Quarterly Report Town of Enfield Fire District

for The Enfield Town Board Meeting March 13, 2024

by Councilperson Robert Lynch Town Board Liaison to the Enfield Fire District

Organization: The newly-constituted Board of Fire Commissioners for the Enfield Fire District held its Organizational Meeting on Tuesday, January 9, 2024. Three new Commissioners joined the Board that night; Greg Stevenson, Alan Teeter and Chris Willis each taking the offices to which they were elected by the Enfield Fire District's voters on December 12, 2023. Stevenson will serve a three-year term, Teeter a two-year term, and Willis a single-year term. They join Robyn Wishna (five-year term) and Barry "Buddy" Rollins (four-year term), who carry-over from last year's appointed Commissioner positions. Wishna and Rollins were each elected in December by an equal number of votes, their terms decided by a coin flip at the Town Board's December 13th meeting.

As an initial order of business January 9th, the Board of Fire Commissioners unanimously elected Greg Stevenson as its Chair and Alan Teeter as its Vice-Chair. Alexis Comparetta was appointed as Fire District Secretary and Cortney Bailey as Fire District Treasurer, each continuing from their appointed positions of late-2023. As stated in the Fire District's 2024 Budget, approved by the predecessor Board of Commissioners, the Secretary will receive a \$2,000 annual salary for her services; the Treasurer, \$5,000. By the directive of New York State law, Fire Commissioners receive no compensation for their services.

As an important order of organizational business, the Board of Fire Commissioners chose new legal representation. The Board appointed Mark Butler, formerly counsel to the Enfield Volunteer Fire Company (EVFC), as its legal counsel for 2024. Butler succeeds former counsel Brad Pinsky, whose services the Board simultaneously terminated. Commissioners did not state publicly their reason for changing representation. The Board of Commissioners directed the Secretary to request a final bill for Mr. Pinsky's unpaid services during 2023. At its meeting February 20th, the Board approved final compensation to the Pinsky Law Firm of \$15,000 plus \$842.52 in documented expenses. With that action, the Board considered the Pinsky firm's services paid in full.

<u>Line Leadership</u>: Made necessary by Enfield Fire Chief Greg Stevenson's election to the Board of Fire Commissioners, the Board January 9th elevated Deputy Fire Chief Jamie Stevens to Fire Chief. In line with the EVFC's plan of succession and leadership elections held by the Fire Company in December of last year, the Board of Commissioners elevated Bailey Stevens to Deputy Chief, Zack Snyder to First Assistant Chief, and Kevin J.W. Morse to Second Assistant Chief. Among other organizational matters, the Board of Commissioners decided to meet twice-monthly, on the first and third Tuesdays of each month (beginning in February), meetings convening at 6:30 PM at the Enfield Fire Station.

<u>Asset Transfer</u>: The Board of Fire Commissioners has focused attention this first quarter of 2024 on the transfer of fire apparatus from the EVFC to the Enfield Fire District, the newly-formed taxing authority which will assign resources for Enfield fire protection and manage capital assets.

Fire Commissioners during their meetings this quarter indicated (as did the prior appointed Board) that they have no plans to acquire the Enfield Fire Station from the EVFC and will retain the station under EVFC ownership. Rather, Commissioners have given principal attention to how they will acquire trucks and other apparatus from the Fire Company.

At their meeting of January 9th, the Board of Fire Commissioners unanimously authorized the commencement of discussions toward the transfer of fire apparatus, as recommended by legal counsel. Commissioners may be in a position to disclose publicly details of that impending transfer at their next meeting, March 19th. The Board held an executive session at the close of its March 5th session to discuss "Lease agreement negotiations."

<u>Fire Truck Bonding</u>: Although no official votes have yet been taken, the Board of Fire Commissioners during meetings this quarter has indicated informally its intent to depart markedly from the direction taken by the previous appointed Board concerning the continued financing of two unpaid fire trucks.

Enfield voters last October 31st authorized that each truck be purchased by the Enfield Fire District from the EVFC and that each unit subsequently be bonded, in one instance for up to 20 years. The purchases and bonding involve a new pumper engine (Unit 602), purchased in 2023 by the EVFC for \$825,000; and also a 2020 tanker (Unit 622), a truck with its bank loan only partially paid-off.

