

APPROVED 8 23 19

Quonochontaug Central Beach Fire District
Finance & Budget Committee

9:00 a.m.

Charlestown Police Station, 4901 Old Post Road, Charlestown, RI 02813

Minutes of July 13, 2019 Meeting

The second meeting of the QCBFD Finance and Budget Committee for 2019 was held at the Charlestown Police Headquarters, 4901 Old Post Road, Community Room, Charlestown, RI 02813 and called to order at 9:05 A.M. by Chairman Albert J. Bartosic. In attendance were members James Blair, Barry Okun and Roberta Peet (ex-officio as Treasurer). Absent were members Nancy Farrell and Jeff Matthews.

Minutes from the last meeting (6/22/19) were amended to include the appointment of Jeff Matthews as the second member of the committee to conduct an **Agreed Upon Review** of Treasury operations. The review was carried out on July 3rd and the results of their review will be presented to the Board of Governors at its next meeting. The minutes, as amended, were approved.

The Chairman presented a revised **2019 Budget Estimate and a Preliminary 2020 Budget**, reflecting inputs from most of the Standing Committees.

In the **Estimated 2019 Results** the approximate doubling of Garbage Collection expenses from \$31,000 to \$66,000 resulted in a \$35,000 increase in expected expenses and a consequent reduction in Reserve Funding for 2019 from \$44,000 to \$9,000.

In the **Preliminary 2020 Budget**:

Expenditures are slated to increase by about \$60,000 (23%) to \$315,790, driven primarily by the increase in Garbage Collection expenditures. The preliminary draft budget assumed a surplus of \$16,200, which would result in a tax increase of approximately \$29,000 or 9.4%. This would be an average increase of \$155.

Among the more significant inputs for the **Preliminary 2020 Budget** were Public Works' expressed comfort with projected water system reserve levels of \$50,000 - \$60,000 and its request to accrue about \$8,000 annually for road repaving which would allow reserve to be built up over a 6 - 7 year period.

Remaining uncertainties in the proposed budget are:

- 1) the mill rate which will be forthcoming shortly from Dunns Corners, which will impact the cost of fire protection we pay to Dunn's Corners Fire Department (we have budgeted a 4% increase in fire protection costs) and
- 2) the fact that the 2020 Garbage contract has not yet been finalized and therefore the \$90,000 figure remains preliminary.

The Committee further discussed the QCBFD's reserve philosophy. The Committee asked the Chairman to poll the Board of Governors and/or the Long Range Planning Committee to seek their input as to their current visibility of future significant projects (water, security, etc.) to see if there can be any quantification of

such costs. This would help the Finance and Budget committee with planning for “reasonable “annual reserve targets in the budget.

Finally, it was agreed that a request for additional financial information would be made by the Treasurer to the Special Events Committee to assist the Treasurer and the Chairman in accurately reporting financial information to the State and more comprehensively incorporating Special Event revenues, costs and surpluses into the Fire District’s books and records.

There being no further business, the meeting was adjourned at 9:57 A.M.

Respectfully submitted,

James F. Blair, Secretary