

**MINUTES
of the
Quonochontaug Central Beach Fire District
Board of Governors Meeting
Sunday, October 13, 2013**

Members in Attendance: Nancy Matthews, George Prior, Cecelia McCulloch, Julia Mathews, Brewster Blackall, Shari Frost, Marilyn Rettig, Michele Pallai Reppucci, Dick Stabnick, Michael Flynn, Marianne McNee, Charlie Freedgood and Heather Cady.

Legal counsel for QCBFD, David Petrarca, Jr., was in attendance. Residents in attendance at the meeting included Roy Jacobsen and Don MacDugal.

I. Call to Order: Nancy Matthews called the meeting to order at 10:03 a.m.

II. Approval of Minutes:

1. **A MOTION was made to approve the minutes of the Board of Governors Meeting held on August 10, 2013. The motion was seconded and passed unanimously.**

2. **A MOTION was made to approve the slate of the Board of Governors (including Administrative Officers) and Commissioners for 2013-2014, previously voted on by QCBFD residents at the QCBFD Annual Meeting on September 14, 2013 (attached hereto as Exhibit A).**

The motion was seconded and passed unanimously.

3. Heather Cady asked that all Board members and Commissioners submit 2014 committee meeting details in order for notice of such to be filed with the Secretary of State of the State of Rhode Island.

4. The next Board of Governors Meeting will be held on Sunday, January 19, 2014.

III. Committee Reports:

A. Nancy Matthews – Moderator: Nancy Matthews presented the following motion to the Board of Governors.

A MOTION was made to:

(i) authorize the Treasurer to (a) open any and all deposit or share accounts in the name of Quonochontaug Central Beach fire District (QCBFD); (b) endorse checks and orders for the

payment of money or otherwise withdraw or transfer funds on deposit with a bank or financial institution; (c) sign any note or mortgage obligation of the QCBFD when authorized to do so by the QCBFD Board of Governors or by a duly held meeting of the Eligible Voters in the District; (d) borrow money on behalf and in the name of QCBFD, sign, execute and deliver promissory notes or other evidence of indebtedness, subject to the limitations of the QCBFD by-laws and Charter and when authorized to do so by the Board of Governors; (e) enter into a written lease for the purpose of renting, maintaining, accessing and terminating a safe deposit box in a bank or other financial institution; (f) utilize on line banking; (g) have full access to all QCBFD accounts.

(ii) authorize the Moderator and Commissioner of Finance to have full access to the safe deposit box and full access to all QCBFD accounts, including, but not limited to, endorsing checks and orders for the payment of money, or otherwise withdrawing or transferring funds on deposit with a bank or financial institution, as prudent oversight may require.

(iii) authorize Patricia Rueff and Marianne McNee to have full access to the Community Sales Account only, including, but not limited to, endorsing checks and orders for the payment of money, or otherwise withdrawing or transferring funds on deposit.

(iv) authorize the Clerk, Treasurer and/or Moderator to certify and/or attest to the adoption of the foregoing resolutions in the manner and form as may be required by such bank or other institution.

The motion was seconded and passed unanimously.

B. George Prior – Public Works: George Prior updated the Board on the business of the Public Works committee, including (i) QCBFD's lawn watering rules and (ii) the existence of a septic tank in close proximity to a QCBFD water main.

C. Michele Pallai Reppucci – Police Protection: Michele Pallai Reppucci reported no new business.

D. Shari Frost – Beach and Dunes: Shari Frost presented an update on the work of the Beach and Dunes committee, including the proposal to erect a new line of snow fence on the seaward side of the dunes and existing fence on QCBFD beach.

A MOTION was made to erect a new line of snow fence on the seaward side of the dunes and existing fence on QCBFD beach. The estimated cost of such fence is \$4,060, which cost will be funded, in its entirety, by the Community Sales committee.

The motion was seconded and passed unanimously.

