

*Watch Hill Fire District  
Watch Hill, R. I. 02891*

DISTRICT COUNCIL MEETING

Friday, June 15, 2012

4:00 p.m.

Fire Station

222 Watch Hill Road

Watch Hill, RI

A meeting of the District Council of the Watch Hill Fire District was held at the Watch Hill Fire Station at 4:00 p.m. Friday, June 15, 2012.

The following members were present:

Charles S. Whitman III, Moderator  
John M. Regan III, Deputy Moderator  
William H. White, Treasurer  
Grant G. Simmons III, Chairman Park Commission  
Jason Simmons, Fire Chief  
Andrew Parsons, Member at Large  
Penelope B. Kelly, Member at Large

Voters present:

Robert Peacock  
Richard Sayre  
Ann Stevenson, Park Commission  
J.J. Stevenson III

Also present were:

Chaplin B. Barnes  
Judy Kelley, Office Manager  
Lyn Traver, Administrative Assistant

Proper notice having been given and a quorum being present, the Moderator, Charles S. Whitman III, called the meeting to order at 4:00 p.m.

Approval of Minutes

A motion was made to approve the minutes of the District Council meeting of May 25, 2012, which were previously circulated. The motion was seconded and approved.

Finance Committee – William White for James T. Beale, Jr.

Before presenting the proposed 2012-2013 budget, Mr. White explained that the normal budgeting process had been followed, including meeting with Mr. Jason Simmons, Mr. Grant Simmons, etc. to review all expense and revenue categories. On the expense side, the total amount budgeted for 2012-2013 is up very little from the 2011-2012 actual, .045%, and is actually down 3.6% from the 2011-2012 budget. By category, general expense is up 2.4%, Fire Department operations are up 2.4%, Fire Department capital expenditures are up 12.6%, Park Commission general expense is up 3.7% and Park Commission Capital expenditures are down 59%. Excluding sea wall expenses and the contingency fund, the budget is up 1.2% from last year's actual, with basically no big increases anywhere.

Mr. White noted that the issue is on the revenue side. Last year the budget reflected a \$68,000 deficit. Actual results at fiscal year end were a \$25,000 deficit. Mr. White stated that it was not prudent to budget

a deficit again and therefore revenue must increase. The basic rental income is not anticipated to change. The budget for overall, rental income has been increased to \$410,000, which is slightly less than the \$420,000 received this past year. To make up the difference between this figure and total expenses, taxes would have to increase from \$0.385 to \$0.422 per thousand, a nearly 10% increase. Mr. White noted that the Town of Westerly tax rate is actually going to go down slightly. That raises the question of whether the District Council wants to present a tax rate increase of 10% at the annual meeting.

Mr. White went on to state that taxes need to be increased but maybe not the full 10%. If they were only increased 5%, the expense budget would need to be cut by \$20,000. Similarly, if the increase were only 3.9% (\$0.40), \$25,000 would need to be cut from the expense budget. A \$0.41 increase in the tax rate would require only a \$13,000 reduction in expenses. Mr. White noted that there were two other options as well. The \$25,000 in the contingency line could be removed and/or some of the surplus from prior years could be used.

Mr. Regan asked about the current state of the contingency fund. Mr. White replied that contingency funds are not held in a separate account but are reflected in the surplus. Currently there is approximately \$100,000 of unrestricted cash available.

Mr. White advised that a 5% increase on a property appraised at \$2 million would only be a \$40 increase. Mr. Whitman replied that it was the perception that had the greater impact rather than the dollar increase. He felt the best option might be a 3.9% increase. That would require a reduction of \$25,000 in expenses. He suggested reducing the Park Commission budget (sea wall) by \$5,000, the Fire Department budget by \$5,000 (buildings and grounds), general expenses by \$5,000 (legal expense) and the contingency fund by \$10,000.

Mr. Parsons approved this suggestion and said there should not be opposition to a modest increase after two years of no increase. Mr. Regan added that he felt it was important to prepare the voters for more regular increases in taxes as there were some significant capital expenditures that would need to be made in the not too distant future. Mrs. Kelly said she would not be against making the increase 5% and leaving a greater amount in the contingency fund. Mr. White noted that if there were to be some big event, the Fire District could use the prior years surplus. Also, if any of the back taxes owed were paid, that could cover the decrease in the contingency fund. However, Mr. White also noted that even if there were extra funds at the end of the year, expenses could not exceed those budgeted unless the annual meeting was reconvened and the increased expenses approved. In answer to a question from Mr. Whitman, Mr. White said he felt the 3.9% increase was the best alternative.

