

**SOUTH FIRE DISTRICT
of the City of Middletown**

**BUDGET WORKSHOP
ADOPTION OF BUDGET AND SETTING OF MILL RATE
FOR FISCAL YEAR 2020/2021**

Tuesday, April 28, 2020

6:30 p.m.

A G E N D A

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF 4/14/20 BUDGET WORKSHOP MINUTES
4. READING OF LEGAL NOTICE AS POSTED IN HARTFORD COURANT ON APRIL 9, 2020.
5. BUDGET WORKSHOP
6. ADOPT BUDGET/SET MILL RATE
FOR FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021
7. ADJOURNMENT

**SOUTH FIRE DISTRICT
445 RANDOLPH ROAD
MIDDLETOWN, CT 06457
Board of Fire Commissioners
BUDGET WORKSHOP MINUTES
Tuesday, April 14, 2020 – 6:30 p.m.**

Meeting Held via Zoom Video Conferencing
Meeting ID: 424 038 011

Present: Commissioners Bartolotta, Kleckowski, Thazhampallath, Guiliano;
Chief Howley, Deputy Chief Trzaski, Fire Department members and
members of the public.

1. CALL TO ORDER

Chairwoman Bartolotta called the meeting to order at 6:32 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

BUDGET WORKSHOP

Chief Howley acknowledged this is a very challenging time for everyone. The administrative staff worked very hard preparing the proposed budget and organizing the modified budgetary process via ZOOM due to the COVID-19 pandemic. The staff worked diligently to decrease lines where it could be tolerated, and to increase lines where needed, without causing an increase in the mill rate during these unprecedented times.

The Chief advised that the City of Middletown Common Council made the decision to defer tax payments for 90 days in accordance with the Governor's Executive Orders. Attorney Cohen reviewed the Executive Orders and advised that the South Fire District is required to follow the City's decision.

Chief Howley gave an overview of the items outlined in the draft "2020-2021 Budget Notes" dated 4/3/20 (copies of documents are attached) and answered questions from the Commission. Specific line items were elaborated upon as follows:

Income

NRG – \$5,450 Decrease. Chairwoman Bartolotta noted that South Fire District has no input on the taxation schedule for NRG and is obligated to follow the City of Middletown.

Expenses

7201 – Electricity - \$5,000 Increase. Chief Howley commented on a question submitted by email from a member of the public, whose concern was why there is an increase in this light item when the expectation was a reduction as a result of the lighting project. The Chief explained that SFD received grant money for the project, but the district has to pay part of it back. After 48 months, a significant savings will be recognized, approximately \$405 per month. He added that the department's usage has been reduced by 20% and a result of the project.

Commissioner Thazhampallath asked if funds were included in the budget for the building renovation project. Chief Howley confirmed that no funds are included in the budget to augment the project, although he is proposing a \$6,000 expenditure from CNR to prepare for the installation of gear extractor and dryer equipment in the anticipated clean room, which is currently being used for IT equipment and general storage. The Chief explained that the gear cleaning equipment is critical for firefighter health. Having the equipment in the facility will also ultimately save the department money by not having to send the gear out to be cleaned, which costs \$110-\$115 per set.

7915 – Medical Testing - \$3,500 Decrease. Chief Howley explained that this line has been decreased due to no anticipated new hires or retirees and the change in the Collective Bargaining Agreement in this regard.

Capital Non-Recurring Account (CNR)

CNR provides for capital purchases and is vital for long-term planning. Currently, excess of revenue over expenses are 50% to the general fund and 50% to CNR. The district does not receive PILOT funds from the City of Middletown, although grant funding can be applied for through the State of Connecticut. The funds are not guaranteed, but if received they are added to CNR.

Commissioner Guiliano advised that the district not receiving PILOT funds is not a problem within the City of Middletown. According to the way in which the statute is written, the City receives PILOT money based on the City fire district only. He specified that the solution lies with the elected state representatives.

Chairwoman Bartolotta agreed that PILOT monies received by the City is significantly underfunded. The Commission has gone to the capitol on behalf of SFD to request PILOT funding. The department received a \$1,000,000 grant in lieu of PILOT funding for firehouse renovations but it doesn't come close to how underfunded the district is.

