

Prudential Committee  
Cotuit Fire District  
23 June 2014

Fran: It's 5:00. I'm going to call to order the Prudential Committee meeting of June 23<sup>rd</sup>, 2014. Could the members please state their names?

Laurie: Laurie Hadley.

Marge: Marge Wallace.

Fran: Mr. Daley?

Mike: Michael Daley.

Fran: Thanks. Next order of business is public comment. I would ask the commenters to limit their time to 3 minutes. Is there any public comment this evening? Is anyone recording?

Amy: Good evening. Amy Kates. I'm recording Prudential Committee Meeting, June 23<sup>rd</sup>, 2014, public comments. I'm still not sure I understand how the Attorney General's office could give you folks advice about holding these executive sessions, since the taxpayers are neither aware of the discussion, nor have they approved any funds. It would be helpful for me to understand who at the Attorney General's office you had spoken to, since I had placed a call to the Attorney General's office as well. Thank you.

Fran: Any other public comment? Any response to public comment? Public comment is closed. Next item on the agenda is approval of the minutes. Ms. Hadley and I need to approve the minutes of the Prudential Meeting of May 19<sup>th</sup>, 2014.

Laurie: Yes, I don't have them with me, but I have read them, and I saw nothing that I would change.

Fran: Thank you. Motion to approve?

Laurie: I make a motion we approve the minutes.

Fran: Second. Aye?

Laurie: Aye.

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Fran: I'm just going to do the other minutes. Have you read the minutes from-

Laurie: The 19<sup>th</sup>? I have.

Fran: I make a motion to approve the minutes of 06-02-14, 06-05-14 and 06-19-14. Is there a second?

Laurie: Second.

Fran: All those in favor?

Laurie: Aye.

Fran: This is the amended item. I need a motion to reappoint Mr. Charles Eager as the district clerk.

Laurie: Laurie Hadley, I make a motion that we appoint Charles Eager, District Clerk, for the next 3 years.

Fran: Is there a second?

Marge: Second.

Fran: All those in favor? Aye.

Laurie: Aye.

Fran: Freedom Hall. They're revising the drawings for the air conditioning and heating system, and I hope to have those available by the first of July so that we can go out to bid the front door. I've gotten a bid for replacing the handicap hardware on the front door from Door Concepts in New Hampshire. They have an office in Quincy also. It's in two parts. One part is for the actual mechanism that operates the open and closing of the door, which is the one that the gears are falling apart in. That, for just those two mechanisms, the cost for that installed is \$2,770. Second part of the bid is to replace the crash bars so that they are easier to lock down and easier for people to operate.

Replacing that would also include exterior trim handles, new threshold for lower rods of exit devices, a cylinder for the new exit device and active door leaf, four dress plates for existing holes and wood in the doors, and a lower door sweep

for the new threshold, which as you may or may not be aware of, now you can see daylight coming in underneath that door. The finishes for both these products would be dark brown, dark bronze, and that cost for that part is \$3,575, for a total of \$6,345. I've looked to see if I could find another supplier on Thomasnet. Thomasnet is where you can go to look up listings of businesses for anything that you can possibly imagine. Thomasnet used to take up an entire shelf in the library of their books. I went to Thomasnet and looked to see if I could find anybody else who does this work within 100 miles of us, and I couldn't. This company is presently doing Heritage Plantation, and they're doing work at the new emergency room at Cape Cod Hospital. They're also doing work at the Falmouth Hospital. I realize it's over the \$5,000 limit that we're supposed to get competitive bids on. I guess I'll talk to the people at the county, Elaine Davis, and see if this is a geographical exception, so that we can go ahead and get this fixed.

Mike: There is no geographical exception. You just need to go out and get two non-bidders to go with the one quote you have. Ray Sprinkler, anybody else who is qualified to do the work, if they don't want to do it, they bid no, that counts, but you've got to get 3 quotes.

Fran: Okay.

