



# POQUONNOCK BRIDGE FIRE DISTRICT

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September 9, 2013

## Sent via Email and Overnight Mail

Mr. David LeVasseur  
Acting Undersecretary  
Intergovernmental Policy Division  
Office of Policy and Management  
450 Capitol Avenue  
Hartford, CT 06106

Honorable George Jepsen  
Attorney General  
State of Connecticut  
55 Elm Street  
Hartford, CT 06106

Re: Request for Assistance concerning Poquonnock Bridge Fire District

Gentlemen:

I am writing to you in my capacity as the President of the Poquonnock Bridge Fire District ("District") to seek assistance from the Office of Policy and Management ("OPM"), or another appropriate State entity, concerning the fiscal condition of our District and the safety of District residents. Specifically, I am inquiring as to whether OPM's Municipal Finance Services Unit or the Municipal Finance Advisory Commission would assist our Board of Directors ("Board") regarding possible resolutions to the financial crisis that threatens the solvency of the District and provision of fire and emergency services to District residents in the immediate future.

Two principal reasons compel our request. First, the Chief of the department analyzed the District's finances and determined that the District will not have sufficient funds to meet operating expenses, including payroll, beyond February 1, 2014. The Chief advises that it is possible the District will cease meeting operating expenses as early as January 2014. The District's financial crisis was largely caused by a budget vote taken several months ago, where the taxpayers approved a reduced budget of \$3.5 million for FY2013-2014. The approved budget

is approximately \$2.7 million less than the proposed FY2013-2014 budget<sup>1</sup> and approximately \$1.2 million less than the amount approved in FY2012-2013. With the reduced funding, the District has been put in a precarious position because the cost for personnel alone could exceed \$4.5 million in 2014.

Second, the Board has become increasingly concerned about the deteriorating condition of the Town of Groton's Pension Plan in which the District participates. The Board has been advised that the District's unfunded liabilities associated with its post-employment benefit obligations may be as much as \$11 million. As recommended by its auditors, the Board responded to this problem in May by proposing to the voters that \$1 million be included in the District's FY2013-2014 budget to address the unfunded pension liability in part, just as the Town of Groton added \$2,465,000 to its 2014 budget to cover its own municipal pension shortfall. The Board's remedial measure was rejected by the voters and the reduced amount approved in the FY2013-2014 budget is insufficient to meet either current operating expenses or address the shortfall in pension liabilities.

The Board is concerned for the safety and welfare of District residents because the lack of funds available to support operations threatens the District's ability to provide basic fire and emergency services. Without some form of relief, the District may be unable to continue operations as early as January 2014.

By way of background, the Poquonnock Bridge Fire District was established in 1943 by a special town meeting in the Town of Groton. The District passed an ordinance in May 2003, to reorganize itself in form and operation as a statutory fire district, and to be governed by the provisions of Chapter 105 of the Connecticut General Statutes. The district voters determined at that time to retain their existing form of organization which included a five member board of directors and four officers to be elected annually in May at the annual meeting. On August 1, 2012, the district voters amended that ordinance at a special meeting to expand the size of the Board to nine members commencing immediately, elected four new members to the Board, and established staggered three year terms for the members of the Board commencing in July 2013. The current nine members of the Board of Directors and the current officers (including myself) were elected at the annual meeting held on May 16, 2013, and began serving their terms on July 1, 2013.

The District has historically provided a high level of fire protection, emergency medical service response, and rescue services to District residents and businesses. The District covers 12 square miles and employs 28 professional firefighters at two fire stations located in the central commercial section of the Town of Groton. Volunteers were once an integral part of District operations, however, the current fire department has consisted solely of paid professionals since 2005. The District supplements many other fire departments in Groton and surrounding communities by performing a significant amount of mutual aid

Mill rates charged to taxpayers in the District are among the highest in southeastern Connecticut for fire protection and exceed the rates charged by any of the other eight fire

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<sup>1</sup> A copy of the proposed FY2013-2014 budget is attached hereto.

districts in Groton. District taxpayers pay from 1.8 times to 19 times the fire district tax paid in the other districts of the Town of Groton. The previously mentioned budget votes confirm that District taxpayers want to bring the costs, scope and organization of fire service in the District more in line with these other local districts. Consequently, the Board has begun the process of exploring creative ways to provide more than acceptable services without adding to the District's current and long term liabilities.

