

**MOUNT LAUREL FIRE DISTRICT #1
BOARD OF FIRE COMMISSIONERS
SPECIAL MEETING / WORK SESSION**

December 7, 2015

Fire Department Headquarters Station

Meeting Minutes #18

IN ATTENDANCE:

1. Commissioner Clutter
2. Commissioner Roura
3. Commissioner Shestack
4. Commissioner Hamilton
5. Chief of Department Colucci
6. Deputy Chief Burnett
7. Administrator Jones

NOT PRESENT:

1. Commissioner Ridenour

The meeting was called to order by Commissioner Shestack @ 8:01 PM.

The Pledge of Allegiance was recited and a moment of silence observed.

The Public Announcements were read by Commissioner Hamilton.

ADOPTION OF RESOLUTIONS:

Resolution #2015-66 "Appointment of Cali Somerville as an 'Explorer' Member of the Mount Laurel Fire Department".
Commissioner Hamilton made a motion to approve the resolution that was seconded by Commissioner Roura. The motion was unanimously approved by the Board.

OTHER MATTERS:

Review & Approval of 2015 Stipend Program Awards: The Administrator reported that the program awards this year totaled \$42,181, but after reviewing the list of awards, Commissioner Shestack questioned a proposed award to a member. Chief of Department Colucci agreed that this member should not be getting an award because she is considered a "Contributing Member", which reduced the total program award to \$42,005. He added that he wanted the Volunteer Labor/Management Committee to discuss this issue in 2016. Commissioner Roura made a motion to approve the distribution of \$42,005 in program awards under the 2015 Volunteer Stipend Program that was seconded by Commissioner Clutter. The motion was unanimously approved by the Board.

Review & Approval of 2015 LOSAP Program Awards: Commissioner Hamilton made a motion to approve \$48,210 for the 2015 LOSAP Program Awards that was seconded by Commissioner Roura. The motion was unanimously approved by the Board. Administrator Jones wanted to recognize Battalion Chief McCorkle for his efforts in developing the immense data reduction program that boils all of the NFIRS activity data down in order to determine program award amounts and those members meet the program criteria for an award. He added that this was the first year that we have used this new data reduction program and there were some bugs that we had to work out and a few that we have to address for 2016 but overall it worked very well.

Review & Discussion of 2016 Budget Proposal: Commissioner Shestack passed out a cash flow/surplus analysis to the Board and proceeded an analysis of our cash flow/surplus situation and several scenarios about how it could impact budgets over the next few years. He described the effects of raising taxes in several future years by the 2% that we are allowed to increase our tax revenue by as well as how the use of potential "CAP Bank" amounts available to us would affect the surplus/cash flow. His conclusion was that we can keep the tax rate stable at 14.3 cents in 2016 and will probably be okay again in 2017 but after that it gets harder to predict because so much can change. Commissioner Hamilton asked when the CBA's expire and whether he had taken that into consideration. Commissioner Roura replied that the CBA's expire at the end of 2016 and that we will be starting negotiations with the Union by June on a new set of agreements. Commissioner Shestack reminded everyone that there are some things that we need to consider if we wanted to increase the tax rate and he always felt that it is better to ask for a large 1 time increase and then try to work within that tax rate for a period of time. Currently, we have held the tax rate either stable or slightly reduced it for 6 years in a row, which is something that no other Mount Laurel taxing authorities can even come close to claiming. Commissioner Roura added that we don't know what our future

tax rates are going to be and if a couple of large commercial or residential projects are completed and added to the tax base it will help us keep the tax rate stable for another couple of years.

