

Dunn's Corners Fire District
Operating Committee

Annual Report for Fiscal Year 2008 – 2009

July 4, 2009

Introduction

2008-09 was a year of historic firsts for the Dunn's Corners Fire District (DCFD). On July 7, 2008, Michael Frink reported for duty as our first ever full-time District Chief. On October 1, 2008, the Weekapaug Fire District terminated our decades-old fire protection arrangement. On November 14, 2008, DCFD took delivery of Tower 5, our first ever ladder truck. And on May 20, 2009, DCFD voters approved the first ever written contract with two of our Coverage Fire Districts: Shelter Harbor and Shady Harbor Fire Districts. As far as we know this Annual Report is another first. In publishing it the Operating Committee (OC) hopes to enhance communication to District electors of the past year's accomplishments while allowing us to devote our Annual Meeting time to the discussion of important decisions. Finally, though we revel in the positive benefits of nearly all of these historical firsts, the OC realizes that even positive change comes at a cost. Now that we've had two full years to fine-tune the new organization defined by our revised Charter, the OC is looking forward to a more measured pace of historic firsts in the years to come.

Chief's Report

Chief Mike Frink's first year as full-time Chief has been a very busy and productive one. He transformed the scheduling and organization of our commercial inspection process and brought nearly all District businesses into compliance with the new system. He spearheaded a telephone system upgrade which significantly improves District and Department communications through state-of-the-art tools and a security system upgrade to improve protection for our valuable equipment assets. Chief Frink made arrangements for the payment of death benefits to the widows of three DCFD firefighters out of the Firefighters' Memorial Fund; this Fund has been in existence for some time, but this is the first time we've successfully navigated the application process, thanks to the Chief's compassion and persistence. The Fire Department revised their Bylaws, making them consistent with the new District Charter and District Bylaws.

Chief Frink has worked with Department officers to take our already robust firefighter training program to the next level. As can be seen in the table below, both training classes and training hours grew impressively. Significant components of 2008-09 training efforts included:

- Beyond the Basics, an advanced program lead by the RI Fire Academy which drew 15 participants (385 hours).
- Training specifically focused on putting the new Tower 5 apparatus into service (260 hours).
- EMT training for Chief Frink and Lieutenant Johnson (192 hours).
- Fire Inspector I certification for Chief Frink, Lieutenant Johnson and Safety Officer Stedman (108 hours).

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Finally Chief Frink has assembled a Departmental team to aggressively pursue firefighting grants from various sources. Details of the opportunities and financial implications will be discussed at the Annual Meeting.

Operating Metrics	2008-09	2007-08	% Increase
Calls	299	284	5%
Plan Reviews and Inspections	226	276	-18% *
Training – Classes	144	120	19%
Training - Hours	2339	1345	74%

* Plan Reviews and Inspections were impacted by the recent residential construction slowdown.

Tower 5

At the 2008 Annual Meeting DCFD voters authorized the OC to purchase a new ladder truck, our first ever. The Ladder Committee then proceeded to amaze us with how quickly they could implement that resolution: by capitalizing on a unique opportunity to purchase a demonstrator model they were able to obtain a higher quality truck than our budget would have otherwise allowed, with nearly immediate delivery. As a result, on November 14, 2008, DCFD took delivery of Tower 5: a 2008-model 100-foot Tower Ladder truck manufactured by E-One, one of the premier ladder truck manufacturers. Tower 5 was put into service in February, 2009.

Department members will proudly display Tower 5 at the Annual Meeting. The OC expresses our profound gratitude to the members of the Ladder Committee for their hard work and creativity in making a potent new tool a reality for the Dunn's Corners Fire District. Our thanks to: Tom Algieri, Ted Burke, Mike Frink, Andrew "Buzzy" Haggerty, Karl Kenyon, Ken Martin (chair) and Dan Schilke.

Financial Report

The District has achieved excellent financial results in 2008-09:

- Income. Overall incomes were realized as projected. The OC over-estimated the income from commercial inspections, however the Chief's success at organizing the program gives us confidence future projections will be more accurate. Income from taxes was up due to delinquent account collections (see below).
- Expenses. Spending was controlled within budgeted amounts.
- Taxes. The collection rate for current year taxes is about typical. Due to a delinquent account collection plan initiated in 2008-09 by Tax Assessor/Collector, Ken Swain, collections of previous year taxes and finance charges increased significantly. Further progress is expected as we continue the program into 2009-10.
- Reserves. Cash reserves are adequate for our organization. At the close of the fiscal year our cash reserves amounted to 5.5 months at our budgeted burn rate.

