

Bonnet Shores Fire District

Bonnet Shores Fire District Council Monthly Meeting
Wednesday, February 19, 2025
7:30 pm

Meeting Minutes

Call to Order

Council Chair Carol O'Donnell called the meeting to order at 7:32 pm, led the assembly in the Pledge of Allegiance and asked for a Moment of Silence for deceased members of the community. In attendance were council members Leslie McKnight, Faith LaSalle, Steve Danuszar, John Chereskin and Anthony Girardi. Also in attendance were District Manager Mark Gillooly and Treasurer Laurie McCarthy. Council member Jane Duran was absent.

Urgent Business

None.

Announcements

C. O'Donnell announced that the meeting was accessible via Zoom, but that there would be no participation via Zoom. C. O'Donnell reported that two recent instances occurred where individuals entered the community center during private events and reminded Fire District taxpayers and residents to not enter the community center when it is reserved by a private person or entity.

Agenda

F. LaSalle **moved**, seconded by A. Girardi, to take the New Business items out of order and move New Business up on the agenda. The motion was **approved** unanimously.

New and Ongoing Business

Tax Collector Appointment

- C. O'Donnell **moved**, seconded by L. McKnight, to appoint John Chereskin as the Tax Collector. The motion was **approved**, 5-0, with J. Chereskin abstaining.

Council Follow-Up on Public Comment from 1/15/25 and Emails

- F. LaSalle addressed the concern over the sale of Land Trust property, stating that the Land Trust Charter requires supermajority approval (4 out of 5 Land Trustees, 5 out of 7 council members and two-thirds of the voters at an Annual Meeting) for any real property to be sold by the Land Trust.
- C. O'Donnell stated that the representation that the Fire District had 501 (c) (3) status in a recent grant application was the result of a clerical error (a "cut-and-paste" from a prior grant application).

BSFD Handbook

- The council thanked Treasurer L. McCarthy for putting together the draft handbook. F. LaSalle asked the District Manager to send over information regarding lifeguard procedures. L. McCarthy stated that the Fire District had no Full-Time Employees (FTEs).

Website RFP Update

- C. O'Donnell read a statement from J. Duran informing the council that the website improvement project is in the contract phase with Envision. Envision requested that a working group be put together to oversee the process. J. Duran requested that L. McCarthy be part of the working group.

Suggested Changes to Charter Other Than Voting Rights

- F. LaSalle requested that this item be placed on the agenda. She stated that the Fire District needs stronger financial controls mandated by the charter and/or the bylaws. She cited the state law which requires cities and towns to not raise taxes more than 4% from the prior fiscal year. She expressed her concern about debt and borrowing. L. McKnight stated that there could be a 4% year-to-year cap or a mill rate cap. J. Chereskin indicated that he was not prepared to discuss this item. C. O'Donnell indicated that the Fire District often faces unexpected costs. L. McCarthy informed the council that the Fire District has a budget of approximately \$514,000, with a mill rate of less than .5. She noted that the charter currently allows a maximum mill rate of 7. See Attachment A for the full list of "Suggestions on Fiscal Responsibilities and Caps."

Charter Committee Update

- F. LaSalle reported that the committee continues its work and analysis. She informed the council of a meeting held at the State House with Senator DiMario, three of the plaintiffs in the old voting rights lawsuit and legislative officials in which the Senator ultimately advised the group that the only bill that would get through the General Assembly was one that had a consensus behind it from the community.

Approval of Minutes

J. Chereskin **moved**, seconded by L. McKnight, to approve the January 15, 2025 meeting minutes. The motion was **approved** unanimously. S. Danuszar **moved**, seconded by F. LaSalle, to approve the January 23, 2025 meeting minutes. The motion was **approved** unanimously.

Committee Reports

Treasurer (L. McCarthy): There has been no reimbursement on the final grant payment yet. There is a \$389,732 balance in the Fire District coffers. L. McCarthy is working with the Tax Collector to reconcile the tax bills, which is a time-consuming process.

Tax Collector (J. Chereskin): 95% of taxes have been collected, with a total amount of \$33,536.45 outstanding. Jack McGreen will be the attorney for the town's tax sale.

Land Trust (J. Fandetti): Joan Fandetti stated that the trail walk with Dr. Ruhren will take place on March 21, 2025 and the next Land Trust meeting will be on March 24, 2025. J. Fandetti reported that she worked with the District Manager to ensure that the deeds for Land Trust properties reflected ownership by the Land Trust. Council liaison to the Land Trust A. Girardi provided a handout to council members regarding the 501 (c) (3) issue.

District Manager and Harbor (M. Gillooly): M. Gillooly is working with the town DPW and the beach club regarding the digging out of the culvert. Four out of the six lifeguards from last year are returning. Summer Camp will be held from late June to early August.

Social: F. LaSalle reported that there are no events planned yet.

Public Comment

- Paula Childs stated that the Land Trust should have 501 (c) (3) status.
- Christiana Quinn addressed the issue of 501 (c) (3) status for the Land Trust.
- Paul Luba stated that 501 (c) (3) status was not necessary for grant applications. He stated that financial controls need to be placed on the Fire District to curb spending.
- Michelle Caraccia requested that her art club be given permission to meet at the community center. She stated that the Land Trust's vote on the possible dissolution of its 501 (c) (3) status be reversed.
- Faith LaSalle indicated that the 501 (c) (3) status is not necessary to protect us from taxation because the statute (charter) already exempts the Fire District from taxation.

