

Prudential Committee
Cotuit Fire District
24 November 2014

Present: Laurie Hadley, Fran Parks, Charlie Eager clerk, Michael Daley, Treasurer

Jeff Rudizak, Director of Assessing, Auditors, Robb Lynch and Brian Brady.

Fran: I'm going to call to order the November 24 meeting of the Cotuit Fire District prudential committee. Is anyone recording? Amy Kates is recording. Jeff.

Tax Factor:

Jeff: Good evening. My name is Jeff Rudizak, I'm the Director of Assessing for the Town of Barnstable, and such, I also manage the evaluations and recap process for the fire districts. Now, the options before the Council tonight, for the Prudential committee, rather, tonight, our whether to split tax rate, whether to grant a residential exemption of any kind, or to grant a commercial exemption of any kind. The Cotuit fire district has never done any of those things in the past. There is insufficient commercial property to ... actually shift to, in this district, which is less than 2%. So the board of assessors recommends no split tax rate. The town already grants a residential exemption, and did so again this year for the residents of all of Barnstable. Therefore we do not recommend this tool for the fire district.

Small commercial exemption. Once again, you have no commercial inventory we are speaking of. And as such, it is a waste of motion to try to enact something like this complication. Once again, Board of assessors always recommends that the tax factor of one and no exemptions represents the most fair distribution of the tax levy for the fire district.

Any questions, I'll be happy to answer.

Fran: I have no questions.

Laurie: I have no questions.

Laurie: And I would like to make a motion that we adopt the text factor of one for the current fiscal year.

Fran: I second that motion. All those in favor? Approved

Audit Report.

Rob L.: Good evening. I'm Rob Lynch, with Lynch Mullen, and this is Brian Brady, he's handling an overview of the audit. We're the accountants and editors that have performed the annual audit for the district, and were here to present the results of the FY13 audit. We previously sent down to draft reports and through Mike. He said everything's all set, and here we are.

Just as an overview, the objectives of the audit ... the main objective is to express an opinion as to whether the district's financial statements are presented fairly in all material respects in conformity with GAAP. And the audit is required to be conducted in accordance with government auditing standards, which require us to conclude and consider the internal controller over financial reporting, as well as to test compliance with laws and regulations.

And we do all those things in the course of performing our audit. The audit opinion we have ... rendered an unmodified opinion on the district's financial statements, meaning the district's financial statements are presented fairly in all material respects in accordance with GAAP. The government wide financial statements present the district's operations on a full accrual basis. So it's a recording of all assets, like accounts receivable, have it all assets and liabilities inclusive of long-term debt, compensated absences, [inaudible 00:04:12] obligations. The district's net position at June 30, 2013 was 4.2 million, and that it was a decrease of \$434,000 for the year. The unrestricted net position was 1.5 million.

The fund financial statements are on a modified accrual basis. The total fund balance of the general fund was 2.4 million, approximately 1.4 of that fund balance was unassigned, and that represented a ... on the overall fund balance a decrease of \$421,000.

One of the main reasons for the decrease in the net position of the fund balance for the year was the result of utilizing ... excuse me, utilizing \$700,000 in free cash, to reduce the tax levy for fiscal year 2013. And also attached to the handout, in the last page, is just a comparison of budget to actual, which is more on the basis of how the board would budget, and that shows, similar to the decrease in the net position and fund balance, it just had an overall decrease of \$395,000. But then again, that was anticipated because of the use of the free cash.

We again, in our yellow book government auditing standards report on internal control, just due to the nature of the organization, we had a lack of segregation of duties hard work and the accounts receivable reconciliations, with the town, but they were subsequently being completed so ... We had again some comments in our management letter, but those are being addressed. We didn't have any new comments in connection with the audit. And a couple of years ago,

there was a ... some issues, and then, since Mike has brought on in the hiring of the assistant treasurer, heading in the right direction and a lot of corrective action has been put into place.

That's a brief overview, and with anything, I can open up to any questions. Anyone has any?

laurie: I have no questions.

Fran: Mike?

Mike: No, I just have a letter I'm going to ask the committee to sign.

Rob L.: Thank you Mike. He mentioned this was going to be here, and we will get you to final reports. As I mentioned, the draft's been sent down. We couldn't give you final reports we got this letter of representation. Over the weekend I was doing a final review, and there was a couple of typos that we had to correct, so I just was able to get those done today, to bring them down, so, we'll get those sent down to you.

Fran: Thank you. Excellent job.

Rob L.: Thank you. In planning with Mike, in short order we will be getting in to get the 14 audit commenced and completed.

Rob L.: Thank you very much, have a good evening.

Minutes:

Fran: Next, we have some minutes to approve. So the minutes are from September 4, September 22, October 14, October 27, and October 30.

Laurie: I would question whether I could have any comment on the minutes of the 30th because I wasn't here.

Fran: You weren't here, but you can approve them because you're on the committee.

Laurie: Then I move we adopt all the minutes you listed.

Fran: Second. All in favor?

Fran: All right. Great. Thank you. Motion passes.