Mike: The auditors will be here on Tuesday, but the bottom line is you've got to prove that you tried to get 3 quotes. 2 nonresponses is the equivalent of this quote and 2 nonresponsive. They've got to be nonresponsive, or "I can't do it," or, "I don't want to do it." Any business locally or anywhere else you want to go, you can give them that same quote. If they can't do it, they say, "We're not going to bid it," it's a nonresponse.

Fran: Do I need it in writing?

Mike: Yes.

Fran: Before we talk about, I just wanted to add one other thing. I was down at Granite City getting a replacement for the light bulbs. When I was down there, they told me about this General Electric upgrade lighting program, which they will provide you various sizes of light bulbs and fluorescent bulbs just for municipal governments for free. I've ordered some light bulbs for the hall.

Laurie: Very good. I'm all for free.

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- Fran: Did you want to talk about uses and fees?
- Laurie: Yes, I did. When we set the fees last year, we said we would review them in a year and see if we wanted to make any changes. I think what we're doing is no fee for nonprofits, which includes the church, who however do make a donation every month of, I believe it's \$200 that they give us, something like that.
- Fran: You're kidding. Great.
- Laurie: \$50 for Cotuit residents who wanted to use the hall for any kind of a function, and \$100 for anyone who was using the hall for profit-making. Are we comfortable with that or do we want to raise them?
- Fran: The \$50, I thought ... Those are for Cotuit residents, right?
- Laurie: We've had a wedding reception. We've had a birthday party. We've had a high school reunion, a lot of things like that.
- Fran: I don't know, I think for nonprofits or for commercial enterprises, we probably should have another fee level. What were we charging the people that were doing the yard sales?
- Laurie: We charged them \$100 a day.
- Fran: Since we're not going to be-
- Laurie: That's the next thing. Are we going to let them continue to use it?
- Fran: My personal vote would be no, it's too hard on the building. We had one user who was very careful and I didn't see any problems. We have somebody else who has been using it and there have been persistent problems. That user has been spoken to, I believe, and it seems to have fallen on deaf ears.
- Laurie: I think the problem is they hire people to move things in and out and the people don't get the message.
- Fran: They're not supervised. Any comments?
- Marge: Would you consider it, Fran, if we charged them a lot more for it, to cover the cost of repairing the building?

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- Fran: I would consider it if we charged more, but there has been glass on the floor in here. There has been glass outside. The other person who used it was here supervising the people who are moving.
- Laurie: Right, actually we had 3 different outfits do it. Carrie Elmer, no I guess Carrie never got to use it.
- Fran: Just the 2. The other one, I've been here when they've been moving stuff out. None of the owners are here to supervise. If they want to be here the entire time it's being moved, that's fine.
- Laurie: I think we have to either bar one, allow all or I don't think we can just bar one.
- Fran: No, I don't. We can vote not to hold the yard sales here, which is unfortunate because it does bring in more money than anything else we do.
- Marge: I'm not sure why we should penalize all yard sales because of one careless vendor. It's not as if we haven't given them many opportunities to fix it. And I hear you, Laurie, but if somebody comes in and they're responsible, why shouldn't we get the income from it?
- Mike: You can take a security deposit, hold the check. If they clear out clean, give it back to them and never hit the books. That's the way most people do that. Same with bid deposits. If you have a culprit who needs to be trained, then the way to train them would be to use a security deposit.
- Fran: I'd be willing to try that with the proviso that the operator stays here when stuff is moved in and out and supervises.
- Laurie: What do you think is a large enough fee? \$500? \$1000?
- Fran: \$500.
- Laurie: Reasonable to try.
- Fran: We do have a provision in the agreement for a security deposit. I've just never enforced it. The next business is the treasurer's report.

