

**MINUTES
of the
Quonochontaug Central Beach Fire District
Board of Governors Meeting
Sunday, January 19, 2014**

Members in Attendance: Nancy Matthews, George Prior, Julia Mathews, Shari Frost, Bill Heep, Michele Pallai Reppucci, Dick Stabnick, Michael Flynn, Marianne McNee, Charlie Freedgood and Heather Cady.

Residents in attendance at the meeting included Roy Jacobsen and Don McDoogul.

I. Call to Order: Nancy Matthews called the meeting to order at 10:04 a.m.

II. Approval of Minutes:

1. **A MOTION was made to approve the minutes of the Board of Governors Meeting held on October 13, 2013. The motion was seconded and passed unanimously.**

2. The next Board of Governors Meeting will be held on Sunday, June 29, 2014.

III. Committee Reports:

A. Nancy Matthews – Moderator: Nancy Matthews, in Tom Battista's absence, updated the Board on the work of the Real Estate committee, including the possibility of moving the location of the QCBFD bike racks. The Moderator presented three possible scenarios regarding the bike rack: (1) to work with the owners of the property who have expressed a willingness to convey the land permanently to QCBFD; (2) to pursue a lease or license agreement for the interim time period prior to the occurrence of such conveyance; or (3) to relocate the QCBFD bike racks. The Board expressed its desire to avoid relocating the QCBFD bike racks due to a lack of practical alternatives.

Nancy Matthews informed the Board of the most recent APRA request by a resident and advised the Board that such request had been forwarded to QCBFD's legal counsel for review.

Nancy Matthews advised the Board that QCBFD's legal counsel is researching financial disclosure requirements.

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. The following two motions were made.

A MOTION was made “that the watering of lawns and shrubs in QCBFD using community water, that is water from QCBFD’s community wells, be limited to hand held hoses or hand held sprinkling devices only. There will be no sprinklers or soakers at the end of hoses that are connected to QCBFD community well water. This rule will apply at all times of the year (and will not be limited to summer months). During the summer months (defined as between June 30 and the Tuesday after Labor Day), hand held sprinkling may only take place prior to 8:00 a.m. or after 8:00 p.m. on weekdays only. There will be no watering of any kind whatsoever using water from QCBFD community wells on the weekends during the summer months. This rule is to supersede all previous watering rules and will go into effect in the fall of 2014. QCBFD residents who have contracted for their own private wells or designated irrigation wells will be unaffected by this rule.”

The motion was seconded and passed unanimously.

A MOTION was made “that the QCBFD Board of Governors approve a plan to reduce the possible risk of accidental contamination to the QCBFD water system caused by the proximity of a septic tank at 526 West Beach Road to QCBFD’s four-inch water main which passes through the aforementioned property. The proximity is such that it is well inside the minimum distance typically required between a septic tank and a water main. The motion is to end the existing main as it enters the southern edge of the property at 526 West Beach Road, run the main from that point through a two-inch line running through the existing four-inch line still in the ground past the septic tank and end that main line at the northern edge of said property, where a connection would there be make to serve 510 West Beach Road. This action would effectively sleeve the line as it runs past the septic system. A blow-off valve would also be installed at this point (as this location serves as the end of that line). The estimated cost to complete this work on the water main line is not to exceed \$8,500. Given that this situation does not constitute an emergency, the work may be performed at the discretion of the Board of Governors as funds are made available over the next couple of years.”

The motion was seconded and passed unanimously.

C. Michele Pallai Reppucci – Police Protection: Michele Pallai Reppucci reported on vandalism on Central Beach on January 14, 2014, involving an individual, or group of individuals, setting fire to the Christmas trees placed on the beach to protect the dunes. The vandalism and fire occurred at approximately 1:30 a.m.

The QCBFD spring mailing will be sent out in early May (any information required to be included in such packet must be received by April 10, 2014).

