

Board of Commissioners
2020 Public Budget Hearing
Minutes
February 19, 2020

The Commissioner's convened the Public Budget Hearing at 6:00PM in the meeting room at the North Conway Water Precinct 104 Sawmill Lane North Conway, NH. The following Precinct Representatives were present: Commissioner John Santuccio, Commissioner Robert Porter, Commissioner Suzanne Nelson, Superintendent Jason Gagnon, Chief Patrick Preece and Recording Secretary Hannah Andersen.

Precinct Moderator, Donald Ekberg called the Public Budget Hearing to order at 6:01 PM. As the Fire Station is the biggest item on this year's budget, the Commissioners opted to go over the presentation for the Fire Station and the Solar Array before delving into the Warrant Articles.

Ned Raynolds and Elijah Garrison of Revision Energy gave a presentation about the prospect of adding 2,688 additional panels to the NCWP solar array. The installation would generate 1.3 Million kWh of energy, which would be enough to cover the Precinct's energy needs. The savings in the first year is estimated to be \$133,500 with energy credits in the amount of \$26,000 coming back to the Precinct. It's estimated that the solar array would make the Precinct \$7.89 Million over the 40-year life of the panels.

Chief Preece presented on the current state of the fire station and the imminent need for a fire station to ensure the health, safety, and efficiency of the fire department and its firefighters. Allan Clarke of REI described how best practices have changed for fire fighting and the design of the new station needs to reflect the new research as it relates to limiting fire fighters' exposure to carcinogens. The design of the station incorporates high quality materials and is aimed at being energy efficient. Ward D'Elia of Samyn D'Elia Architects went over the design and layout of the new design and the psychology of fitting the aesthetic to compliment the rest of Norcross Circle.

Tom Eastman asked about the square footage, when the building is being built, what is going to happen to the existing gear, since it will be a larger building is there more maintenance required, and what kind of heat will the building have? The structure is estimated to be about 15,000 square feet. The demolition of the existing building is scheduled for August 31, 2020 and the construction of the new building will hopefully start on September 8, 2020 to be completed by June 15, 2021. The goal is to have the ladder truck in the station by Christmas. The existing gear has just about reached its life cycle, but the construction team will be separating and sorting materials from the structure to reuse what they can for the new building. As the building is going to be using durable materials for construction, it is not anticipated that the building will require a significant amount more

maintenance. The building will use radiant heat. The total cost associated with the construction of the fire station is \$6,698,500.

Superintendent Gagnon expanded on several scenarios available for financing the Fire Department, with the main goal of reducing the Precinct's net impact on the tax rate.

20-Year Financial Impact of Fire Station Funding / Sewer Fund Surplus Allocation

	Scenario	Principal Cost	Interest Rate	Total of Payments	Fire Station Interest Cost	Avoided Costs (20 Years)	Net Savings vs. Scenario 1 (20 Years)	Year 1 Net Tax Rate Impact (Rate) (\$/100K)	
1	Borrow Full \$6.7M @ 2.15% from Bond Bank	\$6,700,000	2.15%	\$8,314,105	\$1,614,105	\$0	\$0	\$0.53	\$53
1A	Borrow Full \$6.4M (minus cont) @ 2.68% Northway	\$6,400,000	2.68%	\$8,351,089	\$1,951,089	\$0	(\$336,984)	\$0.53	\$53
2	Put \$2.6M down, borrow \$4.1M from Bond Bank	\$4,100,000	2.15%	\$5,087,736	\$987,736	\$0	\$626,369	\$0.33	\$33
2A	Put \$2.6M down, borrow \$3.8M from Northway	\$3,800,000	2.68%	\$4,958,459	\$1,158,459	\$0	\$455,646	\$0.32	\$32
3	Bond Full \$6.7M from Bond Bank, Pay Off Contract 7	\$6,700,000	2.15%	\$8,314,105	\$1,614,105	\$792,447	\$792,447	\$0.28	\$28
4	Borrow \$6.7M from Bond Bank; Build \$2M Solar	\$6,700,000	2.15%	\$8,314,105	\$1,614,105	\$3,006,077	\$3,006,077	\$0.37	\$37
5	Bond Full \$6.7M from Bond Bank; Pay Off Alt Egy; Build \$2M Solar	\$6,700,000	2.15%	\$8,314,105	\$1,614,105	\$3,153,346	\$3,153,346	\$0.26	\$26
6	Put \$600K Down Payment on Fire Station, Bond \$5.9M From Bond Bank; Build \$2m Solar	\$5,900,000	2.15%	\$7,321,376	\$1,421,376	\$3,006,077	\$3,198,806	\$0.32	\$32

Commissioner Sue Nelson reiterated the importance of building the new fire station.

