

PRUDENTIAL COMMITTEE FIRE DISTRICT #1
144 Newton Street
South Hadley, MA 01075

Prudential Committee REGULAR Meeting Notes

Meeting Date: January 23, 2019

Location: Fire District Headquarters, 144 Newton Street

This session is being recorded

Call to Order: 6:00 p.m.

Prudential Committee Members Present:	Michael Wozniak, Chairman (MIW)	
	Kevin Taugher, Clerk	
	Bruce Perron, Member	
Other attendees:	Chief Authier (RA)	Kurt Schenker (KS)
	Monica Walton (MW)	Scott Brady (SB)
	William Schenker	Evelyn Mikuszewski
	Jeff Cyr	Kathryn Cannie
	Linda Young	Todd Calkins

- Review and approval of minutes of meetings
 - BP moved and KT seconded a motion to approve the minutes of 12/19. Motion carried 3-0.
- Presentation by the Insurance Advisory Committee regarding OPEB
 - Kathryn Cannie of Public Agency Retirement Services (PARS) made a presentation on an OPEB funds trust program, sponsored by the Hampshire Council of Governments.
 - This is a Section 115 trust, IRS-approved trust program designed to help public agencies in Western MA set aside funds to prefund obligations for Other Post Employment Benefits (OPEB) liabilities for retiree health insurance.
 - This program has been approved by MA state regulations (MGL Section 32B 20) to invest OPEB funds in interest bearing accounts that could maximize the return on the District's funds.
 - Ms. Cannie explained that the trust fund also meets GASB 45 requirements.
 - A summary of the presentation is attached to these minutes.
 - The fund allows four different levels of investment options, "Fixed income, Conservative, Balanced, and Growth" that have expected 10 year returns (net of fees) of between 3.36% and 4.75%.
 - There are no enrollment funds and no fees charged until funds are deposited.
 - PARS ongoing fees are 0.25%, Vanguard are 0.07%, and US Bank are 0.05% for investments of under \$10 million.
 - If the District adopted MGL 32B before November 9, 2016, the funds can be transferred immediately. If after that date, the District must wait 90 days from the time the decision to transfer is taken and the actual transfer takes place.

- Accounts for Fire and Water can be set up to segregate contributions, earnings, and disbursements.
- Discussion on policy change for eliminating benefits for future part-time employees
 - Based upon discussions held with the Hampshire County Group Insurance Trust, MW recommended that the PC consider changing the policy of providing insurance benefits for elected officials that are not full time.
 - KT asked if this had to be reviewed by District Legal Counsel. MW said that this action would only be a policy change, and not a by-law change.
 - BP asked a question about continuing the benefits for individuals filling a position early in the election cycle, why wouldn't they be given the assets of the position that they were stepping into.
 - MW responded that almost no communities are offering health insurance benefits because of the cost of it. But at this point, we are.
 - KT said that for a position that pays a stipend of \$1,500 to \$2,000, the insurance benefits could amount to \$14,000 or more, it just doesn't make any sense. This is money we could immediately direct to covering our OPEB liability.
 - KT said that if you're an elected official now and you're taking advantage of the benefit, he suggests that the benefit be ended when your term expires, since there's no expectation of being re-elected and therefore no expectation of continuing health insurance.
 - KT said we're looking a \$7 million OPEB liability, and we have to deal with it.
 - MW stated once again that it's just a policy change, up to the PC.
 - MIW asked MW if we could have District Counsel write up the policy once the PC decides on the wording and intent.
 - MW said that the PC members should come to the next meeting with ideas on how the policy change should be implemented.
 - BP asked when was the policy to provide health insurance benefits to elected officials established. BP wanted to know if the intent was to develop interest in participation. MW had no idea.
 - MW said the Town had offered it years ago, but no longer due to the cost.
 - District 2 does not provide the benefit to elected officials.
 - MIW requested that policy recommendations be developed for the next meeting.
- Discussion on Know Your Town forum request
 - KT said the KYT would like to have a forum to discuss the status of a merger between the two districts, involving representatives from both fire departments and both water departments.
 - KT said that he is not inclined to believe we could have a meaningful discussion any time soon. KYT has asked for a March 2019 or a May 2019 meeting.
 - KT said that a discussion on merger should begin with a history of why there are two districts to begin with. That should be followed by an explanation of exactly what services are currently provided by each district. This would help to identify some of the issues of going ahead with the merger.
 - MIW said he would like to form a sub-committee of District Fire and Water representatives. MIW doesn't know who would be these representatives.
 - KYT would like to have a merger presentation on May 16, 2019.