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Mike: The traditional report goes from year to year to year. Fiscal year 13 is still in audit. That should be coming in clean very shortly. Fiscal 14, I'll give you a typical statement through pretty much last week. What I'm also going to do is give you this work paper, which is the same report, only more like we give to the auditors of the commonwealth and to the taxpayers at the end of the year. What I would like to do is talk about 14 year end adjustments. Everything is in good shape if they have a setting. Fire and water department have indicated no concerns for their year-end budget. The first one I'd like to go through with you is from the second page. It is Freedom Hall. Freedom Hall needs ... The first year we ever did an appropriation by the district at the district meeting for a salaried employee, was during the 13 meeting for the 14<sup>th</sup> year. As it's turned out, that fellow has incurred slightly more than the budget. We need to do a reserve fund transfer of \$425.

Marge: Mine's on the third.

Mike: Third page. Freedom Hall budget. I would like to have somebody make a motion to transfer \$425 from the reserve fund to the salary and wage line. Historically you voted this as one big lump sum. Then the bylaw requires, so we took a stab at what a first full year would look like when we did the budget. It's emergency and unforeseen in that it was the first year of trying to manage the building. I've demonstrated it to you in such a way that we have one payroll left. He works on Tuesdays I believe. We have his payroll through tomorrow, which will be on this week's payroll warrant. That \$200 shows incumbent on my spreadsheet, is how I'm proving if you give us a \$425 transfer, that budget will be in perfect balance at the end of the year. That \$200 is left to go. If you do not vote a transfer, then he will not get paid this week.

Laurie: I make a motion that we transfer \$425 from the reserve fund to the salary account into Freedom Hall.

Fran: Second. All those in favor?

Laurie: Aye.

Fran: Aye.

Mike: The rest of that budget, I just wanted to take a good look with you. I'm pretty confident that as it's showing right now, we have some ups and downs. The big down is offset by the big up at the moment. The buildings has a fairly good turn back in it. I'm sorry, the other way around. The [inaudible 17:40] service is also

[inaudible 17:44] that line. That building line is [sixth to the bad 17:51]. The next one down is ... Oil and gas is the bad one. The next one down is the building maintenance. Of the 55, we spent to 21. There isn't much left to go between now and the end of the month. Unless you've got something cued up that we're not aware of, this budget is pretty much complete. That will turn back to 34. The alarm was running deficit because we spent quite a bit of money on the alarm system this year. We had an \$800 budget and we spent \$3900.

Fran: How could we have spent \$3900 on the alarm company?

Mike: I don't know. Something got charged. Hold on. Nemic was paid \$3,506 on 07-16. It was paid \$90 in December/January and it was paid \$330. The \$3,506 payment on Prudential Committee Warrant number 1 is a charge that was \$3,500. I don't know what it was for.

Fran: That was for the installation of the system.

Mike: That's in this year's budget.

Fran: Okay.

Mike: That expense is offset by that big savings up at the top, so I'm not proposing we do a reserve fund transfer to zero out all the negativity on the right-hand side.

Fran: Going forward, except if it's repairs needed for the smoke detector system, it should only be \$300 a year.

Mike: I think we budgeted accordingly for 15, but we're not talking about 15. We're talking about 14. So 14 you have exceeded your budget on the alarm, whereas you have not exceeded the budget on the building, which is about . Everything else seems to be okay. The insurance, I believe, I haven't audited, we've got 13 auditors in play ... the annual cost for insurance is in excess of \$800. They tried to invoice partial payments. I'm believing that what may have happened was that we have a July 1 due date and we have a July 1 warrant in the cue that will pay the entire premium on the first of July. We're adequately budgeting 15. I have a suspicion there was a payment made in 13 that was the first quarterly payment of 14. I think we're going to have that relief of \$2300 this year, because I think the other payment got buried in last year's. I don't expect any more insurance. I know we've paid. I know we're going to pay a lump sum, \$8100-8200 come July 1 on 15. We also have that.

