

## **Fire District #1 Prudential Committee**

### ***Open Session February 5, 2015***

- GS- Motion to reconvene the meeting at 7:30pm
- RM- 2<sup>nd</sup>
- UA

Members present- Kevin Taugher, Ray Miner & Greg Sheehan

- Signing of the Warrants

### **Approval of the meeting minutes**

- GS- Motion to approve the meeting minutes for January 15, 2015 meeting
- RM- 2<sup>nd</sup>
- UA
- GS- Motion to approve the meeting minutes for the January 22, 2015 meeting
- RM-2<sup>nd</sup>
- UA

### **Ambulance Director's Report**

Capt. Schenker presented numbers from our billing company as well as his own sheet which doesn't always match up with Medi-comps because of lag time in payments. What's billed vs. what is collected. I looking at Capt. Shenker's numbers it appeared that through the 1<sup>st</sup> half of the fiscal year we had collected about 7k more in revenues and less in adjustments.

GS- asked Monica why the numbers from Medi-comps would be different for payments received but the same for adjustments. Monica stated that the adjustments will always match up but the payments received will be different because Monica only counts the payments received when they are actually deposited into our account.

KT was looking as a quick check on ambulance adjustments on December 2013, payments received, Capt. Schenker's chart says \$52,296.72 with adjustments of \$61,877.37, but medi-comps numbers say payments received \$61,877.37 with adjustments of \$52,628.87. Something was amiss. Capt. Schenker said it looked like the numbers were transposed incorrectly but didn't know if it was an error by medi-comps or himself.

KT- said that we are going to have to revisit this because we can't make decisions based on the wrong numbers. GS said that the number should be verified against Monica's number. Monica had said her number differed from medi-comps based on what actually hits the bank account. If Monica's number is what hits the bank account then the error should be on medi-comps side. GS said he didn't think it was a coincidence that the number we have for adjustments is identical to the number medi-comps has for

payments received. GS said the adjustments for the rest of the year are all consistent with what has been reported by Capt. Schenker in the past. GS said that if in fact the numbers were flipped by mistake then technically there was more money received and less adjusted for the 1<sup>st</sup> half of the fiscal year. GS thought that if the numbers presented from Capt. Schenker were Monica's numbers then perhaps it was a small clerical error on the treasurer level. Monica said that these were not her numbers, these were Capt. Schenker's numbers. Monica said that the only number that is hers is payment received. GS agreed and said if that is the case then any error should be picked up on at that level. Monica explained that she doesn't put together the chart that Capt. Schenker submits to the committee so it appears that Capt. Schenker may have mixed the numbers up in error resulting in the discrepancy. Capt. Schenker said he didn't know if it was on his end or on Jill at medi-comps end. KT asked if we could please find out. GS suggested that we could go back to December of 2013 and we should be able to confirm the origin of the error. Capt. Schenker said he could call medi-comps tomorrow. KT asked why Capt. Schenker couldn't go to his files and determine that tonight. Capt. Left the meeting to check his records. Chief Authier thought that it was probably a mix up with the numbers because he does not recall a 61k adjustment.

GS commented that this was the 2<sup>nd</sup> meeting in a row that Capt. Schenker wasn't really prepared and KT expressed to the Chief that we may have a problem here. KT told the Chief that we needed the numbers and its hampering our ability to finish the budget. Chief said he would look into the timeliness of the data provided by medi-comps. When it was requested versus when it was received. GS noted that this was the same excuse for the previous meeting when Capt. Schenker didn't have up to date numbers because he said he hadn't heard back from medi-comps.

KT asked Capt. Schenker to do an update of the numbers after they had the medi-comps people come in to discuss reporting capabilities. KT had created a spreadsheet where he rearranged data to show as received vs. as done which still doesn't seem to make sense.

GS asked about the spreadsheet from medi-comps. It showed 4 columns for each year "as received" and 4 columns "as done" but each 4 columns had different numbers for billings, payments, and contractual adjustments. We don't know the differences in the numbers between the columns marked "as received" vs. the columns marked "as done". When Capt. Schenker was asked the difference between the "as received" and "as done" columns. Capt. Schenker said this was the first time he has ever seen this sheet and said that he would have to call medi-comps for clarification. This means that he didn't fully review the data in anticipation of questions from the committee before submitting it to the committee. As far as the discrepancy in the December numbers Capt. Schenker discovered that he had made the error when transposing the numbers to his report. The actual numbers of payments received vs. adjustments were corrected based on the discovered error. So for the calendar year of 2013 the total payments received was \$637,298.36 which was about \$9,580.65 higher than originally reported.