Bill Hounsell voiced his support for scenario #5. He stated that solar will stand as a separate feature and will enhance the efficiency of the Precinct so we can maximize what we do.

Moderator Ekberg proceeded with reading over the proposed warrants. Superintendent Gagnon explained the changes that have been made to the structure of the warrants and the budgets to increase transparency in the budget and streamline the warrants, per suggestion of the Precinct's accountant. Chief Preece went over the fire budget, and with the exception Fire Expansion Project, there were no major changes to the fire budget.

PRECINCT OF NORTH CONWAY WATER
NEW HAMPSHIRE
WARRANT
2020

To the inhabitants of North Conway Water Precinct in the state of New Hampshire qualified to vote in District/Precinct affairs are hereby notified that the Annual District/Precinct Meeting will be held as follows:

Date: March 25, 2020
Time: 4:00 p.m. voting on Article 1 / 7:00 p.m. Business Meeting
Location: Precinct Office
Details: 104 Sawmill Lane
North Conway, NH 03860

Article 01: Election of Officers

To choose all necessary officers:

Commissioner	3-year term
Treasurer	1-year term
Moderator	1-year term
Clerk	1-year term

Article 02: Design & Construction of New Fire Station

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Six Million Seven Hundred Thousand Dollars and No Cents (\$6,700,000) for the design and construction of a new fire station. This is a tax funded article. This article shall be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or by December 31, 2025, whichever is sooner. [Recommended by Commissioners 3 – 0 – 0]

Article 03: Design & Construction of Solar Array

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate a sum of One Million Nine Hundred Eighty-Nine Thousand Dollars and No Cents (\$1,989,000.00) for design and construction of additional solar infrastructure at the Wastewater Treatment Facility to bring the total Solar Array capacity to the maximum 1 MW allowed by the State of New Hampshire net metering regulations. This article will be funded with \$95,000.00 from the Green Energy Capital Reserve and the remainder from existing sewer fund balance with no additional new funds to be raised. This article shall be a non-lapsing appropriation per RSA 32:7, VI and

will not lapse until the project is complete or by December 31, 2025, whichever is sooner. [Recommended by Commissioners 3 – 0 – 0]

Article 04: Long Term Debt

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Million Four Hundred Twenty Nine Thousand Six Hundred Forty Eight Dollars and No Cents (\$1,429,648) for the retirement of outstanding bonds, notes, interest and temporary loan interest for the ensuing year. This article will be funded by grant revenues estimated to be One Hundred Two Thousand Seven Hundred Fifty-Eight Dollars and No Cents (\$102,758.00); Sewer Fees in the amount of Four Hundred Two Thousand Six Hundred Eight Dollars and No Cents (\$452,608.00); and the remainder to be raised by general taxation. [Recommended by Commissioners 3 – 0 – 0]

Debt Amount	Funding Source
\$102,758.00	NHDES – State Aid Grant
\$452,609.00	Sewer Revenues
\$874,281.00	Tax Revenues

Article 05: Operating Budget - Commissioners Fund

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Hundred Thirty-Seven Thousand Six Hundred Fifty-Six and No Cents (\$137,656.00) for the non-long term debt portion of the General Fund (Commissioners) operating budget, including \$6,750.00 to fund the Schouler Park Skating Rink and \$10,000.00 to support the North Conway Public Library. This is a tax funded article. [Recommended by Commissioners 3 – 0 – 0]

Article 06: Operating Budget - Water Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Million One Hundred Ninety-Eight Thousand Four Hundred Forty-Four Dollars and No Cents (\$1,198,444.00) for the operating budget of the water department to be funded by water revenues, with no amount to be raised through general taxation. [Recommended by Commissioners 3 – 0 – 0]

Article 07: Operating Budget – Sewer Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Million Seven Hundred Sixty-Six Thousand Seventy-Eight Dollars and No Cents (\$1,766,078.00) for the operating budget of the sewer department to be funded by sewer revenues, with no amount to be raised through taxation. [Recommended by Commissioners 3 – 0 – 0]

Article 08: Operating Budget – Fire Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Six Hundred Forty-Nine Thousand Two Hundred Eighty-Seven Dollars and No Cents (\$649,287) for the operating budget of the fire department for the ensuing year. This is a tax funded article. [Recommended by Commissioners 3 – 0 – 0]

