

**COTUIT FIRE DISTRICT
PRUDENTIAL COMMITTEE MEETING
ZOOM
July 28, 2025**

The meeting was called to order by Mark Lynch on July 28, 2025 @6:01pm via ZOOM.

Mark led the Committee in the Pledge of Allegiance.

Mark did roll call:

Present via ZOOM: Prudential Committee Mark Lynch, Seth Burdick, John Havel, Treasurer, Ray Pirrone, Assistant Treasurer Lisa Haven, incoming Assistant Treasurer Ryan Ouellette, Clerk, Charlie Eager and Jannelvy Martinez.

Public Comment:

- No public comment

Meeting Minutes Approval:

MOTION: To approve the meeting minutes from June 23, 2025.

Motion made by: Seth Burdick Seconded by: John Havel

Motion passed unanimously.

Cotuit School Demolition and Architecture Proposal

The committee emphasized the need for both an architectural firm and a project manager due to the projected cost exceeding \$1.3 million, a threshold requiring formal oversight. Jannelvy Martinez, acting as the procurement consultant, collaborated with Mark Lynch and legal counsel, Mark Boudreau, to determine that it was permissible to directly solicit a proposal from Icon Architecture under a “continuing services” category, as the firm was already familiar with the project.

Icon Architecture submitted a proposal, dated July 21, 2025, detailing costs for five tasks:

- Task 1: Topographic Survey – \$9,900
- Task 2: Hazardous Materials Assessment – \$23,600
- Task 3: Construction Documents – \$60,500
- Task 4: Bid Phase – \$10,000
- Task 5: Construction Phase – \$25,000

Ms. Martinez and Mr. Lynch agreed that Tasks 4 and 5 should fall under the responsibilities of the separate project manager and Mr. Lynch suggested to enter into Executive Session at the end of the meeting.

Website Update

John Havel provided an update on the fire district's website. He contacted the Barnstable County IT Department and gained access to the WP Engine platform, which hosts the current site. The

district had an outdated agreement with Barnstable County from around 2016 / 2018, which included hosting and IT support, as well as Microsoft 365 licenses (which are now managed independently).

Although Mr. Havel gained access to the site two weeks prior, progress was delayed due to personal commitments he is waiting a response from Ms. Parks regarding the Gmail account that manages the Freedom Hall Google Calendar. He appreciated Lisa Haven's efforts to post event information manually and mentioned he had created a first draft of the new website. Before moving forward, he planned to consult with Adam Zais (Fire Commissioner) and Jen Nash (tech lead for the Water Department) to confirm that the design met departmental needs. If all parties approve the new design by the next meeting, Mr. Havel hopes to have a functioning staging site ready. Transitioning to the new site should be quick, with the main time investment being the transfer of historical documents such as meeting minutes and video links.

Treasurer's Report – Preliminary Fiscal Year 2025 Review

Ray Pirrone presented a preliminary financial overview for Fiscal Year 2025. While there is still work needed to reconcile accounts and obtain confirming data from the town, the district ended the year in strong financial standing. Revenues exceeded projections, and expenditures were below budget.

Key highlights included:

- **Tax revenue:** Nearly all of the year's tax levy was collected, falling short by only \$25,000 (around 1%). However, the district collected \$59,000 more than projected due to higher-than-expected penalty and interest (P&I) and lien collections.
- **Water Department performance:** The department exceeded its revenue budget by \$281,000 and its internal target by \$150,000. Despite an 8% increase in water pumped (pumpage), overall revenue decreased by 5% compared to the previous year. This discrepancy was attributed to a rate change that decreased fees for low users and increased them for higher users, aiming to be revenue-neutral—but apparently led to lower total revenue.
- **Other revenue sources:** The Water Department also receives income from rental agreements for telecommunications equipment and solar credits, both of which performed above budget, particularly the solar credits. P&I and liens also contributed significantly to revenue in the Water Department.

Mark Lynch asked for clarification on the revenue decline despite increased water usage. Mr. Pirrone explained the impact of the rate structure change and outlined the department's other income streams. He noted the numbers are still preliminary and that a more detailed analysis will follow.