E. Brewster Blackall – Boating: Brewster Blackall presented an update on the work of the Boating committee.

F. Julia Mathews – Treasurer: Julia Mathews reported no new business.

G. Michael Flynn – Ballfield: Michael Flynn reported no new business.

H. Marianne McNee – Community Sales: Marianne McNee reported no new business other than the above-mentioned donation of \$4,060 by Community Sales to fund a new line of snow fence on QCBFD beach.

I. Dick Stabnick – Long-Range Planning: Dick Stabnick updated the Board on the Fresh Pond project.

J. Marilyn Rettig – Special Events: Marilyn Rettig reported no new business.

K. Cecelia McCulloch – Tennis and Golf: Cecelia McCulloch reported no new business.

L. Charlie Freedgood – Finance & Budget: Charlie Freedgood presented his Finance and Budget report (see attached **Exhibit B**).

A MOTION was made to (i) authorize Pat Wildman, former Treasurer, to act as agent for Quonochontaug Central Beach Fire District for the sole purpose of closing the account, held in the name of QCBFD, at NewportFed Bank, (ii) authorize the Clerk, Treasurer and/or Moderator to certify and/or attest to the foregoing resolution in the manner and form as may be required by NewportFed Bank, to effectuate the closing of such account and (iii) deposit and allocate the funds from the closed NewportFed Bank account to savings.

The motion was seconded and passed unanimously.

M. Heather Cady – Clerk: Heather Cady proposed meeting dates for the Board of Governors in 2014. After discussion, the following dates were set for the 2014 Board of Governors meetings:

Sunday, January 19, 2014 (Martin Luther King, Jr. Weekend)

Sunday, June 29, 2014

Saturday, July 19, 2014

Saturday, August 9, 2014

Sunday, October 12, 2014 (Columbus Day Weekend)

Beginning on June 29th, meetings will begin at 9:00 a.m. The meetings in January and October will begin at 10:00 a.m. All Board of Governors meetings will take place at the Charlestown Police Station, Community Room, 4901 Old Post Road, Charlestown, Rhode Island 02813.

Saturday, September 13, 2014, at 10:00 a.m. (QCBFD Annual Meeting at the Grange).

IV. Adjournment: **A MOTION was made to adjourn the meeting at 11:29 a.m. The motion was seconded and passed unanimously.**

Respectfully submitted,
Heather Dodge Cady, Clerk
Quonochontaug Central Beach Fire District

EXHIBIT A

**TO MINUTES OF THE BOARD OF GOVERNORS MEETING HELD
ON OCTOBER 13, 2013**

SLATE OF QUONOCONTAUG CENTRAL BEACH FIRE DISTRICT
BOARD OF GOVERNORS AND COMMISSIONERS 2013-2014

ADMINISTRATIVE OFFICERS OF BOARD OF GOVERNORS:

NANCY MATTHEWS.....MODERATOR
HEATHER CADY.....CLERK
JULIA MATHEWS.....TREASURER

COMMISSIONERS MEMBERS OF THE BOARD OF GOVERNORS:

GEORGE PRIORPUBLIC WORKS
TOM BATTISTAREAL ESTATE & PROPERTY
SHARI FROSTBEACH & DUNES
BILL HEEPCIVIC IMPROVEMENT/FIRE PROTECTION
DICK STABNICKLONG-RANGE PLANNING
MICHELE PALLAI REPPUCCI...POLICE PROTECTION
CHARLES FREEDGOODFINANCE & BUDGET

COMMISSIONERS NOT MEMBERS OF THE BOARD OF GOVERNORS (AND
COMMITTEE MEMBERS):

BALLFIELD & PLAYGROUND -- Michael Flynn
Committee -- Mark Alperin, John Crosson, Paul Cusson, Mark McEnroe, Vincent
Reppuci, Sean Reynolds, Rich Thomsen

BEACH & DUNES -- Shari Frost
Committee -- Sue Birk, Paul Cusson, Pat Frost, Roy Jacobsen, Cari Blackall Lifgren

