

BUDGET AND FINANCE ADVISORY COMMITTEE MEETING MINUTES

October 26, 2022

Attendees: B&F Committee, Dick Keiling, Don Nederostek, Brian Reynolds; GM John Viola, BoD Liaison Monica Rakowski, PW Director Eddie Wells, OPVFD President Dave Van Gasbeck, OPVFD Chief Steve Grunwald, OPVFD CPA John Sterns

Meeting called to order at ~ 9:05 AM

Chair Comments: B&F Committee member Tom Piatti has signed on as the OPA Election Committee Chairman and therefore has resigned his position on B&F.

Public Comments: None

Approval of meeting minutes 9/28/2022: No changes offered. Will be approved at next meeting.

Agenda modified to add PW Director Eddie Wells and GM John Viola addressing a potential cost saving opportunity

OPVFD YTD operating performance and preliminary look at 23/24 budget:

OPVFD spoke to the September YTD actual Profit and Loss Statement. YTD they are showing a net income of \$283K. The statement did not compare actuals to budget making it difficult to visually compare on a line-by-line basis. The department does perform a regular review vs budget and indicated they were running consistent with the final budget as presented to OPA last January. Any potential shortfall would be made up with OPVFD funds. One item running high is the cost of diesel fuel.

OPVFD reviewed verbally a *preliminary* look at the 23/24 budget on a line-by-line basis. They presented their draft using the same format from last year's budget with details for operating expenses, compensation and related costs, apparatus replacement, capital purchases, and revenues.

The following is a summary comparing the current year budget to the *draft 23/24 proposed budget*:

	<u>22/23</u>	<u>23/24</u>
Operating Expenses General	516,000	538,909
Compensation & Related Cost	1,650,964	1,746,000
Apparatus Replacement	151,020	181,000
Capital Purchase	45,000	142,000
Utility benefit to volunteers	<u>25,000</u>	<u>25,000</u>
Total Expenses	2,387,984	2,632,909

In total this is a 10.3% proposed increase.

Capital Purchases include \$100K for the replacement of 3 mobile heart monitors that are EOL. It was pointed out by John V. that something of this magnitude should be part of the replacement schedule

that is maintained for apparatus, contributed to on a yearly basis, and funded for predicted replacement to avoid a large hit in any one year. B&F encouraged OPVFD to review and see if we have any other replacement assets like this that should become part of the yearly reserve replenishment.

OPVFD uses the Charles County Volunteer Fire Association Apparatus Committee to chart the cost of unique apparatus equipment. The projections for replacement apparatus have increased by double digit percentages resulting in the \$30K requested increase in the annual apparatus replacement reserve, which OPA/OPVFD contribute to equally. As the list of apparatus replacement items is not very long B&F supports a spreadsheet similar to what we do with DMA showing the current year estimated cost to replace and growing that over time at an acceptable inflation factor for this type of equipment up to the year of replacement. Doing such should validate a required contribution.

Under Compensation OPVFD is requesting to add 2 FTE to primarily provide fire coverage during busy times of the day. OPVFD is currently 85% volunteer and 15% paid staff. Our aging volunteer force will result in dwindling volunteer members going forward. The department indicated over the next 5-10 years these percentages will likely flip flop to mostly paid staff. It was noted by one department person that it could very well be closer to 5 years. B&F recommended that this move to predominantly paid staff be included as part of our strategic planning process, particularly if we are on the shortened end of the 5–10-year range.

The increase in revenue includes higher EMS billings and county EMS funding.

B&F questioned where possible new revenue sources may be gained, e.g., new HOA developments in the area or commercial business growth. OPVFD does collect funds for emergency calls from outside their jurisdiction, but impact fees from local development are still lacking. B&F asked if OPA could collect impact fees directly without involvement from the County.

B&F would like to thank OPVFD for presenting at the meeting and initiating several important discussion topics

Leaf Collection

Eddie Wells has been reviewing leaf collection activity and costs. He is proposing a new program for leaf and garden debris disposal. This will include an expanded calendar in May and Nov./Dec. for homeowners to drop off yard debris at a designated site for a yet-to-be determined charge. In addition, Republic Service customers can continue to place four bags out per pickup while OPA will maintain their off-day paper bag pickups as well. The goal here is to encourage homeowners to stop raking yard leaves/garden debris into drainage ditch areas. OPA's responsibility of cleaning drainage ditches would continue but will exclude yard debris that has been raked to the curb. This proposal would save money and reduce our need for outside contractors. B&F supports this idea as there are potential significant cost savings. Eddie will continue to develop his proposal with the GM for potential implementation next year.

High Level Update on OPA/OPVFD Workgroup

John updated B&F on the workgroup headed by Ted Moroney including OPA staff, community members, and OPVFD. The team is a well-rounded group with a diverse background. The Board chartered the GM to review and create a fundraising program utilizing a fund raising professional. The first step is to

conduct a feasibility study and OPA has received several responses to their RFP. At the next Board meeting the GM will present his recommendation to move forward. Following the feasibility study the goal is to engage a fund raising professional to work with OPA/OPVFD moving forward.

In addition, the team is reviewing the proposed South Station project and associated options to meet OPA's needs. This includes an option for a new build. Frank Brown has done some preliminary sketches of a site near Taylor bank. Working together the team has been able to visualize a potential footprint of ~ 13K square feet down from ~ 18K square feet. B&F applauded the team's effort and impact in reducing overall costs.

As previously requested of the Board, B&F continues to question the need for two fire stations. We have not seen a *comprehensive justification* for maintaining two stations. When you consider that we will eventually be moving to a paid Fire Department and potentially having a new build, the time to address this is now. The GM assured B&F that is being addressed by the team.

Review September Financials

John Viola gave a high-level review of the financial results. Given the meeting was already running 30 minutes over our scheduled time B&F said we would submit our more detailed questions at a later time.

Review Meeting Calendar

We are good with meeting on the last Wednesday of the month through December in the Peach Conference Room. Following that we will need to select a different time and date for the rest of the meetings.

Meeting Adjourned ~ 11:30 AM

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