- BP said that there are numerous complex issues that must be analyzed.
- KT said that if you look at previous District votes on merger, like District 1 back in 2009, there was overwhelming negative sentiment. Without a thorough, water-tight plan identifying where taxpayers will save money, it won't go too far.
- Jeff Cyr stated that when the last formal report was compiled in 2003, the report "was full of personalities." It mainly consisted of interviews of District employees. Jeff Cyr said that it comes down to dollars and cents, and that an outside consultant should get involved and leave the personnel out of it.
- MIW said that it is important to get the consensus of both District's management, otherwise we are just hitting our heads against the wall. MIW said we aren't ready for an outside consultant.
- Todd Calkins said that D2's outreach programs to educate the public are not well attended.
- BP agreed with Jeff Cyr that "people vote their wallet." We don't have answers to the critical questions.
- Linda Young said that a number of people are interested in the merger issue. You owe it to the general public to provide information.
- Linda Young accused KT of not being in favor of a merger. KT said that was totally not true and was just Linda Young's mindset.
- MIW wants to press ahead with sub-committees.
- Bill Schenker has seen this can kicked down the road many times over the past 60 years. It all comes down to dollars and cents. The issue with Granby has to be resolved, and will have to get done, we don't want to inherit a legal fight.
- BP said that the difficulty is that you have four different entities, and each one is changing daily.
- The issue of having an independent consultant develop a plan was discussed. Issues to be investigated would be fire and water operations, and how should fire and water departments for the Town of South Hadley be structured.
- MIW said he doesn't believe we could be prepared for a presentation in May.
- Discussion on April District Meeting
 - MW said that the District election will be held on April 9, 2019, and traditionally the election and District meeting were held on the last Monday in April.
 - Discussion decided that the annual District 1 meeting would be held on Wednesday, April 24, 2019 at 7:00 p.m. Location to be determined.
- New Business from MW
 - MW needs approval to go ahead with an updated District website. The existing website will not be supported by the vendor. MW has discussed this issue with RA and Jeff Cyr, and they all agree that a custom website (for \$3,000 extra) is not warranted. They recommend approval of the standard package website, which will include limited customization with pictures, etc. The rollout of this recommended website will cost \$2,100, to be split 50%/50% between Fire and Water. The maintenance fee is not changing. This has to be funded this fiscal year, since the current website will go down on April 30th if a new website is not paid for. Both Fire and Water have funds available to cover the cost.
 - KT moved that Jeff Cyr, Robert Authier and MW be authorized to move ahead with their plan to work with the website company and update the District website to keep it up and running after April 30th. BP seconded. Motion passed 3-0.

- Update on the procurement of a new ambulance and discussion on FY2020 budget to include budgeting for the April 9th election (including a tabulating machine)
 - MW said that in order to move ahead with the purchase of a replacement ambulance, we need to have a special District meeting to move funds from the ambulance stabilization account.
 - MW also said that we need to appropriate \$25,000 in funds at this special meeting to cover costs associated with the April 9th District election. These costs included vote tabulating equipment, voting booths, ballots, and programming of the vote counting machinery. The \$25,000 number includes contingency for unanticipated costs, but that any residual funds would revert to free cash at the end of the fiscal year.
 - KT asked that MW approach District 2 to see if they would like to share the cost of a spare, backup tabulator. An extra tabulator would cost \$2,500.
 - There is \$268,000 in the ambulance stabilization account. KT recommended and MW agreed that \$265,000 be transferred at the special meeting.
 - MW said that in order to satisfy special meeting regulations the earliest the meeting could be held is the week of February 11 – 15, 2019. KT said that since we already have a budget meeting scheduled for February 13th, we should have the meeting the same night.
 - MW said that both Water Commissioners must attend the meeting (according to District bylaws.) Both agreed they could attend the meeting.
 - Consensus agreed on the date, and the special meeting will be held at 6:15 p.m. on Wednesday, February 13, 2019. MW was going to immediately prepare the warrant for PC signatures. PC members signed the warrant.
- Discussion and vote to hire a third-party data entry person for the purpose of re-entering data lost due to computer hack along with setting an hourly rate for performing this task
 - Tom Scanlon, District auditor, sent a response to MW, where MW requested guidance on hiring a third-party to re-enter data. The response included the names of two individuals that Tom Scanlon indicated were qualified to do the work.
 - MW has the Tom Scanlon memo and will contact the two individuals to determine their availability to perform the work, and their costs and schedules.
- Update on health insurance costs
 - MW said that the meeting on health insurance costs, scheduled for today, was postponed until next Wednesday, January 30, 2019.
 - MW learned that the board of directors intend to recommend that deductibles be included in the FY 2020 plan, and if that is accepted, there will be no increase in premiums. If it is not accepted, the result will be discussed at the January 30th meeting.
 - Jeff Cyr and Kari Scytkowski will be attending the January 30th meeting and will report back on the result.
- Report and recommendation for adjustments of ambulance receipts
 - KT moved that the ambulance fees for the month of December 2018 be adjusted in the amount of \$183,990.82. BP seconded. Motion carried 3-0.
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- Updated FY 2020 budget sheets