Chief Howley responded to emailed questions and comments received from the public:

- *Trade in values for the replacement of apparatus, staff vehicle, and boat.* This cannot be determined until we work with the manufacturer but if so, it would reduce the price of the vehicle or go back into CNR.
- *Federal and/or state reimbursements COVID-19 related expenses.* Chief Howley advised that the State is supplying municipalities and first responders with equipment and the federal government is allocating \$100,000,000 to FEMA. The guidelines for receiving reimbursement have not yet been determined. The district will have to apply for the monies through a grant

process and provide extensive expense documentation to prove the need for reimbursement. Staff members have been tracking expenses for several weeks. Reimbursement is not guaranteed. Chairwoman Bartolotta added that the monies that might be reimbursed are for expenses incurred above and beyond our current budget.

- *South Fire District's decision to follow the City of Middletown's Common Council to defer taxes for 90 days as made possible by Governor Lamont's Executive Order.* Chief Howley explained that according to the CT General Statutes, we are obligated to follow the City's decision, which will put a burden on the department due to not meeting GASB standards of having three months of operating funds in our general fund. The department is short \$65,000-\$66,000; however, the financial burden will be eased as 35%-40% of tax payments are received from larger banks who handle mortgage and tax payments.
- *Funding for a forensic audit as previously recommended.* Chief Howley indicated that the district's auditor, Chuck Costello has recommended a risk assessment. \$1,500 is included in the proposed budget for this purpose. Chairwoman Bartolotta indicated that the risk assessment will be conducted when the COVID-19 pandemic ends. She also confirmed that the district will continue to expend excess of revenue over expenses 50% to the general fund and 50% to CNR until we have at least three months operational funding (she recommends four months).
- *Total CNR expenses for purchase of apparatus, boat, and staff vehicle.* Chief Howley advised that the amount totals include all anticipated expenses for the replacement of these items (i.e. radios, lighting, etc.).
- *Anticipated budget surplus.* Chief Howley said the he and the administrative staff take the budget process very seriously in trying to come as close as possible to fit the department's needs. He doesn't anticipate a surplus but the determination cannot be made until the audit is complete. He and Kathy Kiley have been working closely with Mr. Costello in determining what should and should not be on the depreciation list. The accuracy of this list is vital in conducting a proper audit.

Chairwoman Bartolotta asked Tax Collector Cindy Gotta to briefly summarize the deferment of tax payments by ninety days. A letter from Cindy in this regard has been posted and is attached to these minutes.

3. ADJOURNMENT

MOTION to adjourn by Comm. Kleckowski/Comm. Thazhampallath. Unanimously approved.

Meeting was adjourned at 8:02 p.m.

Submitted by,

Alyse McEwen
Recording Secretary

SOUTH FIRE DISTRICT of the City of Middletown

PUBLIC NOTICE

Pursuant to Governor Lamont's Executive Orders in response to the COVID-19 pandemic, and in an effort to protect the health and safety of residents and employees, all public meetings of the South Fire District are cancelled through May 31, 2020. Additionally, the fiscal year 2020-2021 budgetary process will be amended as follows:

1. The South Fire District's budget for fiscal year 2020-2021 will be adopted and the mill rate will be set by the Board of Fire Commissioners without public vote.
2. On April 9th, the proposed budget will be posted on the department's website, www.southfiredistrict.com, and on the SFD Facebook page. Hard copies can be mailed upon request. Public comments regarding the proposed budget are encouraged and will be accepted until 4:00 p.m. on April 13th by email at sfdadmin@southfiredistrict.com.
3. Online budget discussions will take place on April 14th and April 28th at 6:30 p.m. via *Zoom*, a web-based video conferencing platform. The public can remotely attend these meetings by visiting <https://zoom.us/j/424038011> for the 4/14 meeting and <https://zoom.us/j/622282070> for the 4/28 meeting.
4. The South Fire Board of Fire Commissioners will vote on the proposed budget and set the mill rate for fiscal year 2020/2021 at the conclusion of the April 28th meeting.