While there may be different positions on what precipitated the District's current crisis, the following actions and events are perhaps the most significant to consider:

- During the spring of 2012, the District and the Uniformed Professional Fire Fighters Association of Connecticut ("Union"), commenced negotiations for a successor collective bargaining agreement to the existing agreement that expired June 30, 2012. Consistent with past practice, such negotiations were undertaken on behalf of the District by the Chief and the District's legal counsel in consultation with the Board.
- On May 9, 2012, the District held its 2012 annual meeting which was attended by a bare quorum of 26 voters. The voters elected three new members to the then five member Board, as well as a new President and a new Vice President. The new President, Chris Clark, and the new Vice President, Kevin Czapla, were both employed in firefighting positions outside of the District.
- The newly elected President and Vice President directed the Chief and legal counsel not to attend any further negotiations concerning the Union contract, notwithstanding the newly elected members' lack of prior participation in District affairs or prior consultations with the Chief concerning the operations and needs of the department. So, without the requisite information or experience, the President and Vice President met on their own with the Union representatives concerning a successor agreement on July 18, 2012.
- Within two weeks of taking office and without the guidance of the Chief or legal counsel, the President and the Vice President reached a tentative successor collective bargaining agreement at the July 18<sup>th</sup> session.
- Never before raised in the history of the District's negotiations with the Union, the proposed agreement included an unprecedented ten year term running from July 1, 2012 to June 30, 2022, The proposed agreement would have required an increase of close to 10% in the FY 2013-2014 budget for additional personnel costs alone. It provided for the following material benefits for the firefighters:
  - a 3% percent wage increase,
  - an increase in the clothing allowance benefit,
  - additional paid personal leave,
  - increased shift minimum manning,
  - a fixed retirement cost of living allowance of 3%, and
  - the creation of new Lieutenant positions.

- On July 26, 2012, the Board voted 2 to 1, with two of the newly elected members carrying the vote, to approve the proposed collective bargaining agreement at a special meeting. Subsequently, the President signed the agreement on behalf of the District. The vote was made at the meeting without proper notice or any prior request to the Board to provide additional funds necessary to implement the agreement.
- Following the potentially procedurally defective adoption of the 10 year collective bargaining agreement, on August 1, 2012, the District's taxpayers voted 112 to 55 at a special meeting to expand the size of the Board from five members to nine members.
- On August 20, 2012, the Town of Groton's Manager of Labor Relations notified the District of its concerns that the new collective bargaining agreement failed to meet the statutory requirement of obtaining a qualified cost estimate performed by an actuary prior to approval. The Manager advised that she would not process any pension changes without such a study.
- On August 24, 2012, District Clerk and Board member, Nancy Beckwith filed a complaint with the Connecticut Freedom of Information Commission. She asserted that there had been no notice provided in the agenda for the special Board meeting indicating that a vote would be taken on the collective bargaining agreement. She claimed that the Board failed to comply with the requirement of Section 1-225(d) of the Connecticut General Statutes, which requires that no business be transacted at a special meeting other than matters set forth on the agenda. She asked the Commission to declare the Board's actions taken at the meeting null and void.
- On September 6, 2012, the Board met and voted to rescind the prior approval of the collective bargaining agreement and any actions taken at the July 26, 2012 meeting.
- On September 19, 2012, the Union filed a complaint with the Connecticut State Board of Labor Relations claiming that the District violated the Municipal Employee Relations Act by rescinding the collective bargaining agreement.
- On April 10, 2013, the Freedom of Information Commission held oral argument on the complaint filed by Nancy Beckwith against the District. At the last minute, then President Clark ordered the District's legal counsel not to participate in the hearing and spoke himself in direct opposition to the position taken by the Board in its written brief filed with the Commission.
- On April 10, 2013, the Freedom of Information Commission issued a final decision dismissing the complaint filed by Clerk Beckwith.. It ruled that the Board's discussion and approval of the union contract and retiree COLAs were "strategy and negotiations with respect to collective bargaining" under the FOIA, so the provisions of the FOIA requiring proper public notice of the business to be transacted at the meeting were inapplicable to such Board actions.