I think other than the salary line, which is a segregated line, I think the lower end of the budget is fine. There is some highs and lows, but I think it's going to close up fine. Then we'll worry about encumbering and continuing to incorporate because they're not all in my model yet. I've got it working and proved that it's time now. Whether or not we carry over the \$19,334.61, that hasn't been touched for the water and mold remediation as a discussion we can have at the July meeting. I'm going to want, before the end of July, whatever you want carried forward. Otherwise we're going to close them down. That budget we've taken care of.

The only other budget that needs some attention is the finance department, and that's on page 1. Again, the salary line is fine. We have ample funds on the salary. We'll be turning back something of \$6,000, probably closer to \$6,500. I've pretty much cranked through this on the encumbrance column, all the bills I think we'll continue to pay through the back end of the year. We still have all the elected officials to pay. We still have a couple of employee pays. We have the clerk to pay. I'm assuming that your appointment goes with the status quo clerk salary. We're good for fiscal 15 with the 25 we budgeted. We're good with that line this year.

When you get into the expenses, and again, the expenses are up and down, I'm waiting for an invoice from your legal counsel. I've estimated that's going to be upwards of \$2,500. He did the district meeting. He's been doing some Attorney General stuff. I'm just guessing he's going to hit us with something. I believe he's \$250 an hour. I'm figuring about 10 hours will come in. It would be helpful, if any of you are in touch with him, to let him know we want our bill. You do? Please get that to us so we can process that on the warrant. Thank you. Do you know what it is? That one is fine. The contract with the audit firm, they've actually started the 14 audit. They do some field testing when they're doing the finish up on the prior year. We've already paid them \$750 on the 14 audit, and they'll be doing field testing on that while they're finishing up the 13 audit as well. 15 as a matter of fact, so some field testing.

That line is okay. I fully encumbered the line item. I can't recall if they wanted the whole \$12,500 or if it's slightly less, but we'll encumber that. You've done two amendments to our contracts, which can be handled pretty much within the budget. The two lines that are most in need of attention that we need most of the emergency unforeseen was the banking fees. I'm looking for a reserve fund transfer to compensate. We had a \$500 budget. Our expenditures year to date are at 22-27. \$1,775 if I budget an estimate of another 50 through the back end of the year. We should be fine with that transfer. That would get us just about to

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where we are right now plus the \$50. If you want to do them one at a time, we can do that, and then we'll cover the second one.

Fran: I'll make a motion to transfer from the reserve, \$1,775 to cover the bank fees.

Laurie: Second.

Fran: All those in favor? Aye.

Mike: Thank you very much. Everything else, as you see, is modest ups and downs. Nothing of critical nature there. The real kick in the pants this year for this budget was unemployment insurance. I'm looking for a transfer of \$27,500. We originally budgeted \$6,200. We knew when we put this budget together at district meeting last year that we had some modest cost going on. It was uncertain as to what was going to happen. We clearly did not know we were going to be swapping assistant treasurer, or whatever you want to call that position, which resulted in an unemployment insurance hit. We also had a series of firefighter unemployment and a fire department clerical unemployment charge that floats for the year. We're still currently paying at least the cost of two of those benefits. As you'll see, I have a bill in hand that will hit the next warrant for \$2,850. I budgeted another \$3,000 because I don't think that's going to be any change. Just to be safe, I threw \$3,000 in there.

When I budget the \$5,850 for the May invoice and the June invoice, I'm showing that our total expense this year is going to be about \$33,600 and change. We budgeted \$6,200. If we transfer \$27,500, that will bring us up to \$33,700 what we've paid year-to-date and what I think we're going to have without breaking around that. \$27,500 transfer would be in order also.

Fran: I make a motion to transfer from the reserve fund, \$27,500 to cover the unemployment insurance. Is there a second?

Laurie: Second.

Fran: All those in favor?

Laurie: Aye.

Fran: Aye.