Article 09: Appropriation to Capital Reserve Funds

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Six Hundred Twenty-Two Thousand Eight Hundred Sixty-Three Dollars and No Cents (\$622,863) to be added to the following Capital Reserve Funds previously established as follows:

Capital Reserve Fund	Amount	Revenue Source
Fire Equipment	\$195,000	\$195,000 Tax Revenues
Water	\$290,000	\$230,000 Water Fund Balance \$60,000 Water Revenues
Water Vehicle	\$30,000	\$30,000 Water Revenues
Sewer Vehicle	\$30,000	\$30,000 Sewer Revenues
Alternative Energy	\$2,863	\$2,863 Sewer Revenues
Uncompensated Absences (OPEB)	\$75,000	\$25,000 Sewer Revenues \$25,000 Water Revenues \$25,000 Tax Revenues (Fire)

[Recommended by Commissioners 3 – 0 – 0]

Article 10: Water Asset Management

To see if the voters of the North Conway Water Precinct will vote to authorize the sum of Forty Thousand Dollars and No Cents (\$40,000.00) for the purpose of Asset Management for the Water Distribution system to be offset by an \$20,000.00 grant from the New Hampshire Department of Environmental Services and \$20,000.00 to come from water revenues and in-kind labor contributions. This article authorizes the Commissioners to enter into and approve a grant agreement with the NHDES in the amount of \$20,000.00 to the North Conway Water Precinct and authorizes Superintendent Jason Gagnon to sign paperwork associated with such grant on behalf of the Precinct. [Recommended by Commissioners 3 – 0 – 0]

Article 11: Purchase of Water/Sewer Pickup

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of Forty Thousand Dollars and No Cents (\$40,000) for a new pickup truck and appurtenances for use by the water and sewer departments and to authorize the withdrawal of Twenty Thousand Dollars and No Cents (\$20,000) from

the Water Vehicle Capital Reserve Fund and Twenty Thousand Dollars and No Cents (\$20,000) from the Sewer Vehicle Capital Reserve Fund created for that purpose. [Recommended by Commissioners 3 – 0 – 0]

Article 12: Phase III Sewer Alternate – Village at Kearsarge

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of One Hundred Twenty-Five Thousand Dollars and No Cents (\$125,000.00) for construction of Phase III of public sewer as shown on the plan provided by HEB Engineers. This article shall be funded in full by the Sewer Infrastructure Capital Reserve account previously established. This article shall be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or by December 31, 2025, whichever is sooner. [Recommended by Commissioners 3 – 0 – 0]

Article 13: WWTF Riverbank Erosion Study

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum Seventy-Five Thousand Dollars and No Cents (\$75,000.00) to conduct a study to quantify potential threats to, and propose potential remedial actions to protect, the wastewater treatment facility from riverbank erosion along the Saco River. Funding for the study shall come from sewer usage fees and revenues offset by Principal Forgiveness from New Hampshire Department of Environmental Services and/or Federal Emergency Management Pre-Disaster Mitigation Funds. This article shall be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or by December 31, 2025, whichever is sooner. [Recommended by Commissioners 3 – 0 – 0]

Article 14: Reprogram Manhole Cover Funds

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate Fifty-Seven Thousand Five Hundred Twenty-One Dollars and Ten Cents (\$57,521.10) for the replacement and raising of sewer manhole covers and water gate valve boxes on Route 16 north of the Intervale railroad crossing in conjunction with NHDOT paving, on Intervale Crossroad in conjunction with Town of Conway paving, and on Skyline Drive in Bartlett in conjunction with Town of Bartlett paving. This article shall be funded in full from the general fund unassigned fund balance. Said funds being the remainder of funds from the 2018 Warrant Article 18: Manhole Cover Replacement Project. No new funds shall be raised to support this article. This article shall be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or by December 31, 2025, whichever is sooner. [Recommended by Commissioners 3 – 0 – 0]

Article 15: Ratify Auditor

To see if the voters of the North Conway Water Precinct will ratify the appointment of Roberts and Greene CPA's as the precinct auditor for the calendar year of 2020.

Article 16: Borrowing Against Credit of Precinct

To see if the voters of the North Conway Water Precinct will vote to allow the Commissioners to borrow against the credit of the Precinct such sums of money as may be necessary in anticipation of taxes, bond sales, water and sewer bills.

Article 17: Act upon any other Business

To act upon any other business which may legally come before this meeting.

Respectfully,

Hannah Andersen
Recording Secretary