

**YORK AREA UNITED FIRE AND RESCUE COMMISSION
REGULAR MEETING**

**AUGUST 19, 2014
APPROVED**

The York Area United Fire and Rescue Commission held a Regular Meeting on Tuesday, August 19, 2014 at 7 p.m. at the YAUFRR Headquarters, Commons Drive, York, PA

MEMBERS IN

ATTENDANCE: Austin Hunt, Vice Chairman*
Kathleen Phan*
Cara Beth Zortman*
John Fullmer*
Eric Lehmayr

MEMBERS NOT

IN ATTENDANCE: Bill Schenck, Chairman
George Dvoryak

ALSO IN

ATTENDANCE: Greg Maust, Spring Garden Township Manager
Robert McCoy, YAUFRR Chief
Sandy Ratcliffe, YAUFRR
Dan Hoff, YAUFRR Battalion Chief
John Woods, YAUFRR Battalion Chief
Jean Abrecht, Stenographer

* (Indicates Voting Member)

1. CALL TO ORDER

A. Opening Ceremony

1. Pledge of Allegiance

HUNT Vice Chairman Austin Hunt called the meeting to order at 7:15 p.m. He led the Pledge of Allegiance.

2. ANNOUNCEMENT OF EXECUTIVE SESSIONS

HUNT Mr. Hunt announced that an Executive Session had been held following the previous YAUFRR Commission meeting to discuss a labor issue. An Executive Session had been held this date at 7 p.m. to discuss a labor issue as well.

3. COMMUNICATION FROM CITIZENS

There were no citizen comments.

4. MANAGEMENT/ATTORNEY REPORTS

A. Steve Hovis, Solicitor

HOVIS Solicitor Hovis had nothing to add to his written report. There were no questions.

B. Robert McCoy, Fire Chief

MCCOY Chief McCoy reported that negotiations with the firefighters had continued since mid-2013. He met with the Union President Sowers this date, and they had come to a conclusion on the agreement. Chief McCoy had provided the board with a draft copy of the proposed contract. He reviewed it in detail for the board and recommended approval.

MR. FULLMER MOVED TO APPROVE, FROM THE BOARD'S STANDPOINT, THE CHANGES MADE IN THE UNION AGREEMENT TO BE FINALIZED BETWEEN BOTH UNION AND CHIEF MCCOY AS PROVIDED IN THE MEMORANDUM, AND AUTHORIZING VICE CHAIRMAN AUSTIN HUNT TO SIGN THE MEMORANDUM OF UNDERSTANDING THIS DATE. MS. ZORTMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

HUNT Mr. Hunt asked for a status of the new firehouse.

MCCOY Chief McCoy responded that the building is able to be occupied:

- Second Floor is operational; elevator passed inspection.
- All utilities at the Whiteford Road building have been transferred back to Springettsbury; building will be bulldozed shortly.
- Appliances, TV, cable have been installed.
- Seeding will be done within the next week.
- Alerting system needs shut off for meeting room.

5. ACCOUNTS PAYABLE

A. Payable Listing as of July 31, 2014

MS. ZORTMAN MOVED TO APPROVE THE PAYABLES AS PRESENTED IN THE PACKET. MS. PHAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

6. BIDS, PROPOSALS & CONTRACTS

There were none for action.

7. COMMUNICATION FROM COMMISSIONERS

HUNT Mr. Hunt commented that he had participated in the Budget Meeting and was dismayed that other board members had not attended to hear the presentation. He

noted his opinion that participation is one of the best ways to understand the Chief's plans and to raise any questions.

PHAN Ms. Phan responded that she had the meeting on her calendar but was unable to be away from her day job. She had advised Lisa of that fact.

FULLMER Mr. Fullmer noted that he receives a copy of the draft budget in advance, goes over it and forwards his comments. In that way he is already aware of the planning.

