

4/30/2019

I have recently been made aware that there have of some questions and concerns posted on social media regarding the Fire District budget. The Fire District bylaws task the Commissioners with among other things, initiating budget formulation each year. As Chair of the Commissioners I think perhaps I can shed some light on both the process and this year's budget request in particular.

The vast majority of our budget every year involves fixed costs over which we have little or no control i.e. - workman's comp, insurance, utilities, (our water bills alone for hydrants are around 10% of the budget), fuel, apparatus and facilities repairs etc.

Another significant category is of course employee compensation. We have been blessed with a workforce of very competent and dedicated employees. This is not a happy accident. We believe to get the best people we must have *competitive compensation*. We regularly review industry standards for pay and compensation. I firmly believe our compensation packages are fair but not overly generous. One of the hallmarks of any efficient organization is high productivity with low employee turnover. One of the costs associated with long term employees involves increases in benefit costs. When you have employees with 30-40 years of service naturally vacation benefits will rise. Our eight full time employees maintain 9 facilities, 16 vehicles, provide 24/7 dispatch and a Fire Marshalls office with an inspection rate the envy of any community.

The other costs which we do have control over are those associated with Fire Company operations. Apparatus and equipment purchases and training costs are a major category. I am very comfortable stating we have continued the long history of providing our Firefighters with the very best equipment and a virtually unlimited training budget. Any question as to the quality of our training programs can be easily answered by looking at the number of former and current firefighters who have secured career firefighter jobs in no small measure due to their Simsbury credentials.

Lastly, the most important category is the health and welfare of our Fire Company members. Nothing can be more important. We are committed to this issue as evidenced by a generously subsidized gym program, medical exams and support, a program to provide two sets of turnouts for every firefighter, new upgraded hoods, spare gloves, gear extractor washers and dryers in every firehouse and cancer prevention and awareness training programs. Although not a health and safety issue, another significant category is the volunteer pension program. Another question that has come up is why do we maintain a significant reserve fund sometimes referred to as a "rainy day fund". The general rule of thumb for reserves for organizations like ours is about 20% of the annual budget. We are presently holding about \$800,000 but have proposed to transfer \$200,000 to the truck account which will bring it down to a \$600,000 balance. This transfer which will be an agenda item for the annual meeting is a good example of why we have a reserve account. We had originally expected to need no more than 1 million to purchase the new quint but have been informed by several manufacturers that due to the

recently imposed federal tariffs we should expect a 20% increase in apparatus pricing. If we did not have the reserve funds our only options would either to delay the purchase a year, make substantial cuts in other areas or request an additional 6.6% increase in the budget. Last year we transferred \$45,000 from reserves for unexpected major repairs to Rescue 14.

There are far more detailed explanations for various facets of our budget process than space permits in this format. If anyone has any specific questions or would like a more detailed explanation of any budget item, I would encourage you to contact the responsible District Officer.

Respectfully,

Jeff Giddings, District Fire Commissioner