D. Shari Frost – Beach and Dunes: Shari Frost presented an update on the work of the Beach and Dunes committee.

E. Nancy Matthews for Brewster Blackall – Boating: Nancy Matthews, in Brewster Blackall's absence, read aloud his update on the work of the Boating committee. **See attached Exhibit A.**

F. Julia Mathews – Treasurer: Julia Mathews updated the Board on the work of the Treasurer.

A MOTION was made to authorize the Treasurer to close the “Quonnie Open” golf bank account held under the tax identification number of QCBFD and to transfer such funds to the organizers of the “Quonnie Open” (which is not legally part of QCBFD) and to sign all required bank authorizations to effectuate such transfer. The motion was seconded and passed unanimously.

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

H. Marianne McNee – Community Sales: Marianne McNee reported that the summer 2014 QCBFD parking sticker color will be royal blue.

I. Dick Stabnick – Long-Range Planning: Dick Stabnick updated the Board on the Fresh Pond project and QCBFD's application related to such. It is expected that a public hearing will be scheduled as early as March of 2014.

J. Bill Heep—Civic Improvement: Bill Heep updated the Board on the work of the Civic Improvement committee, including: spring repair projects to ballfield fence, bleachers and playground; damage to the parking lot by reckless drivers; and a new fire station being built in Bradford, Rhode Island.

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

L. Heather Cady – Clerk: The following dates have been set for the remaining 2014 Board of Governors meetings:

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 meeting in 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 12:04 p.m. The motion was seconded and passed unanimously.**

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

A few boating items:

1. At a committee meeting last September, it was suggested we place some life saving equipment at the dock. After brief discussion, we decided such action "might help, can't hurt," and is not a big expense. Barry O'Brien has access to a wholesale provider and come spring will get the equipment.
2. We do expect to have additional rack space before the summer.
3. A notice from the town harbor master, Justin Vail, advises that persons wanting a mooring may now file to get on the wait list WITHOUT owning a boat, as was previously required. A good change as the wait is now 3-4 years or more. However, one must own a boat when their turn comes up AND must annually advise if they want to stay on the list. Otherwise, they lose their place.

Finance and Budget Committee

Exhibit B to
January 19, 2014
BOG Minutes



Quonochontaug
Central Beach Fire District
Board of Governors
Meeting
January 19, 2014

Exhibit B
January 19, 2014



1/19/14

2013 Financial Performance Summary

Actual results (preliminary):

- 2013 tax collections and other recurring revenue totaled approximately \$246,400, which combined with the \$34,500 of non-recurring FEMA and other reimbursements, resulted in total cash sources of \$280,900
- After giving effect to operating expenses of \$215,100 and capital expenditures of \$19,500, cash exclusively from operations (excluding FEMA) were \$11,800. Including FEMA, cash flow was \$46,300
- Of this amount, \$10,000 was used to pay prior year payables and fund a small increase in receivables, resulting in a year-over-year increase in cash of about \$36,400. The \$34,500 of non-recurring FEMA and other reimbursements were used to support the budgeted funding of reserve accounts, resulting in an increase in cash balances from operations of \$1,800. Year-end 2013 cash balances were \$172,937, up from \$136,583 at year-end 2012

Actual vs. Budget:

- Collections of \$280,900 exceeded budget by \$36,500, substantially due to the \$33,864 received from FEMA for Hurricane Sandy reimbursements. Expenses of \$215,100 were \$3,500 lower than the \$218,600 budgeted due to favorable variances across several categories including insurance premiums (\$5,800), legal expenses (\$2,900), administration costs (\$3,500) and operations (\$6,300) offset by unbudgeted storm expenses of \$13,200 and higher water system expenses of \$4,200
- Capital expenditures of \$19,500 were \$7,500 favorable to budget due to \$2,700 lower costs for water system repairs and upgrade and no use of the \$8,000 asset replacement budget, offset by \$3,200 for tennis court resurfacing (which is a pull-forward of a 2014 budget item)
- Cash from operations less capital expenditures was \$47,500 higher than budget due to the FEMA reimbursements and the net operating and capital expense savings discussed above. Giving effect to the \$10,000 in unbudgeted working capital usage, cash increased \$37,500 vs. budget

Notes:

- The financial statements are unaudited and amounts may be subject to year-end adjustments
- These financial statements are consistent with prior year presentations and are not prepared in accordance with generally accepted accounting principles



1/19/14

Quonochontaug
Central Beach Fire District
Cash Flow Summary
As of December 31
Unaudited

(\$)

	Actual 12/31/2012	Actual ¹ 12/31/2013	Budget 12/31/2013	Budget 12/31/2014	Variance	
					2013 Actual ¹ vs. 2012 Actual	2013 Actual ¹ vs. 2012 Budget
Sources of funds - operating						
Total Operating Sources	241,469.22	280,912.96	244,375.00	253,971.00	39,443.74	36,537.96
Uses of funds - operating						
Total Operating Uses	256,232.13	215,104.76	218,575.00	223,571.00	(41,127.37)	(3,470.24)
Cash Flow from Operations	(14,762.91)	65,808.20	25,800.00	30,400.00	80,571.11	40,008.20
Financing Activities						
Water Loan Prepayment	20,915.00	-	-	-	(20,915.00)	-
Capital Expenditures						
Total Capital Expenditures	27,949.28	19,498.00	27,000.00	38,500.00	(8,451.28)	(7,502.00)
Cash from Operations less Financing & Cap Exp	(63,627.19)	46,310.20	(1,200.00)	(8,100.00)	109,937.39	47,510.20
Working Capital	15,453.18	(9,956.15)	-	-	(25,409.33)	(9,956.15)
Net Change in Cash	(48,174.01)	36,354.05	(1,200.00)	(8,100.00)	84,528.06	37,554.05
Actual Cash Balance--Beginning	184,756.88	136,582.87				
Actual Cash Balance--Ending	136,582.87	172,936.92				
Change in Cash Balance	(48,174.01)	36,354.05				
Check	0.00	(0.00)				

Notes:

1. 2013 Actual results are preliminary and may be subject to year-end adjustments