KT asked if there were any other discrepancies in the numbers. After a review of the numbers there did not appear to be any other discrepancies.

KT asked Monica for the FY14 numbers on the ambulance. To which she obliged. A discussion around previous year's ambulance balances was discussed. There were some discrepancies that were explained by the amounts for intercept. It was determined that for FY 2014 billings were \$1,468,340, the contractual adjustments were \$702,615 the allowed billings were \$765,724 the payments were \$658,813 the total transports were 1,412 for a per transport billing of \$1,039.90 with a payment per transport of \$466.58

Then the question became what is the yield from the ambulance fund. Through the 1<sup>st</sup> half of the FY15 we had collected \$322, 593. Capt. Schenker says he expects it to be slightly higher than twice that number because of the call volume compared to last year at this time. These things considered there should be roughly over 1 million in the ambulance fund because of the carryover from the previous year. If we are at EST 1.07m the ambulance yield could be between 636k and 686k. If we appropriated an extra \$21,400 from the ambulance fund but raised the spending the same amount we would end up with the same tax rate. We also need to look at our costs down the road. The unfunded pension liability study hasn't been performed yet but Monica is gathering information. We have equipment that will need to be replaced down the road. We could increase the yield from the ambulance fund and spend the difference somewhere else. We would also pick up about 50k with the 1.5% pay increases versus the 3% which could be used to start funding a new truck account or address some of our other future liabilities. The savings could be spread over a couple of the accounts like the ambulance and fire truck stabilization fund. So we put the difference in savings towards equipment that we need in the future like a new fire truck. The committee feels like we are equipment poor right now and it makes more sense to put some money aside right now so we don't have a big bond down the road.

There was a discussion about selling one of the ambulances. District 2 has approached us about asking for the right to bid first if we decide to sell. If a new ambulance is needed every 5 years then that's a 200k+ cost down the road.

Monica asked for clarification. We are going to figure the raises at 1.5% and put the difference into the fire and ambulance stabilization funds. Then add the 21k into the budget, cut the audit expense.

KT was looking at 686k from ambulance account. The difference from 662,500 and 686k = 23,500 so if we brought the ambulance contribution up to 686k from 662,500 we could put that 23,500 right into the ambulance stabilization fund. A penny on the tax rate 10,696 in revenue so 1% on the levy = \$25,137.21 ½% is \$12,568.61 and 1/10% is \$2,513. So if we pushed up the current levy increase of 2.2% up by 10k that would get us to about a 2.6% levy increase. It was suggested that the building improvement account be increased by 10k

In summary the moves being made were to increase the transfer in from the ambulance fund to 686k giving us an extra \$23,500 which goes into the ambulance stabilization fund. The savings on the raises and the audit fee savings go into the fire truck account. Then if we raise roughly 10k that should be 4/10% increase on the levy which will bring us to 2.6% which has been consistent and roughly a penny more on the rate.

- GS-Motion to recommend to the district meeting a fire budget of \$3,698,546.50 to be covered by free cash in the amount of \$500k, 686k in ambulance reserve transfer.
- RM-2<sup>nd</sup>
- UA

KT was looking for the annual report write ups from the Chief and Capt. Schenker, they were being sent to him.

#### **Review the District Quarterly Financial Report**

There were no questions regarding the report. Monica had no issues with where things were at this point. KT agreed and said that is why he has no problems with going back to an audit every 2 years.

#### **New Business**

Chief received a letter from Tighe & Bond recommending WPI for the roof project. T&B did a background check on the references. Everything seemed to be positive. The only negative was a language barrier with some of the workers. KT suggested that there be one person on the crew that communicates with the district that speaks English.

- GS-Motion to award the roof contract to WPI in the amount of \$46,300.
- RM-2<sup>nd</sup>
- UA

Next Meeting is March 5, 6:30pm

- GS- Motion to adjourn
- RM-2<sup>nd</sup>
- UA

Meeting adjourned at 8:45pm

Respectfully submitted



Greg Sheehan

Prudential Committee, Clerk