

**CHARLOTTE SELECTBOARD
MINUTES OF MEETING
TOWN HALL
JANUARY 15, 2015 @ 10 AM**

APPROVED

SELECTBOARD MEMBERS: Lane Morrison, Fritz Tegatz, Ellie Russell, Charles Russell, Matt Krasnow

STAFF: Dean Bloch, Town Administrator

OTHERS: Jon Davis, John Snow, Patrice Machavern, Rob Mullin, Chris Davis, Mary Mead, Robert Mack, Claudia Mucklow, Steve Mack, Robin Reid

ITEMS TAKEN UP:

- Budget review

CALL TO ORDER

Lane called the meeting to order at 10:00 AM.

BUDGET REVIEW

John Snow, CVFRS Corporate President, described changes in the CVFRS operating and capital budgets since CVFRS had last met with the Selectboard. \$9,000 for protective equipment was moved from operating to capital; and the rescue training budget was reduced by \$1,000.

John indicated three things are driving the proposed increase of the operating budget from FY15:

1. Insurance payments
2. Restructuring of paid staff in Rescue—i.e. replacing per diem employees with permanent employees to improve management capacity. This makes them eligible for benefits, though it also reduces overtime paid to per diem employees.
3. This year they are implementing some systems to improve productivity, including:
 - A. A fire incident reporting system, which assists with applying for grants and makes staff time more productive.
 - B. An emergency medical services (EMS) scheduling system.
 - C. A financial control and financial reporting system.

John indicated that the “special funds” are often used for items that are not necessarily budgeted but are important. He gave an example of the ice break over the entrance to the building, which was found to be needed for safety reasons.

Regarding the capital budget, John reiterated that bunker gear is classified as capital equipment, since it’s replaced every 10 years. John said that CVFRS is not presuming the funding amount for the capital budget—they left this bank for the Selectboard to fill in.

Ellie noted that the price of fuel is down, but this doesn’t seem to be reflected in the budget. John responded that with a full-time person, they have the ability to conduct maintenance more

thoroughly and frequently than in the past, such as making sure dry hydrants are working. This requires more travel.

In response to a question, John indicated that the Tower Fund has a balance of about \$100,000 and the Barrows Fund has a balance of about \$20,000—though all of this is committed.

Lane noted that there's a reduction of \$15,000 from miscellaneous income in this year's budget, which was the portion of the Barrows Fund that was applied to the operating budget in last year's budget.

John stated that the Barrows Fund is mostly used for capital equipment, for example gear washers, equipment in the kitchen, the motor for the boat, the ice break over the door, etc. John stated that if Barrows is applied to the operating budget, then these additional expenses (covered by Barrows) would also need to be added to the operating or capital budgets.

John expressed concern that capital purchases would be at risk if Barrows gets used for operating expenses.

In response to a question regarding last year's surplus, John stated that the surplus was in part a result of the delayed hiring of the full-time fire fighter. John noted that workers compensation insurance is higher in the current year, and they may end the year with a \$33,000 deficit.

John noted that they are using special funds to replace fluorescent lighting fixtures in the station with LED fixtures; this will ultimately result in a savings to the operating fund due to lower electricity use.

John stated that although the proposed budget is an increase from the previous budget, it is roughly the same as the current year's expected actual.

Lane asked about offsetting the increase in the operating fund by reducing the contribution to the capital reserve fund. John answered that it would probably necessitate bonding eventually. There was discussion about the pros and cons of bonding vs. financing via a capital reserve fund for future large capital equipment purchases. It was noted that the town could obtain a bond through the Vermont Bond Bank on behalf of CVFRS.

John stated that, although the station and vehicles are owned by CVFRS, in consideration of the Agreement between CVFRS and the Town, which stipulates that the station and vehicles will revert to the town should CVFRS "go away", CVFRS' auditors assumed the remaining value of the station and vehicles, which is the residual interest in the un-depreciated value of the assets, is held by the town.

It was noted that a bond vote is by Australian ballot, whereas a town vote to purchase from the capital reserve fund is a floor vote.

Mary Mead recommended using the Barrow Fund to pay for the airpacks (\$19,000) and the bunker gear (\$9,000) in the capital reserve fund budget. Mary also asked what per diem positions are currently, what they would be if they are restructured, and what the savings is.

John responded that the goal is to have three full-time employees with per diem employees filling out the gaps. The cost increase is \$13,000. John said per diems are often the crew chief and the “second person” on the crew is a volunteer. With less volunteers, we needed to hire per diems for the second position.

The three full-time positions are: Rescue Director (paramedic, budgeted for \$27/hr); Operations Manager (paramedic, filled); Training Officer (Advance EMT, budgeted for \$18.50/hr). Benefits would be in addition to the budgeted salaries.

John said that current payroll includes per diem overtime, so this will go down. There is no increase of the pay rate for per diems in the budget. In response to a question, John said they are looking to fill 9 out of 14 shifts with paramedics.

Claudia Mucklow commented that in the past there was discussion of reducing the level of service, or getting together with neighboring towns to jointly pay for service. John stated that it’s up to the Selectboard to work with other towns.

Jon Davis asked what level of service the town wants? He suggested that maybe there should be a meeting to discuss this.

In response to a question, Patrice Machavern said that she will look into the savings in going to full-time vs. per diem staffing.

In response to a question, Patrice said that the FY14 surplus does not show up in the budget—it’s in the balance sheet. Patrice also suggested that, even if the Selectboard is thinking of not funding the full requested appropriation, that they still include the whole budget as proposed, so voters will know what the expenses are.

John Snow asked that, if the Selectboard plans to not fully fund the CVFRS budget as proposed, that an article be added to the Town Meeting warning for this purpose. Matt and Charles suggested reducing the Town’s appropriation by \$15,000.

Lane indicated that there will need to be another budget work-session. This was scheduled for Monday at 5 PM, before the meeting scheduled to begin at 7 PM.

ADJOURNMENT

MOTION by Charles, seconded by Fritz, to adjourn the meeting.

VOTE: 5 ayes; motion carried.

The meeting was adjourned at 12:50 PM.

Minutes respectfully submitted: Dean Bloch