Mary A. Bartolotta, Chairwoman
Board of Fire Commissioners

Dated: March 30, 2020

Posted: April 9, 2020



**SOUTH FIRE DISTRICT
Office of the Tax Collector
445 Randolph Road
Middletown, CT 06457
(860) 343-8011**

April 15, 2020

The City of Middletown Common Council adopted to Defer Tax Payments for 90 days on Monday, April 6, 2020 in accordance with the Governor's Executive Order 7S and 7W, every quasimunicipal corporation which collects its own taxes or water, sewer, or electric charges and is located wholly within a municipality shall offer the same program or programs that the municipality offers.

What does this mean to the tax payers of the South Fire District?

(1) From April 1, 2020 through and including July 1, 2020, all taxes on real property, personal property, motor vehicles, charges or assessments shall be deferred by ninety (90) days from the **date that such tax became due and payable.**

(2) Notwithstanding the foregoing, **financial institutions and mortgage servicers** that hold property tax payments in **escrow** on behalf of a borrower shall continue to remit property taxes to the South Fire District, on the due date of 7/1/2020.

(3) Following the ninety (90) days, the portion that remains delinquent shall be subject to interest and penalties as previously established.

4) Taxpayers must pay all taxes, charges, and assessments deferred in full within three (3) months after the original due date. If the taxpayer fails to make payments, all interest, fees, and penalties will be applied to all unpaid portions retroactive to the original due date of July 1, 2020.

This program does not address taxes that are already past due. It is not an amnesty or waiver of interest or other charges on taxes that are already delinquent. If you have any further questions please feel free to contact us.

Sincerely,

Cynthia L. Gotta
Tax Collector

**South Fire District
Budget 2020 and Proposed 2021
Budget Workshop #2 04/28/2020**

	2020 Budget	Proposed 2021	Change	% Change
Property Tax Calculation				
Grand List	1,093,701	1,110,972	17,271	
Grand List @ 99%	1,082,764	1,099,862	17,098	
Mill Rate *	5.203	5.203	0.000	
Taxes Billed	5,690,478	5,780,918	90,440	
* Total Expenses minus additional Income divided by Grand List @ 99%				
Income				
Property Tax Revenue at 99%	5,633,573	5,723,109	89,536	1.59%
Tax Supplement	25,000	25,000	0	100.00%
Interest and Liens	28,000	28,000	0	0.00%
Investment Income	10,000	15,000	5,000	50.00%
Municipal Grants and Revenue Sharing	0	0	0	0.00%
NRG	207,100	201,650	-5,450	-2.63%
Private Colleges and Hospitals	0	0	0	0.00%
Total	5,903,673	5,992,759	89,086	1.51%
Expenses				
Utilities				
7201 · Electricity	17,500	22,500	5,000	28.57%
7202 · Water and Sewer	2,470	2,470	0	0.01%
7203 · Heating	12,000	12,000	0	0.00%
7204 · Telephone	3,000	3,000	0	0.00%
Total	34,970	39,970		
Apparatus / Vehicles				
7401 · Fuel	20,000	20,000	0	0.00%
7403 · Vehicle Repairs	60,000	60,000	0	0.00%
7404 · Annual OSHA Inspection	1,200	1,200	0	0.00%
7406 · Vehicle Supplies	2,000	2,000	0	0.00%
Total	83,200	83,200		
Insurance				
7501 · Insurance - Workers Compensation	198,475	170,000	-28,475	-14.35%
7502 · Insurance - Commercial Package	42,000	49,885	7,885	18.77%
7503 · Insurance - Medical	850,649	872,689	22,040	2.59%
7504 · Insurance - Cyber - NEW	0	3,100	3,100	100.00%
7509 · Insurance - Life and Disability	51,550	51,508	-42	-0.08%
7512 · Pension - Defined Contribution	341,160	346,544	5,384	1.58%
7513 · Unused Sick Time	30,161	24,137	-6,024	-19.97%
Total	1,513,994	1,517,863		
Salaries and Wages				
7601 · Salaries - Fire Department	2,785,111	2,777,700	-7,411	-0.27%
7602 · Salaries - Administrative	136,426	140,887	4,461	3.27%
7603 · Replacement / Call Backs	371,000	397,000	26,000	7.01%
7604 · Fringe Benefits	124,072	118,058	-6,014	-4.85%
7606 · PEB - Uncompensated Absences	10,000	10,000	0	0.00%
7607 · PEB - Heart and Hypertension	150,000	215,276	65,276	43.52%
7609 · Employer - Social Security	212,512	213,585	1,073	0.50%
7610 · Employer - Medicare	49,700	49,952	252	0.51%
Total	3,838,821	3,922,458		