1/19/14

Quonochontaug Central Beach Fire District Cash Flow As of December 31 Unaudited					Variance		Comments
	Actual	Actual ¹	Budget	Budget	2013 Actual ¹ vs. 2012 Actual	2013 Actual ¹ vs. 2012 Budget	
	12/31/2012	12/31/2013	12/31/2013	12/31/2014			
Sources of funds - operating							
Tax revenue	235,168.89	240,986.99	239,900.00	249,496.00	5,818.10	1,086.99	
Lease to tennis club	1,383.97	1,281.88	1,350.00	1,400.00	(102.09)	(68.12)	
Road impact fees	4,000.00	4,000.00	5,000.00	3,000.00	-	1,000.00	
Transfer from contingency fund (\$20,000 non-cash)	-	-	-	-	-	-	
Lost beach pass fees/miscellaneous	150.00	-	-	-	(150.00)	-	
FEMA reimbursement/donation/other	665.00	34,568.73	-	-	33,903.73	34,568.73	(\$33,864 FEMA, \$495 fun run donations, \$181 copy fees, \$28 insurance dividend)
Interest income	101.36	75.36	125.00	75.00	(26.00)	(49.64)	
Cumulative surplus (\$11,428.43 non-cash)	-	-	-	-	-	-	
Total Operating Sources	241,469.22	280,912.96	244,375.00	253,971.00	39,443.74	36,537.96	
Uses of funds - operating							
Charter, legal, negotiation fees	24,826.56	7,590.75	10,500.00	3,000.00	(17,235.81)	(2,909.25)	Legal expenses
Storm restoration	32,158.00	13,122.80	-	-	(19,035.20)	13,122.80	Hurricane Sandy repair costs
Record digitization/communication	1,274.40	829.09	3,500.00	1,800.00	(445.31)	(2,670.91)	Website hosting, domain name, SharePoint site
Administration	2,683.04	2,667.63	3,500.00	3,800.00	(15.41)	(832.37)	Public notices, annual meeting, accounting and land software, postal service
Memberships (Salt Ponds/RISC/Hist Soc)	200.00	300.00	500.00	500.00	100.00	(200.00)	Salt Ponds Coalition, Quonnic Historical Society
Ball field/playground	-	-	500.00	500.00	-	(500.00)	
Beaches/dunes	401.88	2,338.75	2,850.00	3,000.00	1,936.87	(511.25)	Wetlands permitting, restoration, signage
Boating/docking	(46.26)	1,414.86	1,500.00	1,850.00	1,461.12	(85.14)	
CI - Other	9,739.72	7,355.00	10,500.00	12,000.00	(2,384.72)	(3,145.00)	Mowing, fencing
CI - Garbage	27,500.00	27,500.00	27,500.00	27,500.00	-	-	
Police/security	7,092.01	6,878.07	8,750.00	9,250.00	(213.94)	(1,871.93)	Beach security
PW - Water operator (NWSI)	7,845.00	8,238.00	8,200.00	8,250.00	393.00	38.00	Quarterly well water service contract
PW - Water system	24,229.62	21,485.96	17,300.00	24,760.00	(2,743.66)	4,185.96	Well generator gas, electricity, repairs and maintenance, water testing
PW - Roads	2,961.17	5,073.31	6,350.00	6,300.00	2,112.14	(1,276.69)	Snow plowing, street light electricity
Real estate/property	7,987.59	484.75	2,000.00	4,000.00	(7,502.84)	(1,515.25)	Surveying
Mapping project	-	3,390.80	2,000.00	2,000.00	3,390.80	1,390.80	Surveying
Tennis	1,069.24	892.73	1,400.00	1,250.00	(176.51)	(507.27)	Fun run
Water project loan - principal/interest	14,400.00	14,400.00	14,400.00	14,400.00	-	-	Monthly principal + interest of \$1,200
Water project loan - prepayment	-	-	-	-	-	-	
Taxes (Charlstown)	4,684.63	4,738.35	5,000.00	5,250.00	53.72	(261.65)	
Insurance	16,331.59	11,903.00	17,750.00	16,500.00	(4,428.59)	(5,847.00)	Insurance premiums
Fire Protection (Dunn's Corner's)	70,893.94	74,500.91	74,300.00	77,500.00	3,606.97	200.91	
Miscellaneous expense	-	-	275.00	161.00	-	(275.00)	
Total Operating Uses	256,232.13	215,104.76	218,575.00	223,571.00	(41,127.37)	(3,470.24)	
Cash Flow from Operations	(14,762.91)	65,808.20	25,800.00	30,400.00	80,571.11	40,008.20	
Financing Activities							
Water Loan Prepayment	20,915.00	-	-	-	(20,915.00)	-	
Capital Expenditures							
Water System	16,046.65	16,298.00	19,000.00	10,000.00	251.35	(2,702.00)	Rebuild of Well #1, Connections, copper filter
Asset Replacement	6,614.58	-	8,000.00	8,000.00	(6,614.58)	(8,000.00)	
Mapping Project	5,288.05	-	-	-	(5,288.05)	-	
Tennis Courts	-	3,200.00	-	3,500.00	-	3,200.00	Tennis court resurfacing
Boat Launch	-	-	-	3,000.00	-	-	
Compliance	-	-	-	14,000.00	-	-	
Total Capital Expenditures	27,949.28	19,498.00	27,000.00	38,500.00	(8,451.28)	(7,502.00)	
Cash from Operations less Financing & Cap Exp	(63,627.19)	46,310.20	(1,200.00)	(8,100.00)	109,937.39	47,510.20	
Working Capital							
Change in Accounts Receivable (inc)/dec	11,326.52	(1,056.15)	-	-	(12,382.67)	(1,056.15)	
Change in Accounts Payable inc/dec	4,126.66	(8,900.00)	-	-	(13,026.66)	(8,900.00)	
Net Change in Cash	(48,174.01)	36,354.05	(1,200.00)	(8,100.00)	84,528.06	37,554.05	
Actual Cash Balance--Beginning	184,756.88	136,582.87					
Actual Cash Balance--Ending	136,582.87	172,936.92					
Change in Cash Balance	(48,174.01)	36,354.05					
Check	0.00	(0.00)					

