

FINAL MINUTES APPROVED 6/12/22

Quonochontaug Central Beach Fire District (QCBFD)
Finance & Budget Committee
Minutes of May 14, 2022 Meeting

1) Call to Order

A meeting of the QCBFD Finance and Budget Committee was held on May 14, 2022 in person at the Quonochontaug Grange (lower level) and called to order at 9:10am 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 March 19, 2022 meeting were reviewed and approved.

3) Update on Cash flow

An update on the cash flow as of April 30th and cash needs through July 2022 was discussed. The District has a cash balance of \$24k as of April 30, which is more than expected based on a number of water system expenditures that have not yet taken place. We have approval from the Board of Governors to utilize up to \$400k from our Washington Trust Letter of Credit. The anticipated need from the LOC is around \$25,000 to get through July and would be paid back after our tax collection takes place in August. This does not include any cash needs for the water project (either chlorination or iron amelioration phases)

4) Water Project Update

Our understanding from the Public Works committee is that a chlorination system will be installed prior to the iron amelioration project. The chlorination project has been put out to bid and Public Works will report back with their final bidder (which may or may not be Rhode Island Infrastructure Bank ("RIIB") compliant bids). Public Works is deciding which type of iron amelioration system to put in place after which, it will go out to bid for the design phase followed by a construction bid for the project itself.

5) Water Project Financing

If the bidding process for chlorination results in an RIIB option, we include the cost the chlorination project in the RIIB application. The committee is biased toward an RIIB financing due to the benefits of a lower interest rate, fixed rate borrowing over a 20 year period and a minimum of \$100,000 of loan forgiveness for the project. Al will be following up with the RIIB representative regarding additional guidance for qualification for loan forgiveness beyond the \$100,000. The Board will also revisit the term sheet provided by Washington Trust so a full comparison can be made.

In addition, the District has applied for a grant from the Congressional Discretionary Spending Act ("CDS") through Senator Whitehouse's office. No decision regarding potential CDS funding will be forthcoming until after the new Federal fiscal year begins (July 1st). If CDS grant funding were to be received it could be used to repay loan obligations.

Once we have an update from the Public Works committee, we can better assess near term cash flow needs for the Chlorination portion of the project, currently estimated to be around \$100,000.

6) 2023 Budget items

Based on the current forecast, the District should end 2022 with a budget surplus (non cash), given less spending on the water system and interest than approved in the 2022 budget. In accordance with the District's policy, such surplus will be rolled into the general contingency reserve for future allocation by the Board of Governors. The group noted that it expects inflation to impact the water project both for labor and supplies as well as lending costs as well as the 2023 operating budget and will take these factors into consideration as the 2023 budget is developed.

The meeting was adjourned by Chair Bartosic at 10:10am.

Respectfully Submitted
Brooke R. Cote