DRAFT
As of 04/27/2020

Administration

7701 · Tax Collector's Expense	20,000	20,000	0	0.00%
7702 · Professional Org / Periodicals	2,200	2,205	5	0.23%
7703 · Office Expenses	3,500	3,500	0	0.00%
7704 · Auditor	6,700	6,700	0	0.00%
7705 · Professional Development	3,500	5,000	1,500	42.86%
7706 · Postage	4,000	4,000	0	0.00%
7707 · Contingency	50,000	50,000	0	0.00%
7708 · Commissioner's Compensation	9,000	9,000	0	0.00%
7709 · Activity Expense	3,500	3,500	0	0.00%
7710 · Professional Services	50,000	40,000	-10,000	-20.00%
7712 · Office Equipment	1,200	1,200	0	0.00%
7713 · Actuarial Services	3,300	3,300	0	0.00%
7714 · Advertising / Newsletter	4,500	4,500	0	0.00%
7715 · Lien Fees	1,200	1,200	0	0.00%
7716 · Archive Services	978	978	0	0.00%
7717 · Software Support	27,600	26,000	-1,600	-5.80%
Total	191,178	181,083		

Physical Plant

7801 · Repairs Building	20,000	20,000	0	0.00%
7802 · Supplies Maintenance	8,900	8,900	0	0.00%
7803 · Services	17,200	18,000	800	4.65%
7805 · Equipment	4,600	4,600	0	0.00%
Total	50,700	51,500		

Fire Department Operations

7901 · Emergency Medical Equipment	12,500	12,500	0	0.00%
7902 · Computer Equip & Supplies	2,000	2,000	0	0.00%
7903 · Training	22,000	30,500	8,500	38.64%
7904 · Public Fire Education	3,500	3,500	0	0.00%
7905 · Fire Fighting Equipment	14,000	14,000	0	0.00%
7906 · Special Service Units	4,560	4,560	0	0.00%
7907 · Fire Marshal's Office	4,000	4,000	0	0.00%
7909 · Uniforms	27,500	26,500	-1,000	-3.64%
7910 · Protective Clothing	25,000	28,275	3,275	13.10%
7911 · Communications	4,500	4,500	0	0.00%
7912 · Cellular Phones	4,250	4,350	100	2.35%
7913 · Breathing Air & Oxygen	1,500	1,500	0	0.00%
7915 · Medical Testing	8,000	4,500	-3,500	-43.75%
7916 · Breathing Apparatus-Test & Repair	7,500	6,000	-1,500	-20.00%
Total	140,810	146,685		

8999 · CNR Contribution	50,000	50,000	0	0.00%
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Total Expense	5,903,673	5,992,759	89,086	1.51%
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Capital Non-Recurring Fund

Approve CNR Expenditures for the following:

Apparatus	\$ 575,000
Computer Upgrade	\$ 6,500
Staff Vehicle	\$ 38,000
Rescue Tools	\$ 6,000
Gear Extractor/Dryer Installation	\$ 6,000
Rescue Boat	\$ 215,000
Total:	\$ 846,500

2020 – 2021 Budget Notes

Please note: Not all vendor quotes have been received, and salary increases have not been finalized by the Board of Fire Commissioners.

As you can see, this budget has a zero increase in the mill rate. We have worked hard to decrease lines where it could be tolerated, and increase lines where needed, without causing an increase in the mill rate during this time of uncertainty for us all.

As you review the budget, you will notice under the “Change” column, items are highlighted in red and green. Under Income, items highlighted in red indicates a loss of revenue. Under Expenses, items highlighted in green indicate lines which have been reduced.