BOATING -- Brewster Blackall
Committee -- Bill Carpenter, Victor Consoli, Peter Gaffey, Julie Low, Marianne
McNee, Jack Mogielnicki, Barry O'Brien, John Rooney, Lonny Rowe (Dockmaster
Emeritus), Andy Sears

CIVIC IMPROVEMENT/FIRE PROTECTION -- Bill Heep
Committee -- George Gray, Katherine Huntington, Len Kovacs, Peter Rettig, Neal
Simon, Tom Wildman

COMMUNITY SALES -- Marianne McNee
Committee -- Paige Costigan DeFusco, Darrah Deo, Pam Furey, Katherine
Huntington, Bill McNee, Patti Rueff

FINANCE & BUDGET -- Charles Freedgood
Committee -- Bill Bloom, Rusty Rueff, Pat Wildman

LONG-RANGE PLANNING -- Dick Stabnick
Committee -- Tom Battista, Brewster Blackall, Chris Gettman, Linda Griffith, Rob
Huntington, Paul Mathews, Steve Peet

POLICE PROTECTION -- Michele Pallai Reppucci
Committee -- Tom Frost, Staci Heep, Kim Marlar, Diane McEnroe, Peter Rettig,
Taylor Rettig, Sarah Reynolds, Jim Sears

PUBLIC WORKS -- George Prior
Committee -- Dick Campbell, Tom Doyle, Wally Kelly, Bill Meyer, Jim Montstream,
John Rooney

REAL ESTATE & PROPERTY -- Tom Battista
Committee -- Michael Divney, Peter Gaffey, Richard Stabnick

SPECIAL EVENTS -- Marilyn Rettig
Committee -- Elaine Battista, Tom Battista, Mary Campbell, Will Carpenter, Dede
Consoli, Kelly Cusson, Darrah Deo, Christine Frazier, Ellen Frost, Sharon Frost, Pam
Furey, Missy House, Katherine Huntington, Heather Cady, Pat Lewers, Cari Lifgren,
Julie Low, Julia Mathews, Marianne McNee, Beverly Neal, Sue Newton, Peggy Ogden,
Michele Pallai Reppucci, Sarah Reynolds, Patti Rueff, Barbara Ruel, Courtney
Berckemeyer, Cheri Stabnick, Tiffany VanElslander, Pat Wildman

TENNIS & GOLF -- Ceil DeMaio
Committee -- Maria Bloom, Lynn Goldberg, Greg Howey, Bill McNee, Bill Meyer,
Susan Wales

Exhibit B
October 13, 2013

Quonochontaug Central Beach Fire District
Board of Governors Meeting
Sunday, October 13, 2013

Finance & Budget Report

Cash Balance Analysis 2007-Sept. 2013

As a tool to future budgeting processes, a review of the District's historical cash cycle was conducted covering the calendar years 2007 through year-to-date 2013 (9/30/13). Ending monthly cash balances were analyzed to understand the characteristics of the annual cycle and the effects of various District actions which influenced the traditional sequence. An audit of the accounts was not performed. Actual month-end cash balances are shown on the attached Exhibit 1.

As would be expected, the annual cycle peaks in connection with the collection of taxes and declines over the balance of the year as District expenditures are made. Two events influenced this cycle in 2009, 2010 and 2011, namely the development and installation of the water system and its related financing, and a one-time change in the timing of invoicing for taxes.

Water System

Though commencing in February 2008, the most significant water system expenditures occurred over the period March–June 2009, aggregating almost \$191k over these 4 months, or 78% of the total capitalized expenditures of \$245.5k through August 2009. Two interim financings were used to bridge the project, the first from March through May 2009 in the aggregate amount of \$150k, which was repaid in June 2009 from tax receipts and a second smaller borrowing series aggregating \$50k early in 2010, repaid in full in March 2010. This second series supplemented cash balances which reached a review period low at year-end 2009 as the District's traditional cash cycle was reaching its trough, compounded by the \$245.5k of water system expenditures. 2010 tax collections were received April/May thus replenishing cash, and then in July 2010 a \$175k permanent financing for the project was put in place, at which time balances stood at about \$314k. Note that the loan financing covered about 71% of the cost of the system, the other 29% (\$71k) being paid from District balances. The decision to finance the project in this manner included, among other things, a view about the appropriate level of leverage for the community and the objective of minimizing interest expenses.

