

## **DRAFT 6/15/20**

Quonochontaug Central Beach Fire District ("QCBFD")  
Finance & Budget Committee  
Minutes of June 13<sup>th</sup>, 2020 Meeting

A meeting of the QCBFD Finance and Budget Committee for 2020 was held via Zoom (as permitted by Executive Order 20-25 from the Rhode Island Governor's Office) and called to order at 9:02 A.M. by Chairman Albert J. Bartosic. In attendance were members James Blair, Jim Furnivall, Tom McConnell, Jeff Matthews, Barry Okun and Roberta Peet (ex- officio as Treasurer).

Minutes from the May 2<sup>nd</sup>, 2020 meeting were then reviewed. Jim Furnivall noted a typo that will be corrected in the final minutes submitted. Tom McConnell moved and Jeff Matthews seconded that the minutes be approved as amended and the motion was unanimously carried.

Ms. Peet noted that QCBFD has received a quote for the renewal of the annual insurance policy package from its existing agent (Starkweather & Shepley) and that the coverages appeared similar. The cost for the policy (which runs from June 30<sup>th</sup> 2020 through June 30<sup>th</sup>, 2021) was quoted at \$12,202 that is an increase of approximately \$100 over last year as the renewal adds road coverage. Mr. Bartosic noted that the other agency (Lothrop Insurance) had declined to submit a proposal. Mr. McConnell offered to review the quote from Starkweather and report back if there were any questions or coverage options to consider. Ms. Peet will sign the renewal prior to June 30<sup>th</sup>. The workman's compensation policy renewal was effective on June 1<sup>st</sup> and also placed through Starkweather.

The Committee then turned its attending to the preliminary budget documents that Mr. Bartosic had circulated. As only limited input from other boards and committees was received, the budget estimates were constructed through a review of prior year's actual results and some reasonable assumptions about longer-range project costs.

Mr. Okun noted three macro issues to consider – increased legal fees connected to any borrowings for the water system, increased costs as a result of ongoing COVID related changes to security or other boards and committees and the building of ongoing reserves to cover anticipated and unanticipated multi year expenses. The committee was in general agreement with the preliminary draft budget for 2021 and expressed its collective believe that taxes should be kept flat for 2021. The committee was also supportive of building reserve accounts to fund longer-range projects (both anticipated and unanticipated). There were a few minor adjustment and Mr. Bartosic said he would circulate this preliminary draft to the BoG prior to its meeting next week.

There was a brief discussion regarding the financing of the water system, the cost of which is still anticipated to be in the \$250,000 range. The three potential financing options continued to be discussed – 1) a special assessment on the Fire District; 2) financing the project through a commercial loan from Washington Trust Bank or 3) a potential loan from the Rhode Island Infrastructure Bank. The Committee agreed to have an ongoing discussion about these alternatives and combinations thereof.

Mr. Bartosic raised the issued of sales tax liability for the District's merchandise sales. As sales were no longer a de minimus amount of the annual revenues of the Fire District, the issue (at the request of the chair of Community Sales) should be reexamined. The last time this was reviewed, the District was

comfortable that the merchandise sales were related to the promotion of the municipality and as such, there was no liability to collect sales tax. Mr. Okun and Mr. Bartosic agreed to reach out to contacts they have in the State and Local Taxation area to gather more information about this issue and to report their findings at a future meeting.

Mr. Matthews and Mr. Okun volunteered to conduct the agreed upon procedures for reviewing 2019 tax computations, billing and subsequent deposits. They will coordinate a time with Ms. Peet to conduct the procedures and issue their report which is due prior to the Annual Meeting in September.

There being no further business to consider, the committee adjourned at 09:02 a.m.

Respectfully submitted,

Albert J. Bartosic  
Chairman