Income

Investment Income – Increase due to higher earnings on unrestricted funds.

NRG – Decrease due to NRG Payment Schedule. The amount of \$201,650 is the new scheduled payment amount through the 2029 – 2030 fiscal year.

Expenses

7201 – Electricity – While our usage has been reduced, the rate increase has caused an increase in this line.

7501 – Insurance – Workers Compensation – Decrease due to staffing changes.

7502 – Insurance – Commercial Package – Increase due to increase in premium.

7503 – Insurance – Medical – Increase due to increase in premium, changes in employee family status, and additional funding for dental plan.

7504 – Insurance – Cyber – New general ledger line. This insurance was a recommendation from our computer support company.

7509 – Insurance – Life and Disability – Decrease due to staffing changes.

7512 – Pension – Defined Contribution – Increase due to salary and staffing changes.

7513 – Unused Sick Time – Decrease due to staffing changes.

7601 – Salaries – Fire Department – Decrease due to staffing changes.

7602 – Salaries – Administrative – Increase due to salary increases.

7603 – Replacements/Call Backs – Calculated based on overtime hours in previous fiscal year and using new salary rates. *As of the payroll of April 30th we are currently at \$266,657.96 which is 71.9% of budget. The increase is due to new safety driven contractual obligations.*

When underfunding this line, it also affects the following:

- 7609 – Employer – Social Security
- 7610 – Employer – Medicare
- 7501 – Insurance - Workers Compensation – Each year we submit our expected payroll to our worker’s comp carrier to provide a quote for the next fiscal year. However, when audited annually and we are *over* the expected payroll, we are billed for the difference. This year with so many staffing changes we received a refund of \$3,545.

While this line is currently under budget due to the lack of storms this winter, we are anticipating an increase in overtime due to the current health crisis.

Unfortunately, we cannot anticipate emergencies, illness, or injuries. Regardless, it is fiscally irresponsible to underfund this line. This causes a strain on the rest of the budget and makes it more difficult to operate within our lines.

7604 – Fringe Benefits – Decrease due to fringe benefits paid associated with staffing changes and new contractual changes.

7607 – Post Employment Benefits – Heart and Hypertension – Increase due to anticipated settlements, and payment schedules for settled claims.

7609 – Employer – Social Security, and 7610 – Employer – Medicare – Increase due to salary increases, and increase in 7603 – Replacements/Call Backs.

7702 – Professional Org/Periodicals – Increase due to subscription changes.

7705 – Professional Development – Increase due to contractual obligation.

7710 – Professional Services – Decrease due to reduction in legal fees due to contract negotiations.

7717 – Software Support – Decrease due to completed website redesign, and reduced maintenance fees due to employees maintaining the website.

7803 – Services - Increase due to increase in service contracts.

7903 – Training – Increase due to additional training classes, and new program for continuing education and recertifications.

7909 – Uniforms – Decrease due to no anticipated new hires.

7910 – Protective Clothing – Increase due to increased cleanings, repairs, and gear replacements.

7912 – Cellular Phones – Increase due to change in additional phone line.

7915 – Medical Testing – Decrease due to no anticipated new hires.

7916 – Breathing Apparatus – Test and Repair – Decrease due to newer equipment requiring less repairs.

Capital Non-Recurring

The proposed contribution to Capital Non-Recurring is \$50,000. This is not a substantial amount of money, since historically South Fire District purchases apparatus and staff vehicles without financing.

The proposed expenditures for the 2020 -2021 fiscal year are as follows:

