



Three Rivers Fire District
30 Springfield Street
Three Rivers, MA 01080

Prudential Committee Minutes

August 17, 2016

Chairman Stephen Chiacchia called a meeting of the Prudential Committee to order at 7:00 p.m.

IN ATTENDANCE:

Stephen Chiacchia; Prudential Committee Chairman
Richard Pobieglo; Prudential Committee Clerk
Lorinda Baker; District Treasurer
David Basler; District Clerk

Scott Turner; Fire Chief
Scott Majka; Water Superintendent
Sherrie Bellefleur; District Recording Secretary
Stephen Marhelewicz; District Accountant

Absent from tonight's meeting is Raymond Domey; Prudential Committee.
The Pledge of Allegiance was recited.

Approval of Minutes

The Committee reviewed and approved the minutes from the July 13, 2016 meeting.

MOTION (POBIEGLO, CHIACCHIA): To approve the July 13, 2016 minutes. 2-0

Public Comment

John Modak questioned the new bylaws. David Basler, the head of our Bylaw Committee states that the committee met in May 2016. The new bylaws are not significantly different than the original ones but there was some cleaning up of dates and a recall provision was added. The Secretary of State had already sent their recommendations on the election issues. The finished product was sent to Attorney Joseph White to be sure it is presentable. Once the bylaws are back from the attorney a special meeting will be called. Pobieglo opened up a short discussion on the bylaws and has said that according to the Attorney General our bylaws are not strong enough. David Basler assures the committee that he plans for the revised bylaws to be strong and enforceable.

Richard Pobieglo inquires about an attorney that the district compensated to look into and do some work on the bylaws. He would like to know if any of the recommendations were from the attorney that was already paid for. A short discussion took place as to if an \$8,000 bill from an attorney included anything on the bylaws. The bill appears to have possibly had a few bylaw comments but as of yet the current committee has not received any feedback or comments from any attorney. There is a possibility that the former Chairman may have received some notes or comments but at this point they are not to be found.

John Modak questions how Chairman Chiacchia and Clerk Pobieglo are going to address committee member Raymond Domey not being present at the last two (2) regular monthly meetings. Modak feels that if Mr. Domey is still being compensated to hold this position he must and should be in attendance at these meetings. Mr. Domey did contact the committee to let them know he was not going to make the meetings. The Chairman has assured John Modak he will discuss this with Mr. Domey.

Committee Reports

Bylaw Committee was covered in the Public Comment section of this meeting.

The Finance Committee has not met as of yet. This meeting generally happens in the winter prior to the annual meeting in May. In the past the department heads submit a budget to the Finance Committee; the Finance Committee reviews it and then comes up with a final budget that is then submitted to the Prudential Committee and the voters. Chairman Chiacchia assures that this process will be established again.

Report of the Treasurer

Review of July 2016 Financial Statements:

Treasurer Lorinda Baker and Accountant Stephen Marhelewicz stepped up to review the financials. Lorinda compliments Steve on all the hard detective work he has done to be able to present us with the reports he has to date.

The Hampden County Retirement was paid and this is a 50/50 split, meaning half is paid in July and half in January. This July payment was paid out of the district fund because the water department checking account balance was low. The January payment will be paid out of the water department funds.

Steve handed out the month of July 2016 financials. The water district showed a profit of \$15,000 for the month of July, keeping in mind July and August are usually two of the biggest months. He has been working diligently with current and past accounting records to clean everything up. For 2016 and two prior years Steve has allocated insurance charges between the water department and fire department based upon a 50/50 split for liability and property damage, elected officials coverage and automobile coverage (which is split based on the number of vehicles). This allocation had not been done in the fiscal 2015 or 2016 at all so Steve has gone back and done this.

There is an expense showing for \$1,200 which is the severance pay for Mr. Baldyga a full time laborer at the water department.

Chairman Chiacchia asks how the water department receipts of \$ 47,000 stack up to the last year. Marhelewicz has not had a chance to get to that yet. The main concern was to make deposits each day for the water department to be sure there were enough funds in the bank account.

The Water Department Profit & Loss report shows taking in roughly \$268,000 in revenue and expending \$412,000 for a net deficit of \$144,000 for fiscal year 2016.

Expenses were budget at \$368,000 and \$412,000 was expended. The water department had repairs at roughly \$50,000 with a budget of \$35,000. Water meter replacement consumed \$33,000. New meters were purchased in the amount of \$33,000 during fiscal year 2016. Water Superintendent Scott Majka says he does have more meters to purchase but this can be done over a period of time. The state of Massachusetts recommends that every 10 years we take a meter out to test and calibrate it. Majka says this has not been done in 30 years.

Marhelewicz says the meter rental account is a problem. In the vote of the district, to establish the meter rental account there was an article that established the stabilization fund for water meters. It voted to fund \$6,000 from water surplus into the water meter account. This is all it did. The vote did not say to transfer the meter rental. This was talked about but the vote did not do this. You must have the vote that says we were going to divert revenue.