Adjournment:

The council informed the public that the March monthly council meeting will be held on Saturday, March 8 at 9:00 am. A. Girardi **moved**, seconded by S. Danuszar, to adjourn the meeting. The motion was **approved** unanimously. The meeting adjourned at 8:56 pm.

Respectfully submitted,

/s/Matthew M. Mannix
Bonnet Shores Fire District Clerk

Ratified March 8, 2025

ATTACHMENT A: **Suggestions on Fiscal Responsibility and Caps**

Levy Cap: In preparation for its budget, the Bonnet Shores Fire District (BSFD) will restrict any increase in its property tax levy (Levy Cap) to a maximum of four percent (4.0%), over the previous year's amount that is budgeted to be raised by taxation, or by the amount of annual inflation (per the CPI Index, All Urban, Consumers, New England) as of the preceding December of the new budget year, whichever is higher.

The BSFD, for any fiscal year, may increase the amount raised by taxation by a percentage greater than four percent (4%) or the annual inflation rate, only if the increase is approved through a referendum during the BSFD's Annual Meeting.

Example: Last year's budget for property tax collection was \$515,000, and the December annual inflation rate is 3.5%. To determine the current year's Budget Levy Cap, we first increase \$515,000 by 4% which gives us \$535,600 (calculated as 1.04 times \$515,000). Next, we consider the inflation multiplier, increasing \$515,000 by 3.5%, resulting in \$533,025 (calculated as 1.035 times \$515,000).

Since the tax amount calculated using the 4% maximum (\$535,600) is higher than that calculated with the inflation rate (\$533,025), the Levy Cap for the current budget year is set at \$535,600. It is important to note that the budgeted tax collection amount for the BSFD can be lower than the Levy Cap because it represents a tax amount that cannot be exceeded, not a tax amount that must be used.

The mill rate is then calculated using assessed values to determine the budgeted tax collection amount. Because of the Levy Cap, there is no requirement to cap the mill rate.

Extraordinary Costs: Extraordinary costs associated with a declared emergency may be excluded from the BSFD Levy Cap. "Extraordinary costs" are expenses incurred for immediate response, preparation, recovery, and restoration of Fire District services following extreme weather events or catastrophic occurrences. This exception applies only to those costs that exceed what would typically be incurred under normal, non-emergency conditions.

Approval of these extraordinary charges requires support by at least two-thirds (2/3) of BSFD Council Members. All funds allocated for these costs will be treated as a one-time (non-permanent) request subject to adjustment based on any federal or state reimbursements received.

Capital Purchases: The BSFD may raise money through debt or liabilities, including lease agreements, to cover capital expenditures. Debt obligations must first be passed by a majority vote of the BSFD Council. Any debt obligation exceeding fifty thousand dollars (\$50,000) in any fiscal year must additionally be approved by at least two-thirds (2/3) of BSFD voters through a referendum at the Annual Meeting.

The cumulative amount of outstanding debt incurred by the BSFD cannot exceed one-half (1/2) of the previous fiscal year's budgeted property tax levy unless this overage is approved by at least two-thirds (2/3) of BSFD voters through a referendum at the Annual Meeting.

For Capital purchases not financed through borrowing, the BSFD Council may allocate up to fifty thousand dollars (\$50,000) per project from the available funds in the Capital Reserve Fund or the Operating Surplus Fund. If neither fund has sufficient resources to cover the capital project, the project cannot go forward unless alternative funding is secured. Additionally, any capital purchases totaling more than fifty thousand dollars (\$50,000), individually or collectively, must be approved by at least two-thirds (2/3) of BSFD voters through a referendum at the Annual Meeting.

Grants: All grants must receive approval from the BSDC before authorization. Anticipated grant revenues and corresponding expenditures must be included in the operating budget for the upcoming fiscal year and be subject to the Levy Cap. Grants exceeding fifty thousand dollars (\$50,000) will be processed as a budget amendment through a referendum at the Annual Meeting and must be approved by two-thirds (2/3) of BSFD voters.

Capital Reserve Fund: The BSFD will establish a Capital Reserve Fund, which is a restricted fund dedicated to the maintenance and replacement of equipment, software, and capital assets. This includes IT equipment, infrastructure maintenance and repair, website enhancements, and beach repairs. Each fiscal year, an amount equal to five percent (5%) of the previous year's budgeted tax levy will be allocated to the Capital Reserve Fund. If the reserve reaches two hundred thousand dollars (\$200,000), the BSFD Council may suspend further allocations. However, once the reserve falls below two hundred thousand dollars (\$200,000), allocations will resume.

The BSFD Council will approve the use of capital reserves during the budgeting process. Additionally, capital reserves can also be utilized for unplanned, unbudgeted capital repairs and replacements with the approval of the BSFD Council.

Operating Reserve Surplus: Any annual surplus from operations shall accumulate in an Operating Surplus Reserve Account. These funds may be accessed to address extraordinary cash flow needs for BSFD operations that arise from lower-than-expected revenues or unanticipated increases in necessary expenditures. This account functions as a "rainy day" fund and its balance will be known or estimated at the beginning of the new fiscal year. The use of this fund requires approval of the BSFD Council.