

FINAL

Quonochontaug Central Beach Fire District Finance & Budget Committee

Minutes of June 22, 2019 Meeting

The first 2019 meeting of the QCBFD Finance and Budget Committee, held at the Charlestown Grange, 5664 Post Road, Charlestown, RI 02813 was called to order at 10:35 A.M. by Chairman Albert J. Bartosic. In attendance were members James Blair, Jeff Matthews and Roberta Peet (ex- officio as Treasurer). Absent were members Nancy Farrell and Barry Okun.

Minutes from the last meeting of 2018 were approved.

The Chairman briefed the committee on the budget impact of the change to the garbage collection contract. He reported that the Board of Governors had elected to replace Ed Palmer, who recently passed away, with EZ Waste which had agreed to finish out the 2019 trash collection contract for \$59,000. EZ Waste will collect both garbage and recycling once per week (Mondays) through December 1st. The Palmer contract for 2019 had been \$29,500. Ed Palmer will be paid \$8,522.15 for pickups through the end of June. Total anticipated expense for trash/recycle for 2019 is estimated to be \$67,522 which is an increase over budget by \$36,522.

The Chairman reviewed the budgetary impact of the revised Garbage Collection costs for 2019 and confirmed that the higher garbage collection costs would reduce 2019 Projected Cash Flow from Operations from \$44,000 to approximately \$7,500. Additions to reserves were reduced by the \$36,522 excess and reserves are estimated to be \$108,000 (prior to road resurfacing expense).

As for 2020, the Chairman has asked all Standing Committee Chairs for their budget estimates for 2020. Preliminary budget estimates for 2020, assuming yet to be determined Garbage Collection cost increases and, as yet undetermined fire protection charges from the Dunns Corners Fire Department and general insurance costs, could result in significant tax increase for 2020. The actual amount of any tax increase will depend on the level of reserves deemed prudent by the Board of Governors and the projected expense levels approved by the Board.

Barry Okun and Jeff Matthews volunteered to conduct the Agreed Upon Procedures to test the tax billing and collection process for 2018. They will coordinate with the Treasurer to find a mutually agreeable time to conduct the review.

The Committee further discussed reserve policy as related to the potential significant costs which may be incurred in the future to assure the Fire District's water quality. Estimates of the cost of addressing this issue have varied over the years. The Chairman was requested to get an updated estimate and outlook on the cost and urgency of addressing this critical issue so that the Committee can formulate an informed recommendation on appropriate reserve levels to the Board of Governors.

There being no further business, the meeting was adjourned at 11:05 A.M.

Respectfully submitted,

James F. Blair

Secretary