

**QUONSET DEVELOPMENT CORPORATION
MEETING OF THE AUDIT-FINANCE COMMITTEE**

JUNE 16, 2008

PUBLIC SESSION MINUTES

A meeting of the Audit Finance Committee of the Quonset Development Corporation (the "Corporation") was held at 2:00 p.m. on Monday, June 16, 2008, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Audit Finance Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Barbara Jackson and John G. Simpson. Also present was: Steven J. King, P.E., Chief Operating Officer and Kevin M. Barry, Finance Director.

1. CALL TO ORDER:

The meeting was called to order at 2:03 p.m. by Ms. Jackson.

2. APPROVAL OF MINUTES:

Upon motion duly made by John G. Simpson and seconded by Barbara Jackson, the Committee:

VOTED: To approve the minutes of the November 19, 2007 meeting, as presented.

Voting in favor were: Ms. Jackson and Mr. Simpson.

Voting Against were: None.

Approved.

3. REVIEW AND RECOMMEND FISCAL 2010 CAPITAL BUDGET:

Mr. Barry pointed out to the Committee that the total FY2010 Capital Budget was reduced to approximately fifty seven (57) million dollars from sixty six (66) million dollars in FY2009. Mr. Barry explained that the \$9 million reduction was accomplished by removing projects such as the Esplanade project, the Terminal Way work, and certain site development projects. The Corporation also reduced the scope of some building demolition and rail road improvements to

meet this number. Mr. Barry explained that 2010 is expected to be the last year for projects funded by the \$48 million bond issue but noted that some projects may carry over into 2011.

The Committee discussed the reduction from a seventy (70) million dollars budget and a twenty two (22) million dollar deficit to the current fifty seven (57) million dollar budget and only a \$6.8 million deficit. Also mentioned was the expectation that pending land options could help satisfy the \$6.8 million deficit. Mr. Barry added that the Operating Budget also contributes to the Capital Fund on an annual basis and Ms. Jackson noted the efforts of the Corporation to collect unpaid debts to reduce the shortfall.

Upon motion duly made by Mr. Simpson and seconded by Ms. Jackson, the Committee:

VOTED: To recommend the Approval of Fiscal 2010 Capital Budget to Quonset Development Corporation Board of Directors.

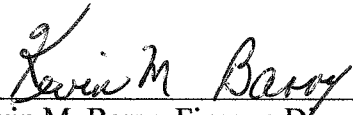
Voting in favor were: Ms. Jackson and Mr. Simpson.

Voting Against were: None.

Approved.

There being no further business to come before the Committee, upon motion duly made by Ms. Jackson and seconded by, Mr. Simpson the meeting was adjourned at 2:23 p.m.

Respectfully submitted by:



Kevin M. Barry, Finance Director