 20 minutes Mr. Auclair suggested that he spend time with Chief Adam and Mr. McKenna to better understand the payroll system, taxes and the accounting for payroll related expenses. All agreed.

Auclair asked for a motion to accept invoices and pay bills. Motion by Menard to accept in the amount of \$12,019.19. Chair Auclair second, discussion, hearing none. All in favor? Vote results 4-0

6 B. Income – Mr. McKeon asked Auclair if we could discuss income, Dennis apologized. Total income \$105 Act. # 4200 – 50 Railroad \$30. Holly Street plan review \$75. Auclair

asked can I have a motion to accept? Motion by McKeon second by Menard. Discussion none. Vote 4-0 approved.

8. Old Business

A. Ladder Truck Discussion – Auclair advised that that Mr. Lake mentioned that the Chief received an email from a company who said they had purchased the Manville truck and was offering to sell it to Manville for same terms.. I suggested to Mr. Lake that we stay away from this inquire because we are obligated to support Westchester in recovering and all cost they paid Manville of the bond claim. Mr. Auclair concerned about getting in the middle of litigation between the parties. McKeon said we have our money, this third party is offering the same truck that the chief specified. They are offering us the truck at the same price with a same warranty? Why not? Auclair states we have waived all claims against that truck, Westchester required the VIN number before they would pay our claim. How can we buy something from someone who does not have clear title? ALF owes Westchester \$314K and does not have clear title. Mr. Lake said it's a simple question which we can't ask ourselves until we know the seller has a clear title. That question won't be asked or answered this month or even next month. We as a board need only consider that purchase when we decide as a board as a district strategically, should we buy another truck and what do we want to be in the future? Chief Adam said Smeal committed to delivering a clear title at the same price with same warranty. Auclair said the only way we could find out if they have clear title is from the Attorney Robert L McBoote who represented ALF/Westchester. Chief said Smeal's (the company making offer) plant is next door to ALF. Smeal is a big company, probably #2 in the industry, they originally were invited to bid but withdrew because they could not build a truck that will fit in our station. Chief said It's worth checking it out without getting into middle of litigation. Mr. Lake suggested that perhaps Smeal bought all ALF assets lock stock and barrel and has all rights to acquire and sell the truck. Menard asked we agreed to support Westchester as an expert witness to recover their investments. Mr. Lake said let's have a public or annual meeting only when we get a written offer from Smeal or we decide to buy a different truck. Lake said Westchester may have to sue Smeal to get their money. He also suggested Smeal address a letter to the board as a written solicitation/offer with all details for consideration. Auclair states we settled on 22nd they made the offer to sell on June 26? That seems unlikely. Mr. Lake said there is no truck until claim is extinguished; have Smeal address a letter to the Chairman for consideration. McKeon asked do we want the truck if it's free and clear. Chief suggest reviewing ISO report before we decide to do anything. Lake made a motion for Peter to address any offer by Smeal to the Chairman.

9. New Business

A. A motion on policies and procedures to encumber the Manville Fire District Authorization of any and all Purchasing of goods and services required. Mr. Auclair suggest tabling new business to future meeting.

- B. Budget Workshop Discussion and Scheduling- Chief suggested resolving ISO and truck before we can schedule a budget workshop. \$32K for truck payment needs to be discussed. Auclair wants to resolve all budget issues be discussed in August along with other strategic questions the board needs to address. Peter will check his schedule and schedule a meeting with the Chief. 7 weeks to get the budget together.
10. Correspondence – Chairman states he received 5 letters from McKinnon regarding Desmaris and McBurney and said it appears the prior administration may not have fully complied with state statute and we may have to fall on the sword. Mr. Lake he does not suggest falling on the sword instead he said this board is obligated to provide any and all historical information we have. Everyone in the district should be made aware that our tax rate will probably go up to pay the lawyers. On another note our Attorney suggested we consider hiring a full or part time secretary to be sure we can meet or exceed state requirements. Mr. Auclair stated this correspondence is overwhelming. Mr. Lake said little Manville will be paying for these sins of past board if we can't deliver accurate meeting minutes and maintain a defensive mode with good documentation..
11. Public Comment – A woman stated you need an operating account and separate based on TIN #. Suggest every invoice be attached to the spreadsheet when bills are submitted. If all back-up was attached to the report it would minimize conflict
12. Motion to adjourn by Lake 2nd by Mr. McKeon.