Of the two, the financing future for the tanker truck (Unit 622) stands far more straightforward. Voters last year authorized the bonding of up to \$220,000 for a period of up to five years to cover the remaining unpaid cost of the tanker. Bond financing would replace the tanker's final three years of bank loan payments, each installment totaling \$72,449.

At its meeting of January 23rd, acting on attorney Mark Butler's advice, the Board agreed by consensus to retain the tanker's current low-interest bank financing for those final years of 2024, 2025 and 2026. Accordingly, the bonding authorization would not be exercised. The Board's and its attorney's rationale involved the realities of the financial market. The tanker's current financing carries a low, 3.74 per cent interest rate. Attorney Mark Butler has indicated that any bonding for the tanker would not likely secure an interest rate anywhere as favorable as what already exists.

Chairman Stevenson indicated January 23rd that the Board would attempt to squeeze money out of this year's Fire District Budget and those in subsequent years to enable the repayment of Unit 622's remaining debt. During that period, the Fire District would lease Unit 622 from the EVFC.

Fire Commissioners will carry forth the electorate's intentions and bond the newer, more expensive truck, Unit 602, the pumper. But details of bond financing remain a work in progress. The October referendum authorized a bonding period of up to 20 years for a bond total not to exceed \$830,000. At the same January 23rd meeting where Commissioners gave direction regarding Unit 622, the tanker, they also expressed a decided preference to bond the pumper for a period much briefer than 20 years.

Concerns regarding Unit 602's financing centered on borrowing cost. At a benchmark, hypothetical interest rate of four per cent, figures presented at the January 23rd meeting projected that a 20-year bonding term would elevate the truck's \$825,000 principal to \$1,171,703 in principal plus interest. By contrast, a seven-year bond (@ 4%) would bring the total to only \$957,051; a 10-year bond would raise it to \$1,006,590.

Chairman Stevenson acknowledged that a briefer, five-year bond duration would reduce costs even further (to an estimated \$924,036), but that the annual debt service would likely become higher than the Fire District can afford. Three Commissioners January 23rd expressed acceptance of seven-year bonding for Unit 602. All four members present expressed acceptance of ten-year bonding. (Commissioner Rollins was excused from the meeting that night.)

Commissioners January 23rd authorized their attorney to refine his calculations and present to the Board a specific Bonding Resolution for Unit 602, the pumper engine. Attorney Butler has delayed his recommendation beyond the initially-expected timetable. In part, we were advised, the attorney hopes that bonding interest rates will fall over time. At the Board's most recent meeting, March 5th, Chairman Stevenson quoted the February bonding rate at 4.6 per cent. Stevenson said the attorney hopes that the rate will fall during March. Commissioners' current plans call for a presentation of bonding documents to the Board and to the public on March 19th, with bonds expected to be marketed effective April first.

One final complication has arisen in the journey toward bonding Unit 602. As Chairman Stevenson disclosed at the March 5th meeting, the accrued bank interest on the \$825,000 pumper will expectedly total \$41,961.79 by the April first date when the EVFC's current bank loan would be retired and the bond would be purchased. Yet the Bonding Resolution, written by the Fire District's prior counsel and approved by District voters, authorizes bonding of no more than \$830,000.

Since voters authorized the pumper's and the tanker's bonding through separate resolutions, one bond's principal cannot legally transfer to the other truck. The pumper's financing needs on April first will total \$866,961.79 in principal and accrued interest. With the truck's bond limited to \$830,000, a \$36,961 shortfall now confronts the Board.

Chairman Stevenson March 5th directed his fellow Fire Commissioners to study this year's budget and determine possible accounts the Board can reduce to achieve the \$36,961 in savings needed to close the financing gap. The Board expects to investigate potential savings at its March 19th meeting.

<u>Compensation</u>: At its February 6th meeting, the Board of Fire Commissioners discussed whether the Fire District is paying its Secretary and Treasurer adequately. Chairman Stevenson proposed raising each position's annual salary by \$1,000. If that were done, the Secretary would earn \$3,000; the Treasurer, \$6,000. The Board of Fire Commissioners referred the pay issue to an executive session. To date, no resolution to elevate compensation has emerged from those closed deliberations.

Respectfully submitted,

Robert Lynch Councilperson, Town of Enfield