MCCOY Chief McCoy added that YAUFRR begins its budget process very early in July in order to forward it to the townships. Even though the townships will not adopt budgets until December, YAUFRR's deadline remains September 1. He noted that it was an item for review in the Charter Agreement inasmuch as this wasn't the first year there were difficulties in getting individuals to the budget meetings. Many are on vacation; on some occasions he had met individually one-on-one with supervisors because of their difficult schedules.

8. COMMITTEE REPORTS

A. Volunteer Committee

ECKERT Don Eckert stated that Chief McCoy had covered the new firehouse issues. He noted there are no electric locks on the doors, and there are a number of other things missing. However, the volunteers were very glad to be able to move in. He and Chief McCoy plan to sit down and develop some regulations regarding the building. He noted the Auction at 891 will be held August 25th, a Monday, with preview on Sunday, the 24th from 3 to 5 p.m. He indicated that the auctioneer, Gary Gilbert, donated his services for the auction.

MCCOY Chief McCoy reported that the staff, Battalion Chiefs, Lisa, Don Eckert and his volunteers moved a lot of the items personally. Don Eckert and his volunteers brought in a trailer and moved the majority of the equipment. They had saved about \$6,000 in moving costs. He publicly thanked every individual who had helped with the move. He indicated everyone really did a good job.

PHAN Ms. Phan indicated the Commissioners' appreciation for their extra effort.

9. RESOLUTIONS AND AGREEMENTS

There were none for action.

10. ACTION ON MINUTES

A. Approval of Minutes: July 15, 2014 Fire Commission Meeting

MS. PHAN MOVED TO APPROVE MINUTES OF THE JULY 15, 2014 FIRE COMMISSION MEETING. MS. ZORTMAN WAS SECOND. MOTION CARRIED. MR. FULLMER ABSTAINED AS HE WAS NOT PRESENT.

11. OLD BUSINESS

There was no Old Business for action.

12. NEW BUSINESS

A. Acknowledgement – Minimum Municipal Obligation (MMO) Calculations for the YAUFRR Pension Plans

MS. ZORTMAN MOVED TO AUTHORIZE MR. FULLMER, TREASURER, TO SIGN THE THREE DIFFERENT MMO'S AS PROVIDED IN THE BOARD PACKET. MS. PHAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

B. Discussion – 2015 Budget

MCCOY Chief McCoy brought forward the proposed 2015 Budget. He noted that a joint meeting of the townships is scheduled for September 16th at 6 p.m. The draft budget had been presented to the board for their review. Chief McCoy commented on the following summarized points:

- The percentages of contractual firefighter pay raises are 2-3/4% to 3%, with actual raises ranging up to 8% depending upon employee longevity.
- Insurances are figured at 10%, a 5% increase over 2014.
- Employee salary and benefits up 7.4%; Overall Budget is 84% salary and benefits; 16% operational.
- Intergovernmental revenues based on Fund Balance Policy will return \$421,000 to the townships: Springettsbury, \$243,000; Spring Garden, \$177,000 leaving a balance of \$197,000.
- Springettsbury's Unfunded Pension Liability, \$115,000, which is a pass through.
- Volunteer Workers' Comp costs are now \$55,000, up 144%.
- Fuel is up 8+%.

Chief McCoy recommended approval by the YAUFRR Commission to submit the proposed budget for presentation to the townships.

FULLMER Mr. Fullmer noted that the increases for the Administrative Staff do not show on the budget.

MCCOY Chief McCoy responded that is an item that is usually left until the final submission. He pointed out the following:

- Professional Services, \$15,000 (Pat Ball \$7,500 plus additional \$7,500 for next chapter of Strategic Planning).
- Additional maintenance for new firehouse, \$5,000.

LEHMAYER Mr. Lehmayer noted that the amount of history shown on the budget was very helpful. He asked if any industry benchmarks are available, such as would reference whether the operating expenses are in line, or in a percentage range. He commented that it might not exist.

MCCOY Chief McCoy responded that he reviews the expenses internally. As far as industry benchmarks, if they were available, he had not seen them. They would be different based on each department.

