

FINAL 8/22/20
Quonochontaug Central Beach Fire District
Finance & Budget Committee
Minutes of August 8, 2020 Meeting

A meeting of the QCBFD Finance and Budget Committee was held via ZOOM (as permitted by Executive Order 20-25 from the Rhode Island Governor's office) on August 8, 2020 at 8:06 AM and called to order at 8:06 A.M. by Chairman Albert J. Bartosic. In attendance were members Jim Blair, Jim Furnivall, Jeff Matthews, Barry Okun, Tom McConnell and Roberta Peet (ex-officio as Treasurer).

Minutes from the June 13th, 2020 meeting were approved.

The Chairman reviewed YTD Budget results which are in line with expectations, as well as the draft of the Proposed 2021 Budget reflecting inputs by the Board of Governors at its last meeting. As a result of a \$4,000 reduction in expected Boat Sticker fees, Total Projected Operating Sources and Operating Surplus were each reduced by \$4,000. The Committee thereupon elected to reduce Reserve Funding and Net Free Surplus from Operations by \$1,000 and \$3,000 respectively. The Committee discussed various line items such as projected lower Road Impact Fees, lower Garbage Collection costs and, expressed a general disinclination to impose ala carte fees for specialized services, notwithstanding next year's proposed imposition of Boat Sticker Fees. Bottom line, taxes will remain essentially flat for fiscal 2021 after a substantial rise in fiscal 2020. A discussion of the budgetary assistance provided by Community Sales/Special Events (net \$25,000 estimated for 2020) was also held and the current arrangements endorsed. Through Al's professional contacts we have been assured that, because Special Events' operations are an integral part of the Fire District and all proceeds are used to support the community, sales tax is not payable on Special Events merchandise sales.

Jeff and Roberta reported on the Agreed Upon Procedures conducted by Jeff and Barry under which invoices and bank deposits by the Treasurer are reconciled. A sampling of accounts were checked and no discrepancies arose. Their report will be made to the Board of Governors. Roberta also reported that invoices for 2020 taxes were sent out yesterday to the residents and that taxes were due by September 4, 2020.

The Chairman made a report on the Water System Financing Options pointing out that the projected cost of the water system upgrade (with a 15% Contingency line item) totals \$534,750. The project will be on the agenda for review and approval by the voters at the annual meeting in September. There is not much enthusiasm on the Board of Governors to finance the upgrade through a special assessment. Financing options include a \$100,000 forgivable State of Rhode Island loan. The remaining funding for the Water Project is tentatively to be provided by a \$400,000+ line of credit/loan from Washington Trust and internally generated funds from Fire District reserves. Once this financing is set, our existing \$75,000, 5.25% loan due 2030 with Washington Trust may be rolled into the new financing. Jim Furnivall brought up the possibility of floating a tax exempt bond which could possibly be sold to members of the community. Jim will discuss this with the bank, as well as its view of our credit standing and future borrowing limitations.

Finally, the Committee reviewed and approved the Proposed Resolutions for the QCBFD Annual Meeting. In addition to the usual resolutions approving the budget and tax assessments, the Board of Governors will be authorized to:

1. Access the current \$500,000 Line of Credit with Washington Trust for approved purposes until 2026
2. Add budget surpluses from each fiscal year to the Contingency Reserves of the District
3. Reallocate Contingency Reserves to any other existing reserve categories
4. Reallocate reserve funds amongst existing reserve categories
5. Finance both Phases 1 and 2 of the Water Project at a cost not to exceed to \$535,000

It was noted that Roberta's term as Treasurer will conclude at the annual meeting. The Committee thanked her for her years of highly professional service.

Since all Committee business for the annual meeting had been considered and approved, the Chairman cancelled the next scheduled Committee meeting.

The meeting was adjourned at 9:04 A.M.

Respectfully submitted,

James Blair
Secretary
August 8, 2020