The next problem was there was no vote to spend the meter money. When you put the money into a stabilization fund it's a spare account.

Records and bills are missing. Scott Majka has tried to help Steve Marhelewicz figure out what was spent on the Thorndike project. We only have 3 or 4 bills from 2016. The bills that were found were in a box. The bills for the supplier invoices are currently not being copied but going forward will be. In the past bills come in and are approved for payment by the water superintendent and then sent to the accountants Livingston and Haynes for payment. All department heads going forward will make copies of all invoices.

The Fire Department was under budget as of July 2016. \$4,179 will be transferred to the balance sheet which is the unexpended balance of Article 9. Traditionally if the money is not spent it goes to the balance sheet, then it can be spent in the future on equipment.

The Mack restoration still had \$716 left in that appropriation as of July 2016 and the inflatable rescue boat still had \$500 left.

The District Profit & Loss Budget vs. Actual shows legal services spending \$38,000 when only \$15,000 was budgeted. This is \$23,000 over budget.

Account 5440 District Expense was reviewed by Marhelewicz. There were a lot of miscellaneous items in there, accounting bills and legal bills. Anything that had another category was stripped out. Chairman Chiacchia stated that basically bills were being buried and we couldn't see them now they have been exposed.

General insurance and the accident insurance accounts for the firemen were over because the fiscal 2017 budget was lower than that. The insurance is not going down. The insurance budget was cut but the amount expended is relatively fixed, meaning the budget should never have been cut.

We are having an audit performed now and have not had an audit done in three (3) years. The surplus that existed has gone down dramatically since the last audit.

The profit & loss that happened in fiscal 2015 and fiscal 2016 was the water department revenue dropped from \$297,000 in 2015 to \$268,000 in 2016. There are two (2) issues, first is the spending that occurred and second a revenue problem. Steve has been working with Barbara Scott, the water department billing clerk to get information from the new billing software program. This is a system that is not fully understood. There were errors made due to lack of understanding of the system. There is a gentleman due to come out to the water department to train Barbara on how to retrieve the information out of the PSI system (the old system). The new system is called RapidRead and this system works with QuickBooks. Chairman Chiacchia says we need to do an analytical review of the last three years to see the trend for every water consumer. There is some urgency because the towns' tax rate is going to be set in the fall. With this comes the Department of Revenue (D.O.R.). The D.O.R. will come out to our town and one thing they are going to be looking at is our budget and revenue. If you're not bringing in enough money to pay your expense D.O.R. can put a stop to the whole budget process.

There showed \$137,000 in the red according to a handout at the July meeting of the 2017 water budget. With the entire cleanup work Steve Marhelewicz has done one of the biggest things that was found was an accounting entry error in the amount of \$35,000. Money that was taken out of water surplus should have been taken out of district surplus. Once the insurance and accounting were allocated and other items that had been traditionally been split were addressed the \$137,000 changed to roughly only \$86,000. There were also other items not accounted for yet either like losing a full time employee at the water department.

Lorinda Baker; Treasurer informs Chairman Chiacchia that Country Bank for Savings needs forms to be completed by himself to obtain credentials. Lorinda presented the Chairman with these forms at the meeting.

Lorinda also questions the mail pickup. She asked if the Chairman will be picking up the mail exclusively; Chiacchia says he will pick the mail up most of the time. Richard Pobiegló questions Lorinda on the change of address notifications. Lorinda will print out change of address labels and take care of this as soon as possible. The water department mail goes to their P.O. Box and the District and Fire Department mail goes to the fire station.

Steve Marhelewicz has said the check signing should be coordinated. One central location needs to be picked. Lorinda Baker and Richard Pobiegló will work that out.

Chairman Chiacchia summarizes the Treasurers Report as follows; the water department has lost in excess of \$200,000 in the past 3 years. The reserves that we had that were over \$300,000 are pretty much gone. Now we're facing significant capital expenditures and repairs in the water department and the surplus is gone. We are unfortunately looking at a water rate increase in the near future. To increase the cash flow we cannot operate at a loss.

MOTION (POBIEGLO, CHIACCHIA): To accept the Report of the Treasurer presented by Stephen Marhelewicz; District Accountant and Lorinda Baker; Treasurer. 2-0

Report of the Fire Chief

Call Report:

- **Total Calls May 2016:** 11
- **Inspections:** 8
- **Fire Department Training:** Vehicle extrication, Engine Company Operations, Foam, one member attended/received a certificate for Crowd Manager.
- **Chiefs Meetings:** Two (2) Chief Gustafson, BFD & Regional Chiefs.
- **Seminars:** One (1) member attended Student Awareness of Fire Education (S.A.F.E.) grant seminar.
- **Public Events (benefits, parades, ceremonies, etc.):** Monson Summerfest

- **Other:** TRFD switched over to PFD paging frequency, radios & pagers reprogrammed. Members began painting meeting room and lobby. Chief began working on Recruit Training Program, will be ready to begin with approximately 10 new hires in September, program will last 6-8 months.