Mr. Pirrone stated that while the intention was to curb excessive water use and maintain revenue neutrality, the preliminary data showed an 8% increase in water usage paired with a 6% drop in revenue—an unexpected and possibly troubling outcome. He committed to investigating this further and presenting a more detailed analysis at the next meeting.

Moving on, he reported that the Fire Department exceeded its budget by \$45,000, excluding grant funding. However, the district received around \$74,000 in grants, which will be transferred from the general ledger to the special revenue ledger, improving the apparent expenditure situation and potentially boosting free cash. The overage was primarily due to higher-than-anticipated ambulance revenue, even though it had slightly decreased compared to the previous year.

In the “other” revenue category, the district exceeded the budget by \$79,000—\$68,000 of which came from interest earnings. Though interest income was down 12% from last year due to declining rates (now trending toward 3.5% from a previous 4%), it still contributed positively.

Altogether, the district ended the year \$464,000 over its revenue budget, not counting the grant funds.

Expenditure Overview and Budget Performance

On the expenditure side, all departments performed well.

The Prudential budget was under due to underspending across all operations, including unexpected legal fees related to a Bond Anticipation Note (BAN) that were absorbed without issue.

The Fire Department came in \$70,000 under budget, with an additional \$80,000 in expenses to be reclassified into special revenue, resulting in approximately \$150,000 in favorable variance—mostly from professional services.

The Water Department was \$135,000 under budget due to reduced legal and engineering costs.

Freedom Hall and street lighting also came in under budget by \$6,000 and \$3,000, respectively, thanks to savings in grounds maintenance and electricity.

The library transfer and debt service were completed as planned.

The reserve account, which began the year at \$45,000, had \$42,000 transferred out—\$1,000 for salaries at Freedom Hall and \$41,000 for debt service, mainly due to higher-than-expected interest costs on the June 2024 BAN.

Benefits spending came in \$59,000 under budget due to savings in medical insurance and the annual retirement stipend. In total, Pirrone estimated a \$382,000 expenditure surplus, combined with the \$464,000 in extra revenue, projecting free cash in the range of \$750,000–\$800,000, ideally closer to the higher end.

Article Balances and Fund Status

Mr. Pirrone reviewed the status of various warrant articles, noting that the year-end closeout process had gone smoothly and that all active articles were within budget. He emphasized that no articles had been overspent and several showed favorable balances, which may be available for reallocation or return to free cash once projects are completed or closed out.

He focused specifically on several key capital articles, including:

- **Ambulance Purchase Article:** The new ambulance is expected to be delivered in the fall. The article funding that was appropriated for this capital purchase remains untouched and is expected to be sufficient to cover the full cost, including any ancillary equipment and upfitting.
- **Fire Station Renovation and Demolition Articles:** Mark Lynch asked about the status of these items. Mr. Pirrone clarified that although these were appropriated at the most recent annual district meeting (fiscal year 2026), the funds did not officially become available until July 1. Because of that, these appropriations were not yet reflected in the fiscal year 2025 closeout figures. He reassured the committee that these articles are now available and will begin to appear in reporting going forward.
- **Smaller Project Articles:** Several other capital articles—including ones related to equipment or maintenance needs—had not been fully expended, and Mr. Pirrone intends to review them in detail with department heads. Some articles, for example, were completed under budget, while others have ongoing projects that are expected to wrap up in the coming months.

Mr. Pirrone indicated that during the upcoming cycle, he would work on identifying articles that can be formally closed. Any remaining funds from completed projects will be returned to free cash following standard accounting procedures. He committed to providing a full list of open articles, their remaining balances, and their projected closeout dates at the next meeting or the one following.

Fund Status Overview:

All district fund accounts were fully reconciled with no discrepancies. Mr. Pirrone highlighted several key updates:

- **OPEB (Other Post-Employment Benefits) Trust:** The fund saw a significant increase, with investment gains of approximately **\$271,000**, even though the district made no additional contributions this year. This was credited to the overall positive performance of financial markets. The district continues to monitor this fund closely to ensure long-term obligations can be met.
- **Stabilization and Capital Funds:** Mr. Pirrone reviewed the balances and noted that transfers from the general fund and prior bond anticipation note (BAN) proceeds had been completed appropriately. While balances remain healthy, he stated there would be a more detailed review of how some funds are categorized—particularly regarding operational versus capital purposes—so that future appropriations are aligned with appropriate ledger classifications.

