

FINAL APPROVED 1/14/23

Quonochontaug Central Beach Fire District (QCBFD) Finance & Budget Committee Minutes of August 20, 2022 Meeting

1) Call to Order

A meeting of the QCBFD Finance and Budget Committee was held on August 20, 2022 in person at the Quonochontaug Grange and called to order at 10:14am by chair Albert J. Bartosic. In attendance were F&BC members Al Bartosic, Brooke Cote, Tom McConnell, Barry Okin, and Treasurer Carollynne Weidler (ex-officio).

2) Approval of the Minutes

Minutes from the June 12, 2022 meeting were reviewed and approved.

3) Review of the 2022 Financials

QCBFD has utilized 60k through July 31st from its bank loan facility which will be paid off by 9.30.2022 once tax revenues are collected. To date, 21k of tax revenue has come in from the August Tax bills which were issued on August 9th. The final check for the new trash cans was received from Piccolo carting on August 19th and final payment to the vendor (Duramax) will be sent.

4) Vendor Management

Per a request from the Board of Governors (BoG), The Board of Finance (BoF) discussed its request to form a vendor management subcommittee. The committee discussed the three major ongoing vendor contracts; Dunn's Corners fire department, trash collection and water system services. Each committee that negotiates with these entities does their own vendor review, which should include Certificates of Insurance compliance. The BoF or Treasurer supplies each board or manager with the insurance requirements for any QCBFD vendor and will continue to do so. The BoF agreed that a vendor management function is not a role that is appropriate for it and suggested that the BoG consider the formation of a Legal & Risk Management group, that could handle this, otherwise, given only 3 contracts of significance, we may not need a specific committee to manage them. The BoF continues to monitor the ongoing water project costs and vendors.

5) Sliver Lots

The Treasurer raised the issue of documentation of sliver lots. At this time, QCBFD has 3 sliver lots on its tax assessment worksheet which include the Thomsen property which has a separate agreement for the provision of water services. The other two lots are issued beach and marina passes only.

6) Water Project Financing

Based on the BoF's collective knowledge, the \$1.6 million cost for the water project is still the best estimate at this point in time. The financing application with the Rhode Island Infrastructure Bank (RIIB) has been renewed through March 2023 and the District has a term sheet from Washington Trust Bank in hand for a construction loan. The District does not yet

have any additional information from its request to Senator Whitehouse's office for inclusion of the project in the fiscal '23 Congressional Discretionary Spending bill. There are currently 12 months of principal and interest payment based on the RIIB model costs built into the 2023 budget to repay a water system loan.

7) Proposed Budget & Reserve Funding

At this point in the year, the District does not hold the full amount of cash to cover all reserves spending authority previously approved. The budget approval process provides authority to spend this money despite a potential cash short fall during the year. This is partially attributable to the timing of tax collection (arrears in August) and partially due to reserve cash spending on the ongoing water project since 2019. In reviewing the budget, it was agreed that the timing of the water project loan repayment is still uncertain and that likely provides a cushion in cash flow until specific costs are incurred. Additionally, the District has its line of credit with Washington Trust in place which it is authorized to use if cash is required before tax collection in August of 2023. This may be required during 2023.

A motion was made and unanimously approved to assess 2023 tax revenue of \$560,766 plus an additional \$2,500 for website work in 2023. This zero based budget is against operating expenses of \$398,498 plus new reserve authorizations of \$38,000 and principal and loan repayments totaling \$137,418. The full proposed budget will be presented to the BoG at its August 27th meeting for its approval and recommendation at the Annual Meeting in September.

Communication: The BoF spent some time discussing items to discuss at the annual meeting in terms of explaining the reserve funding cash access. While each board or manager is authorized to spend the cash in its reserve account plus any reallocation with BoG approval, it would be helpful to check with Finance to understand the cash flow needs and timing. Water project dollars are based on our best estimate at this time. Again, timing may vary.

Chair Bartosic thanked Carollynne for all her hard work over the past year with the BoF and the community. The meeting was adjourned by Chair Bartosic at 12:03pm.

Respectfully Submitted
Brooke R. Cote