The recruit training is additional training of what is not learned at the academy. This focuses on recruits learning about our Three Rivers area and learning our department procedures.

There was a large brush fire on Calkins Road. After a period of no rain everything was very dry. The fire was burning underground so the department had to go back various times to dig up the ground and water everything that was still burning; this was to also prevent it from spreading. Because this was a weekday, during the day many of the firemen were at their full time jobs and not available. Mutual aid was called in from Easthampton, Ware, Westover AFB, Monson and Bondsville. The fire was close to one of the homes. The Chairman Chiacchia and Richard Pobieglo told Chief Turner that he did a good job.

The painting of the meeting room and lobby also involves Colin Cavanaugh coming in on Fridays to help tear down paneling and paint. Colin is performing this duty as part of a program that he is involved in. Colin is "thrilled" to be doing this project.

Capital Budgeting and Long Range Plan:

Chief submitted his Capital Budgeting and Long Range Plan broken down by 1-3 years and 3-5 years. Chief Turner has done this and a summary of the 1-3 year are as follows,

- Replace Engine 2, 1984 Hahn, 32 years in service
- Replace furnace (circa 1930, installed 1965)
- Offices for Chief and Fire Prevention

3-5 years are as follows,

- Remove asbestos from station
- Replace command vehicle, 2005 Chevy Tahoe
- Replace 1991 Chevy Crew-Cab, Federal Excess Property

Chairman Chiacchia did ask if there is any funding we may be eligible for. Chief Turner says there are grants available. Chief being a member of the Fire Chiefs of Massachusetts also have a program providing money, along with technical assistance in buying the right vehicle and assists with avoiding the bidding process.

Firefighter Retirement Exemption:

There is a state law that all firefighters are required to retire at the age of 65. Three Rivers has one particular person, Deputy Michael Mathieu that is requesting an extension of his time. Mathieu is involved with the new program that Chief Turner has going on currently and he would like to stay long enough to see this program through. State Representative; Todd Smola and the Senate informs Mathieu that if our Prudential Committee votes to extend his time for one (1) year, then all we need to do is forward a copy of these minutes of the meeting to him (Todd Smola).

Chairman Stephen Chiacchia, Prudential Clerk Richard Pobieglo both state they feel Michael Mathieu is a great asset to the department and would like to honor his request.

MOTION (POBIEGLO; CHIACCHIA): Extend Three Rivers Deputy Chief Michael Mathieu's time for one (1) year. Approved 2-0

MOTION (POBIEGLO; CHIACCHIA): To accept the report of the Fire Chief. Approved 2-0.

Report of the Water Superintendent

Report on current condition of water distribution system projects and compliance:

Status of meeting with State DEP officials:

There is a meeting scheduled with the state on Wednesday, August 24, 2016 at 10:00 am. to go over any changes that need to be addressed and the future plans.

The water tank has also been cleaned and the condition of the tank has been sent to the Department of Environmental Protection (D.E.P.). We have two (2) tanks, one being dated back to 1942 and the other 1960's. These tanks need to be drained and cleaned periodically which is a significant sum of money.

The D.E.P. sent a letter after their recent survey of our pump station. They looked at everything according to Water Superintendent Majka. They have a list of immediate changes that need to be addressed and things that need to be done in the near future. This will be discussed in the meeting on 8/24/2016. Richard Pobieglo did request a copy of this letter be sent to committee member Raymond Domey primarily to keep him informed.

Chairman Chiacchia has stated there are significant repairs needed to the pump station along with finding it is located in a flood zone. This location in a flood zone is an issue with the state. The pump station is approximately 60-70 years old. Sherman & Frydryk have performed a survey of elevations and they have determined our pump station is in a flood zone.

The D.E.P. comes every three (3) years to survey; they were scheduled to come this year whether or not we have had any issues.

Capital Budgeting and Long Range Plan:

Water Superintendent Scott Majka put together a Capital Budgeting and Long Range Plan and this is in the \$5,000,000 range. This could consist of things being done over a time period but some work will need to be addressed immediately. There will be an efficiency plan with an engineer.

MOTION (POBIEGLO; CHIACCHIA): To accept the report of the Water Superintendent. Approved 2-0

Old Business

No new business

New Business

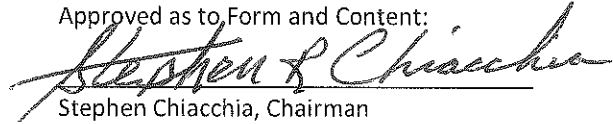
No new business

MOTION (POBIEGLO; CHIACCHIA): To adjourn from the Open Meeting at 8:18 p.m. Approved 2-0

Submitted by:


Sherrie Bellefleur, District Recording Secretary

Approved as to Form and Content:


Stephen Chiacchia, Chairman

Date: 9/14/16

Date: 9/9/16