Notes:

1. 2013 Actual results are preliminary and may be subject to year-end adjustments



1/19/14

Quonochontaug
Central Beach Fire District

(\$)

Reserve Funds
Accrued Balances

	Unaudited									
	Contingency	Water Conservation	Road	Boat Launch	Mapping	Tennis	Asset Replace	Dunn's Corner	Compliance	Total Restricted
Fund balance at 12/31/2012	-	8,071.85	16,300.00	21,994.86	-	4,395.00	62,845.81	18,414.99	-	132,022.51
Funding	20,000.00	15,000.00	6,000.00	-	-	1,295.00	15,000.00	74,300.00	7,000.00	138,595.00
Disbursements	-	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	(10,955.00)	-	-	-	-	-	-	-	(10,955.00)
Water line analysis/improvs	-	(1,425.00)	-	-	-	-	-	-	-	(1,425.00)
Pump house equip	-	(3,918.00)	-	-	-	-	-	-	-	(3,918.00)
Pond restoration	-	-	-	-	-	-	-	-	-	-
Dune improvement	-	-	-	-	-	-	-	-	-	-
2nd half fiscal 2013	-	-	-	-	-	-	-	(36,165.35)	-	(36,165.35)
1st half fiscal 2014	-	-	-	-	-	(3,200.00)	-	(38,335.56)	-	(41,535.56)
Total disbursements	-	(16,298.00)	-	-	-	(3,200.00)	-	(74,500.91)	-	(93,998.91)
Transfer in (out)	-	-	-	-	-	-	(10,000.00)	-	-	(10,000.00)
Fund balance at 12/31/2013	20,000.00	6,773.85	22,300.00	21,994.86	-	2,490.00	67,845.81	18,214.08	7,000.00	166,618.60



Central Beach Fire District
Balance Sheet
As of December 31, 2013

1/19/14

	<u>Total</u>		<u>Total</u>
ASSETS		LIABILITIES AND EQUITY	
Current Assets		Liabilities	
Bank Accounts		Current Liabilities	
4000 Cash	0.00	Accounts Payable	
4010 Checking	-4,246.12	7010 Accounts Payable	1,125.00
4020 Savings	0.00	Total Accounts Payable	\$ 1,125.00
4040 Municipal Money Market	177,183.04	Other Current Liabilities	
4050 30 Day CD	0.00	7050 Deferred Revenue	0.00
4060 60 Day CD	0.00	Total Other Current Liabilities	\$ 0.00
Total 4000 Cash	<u>\$ 172,936.92</u>	Total Current Liabilities	\$ 1,125.00
Total Bank Accounts	\$ 172,936.92	Long-Term Liabilities	
Accounts Receivable		7110 Water System Loan	132,981.77
4100 Accounts Receivable	1,056.15	7120 Real Estate Loan	0.00
Total Accounts Receivable	\$ 1,056.15	7130 Capital Loan	0.00
Other current assets		Total Long-Term Liabilities	<u>\$ 132,981.77</u>
1499 Undeposited Funds	0.00	Total Liabilities	\$ 134,106.77
Total Other current assets	<u>\$ 0.00</u>	Equity	
Total Current Assets	\$ 173,993.07	1000 Restricted Funds	
Fixed Assets		1005 Surplus Prior Year	0.00
5010 Boat Landing	74,200.00	1010 Contingency Fund	20,000.00
5020 Beach Lot	6,600.00	1020 Water Conservation Fund	6,773.85
5030 Parking lot end	2,400.00	1030 Water Connection Fund (deleted)	0.00
5040 Beach Lots	154,200.00	1040 Road Fund	22,300.00
5050 Beach Lot right of way	69,600.00	1050 Boat Sticker Fund	21,994.86
5060 Beach lot rightofway other side	69,600.00	1060 Golf Open Fund	0.00
5070 Ball Field	206,100.00	1070 Compliance Fund	7,000.00
5080 Land near wells	26,800.00	1080 Mapping Project Fund	0.00
5090 Land near wells 2	20,200.00	1081 Land Trust Fund	0.00
5091 Tennis Club Land	8,900.00	1082 Test Bore Fund	0.00
5092 Pump House Land	1,900.00	1083 Tennis Fund	2,490.00
5093 Water System	266,138.72	1084 Asset Replacement Fund	67,845.81
5094 Water Purification System	24,407.00	1085 Dunn's Corners Fire Smoothing Fund	18,214.08
5110 Tennis Courts 1	5,400.00	Total 1000 Restricted Funds	\$ 166,618.60
5120 Tennis Courts 2	2,200.00	9500 Fund Balance	815,455.69
5130 Mapping	15,256.38	9600 Opening Balance	0.00
Total Fixed Assets	<u>\$ 953,902.10</u>	Net Income	11,714.11
TOTAL ASSETS	\$ 1,127,895.17	Total Equity	<u>\$ 993,788.40</u>
		TOTAL LIABILITIES AND EQUITY	\$ 1,127,895.17