Mike: Thank you very much. The line that shows below article 4 on this statement, article 3 on the reserve fund, you just voted \$29,700 out of \$50,000, which leaves a turn back of about \$20,300. Also, our budget will turn back to \$6,500 in the salary. The prior year encumbrances, I believe we had carried the full appropriation for the auditor, and I think as it turned out, some of the things that we did helped him save some money. I think we're going to turn back \$3,200 on that. I didn't see any other reason why he's going to bill me for anything [for 12 27:38]. The Northern Data computer system was acquired a couple of years ago, was a \$25,000 appropriation. The software was procured. Training took place, but the PC it rides on, the computer itself, was never dealt with, nor was the printer. A lot of our havoc this year has been to do with computers and printer issues more than anything else. We're in the process of taking delivery of a new ... We also have XP, which has no support, which is causing other problems as well.

We're upgrading a new PC with much higher end capacity and Windows 8 application that will allow us to not get bounced off the Internet and have problems with [inaudible 28:30]. I'm sorry, but we're not buying it to satisfy you. We're going to satisfy the gods that we need to satisfy. Anyway, that's going to be expended out, and what I'm showing you on this is I believe we're going to turn back about \$11,000. We don't need anymore software, hardware or anything else. We'll have our printer. I believe we were asked to also include a copy capacity so the printer will be able to do copy, I think for Tony. I'm going to have to run downstairs. Other than that, this budget will be turning back over \$20,000 with the \$20,000 from the reserve fund. It's in excess of 40.

In effect, with the transfers, other than the fact that you've covered salary down below, the unemployment is the only thing that really cracked the head this year. When all is said and done, the turn backs will be pretty equal to what the reserve fund began with. We'll be out maybe \$10,000. Finance department is very mature. Everything in there is pretty well hard calculated. I think we're in good shape. I think you're going to see that turn back, the reserve fund turn back. Fire department is currently sitting on just shy of a quarter of a million dollars, when I full encumber their one capital item. The turn back there is going to be substitute.

The water department, we were going to ask for a transfer of their salaries because they under-funded their salaries, but several of the employees have terminated, so we don't believe the water department salary is at risk anymore. They are currently showing about \$12,000 to get them through the back end. Their operating budget has never been at risk. They currently show about 126 where half of the fire department is. Freedom Hall is looking like it's okay and

the budget side, we'll deal with the articles. Street lights, I believe we need to encumber some street lights because I believe we have underpaid Semans about 5 invoices from what I can determine. You'll see I've got a 32-25 encumbrance there. It's basically to cover the unpaid invoices. They've been notoriously bad billing us, in all of my clients, not just us.

I think we will, if we don't get those invoices in before we run our last line, we will encumber enough to make sure that budget closes out clean. The library is zeroed out. Debt service, we get to \$350 that we budgeted for temporary interest we never needed to use. Health benefits, I've analyzed them. I'm speaking in my normal voice. I will try but I am not going to be ... Well, and you know what? It's not my fault. I'm a human being. I talk normal. You need to be recognized by the chair for number one. I will talk as loud as I must. All right, I will. How's that? I will speak as loud as I must.

Fran: Please.

Mike: Don't thank me. I don't need your thanks. I guess I'm done. Excuse me, I was speaking about the benefits budget, before I was rudely interrupted. The appearance is that there were 11 invoices for that fiscal year. I again believe that the historical deficiency was that we pay the July cost out of the June prior year budget. We had budgeted 12 months for 15. We will pay the July cost out of the 15 budget. To the best of my knowledge, we have paid the 12 prior. There's a good size turn back in that budget because we only paid 11 invoices. The transfers are all 0. We transferred what was appropriate. The articles are still pending, as I have said before. You have a very good synopsis of every line item, every budget for fiscal 14. The two transfers we have voted put us in good shape coming out of the year, and it would appear we will have a substantial amount of unexpended expenditures that were budgeted to turn back at the end of the year. That would conclude the fiscal 14 report.