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Detailed financials, preliminary to the Treasurer's official report, are provided in Appendix I.

Restricted Fund Activity

Excellent progress was made on projects approved by the voters to be funded out of our Restricted Funds:

- Station 1 Roof Repair, authorized in 2007 out of the Building and Grounds Restricted Fund, was fully completed in the fall of 2008.
- Station 1 improvements, authorized in 2008 out of the Building and Grounds Restricted Fund, comprised sealing and relining the pavement, upgrading the telephone system and upgrading the security system. All three tasks were completed in 2008-2009.
- The Grange septic system replacement, authorized in 2008 out of the Building and Grounds Restricted Fund, was scaled back at the September 24, 2008, Special Meeting to consist of solely the engineering portion, with installation to be evaluated at a later date. The engineering work is in progress with a final design to be available later this summer.
- The Station 1 furnace replacement/air-conditioning upgrade, authorized in at the May, 2009, Special Meeting out of the Building and Grounds Restricted Fund, is well underway.
- Ladder Truck, authorized in 2008 out of the Truck Restricted Fund, is complete.

Operating Committee Activities

Personnel. Operating Committee Members for the 2008-09 year comprised:

- Michael Frink, District Fire Chief
- Richard Hosp, At-Large Member
- Ken Martin, Fire Department Representative
- John Merkel, At-Large Member and District Moderator
- Dan Schilke, At-Large Member
- Jon Schreier, At-Large Member

Other District Officers included:

- Steve White, District Clerk
- Ken Swain, District Tax Assessor/Collector
- Brona Haggerty, District Treasurer
- Matt Harris, Grange Manager
- Karl Kenyon, Nominating Committee
- Elaine Martin, Nominating Committee
- Ed Schilke, Nominating Committee

In November, 2008, Richard Hosp resigned from the OC after successfully running for election to the Charlestown Town Council. The OC accepted Richard's resignation with regret and wished him well in his new position. We then appointed Steve White to serve as Richard's interim replacement. Steve intends to run for election to the remainder of Richard's term at the 2009 Annual Meeting.

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Coverage Fire Districts (CFD's). The OC devoted a significant amount of effort to resolving issues with the CFD's, with mixed results:

- Weekapaug: On September 1, 2008, the Weekapaug Fire District abruptly broke off negotiations with DCFD and terminated our relationship effective October 1, 2008, having signed a multi-year agreement with the Misquamicut Fire District for fire protection services at a lower price. Weekapaug's withdrawal caused a revenue shortfall to DCFD of approximately \$90,000 for the 2008-09 fiscal year. The OC held a Special Meeting on September 24, 2008, to provide information to DCFD electors and to make the budget adjustments necessary to accommodate the revenue shortfall. The OC has since informed the Weekapaug Fire District that, should DCFD be asked to respond to a Weekapaug emergency that Misquamicut is unable to handle alone, we will charge them for the services rendered:

Item	Fee	Fee Basis
Tower 5	\$1,500.00	per incident
Engine 3, Engine 7	\$850.00	per incident
Engine 4, Engine 6	\$850.00	per incident
Engine 2	\$1,000.00	per incident
Tanker 1	\$1,000.00	per incident
Firefighting Personnel	\$42.00	per firefigher-hour

- Shelter/Shady: The Shelter Harbor and Shady Harbor Fire Districts continued to negotiate with the OC through the fiscal year, culminating in the multi-year contracts that were approved by DCFD electors at our Special Meeting on May 20, 2009. The contracts benefit Shelter/Shady by (1) improving predictability of our fees, (2) disconnecting fee calculation from property assessments and (3) phasing in the impact of the Weekapaug revenue loss. The contracts benefit DCFD by (1) locking in two significant revenue streams for years to come and (2) having Shelter/Shady pay a gradually increasing share of revenue, provided DCFD maintains budget increases below 7%. When the Shelter and Shady voters approve the contracts at their respective Annual Meetings this summer, the contracts will go into effect, the first time we've ever had such contracts in place in the history of DCFD. The OC thanks Gail Mallard (Moderator – Shelter), Jack McAllister (Moderator – Shady), Tom Lloyd (Shelter) and Ted See (Shady) for their diligent, thoughtful efforts in bringing our negotiations to a successful conclusion. They have helped us lay the foundation for strong and mutually beneficial relationships for years to come.
- Quonochontaug Central Beach: QCB has been unwilling to endorse a contract proposal comparable to the Shelter/Shady contracts. They feel quite strongly that their fees have risen too sharply in the last few years, so are unwilling to use their 2008-09 fee as the base for future fee calculations. The OC feels equally strongly that the QCB historical fees were fairly calculated. Thus the two groups have been unable to come to a mutually agreeable arrangement so far. The OC will provide more detailed information about the on-going negotiations at the Annual Meeting.