HUNT Mr. Hunt noted that one of the biggest hurdles during initial budgeting was that there are a number of things that were handled differently within the townships. It took several years as a free-standing entity to understand the financing. It is very unusual to have a free-standing entity.

LEHMAYER Mr. Lehmayer suggested that during the next budget process to include the percentage to totals for the industry, which would provide a track record for the future.

FULLMER Mr. Fullmer noted that 83% to 85% involve the salaries, benefits and insurance. Those costs are union related and will be certain for the next three years. He stated that he thought the budgeting process had gotten better each year because there is some history. He indicated that the Chief and his staff had done an excellent job, which makes it easy for the board's review.

MR. FULLMER MOVED TO AUTHORIZE CHIEF MCCOY TO MOVE FORWARD WITH THE DRAFT 2015 BUDGET. MS. ZORTMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Discussion – Investment Options

RATCLIFFE Ms. Ratcliffe reported that some years ago Metro Bank had provided YAUFRR a guarantee rate of .15. It was not to go below that; however, their policy changed, and the rate is now 1%. She stated that she had been looking for ways to generate more income without cost. She would like to ladder some of the funds not being used at the moment, in order to get better rates. She had discussed the possibilities with both Metro and Susquehanna. Metro had better rates by laddering the account.

HUNT Mr. Hunt noted that it seemed like a lot of cash. He thought the target was five percent.

FULLMER Mr. Fullmer responded that YAUFRR is paying its expenses throughout the year, but the expenses aren't always the same. There will be peaks and valleys, and at the end of the year there will be excess cash to be given back to the townships based on the analysis of between three and five percent that is to be retained. He noted that Ms. Ratcliffe had been keeping him informed as to her discussions with the various banks, and it makes sense to maximize the interest return. He was not in favor of locking in a CD rate for three years; however, he would favor layering it out over a year, a year and a half. Interest rates are going to begin to rise, so short-term rates will go up. He added that one percent is a waste of the investment.

HUNT Mr. Hunt noted that a third of the operating budget is cash in hand, and it is agreeable with the townships. He asked for the amount of the minimum cash balance.

RATCLIFFE Ms. Ratcliffe responded it was approximately \$400,000.

MCCOY Chief McCoy noted that the DB pension payments are not made until October.

HUNT Mr. Hunt commented that it appeared as though about \$300,000 would be the amount to invest.

PHAN Ms. Phan noted that she would be in favor as long as the money to be invested is not needed immediately. She would not want to pay a penalty for early withdrawal.

Consensus was for Ms. Ratcliffe to put together a cash forecast month-by-month showing a balance for the first six months of 2014 in order to make a more informed decision on how to handle the investments.

RATCLIFFE Ms. Ratcliffe noted that the Capital Reserve Account sits in a CD. If that money is needed it can be pulled out every third day. There had never been a need to do so, but the rate is better than a regular checking account.

HUNT Mr. Hunt thanked Ms. Ratcliffe for her effort in bringing the matter to the board's attention.

D. Approval – Capital Purchases

MCCOY Chief McCoy reported there is \$76,000 in the Capital Reserve Fund. The Capital Plan is always approved with the budget. In the past anything that exceeded the cash balance needed to be approved by the townships. However, the funds are

available to make the proposed purchases from the Capital Reserve Fund. The items were budgeted at \$21,000 for the AMKUS System and \$10,000 for hose. Chief McCoy requested approval for the purchases.

MS. PHAN MOVED TO APPROVE PURCHASE OF EQUIPMENT LISTED IN THE BOARD PACKETS (AMKUS TOOL FROM FIRE AND RESCUE PRODUCTS) AND HOSE OUT OF THE CAPITAL RESERVE BUDGET. MS. ZORTMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

13. ADJOURNMENT

HUNT Vice Chairman Hunt adjourned the meeting at 8:20 p.m.

Respectfully submitted,

Signature on file at YAUFRR Headquarters

John Fullmer

Secretary

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