Though less significant than the 2009 water system installation, at year-end 2010 a \$24k expenditure for the District water purification system was funded, muting the year-end balance.

Tax Collections

In 2011, the District changed the timing of tax collections since the Town of Charlestown, which controls the grand list against which District tax assessments are calculated, only released this information after its June 30 fiscal year-end. As a result, District tax invoicing occurred on September 1 as compared to April 15 in 2010 (prior year invoices were sent 4/15/08 and 3/21/09 and subsequent years were 8/1/12 and 8/1/13). The 4 ½ month shift in 2011, though likely a boon to residents, resulted in further reliance on cash balances as the period between tax receipts was 16 ½ months vs. the traditional 12 months. District cash expenses over the extended period were approximately \$80k, which were funded from cash on hand.

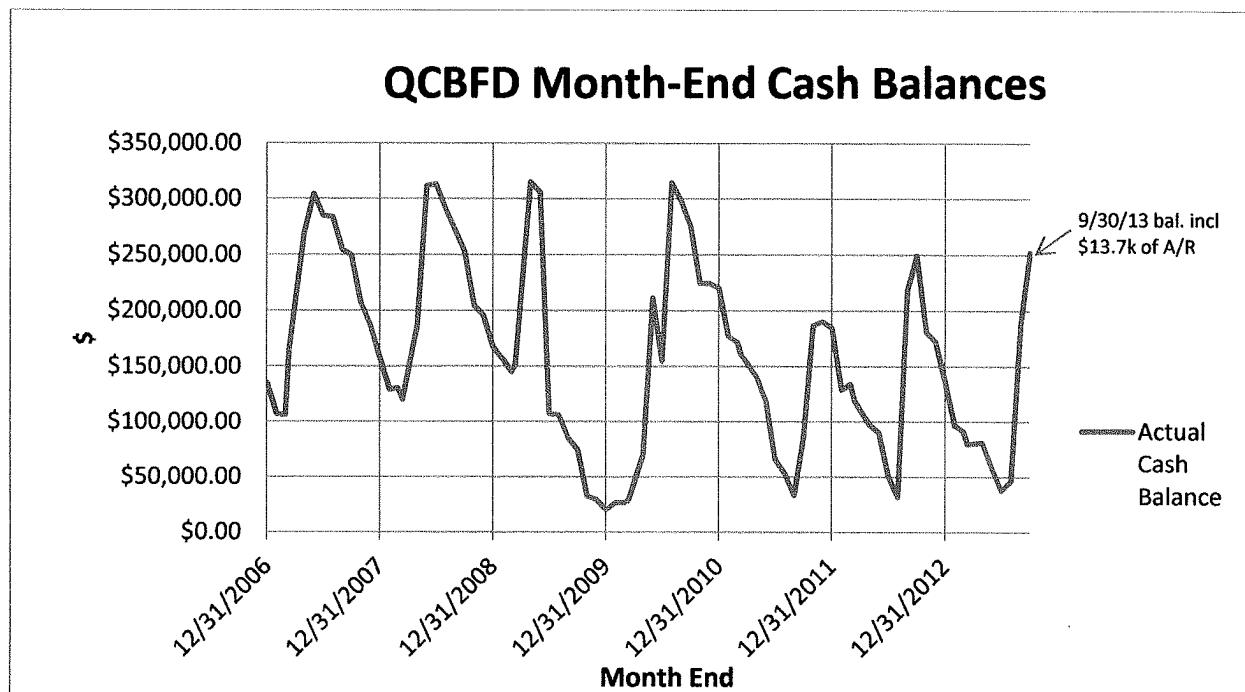
In order to isolate the effects of the tax collection shift, water system and related third-party financing activity were added back to actual cash balances in order to eliminate these influences. The results are shown on Exhibit 2. As can be seen, cash balances decline steadily over the 16 month period from May 2010 to September 2011.