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Long-term financial planning. At the 2008 Annual Meeting the OC described our long-term financial plan as a work-in-progress. It will necessarily always be a work in progress, but we have since then refined the plan into a tool we are actively using as part of our budget process. Specifically the long-term plan helps us (1) minimize surprises, (2) time capital acquisitions so as to smooth budget growth and (3) guide the use of Restricted Funds and the Unrestricted General Fund Surplus. At the upcoming Annual Meeting we will discuss the plan in some detail and how we've used it in our financial decision-making.

Financial auditing. After a methodical search and selection process, the OC has chosen the firm Gothie, Hoyt & Filipetti LLC, of Mystic, Connecticut, to perform District financial audits in the future. The OC is confident that Gothie, Hoyt & Filipetti will help identify opportunities to make our financial systems more robust and transparent. At the Annual Meeting the OC will ask electors to approve a three-year engagement with the firm.

The Grange. The Dunn's Corners Community Building (aka "the Grange") has continued to serve as a valuable District and public resource. Design of an improved Grange septic system is in the works with a report expected in late summer. We now have two exercise classes meeting regularly, as well as a variety of clubs and individual uses. Grange fees were collected in the amount of \$2,415 in 2008-09, as compared to \$1,435 in 2007-08 last year; however fees vastly understate the value of the resource in that they exclude worthwhile non-profit activities (e.g., Boy Scouts). Our thanks to Grange Manager Matt Harris for his diligence in sustaining and improving the Grange as a valuable resource.

Fees for facilities and services. At the 2008 Annual Meeting the electors approved a revision to the District Bylaws that allows the OC to "fix rates and collect charges for the use of facilities or for services ... without prior approval of the District electors, provided the Operating Committee reports any such rates and charges to the voters at each Annual Meeting." The OC has decided this Annual Report would be an appropriate forum for so reporting rates and charges. In 2008-09 the OC has established fees in two general areas. (1) We established fees for response to Weekapaug Fire District emergencies. For details see above, under Coverage Fire Districts (CFD's). (2) We adjusted fees for Grange usage. Our complete Grange fee structure is shown below, with 2008-09 adjustments highlighted in bold:

- Full day: \$50
- Half day: \$25
- Community service organizations (e.g., Scouts): free
- DC Fire Department members: free
- Exercise class #1: \$160/month (3-6 classes per week)
- **Exercise class #2: \$40/month (1 class per week)**
- **Regular hourly use: \$40/month for a one-hour-per-week usage.**

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Communications. The District Clerk continues to publish minutes from all meetings on our website, including our Annual Meeting, two Special Meetings and fourteen OC meetings. Each of these meetings was publicized in advance through our website and the RI Department of State's website. In addition, the Annual and two Special meetings were publicized in advance through legal adds in the Westerly Sun and hard copy postings in the District. We were also able to work with the Sun to cover our Annual and Special Meetings through news articles, in some cases both before and after the meetings.

Your Operating Committee wishes you a happy Independence Day and looks forward to seeing you at the DCFD Annual Meeting, on July 15, 2009, in Fire Station 1, starting at 7:00 PM!

					
Mike Frink Chief	Ken Martin Department Representative	John Merkel Moderator and At-Large Member	Dan Schilke At-Large Member	Jon Schreier At-Large Member	Steve White Clerk and Interim At-Large Member

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Appendix I – 2008-09 Preliminary Financial Results