1. Apparatus – Apparatus replacement takes approximately one year or more to build. A committee is formed to spec out needs and begin the purchase process. Estimated cost \$575,000. Funding is in place.
2. Computers and Peripherals – A computer upgrade has been recommended by our computer support company. We are still running eight older units with operating systems that are no longer supported. Proposal is to replace a minimum of four this year. Estimated cost \$6,500. Funding is in place.
3. Staff Vehicle – Multiple vehicles are over 100,000 miles. Estimated cost \$38,000. Funding is in place.
4. Rescue Tools – Replacement/Upgrade. Estimated cost \$6,000. Funding is in place.
5. Facility Improvements/Repairs – Installation of gear extractor and dryer equipment in new clean room. Estimated cost \$6,000. Funding is in place.
6. Emergency Response Vehicles – We desperately need to replace our 1986 rescue fire boat we keep on the river. In 1998 Pratt & Whitney donated their 1986 Boston Whaler to South Fire District. Pratt & Whitney didn't need it anymore with the installation of pipelines, barges were no longer traversing the river. The boat is now 34 years old and is worn, tired and not safe as a fire rescue boat. Projected repairs and upgrades are not cost effective considering the age of the boat. There is currently \$215,000 in Emergency Response Vehicles. This purchase would also require forming a committee to spec out needs and bid for a build, or purchase a pre-built vessel.

The total proposed expenditures for the 2020 – 2021 fiscal year are \$846,500.

South Fire District
Capital Non-Recurring Account Proposed 2020 - 2021

	2018-2019	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	* 2018-2019 *	2019-2020	2019-2020	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2019-2020	2020-2021	2020-2021
	Remaining Balance	Proposed Contribution	Donations	Actual Expenditure	Proposed Expenditure	Municipal Grants-in-Aid	Excess Revenue Deposit as of May 2020	<i>Estimated</i> CNR Accrued Interest	Remaining Balance	Proposed Contribution	Donations	Actual Expenditure	Proposed Expenditure	Municipal Grants-in-Aid	Excess Revenue	CNR Accrued Interest	Remaining Balance
Self-Contained Breathing Apparatus (SCBA)	\$ 77,866.91								\$ 77,866.91								\$ 77,866.91
Training Equipment	\$ 10,000.00								\$ 10,000.00								\$ 10,000.00
Computers and Peripherals	\$ 5,000.00						\$ 10,000.00		\$ 15,000.00				\$ 6,500.00				\$ 8,500.00
Rescue Tools	\$ 12,039.19				\$ 4,000.00		\$ 2,000.00		\$ 10,039.19				\$ 6,000.00				\$ 4,039.19
Defibrillators/ALS Equip.	\$ 6,188.50						\$ 3,000.00		\$ 9,188.50								\$ 9,188.50
Fire Fighting Equipment	\$ 10,000.00			\$ 5,145.00			\$ 20,000.00		\$ 24,855.00								\$ 24,855.00
Health & Safety	\$ 7,600.00								\$ 7,600.00								\$ 7,600.00
Facility Equipment	\$ 25,513.50				\$ 18,000.00				\$ 7,513.50								\$ 7,513.50
Facility Improvements/Repairs	\$ 23,690.00						\$ 3,053.50		\$ 26,743.50				\$ 6,000.00				\$ 20,743.50
Furniture	\$ 8,750.00								\$ 8,750.00								\$ 8,750.00
Apparatus	\$ 523,738.40	\$ 50,000.00					\$ 110,000.00	\$ 11,975.06	\$ 695,713.46	\$ 50,000.00			\$ 575,000.00				\$ 170,713.46
Emergency Response Vehicles	\$ 119,975.06						\$ 95,000.00	\$ 24.94	\$ 215,000.00				\$ 215,000.00				\$ -
Staff Vehicle	\$ 22,145.22						\$ 25,000.00		\$ 47,145.22				\$ 38,000.00				\$ 9,145.22
Total	\$ 852,506.78	\$ 50,000.00	\$ -	\$ 5,145.00	\$ 22,000.00	\$ -	\$ 268,053.50	\$ 12,000.00	\$ 1,155,415.28	\$ 50,000.00	\$ -	\$ -	\$ 846,500.00	\$ -	\$ -	\$ -	\$ 358,915.28

2020-2021 Proposed Expenditures

- Apparatus - Replace Engine 32
- Computers and Peripherals - Computer Upgrade
- Staff Vehicle - Replacement
- Rescue Tools - Equipment Replacement/Upgrade
- Facility Improvements/Repairs - Gear Extractor/Dryer Installation
- Emergency Response Vehicles - Replace Rescue Boat

* Amount determined after prior fiscal year audit.