

## 2023 Budget Hearing Minutes

Wednesday, March 01, 2023

6:00 PM at the North Conway Water Precinct Office  
104 Sawmill Lane North Conway, NH

Present:

Commissioner John Santuccio

Commissioner Suzanne Nelson

Commissioner Robert F. Porter

Superintendent Jason Gagnon

Fire Chief Chad McCarthy

Moderator Donald Ekberg

Recording Secretary Hannah Andersen

Robert T. Anderson

Kristine Cluff

Maureen Seavey

Karen Umberger

Jim Umberger

Bill Hounsell

Sol Rosman

**Moderator Donald Ekberg called the session to order at 6:00PM.**

**Moderator Ekberg read Article 2:**

Article 02      Long Term Debt Service Payments

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$ 1,704,748 for the retirement of outstanding bonds, notes, interest, and temporary loan interest for the ensuing year. This article will be offset by grant revenues estimated to be \$354,508 and Sewer Funds in the amount of \$539,434 and the remainder to be raised by general taxation.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion of the types of Sewer Funds that are incorporated in Article 2, including the portion of the Sewer contribution coming from solar array output. Superintendent Gagnon will be putting together figures to illustrate the financial impact, resulting from both electricity savings and direct payments from the solar array output.

**Moderator Ekberg read Article 3:**

Article 03      Operating Budget - General Fund

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$112,230 for the General Fund (Commissioners) operating budget, not including other appropriations voted separately for the ensuing year. This is a tax funded article.

[Recommended by the Board of Commissioners 3-0-0]

No discussion on Article 3.

**Moderator Ekberg read Article 4:**

Article 04      Operating Budget - Water Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$1,332,036 for the operating budget of the water department for the ensuing year to be funded by water usage fees and revenues with no amount to be raised through general taxation.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion about the allocation of funds for legal expense in the budget. There is no expense in Water or Sewer because historically, the Commissioners Fund picks up legal expense.

There was a discussion about General Wages 2022 actual expenses being lower than we budgeted for but the estimated amount for 2023 has grown. The Precinct anticipated hiring in the water department employee last year but decided to hold off on hiring because due to a discrepancy in the contract wording, they couldn't require that person to get a backflow license under the old contract. Hiring under the new contract, it can be a requirement.

There was a discussion about estimated expenses for the administrative office growing due to the addition of another Administrative Clerk. Reasons for the position: the Precinct has experienced significant growth in the last 32 years and the office needs to have expanded capacity to meet regulatory deadlines and avoid burnout. Feedback was given that the taxpayers would like to see the breakdown of the administrative jobs with associated job descriptions.

There was a discussion about the new equipment line which consists mostly of radio infrastructure costs that will be split between water and sewer. Last year a radio path study was conducted that determined that if the Precinct switches to a different radio frequency they could get away without using the repeaters on other people's property.

There was a brief discussion about water building energy efficiency projects and the state / federal funding available for the projects through the Inflation Reduction Act.

There was also a brief update about the change in presentation for previously

approved projects that have been removed from the operating budget as well as making sure the OPEB accounts are referred to as Uncompensated Absences. The purpose of the Uncompensated Absences CRF is to pay for accumulated leave time at the time of retirement.

There was a discussion on the deficit that is expected from the Water Fund this year. A solution proposed as an option to offset the additional cost of water was to fund the deficit from the sewer fund which may have the flexibility.

There was extensive discussion about waiting for a rate study to come out from DES and fund just this current year out of the Rate Stabilization CRF. There was talk about the buy-in fees received in 2022 and that the buy-in fees are going to be part of the rate study being conducted by DES because the buy in fee rate structure has not been updated in a long time. Even though there are more hotels being built, that doesn't necessarily mean that consumption of water will go up, so neither will the water revenues.

**Moderator Ekberg opened Article 5 for discussion:**

Article 05      Operating Budget - Sewer Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$1,975,721 for the operating budget of the sewer department for the ensuing year to be funded by sewer usage fees and revenues with no amount to be raised through general taxation.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion about the savings and energy being output by the Solar and Geothermal projects as well as the Hauler/Septage rebates that were expended through the Sewer Fund.

