

APPROVED 5/2/20

Quonochontaug Central Beach Fire District
Finance & Budget Committee
Minutes of August 23, 2019 Meeting

The third 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, Nancy Farrell, Barry Okun and Roberta Peet (ex- officio as Treasurer). Member Jeff Matthews was absent. Also attending was Moderator Randy Thornton.

Minutes from the last meeting were reviewed and approved.

The Chairman distributed a proposed final **2019 Budget Estimate** and a **Preliminary 2020 Budget**, for presentation to the Board of Governors at its meeting on August 24, 2019, and, after approval, to the voters at the Annual Meeting in September.

The updated **2019 Budget Estimate** showing Operating Sources of approximately \$310,000 and Operating Uses of approximately \$291,000 were virtually unchanged since the July estimate. However, Estimated Reserve Disbursements have been increased since July from \$57,500 to \$114,125, due primarily to a projected disbursement of \$56,000 to deal with the recent unexpected well contamination. As a result, the projected overall year end reserve fund balance projection has been reduced from approximately \$118,000 at to \$62,000.

A discussion ensued about the updated **Proposed 2020 Budget**, which included a \$32,000 (10.4%) tax increase and a projected 12/3/20 reserve level of \$72,000. Members raised concerns over the potential costs of solving our long-term water issues, as well as potential additional costs for policing, fire protection, trash pickup and insurance. Other available funding sources, including using our existing \$500,000 bank line of credit, were reviewed and alternate ways to allocate long term costs between generations of taxpayers were considered.

The committee concluded that the proposed overall reserve level at the end of 2020 of \$72,000 was inadequate, given the number of operational and financial uncertainties facing the Fire District at this time. Barry Okun moved that revenues in fiscal 2020 be increased by an additional \$30,000 to \$367,900 (a year-over-year increase of approximately 20%) which will bring projected overall reserves at 12/31/2020 up to about \$102,000 – more in line with levels maintained in recent years. The motion was seconded and carried unanimously. The committee also stressed the need to inform the voters that tax increases of this magnitude could be expected for the foreseeable future until the budget uncertainties faced by the Fire District are more clearly quantified.

There being no further business to consider, the committee adjourned at 11:00 a.m.

Respectfully submitted,

James Blair
Secretary