A motion was made to reduce expenses by \$25,000 (\$5,000 Park Commission sea wall, \$5,000 Fire Department Buildings and Grounds, \$5,000 General Expense legal expense and \$10,000 contingency fund) and increase the tax rate by 3.9%. The motion was seconded and passed unanimously.

#### Report of the Treasurer – William White

Mr. White had nothing further to report.

#### Report of the Park Commission – Grant G. Simmons III

Mr. Simmons reported that the welcome to Watch Hill signs have been ordered. He is just waiting for approval from the state.

Relative to the deteriorating bathhouses, Mr. Simmons suggested that three courses of lockers be removed off the northwest side, creating an open deck for sunbathing and a place to eat. It would also reduce the overall exposure of the building. He would then suggest pulling down more of the bathhouses the following year, continually reducing the exposure and problem material. The projected expense would be \$55,000 for the first phase and \$15,000 for the second. Mr. Simmons also noted that the lockers were not 100% rented, primarily because they are in such poor shape. If there were fewer of them, it would be easier to maintain those left. Mr. Sayre asked if the Fire District would allow the leasee to increase the hours the beach remained open. If rates were raised on the renovated lockers, there might be more pressure for an increase in hours of access. Mr. Simmons said he would have to check the lease but that any increase in hours would require that a lifeguard be on duty.

Mr. White asked Mr. Simmons about the \$5,000 which was due from the Watch Hill Improvement Society. It was suggested if those monies cannot be booked into last year's final numbers, they could be built into this year's budget. Mr. Whitman suggested that if the \$5,000 must be booked into 2012-2013, it be used to increase the contingency fund. All agreed.

#### Fire Department – Jason Simmons

Chief Simmons stated that eighteen people had attended the first round of fire training and that a second round would be held at the firehouse at 4 pm on June 29. He encouraged all District Council members and their spouses to attend. He just asked that they rsvp.

Chief Simmons reported that the FEMA grant application process has begun. The Fire Department will be applying for something but nothing specific has been determined yet.

Chief Simmons thanked Mr. Peacock for going above and beyond the norm in supplying requested materials to the Future Projects committee.

Chief Simmons also noted that the Fire Department is starting to see an increase in call volume now that people are moving back into the community. In particular, Chief Simmons mentioned the report of a boat fire last Friday night/Saturday morning. It turned out to be a barge under tow with sulfur lights. Shortly after that, there was a serious car accident. Mr. Grant Simmons said he would be moving the speed sign from in front of the firehouse to the beginning of Fire District property on Watch Hill Road in an effort to reduce speeding and hence accidents.

Mr. Grant Simmons, on behalf of the Conservancy, thanked Chief Simmons and the Fire Department for once again coming to the rescue of the Conservancy ATV (third time). It was noted that the beach sand is very difficult this year.

Mr. Whitman congratulated Chief Simmons on his recent marriage.

#### Future Projects Committee – John M. Regan III

Mr. Regan noted that Mr. Daniels had been to Watch Hill twice since the last District Council meeting and has consulted with lots of people. He has a handle on the major potential issues of the Parks Commission (bathhouses and sea wall) and other non-financial issues such as parking issues, Ft. Mansfield, etc. Mr. Regan said the committee was going to focus on financial exposures first. Relative to the Fire Department, Mr. Regan said the Board of Engineers had gathered lots of information and he felt the committee had a good feeling on the number and status of assets and had a good handle on what was going on in other Fire Districts. Now they need to start thinking about long term alternatives for equipment replacement and how

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to maintain staff. He noted that maintaining personnel is a critical issue to ensure an effective and compliant Fire Department. He has asked the Board of Engineers to come up with three recommendations.

New Business – Charles S. Whitman III

Mr. Whitman reported that the slate is ready for this year's annual meeting and will be made public in early July.

A motion was made to allow Lyn Traver to sign off on the accounting cover sheet for invoice payment after Mr. Whitman has approved payment of the invoice. The motion was seconded and passed.

There being no further business, the meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Judith Kelley  
Office Manager