Freedom Hall:

Well if everybody looks up, you'll be able to see some of the work for the HVAC. That's for the air-conditioning. So that's coming along.

Fran: Now they're advanced. We are theoretically, supposedly, hopefully scheduled to get our gas installed between the 7th and the 17th of the month. But depending upon the weather and other things were doing then, may or may not happen. The exterior painting has been completed, and since the exterior of the building looks great, I've contacted the historical society and asked them if we could have a plaque for the building, which is the same as the plaques that are used for rest of the historical buildings in Cotuit.

Interior painting. As you know, I said, talked to Mr. Boudreau, and asked that he contact, get in touch with Demetrius, who did this abysmal painting job, and related our dissatisfaction with the paint falling off the walls, and he hasn't heard back from him. It's ongoing.

Laurie: Surprise surprise.

Fran: did need to have some windowpanes repaired, during the process was Mr. Kurt came in and took care of ... so there are no more cracked windows.

District Meeting:

Our next item is a district meeting. We need to set a date for a district meeting. In January. And I included BLt, but it's my understanding that Jackie has been working with the Department of Environmental Protection and another department in Boston, to find a way so that the water company can hold the restriction on the Lowell land. So we don't need to include that in the district meeting.

Also the deadline for purchasing the property has been extended through I believe September of 15, for BL2. So, the agreed upon price for the property is \$299,000, and we need some funds beyond that to, uh, for closing costs. The approximate cost for ensuring the building is about \$1500, and I'm not sure for going to have to do some securing of the building, like draining the pipes. So I think we need some money, set aside for that.

So, \$10,000, do you think it's sufficient to cover closing costs?

Mike: There's a difference between closing costs and out of pockets ... Closing costs are the type of transactions, legal fees, and ... but then if you're talking about securing the property, or raising anything or modifying it in any way, it would

seem that that would be a separate transaction. So, once you open up the warrant, ... you will set the warrant articles, before the warrant closes. So we'll take you through ... were either going to open the budgets or sprinkle some additional funding into the budgets, or were going to do perhaps a procurement, and then the second article there will allow you to work on the property separate from the purchase. But for the time being, we will deal with all of your funding needs through the warrant. Once you declare that there is a warrant open, and that there is a meeting date, then you have a closing date for your warrant, and before that date closes, we'll go through and build a warrant that deals with all the pieces.

Fran: So, and the other thing that we need to include, the second item on the warrant, is money for union mediation negotiations. The best of my knowledge, one mediator was ... put in place, and that person has been changed to another mediator. But we need to ... the burden is on us to pay the cost for that, so ... the chairman of the board, the fire commissioner, suggested \$25,000.

Mike: We'll do the same thing. Yes. Because we also haven't funded any contract adjustments for fiscal 15, with that bargaining unit. So we may have some placeholders in case something comes before. The cost of the mediation itself is only a component unit, doesn't mean the mediation succeeds, then you go to arbitration. The 25 may include what you need to arbitrate beyond the mediation as well, but we'll get more details. Again, we'll fund those articles, we'll make those warrant articles what they need to be when we get to that point in time.

Fran: So the other thing that we need to do is set a date. I'm thinking January, is that good?

Fran: As you all know Marge has been in the hospital.

Fran: So, Mrs. Hadley, you have the calendar, what do you think?

Laurie: OK. Let's see, January. So the kids are probably going back to school. Hopefully the 5th. So, I'd say we could do it either the 12th or the 13th, I can't do it the 19th, that's a holiday. I'm not available on Wednesdays. We could always ... or we could do it on a Thursday. What do you think?

Laurie: It doesn't matter on a special district meeting, you could do it any night. So, what are we planning on January 8?

Mike: I don't have your here, but the warrant ... in order to hold a meeting, the warrants got to close probably at least 10 days prior to. So, the leader in January you can do it, the less impact, because you're going to be finishing your warrant before Christmas.

Fran: OK.

Laurie: We need to advertise it for two weeks, I know.

Mike: So push it out, as opposed to pushing it forward, And then we'll pick your day and then we'll get a checklist together for all of the ...

Fran: 15th?

Charlie: That's fine.

Fran: Better 22nd?

Mike: That would at least get us so that were closing the warrant after the holidays.

Fran: OK. We'll do it 22nd.

Mike: Last week of January or the third week of January. At least that is working in January and ...

Laurie: Well then, I make a motion to hold special District meeting for January 22.

Fran: Second. All in favor? Approved

Treasurer's Position

Fran: So the other item is, we need to get ready to do an RFP for the treasurer's position. I was going to get in touch with LA and at the county, and see if we can just update the previous ... RFP that we did, and change the dates and get that sent out and start on that process in the beginning of January. And do you have, have anything else?

Fran: Mr. Daley would you have anything else?

Mike: No, I've given you everything.

Fran: I printed everything and forgot to bring it.

Fran: Is there any public comment? ... Seeing no public comment, motion to adjourn motion to adjourn So moved. Adjourned.

Laurie: Did you hear what Mike said, he's not going to be here, this would be the date of our regular meeting in December.

Fran: Right.

Laurie: He might not be here, but he'll see that we have everything we need-