

FINAL – Approved 7/17/21

Quonochontaug Central Beach Fire District (QCBFD)
Finance & Budget Committee
Minutes of May 15, 2021, Meeting

1. **Call to Order**

A meeting of the FD Finance and Budget Committee (F&BC) was held via ZOOM (as permitted by Executive Order 21-01 from the Rhode Island Governor's office) on May 15, 2021. The meeting was called to order at 8:34 A.M. by Chairman Albert J. Bartosic. In attendance were F&BC members Jim Blair, Jim Furnivall, Jeff Matthews, Tom McConnell, and QCBFD Treasurer Roberta Peet (ex- officio) and Fire District Bookkeeper, Elise vonHousen. Member Barry Okun was absent.

2. **Approval of Minutes**

Minutes from the January 16, 2021, meeting were approved.

3. **Review of the 1st Quarter Financial Statements**

The improved financials prepared by Elise, including a balance sheet and P&L, were reviewed by the F&BC and approved without comment.

4. **Update on discussions with Rhode Island Auditor General Office regarding the reporting of Merchandise Sales**

Al reported that he and Maud Bailey and Sue Perez met with the Auditor General (AG) several weeks ago to discuss our reporting of Merchandise Sales (MS) to the State. The AG agreed that QCBFD's practice of separating out MS from QCBFD's revenues and balance sheet but consolidating the numbers for informational purposes only was deemed to be correct. The AG however wants us to provide further detail on MS reporting to show cost of sales and other components of the P&L rather than just showing a net number for MS.

With the reporting issue resolved, Al suggested that Jeff move ahead with the discussions with Dede Consoli, head of MS to form a formal committee which would annually review and recommend MS grants to the BOG. Al also plans on bringing up the Ad Hoc committee at the upcoming BOG meeting.

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

At the Annual Meeting, the voters approved \$40,000 in Water System expenditures for 2021. As discussions and examinations continue with Rhode Island Department of Health, State-mandated expenditures are approaching that number at this time. Al would like clarity from both the BOG and Fire District counsel that we have budget authority to exceed that number if necessary. In addition, the voters also authorized \$30,600 to fund reserves for general purposes in 2021, subject to reallocation and approval by the BOG. Al stated that he and Roberta would ask the Public Works to define the water system expenditures more precisely so they can be accounted for either a capitalized expense toward the water system or should be considered upkeep and maintenance. In addition, he will make a motion at the upcoming BOG meeting to reallocate the contingency reserves to the water project and see if the BOG (or the District's legal counsel) thinks we need any additional authority between now and the Annual Meeting in September. Public Works thinks at this point there will be a \$60,000 - \$70,000 expenditure in the Fall for the chlorination system which can be paid for through existing cash and credit lines. The larger capital expenditure may not be incurred until 2022 or 2023. The finance committee is standing by for additional details and a defined proposal to be able to secure financing for the project as required.

6. Negotiations with Dunns Corners Fire Department (DCFD) for Fire District Fire Protection

Sue and Julia Mathews have been meeting with DCFD to determine the cost of fire protection for the district. DCFD does not appear amenable to consider changing the current formula which it uses to determine our annual charge for fire protection so we can expect fire protection costs to go up in future years. The size of the increase is unknown currently. On the positive side DCFD does give QCBFD a 4% discount off the formula-based rate because it does not have to bill each homeowner separately. The next bill will be presented by DCFD after the Dunns Corner budget has been set, in November of 2021. Because this is after our budget has been finalized, we have included a contingency in the budget to offset and help absorb the possible increase.

7. Update on Accounts Payable (A/P) procedures and possible action on same

Elise reported that she is comfortable with our operations and has been getting assistance as necessary from Roberta on technical matters. She stated that all authorizations for expenditures are attached to the expense in QuickBooks. Al suggested that since Elise and Roberta are closest to the A/P process, that they develop a set of A/P procedures which can be reviewed by the Finance Committee. Roberta also thanked Tom and his wife for help in reviewing QCBFD insurance policies. They have suggested some low-cost coverages which have been or will be added, possibly including cyber coverage.

8. Adjournment

Al announced that the next meeting of the Committee would likely be in person since State of Rhode Island Zoom meeting authorizations are due to expire on May 27, 2021.

Because no issues are currently presenting themselves, Al stated he would probably cancel the June 12, 2021, F&BC meeting.

The meeting was adjourned at 9:28 A.M. If the June 12th meeting is cancelled, the next meeting will be July 17, 2021.

Respectfully Submitted,

James Blair
Secretary