Commissioner Shestack asked Administrator Jones what his thoughts were and if he had anything to add. Administrator Jones replied that the Finance Committee has been using this same 3 year cash flow/surplus projection for many years to help determine whether we need to propose a tax increase and several years ago 2016 looked to be the year that we would need to do that. He was confident in our ability to keep the tax rate stable again in 2016 and in Commissioner Shestack's analysis. He added that our cash flow at the end of any given year needs to be about \$1,000,000 in order to cover expenses through the 1st 2 months of the year before we get our 1st tax revenue payment from the Township in late February. That \$1,000,000 covers 5 payrolls, health benefits for 2 months, initial Workers Comp & property & casualty insurance payments, utilities for 2 months and basic maintenance costs that we incur during that period. About ½ of the tax revenue payment that we get from the Township in late February is then used to pay our annual pension share to the State on April 1, which leaves us just enough to get to our next Township tax payment in late May. As long as the budget is approved by the voters at the annual election in February, we are in good shape but if it is defeated, the Township has 30 days to set our tax rate and the cash flow required to get through March increases by another \$400,000 or so.

Commissioner Hamilton asked if we know what the Township and school budgets were for 2016 and how much that they are increasing their tax rates. Administrator Jones replied that they are both on a different fiscal year (July 1 to June 30), so we won't know what their 2016 tax rates are until May or June at the earliest. Commissioner Hamilton stated that he was curious to see what they were doing and if they were not expecting to have tax increases, maybe we should look at increasing ours. Chief of Department Colucci stated that in his conversations with the Deputy Mayor and the Mayor, they have stated that they would like to have that kind of coordination between all of those agencies. He felt that if we were going to go for a big tax increase in 2017 or 2018, we need to start laying the foundation for that with Township Council in 2016 so that we can develop their support. Commissioner Clutter asked how this relationship could be enhanced and Chief of Department Colucci replied that he has been trying to foster discussions with them for several years, but he felt that this relationship really needs to be fostered between our Board and Council. Commissioner Clutter asked him if they ever come to our meetings and Chief of Department Colucci replied that they don't, but that is probably because their meetings are on the same dates as ours. Administrator Jones stated that he isn't too concerned about our tax rate right now and wouldn't be until we get into a cycle where we are unable to generate the annual surpluses that we have been.

Commissioner Roura felt that we can't in good conscience propose a tax rate increase this year with the surpluses that we are showing in our audit. He felt that people would have a hard time voting for a tax increase when they think we are sitting on a cash stockpile. Commissioner Shestack felt that although we have anticipated about \$1.6 million in surplus as of the end of 2015, keep in mind that we need \$1,000,000 of that for cash flow during the first 2 months next year and without it nobody gets paid for 2 months which causes a big problem. He felt that this only leaves us with about \$600,000 available for cash flow, which is close to what the DCA says that we should have available in the event of an emergency. If anybody accuses us of sitting on a cash stockpile, our position is that we are just being fiscally responsible and trying to keep the reserves that the DCA strongly recommends. Deputy Chief Burnett stated that his concern is that although our cash flow/surplus numbers have worked out for us in the past, there will come a day when the cash flow/surplus that we need isn't going to be there. He commended Administrator Jones for always doing a good job with the budget but we have some big ticket items such as new radios, apparatus replacement and possibly the construction of Station 364 coming up in the next few years and this will put significant pressure on our budget.

Commissioner Shestack felt that if the Board wanted to raise the tax rate in 2016, we should use some of our available "CAP Bank" and increase it more than the 2% that we are permitted to. Deputy Chief Burnett agreed with the Chief of Department that although we want to establish good communications with the Township and want to be fiscally responsible by not raising taxes, we still want to maintain the services that we provide to our residents and at some point we are going to have no choice. Chief of Department Colucci stated that he agrees with Administrator Jones in how and when the best time to do that would be. Commissioner Hamilton felt that a small tax rate increase every year is better than raising the tax rate significantly in a single year and favored raising it by 1%. Commissioner Shestack felt that such a small increase was irrelevant because it raised very little and we will have to defend the fact that we raised taxes. Commissioner Hamilton agreed that it was a small increase in revenue, but if you do it for several years in a row it will add up over the next few years. Administrator Jones reminded everyone that we haven't raised our tax rate for 6 years now and look at everything that we have accomplished during that time – we've added staffing, expanded 24/7 coverage to all 3 stations, changed our hiring philosophy by hiring civilian part-time employees, invested \$3 million into our facilities and replaced apparatus and support vehicles. He added that although we don't like to blow our own horn, we can say that fiscal management is something that we do well and the proof of that is there for everyone to see. This is something that is very enviable and when the time finally comes when we have to raise our tax rate, we have a great sales pitch to use in stating that we are the only agency in Mount Laurel that has held the line on taxes, which our residents certainly appreciate. He felt that people don't want to see their taxes go up every year, which is what they get from the school districts, the Township and the County. Our part of the tax bill pie has always been around 5% and our residents certainly get a great return for that small amount.