As far as 15 goes, we haven't started yet, but we will have a warrant for you to sign that will be dated July 1 that will take care of the retirement assessment, the insurances that are due July 1 and the cost of benefits that are due July 1. Those will be done in such a way that they will be able to be signed, the warrant, the checks mailed and arrived to the proper venues for July 1. We have a perfectly set up first warrant for fiscal 15 and we have a very well balanced and accounted for 14. I would say this is the first time that the Prudential Committee has ever seen anything like this in June relative to the year coming to the end. As much as I might not speak loud, I certainly do my work when I need it done and delivered unlike previous employees. Just to set the record straight, those who seem to think that I'm an employee of this district need to learn that I am not.

I'm an independent contractor that works for a corporation that has a contract with this district to provide professional services. That's it. I think that should clear up any questions that people had that want to complain about how I get paid, or what I'm getting done and I will present to you the amount I have written off for the excess hours I have provided the district, because it was a very poor job done of disclosing how detrimental the prior employee was to this district, and badly in the hole this district was, not only 11 was undone when I came in mid year 13, 12 was undone, and 13 was not even touched. I have cleaned up 11, 12, 13 is in audit, 14 is in good order coming out of this month, and 15 will begin on time. I think that is the best report that I can give you.

I also don't believe that you will see me at most meetings going forward of this board because if people think that my soft spokenness is a deliberate attempt to violate the open meeting laws, then you're better off without me here. I will communicate to the board and the chair through emails with my reports and you won't need me here to whisper as one individual calls me, wisperjet. I will not be attending your meetings so you don't have complaints to the Attorney General about a board because a contractor isn't speaking loud enough. I think we'll solve the problem with the lack of sound, by not coming. If you need me, I'll be happy to come, but otherwise I don't think it's a prudent use of my time.

When you see how much I've written off because I've given you more than I'm supposed to, then you'll understand why I can't stand people who want to complain and allege improprieties on my part when I am donating thousands, tens of thousands of dollars of my time to this district since I got here. I will not donate anymore. Fiscal 15 will be my last year. I will not bid, do anymore work for this district. I'll put you on notice now that about 6 months from now you need to start looking for somebody to do what my company does, because I will never subject my company to what it's been subjected to by residents of this district going forward. Thank you. I will stay for your executive session.

Fran: No. No comments, Amy. No questions. No, no questions.

Marge: Can I ask a question?

Fran: You may ask a question.

Marge: Mike, out of curiosity, the computer equipment. Do you buy that on a state contract or do you have some other source that you use for this?

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Mike: We are buying it from the company that services the equipment. It's below \$5,000, so we're not going to go looking for a problem. We know who services us now. We're going to give them the business and they will continue to service us.

Marge: That's fine. I was just curious.

Laurie: I just want to say to Mr. Daley that those of us who have been on the board or are attending meetings since he took over are fully aware of what he had to deal with when he came in. We have not talked about it very much in public. I came very close at the district meeting. I understand that you have a great deal of respect, some of you, for the former treasurer. I worked for her for many years and she did a good job. However, in the last several years, I understand she had some serious illness. I don't know whether that was the cause. I don't know what it was, but she had certainly let things go. She did not keep up with all the laws. She just was no longer doing a good job, and we owe Mr. Daley such a big vote of thanks for what he has done for us.

Fran: I thoroughly agree.

Marge: As do I.

Fran: I'm very distressed to hear that you won't be continuing on with us.

Mike: I'm sorry but the public has treated me with too much ... It's just not tolerable. I would be going now. If I had been smart enough I would have escaped and I'd be gone.

Fran: Well, I'm very sorry.

Mike: It's not your fault, but I don't have to do this, and I'm not going to subject myself to anymore from what's coming at me for the last 13-16 months.

Fran: I'm going to make a motion that the committee go into executive session to consider the purchase, exchange, lease or value of real property, the discussion of which in open session may have a detrimental effect on the negotiating position of the public body and not to reconvene in open session. May I have a second?

Marge: Second.

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Fran: Role call vote.

Marge: Marge Wallace, aye.

Laurie: Laurie Hadley, aye.

Fran: Fran Parks, aye.