Central Beach Fire District
Profit & Loss
January - December 2013

6

1/19/14

	<u>Total</u>
Income	
1500 Revenues	
1510 Lease of Tennis Courts	1,281.88
1524 Road Impact Fees	4,000.00
1528 Fun Run Donations	495.00
1530 Tax Receipts	240,986.99
1540 Interest Income	75.36
1550 Miscellaneous Income	34,073.73
Total 1500 Revenues	\$ 280,912.96
Total Income	\$ 280,912.96
Gross Profit	\$ 280,912.96
Expenses	
2000 Expenses	
2022 Charter, legal, negotiation fees	7,590.75
2023 Contingency Expense	13,122.80
2025 Communications	829.09
2030 Administration	2,667.83
2040 Donations/Memberships	300.00
2060 Beach/Dunes	2,338.75
2070 Boating/Docking	1,414.86
2080 Civic Improvement	7,355.00
2081 Civic Improvement - Garbage	27,500.00
2082 Civic Improvement - Fire	74,300.00
2100 Police/Security	6,878.07
Total 2000 Expenses	\$ 144,296.95
2200 Public Works	
2210 Water System Operator	
2212 Northeast Water Supervision	8,238.00
Total 2210 Water System Operator	\$ 8,238.00
2220 Water System	
2222 Generator	943.72
2224 Pump House Electricity	2,690.24
2227 System Repairs & Maintenance	11,645.11
2228 Water Testing	3,214.55
2228A Dues and Licenses	481.43
2229B Cox Telephone-Monitoring	2,510.91
2230 Water Conservation Fund Accrual	5,000.00
Total 2220 Water System	\$ 26,485.96
2240 Roads/Parking Lots	
2245 Road Patching	460.00
2246 Snow Removal	2,025.00
2248 Streetlight Electricity	2,424.38
2249 Sump Pump Electricity	163.93
2250 Road Fund Accrual	2,000.00
Total 2240 Roads/Parking Lots	\$ 7,073.31
Total 2200 Public Works	\$ 41,797.27
2310 Real Estate/Property	484.75
2311 Mapping Project	3,390.80
2330 Tennis/Golf	892.73
2340 Loans - Interest	
2341 Water Loan Interest	14,400.00
Total 2340 Loans - Interest	\$ 14,400.00
2410 Taxes (Charlestown)	4,738.35
2420 Insurance	11,903.00
2425 Transfer Asset Replacement Funds to Fund	15,000.00
2426 Transfer Impact Fee to Road Fund	4,000.00
2429 Transfer Fun Run Donations to Tennis Fund	1,295.00
2436 Transfer Compliance	7,000.00
2437 Transfer Contingency Fund	20,000.00
Total Expenses	\$ 268,198.85
Net Operating Income	\$ 11,714.11
Net Income	\$ 11,714.11



1/19/14

Certain issues for Finance Committee consideration:

- Reserve Funds: Evaluate whether it is appropriate to transition from an accrual methodology to cash methodology
- Books & Records: Establish the scope for an independent review and examination of records to test the adequacy of data security and procedures