- On May 13, 2013, 256 voters attended the annual meeting of the District. The taxpayers reduced the Board's proposed budget of \$6.2 million and approved a budget of \$3.5 for FY2013-2014. The taxpayers also elected nine directors to the Board as well as District officers. The three directors elected by the voters at the 2012 annual meeting were not reelected.
- On August 27, 2013, the Board approved hiring special legal counsel to advise the Board on addressing the District's fiscal and public safety crisis. The Board also voted to request assistance from the State of Connecticut.
- On August 29, 2013, the Connecticut State Board of Labor Relations issued a Decision and Order finding that the District violated the Municipal Employee Relations Act by rescinding the new collective bargaining agreement, and ordered the District to cease and desist from failing to implement the new terms. The Board will likely appeal the decision to the Connecticut Superior Court.

I hope that this summary of the background of the situation facing our Board is helpful. We respectfully request a meeting with representatives of OPM's Municipal Finance Services Unit or the Municipal Finance Advisory Committee. If another State entity would more appropriately handle our request, we ask that you kindly forward our letter to such entity and provide us with such entity's contact information.

Thank you for your consideration and anticipated attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan Ackley', written over a horizontal line.

Alan Ackley  
President and Director

Cc: Governor Dannel Malloy  
Board of Directors

**BUDGET SUMMARY  
FYE 2014**

<b>PERSONNEL SERVICES</b>		<b>2012-2013</b>	<b>2013-2014</b>	<b>Difference</b>	<b>% Change</b>
Pg 1	Salaries	2,154,970.00	2,178,752.00	23,782.00	1.10%
Pg 2	Administrative Salaries	263,004.00	270,894.00	7,890.00	3.00%
Pg 3	Pensions	432,831.00	483,460.00	50,629.00	11.70%
Pg 4	Insurance - Life & Health	1,131,861.00	1,265,499.00	133,638.00	11.81%
Pg 5	Benefits: Heart & Hypertension	53,313.00	52,481.00	(832.00)	-1.56%
Pg 6	Physical Health & Safety	13,010.00	25,660.00	12,650.00	97.23%
Pg 7	Salaries: Elected Officials	1,200.00	1,200.00	-	0.00%
<b>Total Personnel Services</b>		<b>4,050,189.00</b>	<b>4,277,946.00</b>	<b>227,757.00</b>	<b>5.62%</b>
<b>OPERATING EXPENSES</b>					
Pg 8	Insurance - Property & Liability	31,325.00	33,824.00	2,499.00	7.98%
Pg 9	Apparatus Maintenance	86,800.00	82,750.00	(4,050.00)	-4.67%
Pg 10	Consumable Supplies	17,770.00	16,691.00	(1,079.00)	-6.07%
Pg 11	Alarm System Maintenance	10,889.00	5,890.00	(4,999.00)	-45.91%
Pg 12	Building Mtc: Fort Hill/Long Hill Stn.	97,150.00	144,135.00	46,985.00	48.36%
Pg 13	Staff Expenses	1,200.00	1,200.00	-	0.00%
Pg 14	Training Expenses	21,400.00	42,600.00	21,200.00	99.07%
Pg 15	Clothing	28,300.00	77,300.00	49,000.00	173.14%
Pg 16	Fire Prevention	5,490.00	4,280.00	(1,210.00)	-22.04%
Pg 17	New Equipment	9,405.00	13,130.00	3,725.00	39.61%
Pg 18	Hydrant Rentals	62,737.00	149,023.00	86,286.00	137.54%
Pg 19	Office Equipment & Supplies	5,800.00	5,110.00	(690.00)	-11.90%
Pg 20	IT Communications	20,436.00	20,427.00	(9.00)	-0.04%
Pg 21	District Administrative Services	64,100.00	127,202.00	63,102.00	98.44%
Pg 22	Dues & Publications	1,155.00	1,165.00	10.00	0.87%
Pg 23	Ladder Truck Services	-	-	-	100.00%
<b>Total Operational Services</b>		<b>463,957.00</b>	<b>724,727.00</b>	<b>260,770.00</b>	<b>56.21%</b>
Pg 24	Volunteer Pension Fund	14,400.00	14,400.00	-	0.00%
Pg 25	Other Post Employment Benefits Fund	-	1,000,000.00	1,000,000.00	100.00%
Pg 26	Reserve Fund	62,000.00	150,000.00	88,000.00	141.94%
Pg 27	Contingency Fund	88,020.00	123,341.00	35,321.00	40.13%
<b>Total Special Funds</b>		<b>164,420.00</b>	<b>1,287,741.00</b>	<b>1,123,321.00</b>	<b>683.20%</b>
<b>TOTALS</b>		<b>4,678,566.00</b>	<b>6,290,414.00</b>	<b>1,611,848.00</b>	<b>34.45%</b>