- **Reserve Fund:** The reserve fund saw two transfers totaling \$42,000—one for \$1,000 to cover a shortfall in Freedom Hall salary lines and another for \$41,000 to address increased interest costs on the June 2024 BAN. The year started with \$45,000 in the reserve fund, meaning only \$3,000 remains unused.

Mr. Pirrone closed the fund discussion by noting that the overall financial health of the district remains strong. He emphasized the importance of continued conservative budgeting, accurate article tracking, and transparent fund accounting—especially as the district looks ahead to additional capital needs and potential debt obligations in the coming years.

Transition of the Assistant Treasurer Role

The committee devoted a portion of the meeting to formally acknowledge and plan for the transition of the Assistant Treasurer position, as Lisa Haven prepares for retirement. Her official last day will be in early August, with her final week being the current one. Lisa has served as the Assistant Treasurer for approximately eight years, and the committee expressed sincere appreciation for her dedication, professionalism, and efficiency during her tenure.

Treasurer Ray Pirrone praised Ms. Haven’s ability to manage a wide range of responsibilities with minimal oversight, noting that she provided consistent, detail-oriented support that made district operations smoother and more reliable.

Committee members echoed these sentiments, with several emphasizing how seamlessly she handled payroll, purchasing, vendor payments, and communication with department heads.

Introducing Ryan Ouellette

Stepping into the role is Ryan Ouellette, who has been working alongside Ms. Haven’s in recent weeks to ensure a smooth handoff. Mr. Ouellette will assume full-time duties starting Monday, August 4, 2025.

Mr. Ouellette comes to the district from Cape Air, where he served as Payroll Manager. He has extensive experience managing complex payroll systems, including overseeing payroll for a workforce of 700–800 employees across multiple states. This background will be especially valuable in his new role, given the intricacies of managing payroll for the Fire Department, which includes a mix of full-time, part-time, and on-call personnel with varying compensation structures.

Mr. Pirrone stated that Mr. Ouellette is already learning the systems quickly and is well-suited for the position. He has been introduced to district accounting procedures, including working in VADAR, the financial software used by the district, and is being trained on district-specific reporting and budget tracking practices. He also mentioned that Mr. Ouellette is bringing a proactive mindset and has already made suggestions for improving some administrative processes.

The committee welcomed Mr. Ouellette warmly and expressed full support for his onboarding. They also thanked Ms. Haven again, not only for her service but for the time and care she has invested in preparing Mr. Ouellette for the transition.

Future Operational Improvements

This personnel change also prompted a broader conversation about updating operational practices:

- **District Credit Card:** One immediate adjustment is replacing Ms. Haven's personal credit card, which had been used informally for recurring small payments (like Zoom subscriptions). A district-issued card will be established and managed under a formal policy to ensure continuity and reduce reliance on personal resources for district business, initially with Mr. Pirrone and then it was suggested that separate cards for the Fire Chief and the Water Superintendent.
- **District Phone Line:** Ms. Haven's personal phone number has long served as the contact number for vendors and internal district communications. With her retirement, the committee agreed it was time to establish an official district-owned phone line. The first new phone will be issued to Mr. Ouellette, allowing him to separate personal and professional communications. The second phone to be issued to Mr. Pirrone. If cost-effective, more phones may be issued to key personnel. Mr. Pirrone and Mr. Ouellette will make the decision regarding which phone and which plan. Mr. Burdick asked if it was funded in the Operating budget. Mr. Pirrone stated that it was in the Communications budget.

These changes reflect a broader effort to professionalize and streamline district operations as the leadership team evolves.

Public Comment

Jannelvy Martinez congratulated Lisa Haven on her retirement.

MOTION: To go into executive session to discuss the financial details of the June 21, 2025, ICON architecture proposal relating to the Cotuit demolition project.

Motion made by: Mark Lynch Seconded by: Seth Burdick

Motion passed unanimously.

Meeting adjourned at 6:45pm.

Respectfully submitted,

Gina Gonsalves

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