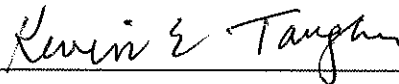
- MW distributed revised budget sheets reflecting the changes discussed at the last meeting. KT noted that the FY 2019 column needed to be corrected, because part of the funding for the FY 2019 budget included \$51,600 from the surplus overlay reserve account.
- KT said that a levy increase in FY 2020 of 2½% would amount to \$71,474. The PC should consider this, since District costs have increased for salaries and we could direct funds to the OPEB account.
- MW will calculate and confirm actual numbers and re-issue the FY 2020 budget.
- KT said that if the tax value of the District 1 doesn't change from FY 2019 to FY 2020, the 2½% levy increase would be about 6 cents on the tax rate.
- KS ambulance numbers may have a typo of about \$30,000. MW will doublecheck the numbers with KS.
- KT said that he had asked KS to forward him the ambulance budget details at the last meeting.
- MW said she would fix the ambulance salaries, she has added an election equipment line, upped the OPEB, upped the ambulance stabilization, and upped the website IT budgets.
- Raises have to be set for the elected officials.
- Update on the ambulance fund balance for last year and this year
 - MW provided balance sheets with the fund balances for FY 2017 and FY 2018.
- Update on reconciling D2 reports
 - RA submitted reports to the PC with breakdown of calls per year, Fiscal Year, break out of EMS and Fire numbers, but there is no programmed report. 321 and 322 calls are strictly EMS calls only.
 - KT acknowledged that D2 reports were by FY but asked for the reports from D1. We had asked for FY 2017 and FY 2018, so we could align the data with the reports from Comstar.
 - RA reviewed the data of mutual aid between D1 and D2. D1 provided mutual fire aid to D2 6 times. D2 provided fire aid to D1 17 times. Regarding ambulance responses, D1 aid to D2, primary responses 14 times, intercepted 137 times, and refusals or cancellations 37 times.
 - KT asked for the time frame of these figures. RA said the data was for calendar year 2018. KT said we had asked for fiscal year.
 - RA said D2 provided aid to D1 58 times. This is a combination of transports, cancellations, refusals, etc.
 - KT said that at the last PC meeting, RA was requested to run the reports in the software and provide the reporting criteria to Scott Brady in D2, and SB would run identical reports to have the same data for the same time period. RA confirmed that was what has happened.
 - KT asked if the ambulance data presented was by fiscal year, as requested, or by calendar year. RA confirmed it was by calendar year, January 1, 2018 through December 31, 2018.
 - KT said that we have asked for data by fiscal year to align with the Comstar data.
 - RA said the software doesn't record ambulance calls.
 - KT said that at the last meeting, "Ambu-Pro" software was identified as the ambulance call tracking program.
 - KS said that mutual aid was not tracked in Ambu-Pro. KS had been working on the data in the past week, but due to an ambulance inspection today, he could not complete it.
 - KT said that whenever the data gets done, we can have a look at it.