Commissioner Clutter asked historically how do we market this message and Administrator Jones replied that for almost 20 years we have mailed every residence a newsletter each February, reminding them of the annual election, describing our budget and what we are doing to bring them the best possible service. Commissioner Shestack asked him what he needs from the Board tonight and Administrator Jones replied that he wanted Board concurrence on the 2016 Budget Proposal so that he can finalize the formal DCA budget documents and have it on the 12/21/16 Regular Meeting agenda for approval. He felt that if we were serious about starting to build a better relationship with Township Council, having another 0% budget increase on the table for 2016 is a great thing for us. Commissioner Roura asked him if we received any revenue from Hainesport under the Shared Services Agreement and Administrator Jones replied that we received about \$1,800 in 2015 and anticipate about \$3,500 for 2016. Commissioner Roura stated that he didn't see this noted in the 2016 DCA budget draft and Administrator Jones pointed out where this was located. Commissioner Shestack, Roura and Hamilton both agreed that we can go with the 2016 Budget Proposal as it has been presented.

Resolution #2015-68 "Resolution to Approve the 2015 LOSAP Program Certified List of Eligible Volunteer Members".
Commissioner Hamilton made a motion to approve the resolution as amended to exclude an award for Lucy Brooks that was seconded by Commissioner Roura. The motion was unanimously approved by the Board.

COMMENTS BY FIRE COMMISSIONERS:

None.

PUBLIC PARTICIPATION:

None.

Chief of Department Colucci reminded everyone that the annual Santa Run Detail is this Saturday. Commissioner Roura asked him if anyone noticed the post on our Facebook page someone requesting that we stop to visit a handicapped person and Chief of Department Colucci stated that we will do our best to accommodate it.

He informed everyone that the annual Fire Department banquet is set for Saturday, 1/23/16 at the Bradford Estate in Hainesport and that electronic invites will be sent out this week.

Resolution #2015-67 "Closing of Meeting Pursuant to Open Public Meetings Act". Commissioner Roura made a motion to approve the resolution that was seconded by Commissioner Hamilton. The motion was unanimously approved by the Board.

THE OPEN SESSION ADJOURNED AT 9:15 PM.

A CLOSED SESSION BEGAN AT 9:16 PM.

THE CLOSED SESSION ADJOURNED AT 9:58 PM.

Commissioner Roura asked Administrator Jones for an update on the construction project and he stated that although we have had a few roof leaks, he expected them due to the amount of roof that was being replaced. He reported that all of the roof membranes are now installed and the contractor is working on the edge capping and pitch pockets around roof protrusions so that the roof warranty can be certified. He reported that we had a fire alarm problem in the Station 361 hose tower this past weekend which was investigated and will require some additional work by our fire alarm contractor to be resolved. He added that the new fire alarm panel will be installed tomorrow at Headquarters, resolving problems with the existing fire alarm panel that was caused when the roof contractor drove a screw through a wire and shorted out parts of the panel. The roof contractor will be back billed for this cost and the general contractor will be back billed for the Station 362 elevator repairs that were required after the window installers broke an elevator door. We appear before the Zoning Board on Thursday for the public hearing on our minor site plan application for the Station 362 emergency generator and dumpster pad and once that is approved, work on the generator replacement will start up again.

Commissioner Hamilton made a motion to adjourn the meeting that was seconded by Commissioner Clutter. The motion was unanimously approved by the Board.

THE MEETING ADJOURNED AT 10:02 PM.