COTUIT FIRE DISTRICT
PRUDENTIAL COMMITTEE MEETING
ZOOM and IN PERSON
Freedom Hall
COTUIT, MA 02635
July 27, 2026

The meeting was called to order by Chair Mark Lynch at 6:00 pm on July 27, 2026.

Pledge of Allegiance & Roll Call

Chair Lynch led the Pledge of Allegiance and conducted roll call:

Commissioners present in person: Mark Lynch, Seth Burdick, and John Havel.
Also present: Treasurer Ray Pirrone and Assistant Treasurer/Clerk Ryan Ouellette.

Public Comment:

No public comment.

Meeting Minutes Approval:

> **MOTION: To approve the meeting minutes of June 22, 2026.**
> **Motion made by: Mark Lynch** **Seconded by: Seth Burdick**
> **Motion passed unanimously.**

Water Department Accumulated Sick Day Funding

The Committee revisited the Water Department's unbudgeted accumulated sick leave payouts and the two-part proposal discussed in June. The short-term proposal is to use the existing Water Department Stabilization Fund for unanticipated sick leave reimbursements, subject to Water Department approval; the long-term proposal is to establish a dedicated special-purpose stabilization fund for those obligations. The Water Commissioners were scheduled to consider the proposal on Wednesday.

The Committee reviewed the District's bylaw and M.G.L. c. 40, § 5B. While the current bylaw requires a two-thirds vote for expenditures from the Water Department Stabilization Fund, the current statute distinguishes between general-purpose stabilization funds, which require a two-thirds vote, and special-purpose stabilization funds, which require a majority vote. It was discussed that both the existing Water Department Stabilization Fund, as used for the interim solution, and the proposed dedicated sick leave stabilization fund would constitute special-purpose stabilization funds. Establishment of the new dedicated fund would require District Meeting approval.

The accumulated sick leave liability as of June 30 was $77,739.05. Funding it over five years was estimated at approximately $16,000 annually. It was noted that the amount is an unfunded liability that has not been raised in the District's financial disclosures and could negatively affect its credit rating. The Committee requested that a memorandum of understanding be drafted for presentation to the Water Commissioners and a vote at Wednesday's meeting. The Committee also noted that the District's bylaws should be updated to reflect the current statutory provisions governing stabilization funds.

School Demolition Update

Chair Lynch reported that the school building has been completely demolished. The electrical transformers located in the basement were removed by Eversource but remained on the property as of a few days prior and still needed to be physically removed from the site. The hole left by the building has been filled, and soil is currently being added and graded.

A few punch-list items remain before replanting can take place, which Chair Lynch hoped would be completed by the end of the week. Replanting can then begin, subject to determining the best timing to ensure that the plants thrive.

CFD Website

Commissioner John Havel presented an overview of the redesigned Cotuit Fire District website. He explained that the former WordPress site had broken plugins, outdated software, accumulated technical debt, an unnecessary multi-site structure, and limited District control. The District has since obtained access to the website and hosting, allowing it to manage content, users, permissions, and future development directly.

The redesigned website consolidates the former multi-site structure into a single site with simplified navigation and standardized sections for the Fire Department, Water Department, and Prudential Committee. It provides easier access to meetings, documents, announcements, Freedom Hall events, bids and RFPs, and District information. ADA considerations were also incorporated into the redesign, with standardized PDF templates and instructions for agendas and minutes planned.

Meeting records and documents dating back to approximately 2010 were reorganized. Meetings are now maintained as individual posts containing pertinent information and available agendas, minutes, recordings, and related documents. Documents have also been categorized, including annual reports dating from 2026 back to 1937.

Commissioner Havel noted that the website can now be used more actively for District news, announcements, and other updates. The Committee discussed posting the monthly updates currently provided to the Civic Association. The Freedom Hall calendar has also been moved to Outlook within the District's Office 365 system, with events displayed automatically on the website.

Administrative access is currently limited to Commissioner Havel, Clerk/Assistant Treasurer Ryan Ouellette, Water Department Office Manager Jen Nash, and a Fire Department representative. Regarding long-term maintenance, Commissioner Havel stated that routine maintenance should be minor and could likely be handled by District volunteers, with professional assistance considered if another significant redesign is undertaken. The Committee was comfortable continuing with volunteer maintenance for the time being.

