

## **FINAL – Approved 3/19/22**

### **Quonochontaug Central Beach Fire District (QCBFD) Finance & Budget Committee Minutes of January 16, 2022 Meeting**

#### **1. Call to Order**

A meeting of the QCBFD Finance and Budget Committee (F&BC) was held on January 16, 2022 via ZOOM. The meeting was called to order at 9:07 A.M. by Chairman Albert J. Bartosic. In attendance were F&BC members Jim Blair, Jim Furnivall, Tom McConnell, Barry Okun, and Brooke Cote, as well as Treasurer Carollynne Weidler (ex-officio), Victor Consoli, Dede Consoli and Bob Frazier. Member Jeff Matthews was absent.

#### **2. Approval of Minutes**

Minutes from the August 7, 2021 meeting were reviewed and approved. A short discussion ensued for Brooke's benefit about the functioning of the Contingency Fund (\$77,791 as of 12/41/21).

#### **3. Merchandise Sales Preview of 2022 Operations**

Dede reported on the merchandise sales operations for the past 9 years. Gross sales in 2021 were \$164,000, a 28% year over year increase. Over 700 customers were serviced over the summer by 40 volunteers. Treasury functions for Merchandise Sales continue to be superbly handled by Kathy Alperin. Dede described how the changing demand patterns in the community are being anticipated and provided for. She reviewed ordering and pricing strategies employed to keep inventories low and maintain profit margins. In response to a question from Barry on the adequacy of existing point-of-sale equipment to handle the growing business, Dede stated that existing systems were adequate. She stated that supply chain problems and rising merchandise costs will be causing her to operate with higher inventory levels this year than in years prior.

#### **4. Review of 4<sup>th</sup> Quarter and 2021 financial statements.**

No questions or comments arose.

#### **5. Update on Water Project timing and financing options and possible action on same.**

Al summarized that during 2021, water system expenditures (actual and accrued) totaled \$280,000. Bob Frazier, Chair of Public Works, reviewed current project status, stating that field testing for the pilot test was completed in mid-December and that the report from Blue Leaf recommending which of the 3 systems tested in December we should go with, would be completed in the next couple of weeks, then reviewed by Tom Nicholson of C&E Engineers (a subconsultant of Blue Leaf) who would then review it with Bob, and ultimately, the Public Works Committee. Final costs associated with the pilot testing project are being assembled. Bob's best estimate of these costs has been included in the year-end accrual for the project. The Department of Health has mandated that we chlorinate the water by March 12, 2022, and they have approved our design for that system. Discussions with the RIDOH on the form and timing of this system continue.

The Committee reviewed cash needs for the upcoming quarter and the balance of the year and considered various funding scenarios to manage projected expenses for the next quarter. These expenses include projected payments for various Water System design and engineering costs, as well as normal operating expenses of the Fire District (including the \$60-70,000 bill from Dunn's Corners for 2022 fire protection due to be paid by the end of February. The Committee examined alternative sources of cash, including using some of Merchandise Sales' money market funds (\$157,000 at 12/31/21), or resorting to our bank line at Washington Trust. The Fire District's own cash reserves totaled \$221,000 at 12/31/21.

A motion was then made, seconded and approved authorizing Al and Carollynne to formulate a recommendation for presentation to the Board of Governors outlining the Fire District's cash needs for the first quarter and alternatives available to meet those requirements. We believe that our upcoming obligations will

be able to be met from cash on hand and an additional \$50 - \$75,000 which can be sourced from our line of credit with Washington Trust or possibly cash now held in the Merchandise Sales escrow account. Plans for meeting cash needs beyond the first quarter will be formulated as those requirements are better defined and appropriate recommendations will be passed to the Board of Governors for approval.

**6. Adjournment**

The meeting was adjourned at 10:51 A.M.

Respectfully Submitted,

James Blair  
Secretary