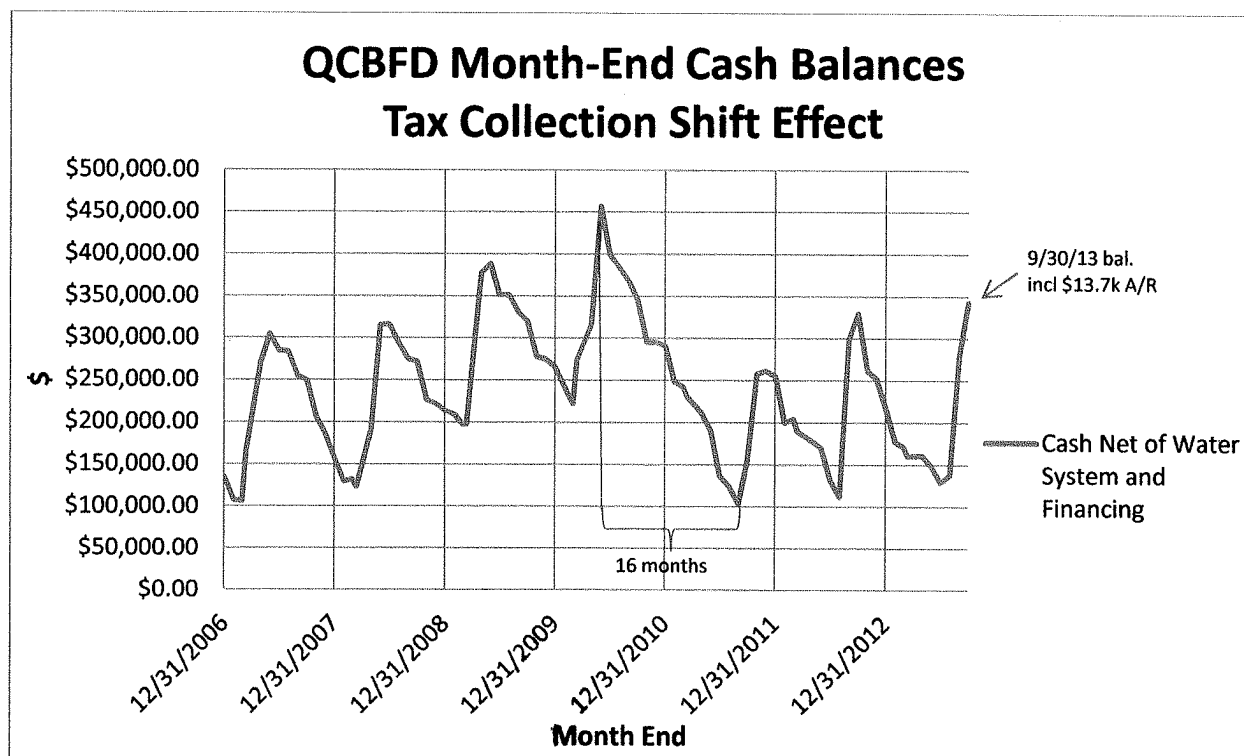
Observations

Subsequent years 2012 and 2013 appear to resume the traditional sequence, influenced however by the two changes noted above: The annual cycle has shifted later into the calendar year, consistent with the new tax invoicing period and the balances have shifted downward, as a portion of the water system project and extended period between tax collections had been funded from cash balances--or if viewed from an alternative funding perspective--borrowed from reserves which are subsequently repaid from tax receipts.

Respectfully Submitted,

Charles O. Freedgood
Commissioner of Finance





Note: Debt payments on the \$175K water system loan, which commenced 9/30/10, are excluded from this analysis.