	Full-Year Actual	Adjusted (9/24/08) Budget	Original (7/16/08) Budget
OPERATING EXPENSE			
Clerk:			
Stationary/Postage	-	100.00	100.00
Advertising	82.44	600.00	600.00
Subtotal:	82.44	700.00	700.00
Treasurer:			
Stationary/Postage	281.33	400.00	400.00
Subtotal:	281.33	400.00	400.00
Tax Collector/Assessor:			
Stationary/Postage	-	1,438.00	1,438.00
Tax Bills - Westerly/Charlestown	2,597.50	1,795.00	1,795.00
Operating Supplies	-	1,322.00	1,322.00
Computer Supplies	1,192.00	1,000.00	1,000.00
Legal Advertising	-	40.00	40.00
Subtotal:	3,789.50	5,595.00	5,595.00
Operating Committee			
Legal Services	3,500.00	4,500.00	4,500.00
Audit Services	4,000.00	4,000.00	12,000.00
Supplies	914.00	1,300.00	1,300.00
Payroll Fees	907.74	400.00	400.00
Subtotal:	9,321.74	10,200.00	18,200.00
DCFD Community Building:			
Mortgage Principal & Interest	12,989.65	12,989.65	12,989.65
Fuel	1,438.87	2,500.00	2,500.00
Repairs/Minor upgrades	2,417.66	4,000.00	8,500.00
Subtotal:	16,846.18	19,489.65	23,989.65
OPERATING EXPENSE SUBTOTAL	30,321.19	36,384.65	48,884.65
SALARY EXPENSE			
Clerk			
Salary	700.00	800.00	800.00
Treasurer			
Salary	6,000.00	6,000.00	6,000.00
Tax Collector/Assessor			
Salary	6,750.00	6,750.00	6,750.00
Fire Chief			
Salary and benefits	73,289.10	86,000.00	86,000.00
Fire Marshals			
Salary	10,000.00	10,000.00	10,000.00
District tax contribution, all	8,049.14	8,900.00	8,900.00
SALARY EXPENSE SUBTOTAL	104,788.24	118,450.00	118,450.00

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Appendix I – 2008-09 Preliminary Financial Results (continued)

	Full-Year Actual	Adjusted (9/24/08) Budget	Original (7/16/08) Budget
BOARD OF ENGINEERS EXPENSE			
1. Personal Protective Equipment	10,948.23	11,500.00	14,040.00
2. Radios & Pagers	9,200.66	9,060.00	9,060.00
3. Replacement Equipment	25,937.29	26,290.00	26,290.00
4. Maintenance- Engines/Pumps	30,009.82	31,665.00	36,665.00
5. Maintenance - Radios/Alarm System	10,698.02	10,700.00	15,700.00
6. Hydrant Rental	9,488.74	10,053.00	10,053.00
7. Supplies - Truck Fuel	9,757.22	14,000.00	14,000.00
8. Station #1 - Fuel & Electric	18,031.03	23,000.00	23,000.00
9. Station #2 - Fuel & Electric	12,447.79	18,000.00	18,000.00
10. Insurance	43,199.00	36,000.00	36,000.00
11. General Maintenance & Supplies	21,777.98	22,000.00	22,000.00
12. Telephone/Cable Service	5,011.66	4,500.00	4,500.00
13. Dispatch Service	9,709.60	10,000.00	10,000.00
14. Southern League	500.00	600.00	600.00
15. Dunn's Corners Fire Department	10,000.00	10,000.00	10,000.00
16. Engineers' Expenses	2,984.62	3,000.00	3,000.00
7. Equipment Fund (Restricted)	10,000.00	10,000.00	10,000.00
17. Information Services	13,193.36	14,000.00	14,000.00
18. Fire Marshal Inspection Expense	5,878.03	5,500.00	5,500.00
19. Assistant Chiefs auto reimbursement	10,500.00	10,500.00	10,500.00
20. Copier	1,642.67	2,000.00	2,000.00
21. Firefighter reimbursement program	14,000.00	15,000.00	15,000.00
BOARD OF ENGINEERS SUBTOTAL	284,915.72	297,368.00	309,908.00
CAPITAL EXPENSE			
1. Principal - Fire Station #1	35,000.00	10,000.00	10,000.00
2. Interest - Fire Station #1	2,835.00	5,700.00	5,700.00
3. Principal - Station #2	35,000.00	35,000.00	35,000.00
4. Interest - Station #2	42,663.56	43,000.00	43,000.00
5. Principal - Engine-6	10,000.00	10,000.00	10,000.00
6. Interest - Engine-6	276.57	600.00	600.00
7. Principal - Engine-2	29,000.00	29,000.00	29,000.00
8. Interest - Engine-2	5,885.72	15,000.00	15,000.00
9. Truck Fund (Restricted)	25,000.00	25,000.00	25,000.00
10. Buildings and Grounds (Restricted)	10,000.00	10,000.00	10,000.00
CAPITAL EXPENSE SUBTOTAL	195,660.85	183,300.00	183,300.00
EXPENSES GRAND TOTAL	615,686.00	635,502.65	660,542.65
INCOME			
Taxes	398,900.54	394,654.82	394,729.79
CFD Fees	163,750.00	163,750.00	263,500.00
Commercial Inspection Fees	11,135.00	20,000.00	20,000.00
Community Bldg	2,415.00		
Interest	9,796.56		
Other	1,080.00		
TOTAL INCOME	587,077.10	578,404.82	678,229.79

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