Treasurer's Report

The Treasurer reported that FY26 ended in a good position overall, with revenues approximately 11% over budget and expenditures at approximately 97% of budget. Current-year tax collections finished at 98%. Water Department revenues exceeded the conservative budget, in part due to drought conditions, while Fire Department ambulance collections and interest income also exceeded estimates.

The Treasurer suggested using more realistic revenue projections for internal reporting while retaining conservative figures for State reporting and tax levy estimates. The Water Department currently prepares a detailed revenue projection, while approximately 85% is used for budget and State reporting purposes. He suggested measuring internal performance against the full projection, with the matter to be discussed further by the Prudential Committee and Water Department.

Departments generally remained within budget. The Fire Department benefited from grants related to workers' compensation and the Chief's FEMA emergency call duty, while the Water Department and Freedom Hall were under budget. A previously approved $1,500 reserve transfer for a potential Freedom Hall salary overrun was not needed and will contribute to free cash. The $5,500 reserve transfer for streetlights was needed due to higher maintenance resulting from the blizzard. The Library and benefits finished on budget, and approximately $5,000 in debt premium was used to offset debt-service interest. The Treasurer reported that the Other Post-Employment Benefits (OPEB) transfer was inadvertently $3,800 short of the budgeted amount. The difference will be addressed through a due-to/due-from the General Fund in August and included in the figures reported to the actuary. After accounting for approximately $1.8 million in non-funded debt expenditures contained in warrant articles but not reflected on the first page of the profit-and-loss statement, cash performance for the year was approximately negative $25,000, which the Treasurer characterized as essentially a push between revenues and expenditures.

The fire station project remains on budget but behind its anticipated expenditure schedule, with expenditures expected to increase over the next two months. The District will need to determine whether to enter into long-term bonding in December or, depending on project completion and interest rates, use a six-month BAN followed by long-term financing in June. The school demolition remains a non-funded debt project, with approximately $1.5 million remaining.

The FY26 report remains preliminary pending completion of the June reconciliation. The Treasurer expects to have the issues largely resolved by the next meeting and begin filing State reports by the end of September for free cash certification. Preliminary free cash was estimated at approximately $900,000, although the figure is not yet firm.

Proposition 2.5

Long-Range Budgeting Guidelines / Fiscal Policy

The Committee continued its discussion of financial policies and long-range budgeting guidelines, including the concept previously described as a “Proposition 2½-style” guardrail. The intent was not to adopt Proposition 2½, but to consider a fiscal policy or framework identifying an expected level of annual operating budget growth and providing additional scrutiny and explanation when proposed increases exceed that level. Discussion focused on whether such a guideline should be tied to inflation or another measure and the importance of considering increased services received in return for increased expenditures. Members emphasized that the objective would be greater predictability, transparency, and control in the budgeting process rather than simply minimizing taxes or restricting necessary expenditures. The Committee also discussed the value of greater coordination among the Prudential Committee, Fire Commissioners, and Water Commissioners when establishing District-wide financial priorities. As a starting point, the Treasurer agreed to review the District's operating budget increases over the past 10 years, including the corresponding changes or increases in services provided. The information will be used to inform further discussion of a possible long-range fiscal policy. The Committee agreed to refer to the topic going forward as long-range budgeting guidelines or fiscal policy, rather than Proposition 2½.

The Committee also discussed consulting District counsel as legal or bylaw questions arise and eventually bringing the District's boards together for broader discussion of fiscal policy and long-term priorities.

Public Comment

Fran Parks commented that Barbara Anderson was associated with the 2½% figure discussed earlier. She recalled a Planning Committee recommendation approximately nine or ten years ago that the District undertake long-range planning and suggested developing a 10- to 20-year plan identifying anticipated financial needs, including fire trucks, ambulances, Water Department needs, and Freedom Hall repairs, before focusing on specific budget figures.

Ms. Parks also suggested that a Special District Meeting could be held to fund the proposed Water Department sick leave fund rather than waiting until the Annual District Meeting. Finally, she recommended considering electronic voting devices at District Meetings to provide accurate vote counts and improve efficiency.

Matters not reasonably anticipated by the Chair

None discussed.

Adjournment

MOTION: To adjourn.
Motion made by: Seth Burdick **Seconded by: Mark Lynch**
Motion passed unanimously.

The meeting was adjourned at 7:36 p.m.

Respectfully submitted,
Gina Gonsalves