- KT reiterated that alignment by fiscal year with the Comstar data enables us to look at the revenue, the records on calls for the same time period, the mutual aid records by both districts, ensure that the two districts' records are in alignment, so that no one could come back and challenge the numbers. This all has to do with credibility. We need to identify overlap in responses, where both districts send an ambulance on the same call, in order to provide ALS service if required. Data in any earlier report indicated there were 110 intercepts by D1 for D2 ambulance calls, out of about 350 total ambulance calls by D2. That we're counting double for about one-third of the calls in D2. This costs D2 money and D1 money and those are the kinds of facts that are needed to get to the bottom of what's going on between the districts, so we can see what we really need for service.
- KT said to please write it down, report by fiscal year in Ambu-Pro or whatever needed, and the mutual aid report by fiscal year, not calendar year, for FY 2017, FY 2018 and FY 2019 year-to-date, make sure it corresponds to whatever Chief Brady has, so that we ensure we have apples-to-apples and that we will have credibility if we go to meet with people and talk about what it takes to merge.
- KS said he can get the Comstar report, but Ambu-Pro doesn't give the district breakdown, he would have to literally read every report to get the breakdown.
- KT asked about how intercepts are recorded, and transports. KS said he has to read every report one-by-one.
- KT expressed his concern that there's a lot of overlap in both districts providing ambulances on the same call. If it was only a few times, that would be noise, but one report claimed 110 intercepts, another report even more than that, there's a lot of overlap in his opinion. KT said he may be totally wrong and we need the overlap, but we need the facts on the table.
- RA said that the overlap is currently needed because D1 provides ALS service, and D2 provides BLS. If ALS is required, D1 gets the call for an intercept. D2 pays D1 a set fee for intercepts.
- MIW said that if everyone was ALS certified, it would eliminate overlap, but the costs would go up.
- General discussion on BLS vs. ALS, including the past practice where Holyoke Medical Center provided a "fly car" which the state now frowns upon.
- KT said that the costs associated with intercept service may involve more than an ambulance run, if station manpower must be reinforced by "toning" in more personnel to man the station. KT said that is why he has been looking for the intercept numbers for the last few meetings because if we are going to come up with solutions, we will have to know exactly what service we are providing and how much it is costing us.
- KS explained he is doing his best to capture the information required, but that it takes a lot of time. He has been working on it steady, to go over the data call-by-call, and he has to keep up with the regular stuff. He said he does this for free, and he said he is getting a little sick of the "B.S." here. You don't have the right to tell me what to do at any time.
- KT said that if the Chief has assigned you to do it, fine.
- KS said that he will have to file a harassment suit. He said he was really sick and tired of the "B.S."
- RA presented the May 21, 2018 intercept reports. KT asked if the data was calendar year or fiscal year. KS said he would check to see if it was calendar year or fiscal year.

- Scott Brady said that since D1 bills D2 for all intercepts, it should be easy to find out how many intercepts are made.
- KT said if the data was there, for FY 2017, FY 2018 and FY 2019 year-to-date, that's all we've been asking for.
- BP asked if it was easier to get the calendar year data and not the fiscal year data, wouldn't that be enough for a semi understanding of what we're looking for.
- KT said that all we're looking for is an apples-to-apples comparison. As far as KT is concerned, we don't need any more data if it's not going anywhere. If it's too much work to get done, let someone else manage it, maybe hire a third-party consultant come in and look at. KT said he doesn't want to put an undue burden on anyone.
- KS provided data on an estimate of what it costs to provide a response to intercept requests.
- MIW asked if Ambu-Pro has query function. KS said that it does not differentiate between D1 and D2 addresses, which is why each report has to be looked at.
- MIW asked SB about a report, that had four different incidences on the same day at the same address. RA said that it could be a car accident, with four patients.
- MIW questions the value of doing more and more investigation into this.
- MIW asked about presenting correspondence from Sullivan Hayes.
 - KT said that any information from Sullivan Hayes is subject to attorney-client privilege, he should speak with Sullivan Hayes about how to proceed, may be having them speak directly with BP.
- BP moved KT seconded to table the following agenda items. Motion carried 3-0.
 - Discussion and vote on increasing the intercept fee for ALS services for FY2020
 - Update on procurement of new ambulance
 - Discussion of all mutual aid agreements in matrix form
 - Discussion of legal finding submitted by Fred Sullivan concerning the Fire Chief's compensation
 - Chief's report
 - Begin the process of consolidating responses from the Prudential Committee and the Fire Chief as it relates to the formal review of the Fire Chief (Time permitting)
- Confirmation of agenda items for future meetings and next meeting date
 - Next meeting date is February 13, 2019, 6:15 p.m. at Fire headquarters.
- Motion to adjourn
 - KT moved to adjourn, seconded by BP. 3-0 motion passed. Meeting adjourned 8:13 p.m.

Voted and approved by the Prudential Committee on February 27, 2019.

A true copy, attest:



Kevin E. Taugher, Clerk