

Quonochontaug Central Beach Fire District
Finance & Budget Committee
Minutes of March 15, 2025 Meeting

1. Call to Order

A meeting of the QCBFD Finance & Budget Committee (the "Committee") was held on March 15, 2025 at the home of Chairman Barry Okun at 91 Oceanview Avenue, Charlestown, RI 02813 and called to order at 10:00 A.M. by Chairman Okun. In attendance were members Neil Seigel, Jim Furnivall and Tom McConnell and a quorum was declared.

2. Approval of the Minutes

Minutes from the August 3, 2024 meeting was reviewed and approved.

3. Review of 2024 Financial Statements and Update on 1st Quarter 2025 Financial Activity

The Committee discussed the final financial statements for 2024. At YE 2024 QCBFD collected approximately \$714,000 in revenue which included tax receipts, merchandise sales and miscellaneous items. Other than an outstanding bill in the amount of \$4,100, all taxes billed in 4Q 2024 were collected. Our cash balance at 2024 year-end included approximately \$732,000 in cash or cash equivalents. Minimal financial activity was reported thus far for 1Q 2025.

4. Water Project Update

Chairman Okun informed the Committee that construction work on a new QCBFD water system is currently underway. In order to finance the construction project, QCBFD closed a loan with the RI Infrastructure Bank on 12/4/24. Loan terms include:

- Beginning principal balance - \$1,550,000;
- Principal forgiveness - \$100,000;
- Term - 20-years;
- Amortization - 20-years;
- Interest rate – approximately 2.8% to 3.8%;
- Interest and principal repayment twice annually;
- No pre-payment penalty.

This loan is expected to cover all the revised capital costs for the water plant plus funds expended to date for the project by QCBFD. Given the lending environment in 4Q 2024, the Committee feels that this is a very advantageous financing. Upon closing of the loan, \$15,500 was drawn from the principal balance for loan closing expenses. Work on the project is expected to continue through much of 2025 with completion estimated during 4Q of this year.

Additionally, Chairman Okun and QCBCFD Moderator Charles Freedgood have had ongoing discussions with The EPA and RI US Senator Sheldon Whitehouse's office regarding the Congressionally Directed Spending Appropriation and possible grant for a portion of the water project expenses.

5. Discussion of 2025 budget

The Committee discussed the 2025 budget, the current cash balance and reserves. The consensus among Committee members is that the budget is adequate to provide funding for all 2025 expenses, including the additional expenses for debt service and other costs associated with the water project. The 2025 budget also includes funding for any potential increase over 2024 for fire protection, road repair and water system testing/monitoring during the construction of the new system. Additionally, there is a large enough balance in the reserve fund at present to cover any anticipated project spending requests this year, plus adequate amounts in the operating budget to replenish reserve funds as needed.

There being no further business to consider, the committee adjourned at 11:00 a.m.

Respectfully submitted,

Tom McConnell