There was a breakout of the Treatment New Equipment line (\$55,000 for Fire Alarm, \$14,000 Return activated pump, and \$18,000 for effluent panel).

**Moderator Ekberg opened Article 6 for discussion:**

Article 06      Operating Budget - Fire Department

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$903,862 for the operating budget of the fire department for the ensuing year. This is a tax funded article.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion about the major changes from last year to this year. Additional cost items were noted as the filters for the filtering system for the apparatus bay, station cleaning, professional carpet cleaning. High-cost items were noted as the administrative assistant becoming full time in 2022 and call coverage added two stipend shifts for Friday and Saturday nights.

There was a discussion about increase of the Health Insurance due to additional members added onto the plan, including an additional retiree and the decrease in the Workmen's Compensation Insurance due to a Premium Holiday from Primex.

There was a discussion about the potential dissolution of the Conway Village Fire District and the impact that would have on the Precinct.

**Moderator Ekberg opened Article 7 for discussion:**

Article 07      Appropriation - Collective Bargaining Agreement

To see if the voters of the North Conway Water Precinct will vote to approve the cost items included in the collective bargaining agreement reached between the North Conway Water Precinct and Local 1984 SEA/SEIU Water Precinct Employees which calls for the following increases in salaries and benefits at the current staffing level:

2023 NEW COST		WATER	SEWER
\$36,457		\$12,626	\$23,831
ADDITIONAL YEARS:			
2024	2025	2026	2027
\$21,731	\$22,491	\$23,279	\$24,093

And to further raise and appropriate the sum of \$36,229 for the 2023 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would have been paid at the current staffing levels.

[Recommended by the Board of Commissioners 3-0-0]

There was a brief discussion on what is included in the cost of the Union article. The new administrative position is not included because Article 7 only includes net cost for existing positions.

**Moderator Ekberg opened Article 8 for discussion:**

Article 08      Special Meeting for Defeated CBA

To see if the voters of the North Conway Water Precinct, if Article 7: Appropriation – Collective Bargaining Agreement is defeated, authorize the governing body to call one special meeting, at its option, to address Article 7 cost items only. (Majority vote required)

[Recommended by the Board of Commissioners 3-0-0]

No discussion.

**Moderator Ekberg opened Article 9 for discussion:**

**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 \$643,611 to be added to the following Capital Reserve Funds previously established. \$67,595 to come from Water fund balance, \$120,000 to come from water usage fees and revenues, \$270,247 to come from Sewer fund balance, \$100,000 to come from sewer usage fees and revenues, and \$225,000 to come from general taxation.

[Recommended by the Board of Commissioners 3-0-0]

It was noted that first line item for Article 9 was intended to be \$225,000 for Fire Equipment and the typo will be changed for the final warrant.

There was a discussion about Uncompensated Absences and whether it was necessary to fund \$25,000 from the Fire Department. The Precinct will look into it.

There was discussion about whether or not \$75,000 per year for the Vehicles CRFs is enough to keep up with replacements in coming years.

**Moderator Ekberg opened Article 10 for discussion:**

**Article 10      Water Energy Efficiency Upgrades**

To see if the voters of the North Conway Water Precinct will vote to rescind the approval of Article 13 “Water Energy Efficiency Upgrades” on the 2022 Warrant and authorize the sum of \$530,000 for the purpose of Energy Efficiency Upgrades through the New Hampshire Department of Environmental Services Sustainability Grant Program, to be offset by a \$200,000 grant from the New Hampshire Department of Environmental Services, anticipated Federal Direct Payment of \$120,000, and \$40,000 from Green Energy capital reserve funds, with the remainder to come from water enterprise funds. This article also authorizes the Commissioners of the North Conway Water Precinct to enter into and approve a grant agreement with New Hampshire Department of Environmental Services in the amount of \$200,000 to the North Conway Water Precinct and authorizes

Superintendent Jason Gagnon to sign paperwork associated with such grant on behalf of the Precinct. This article has been designated as special and will be non-lapsing until December 31, 2028, or until the project is completed, whichever comes first.

[Recommended by the Board of Commissioners 3-0-0]

There was clarification that the minimum amounts that we will get are included in the Warrant Article language but based on the guidance the Precinct is receiving from the federal government, those returns could be much higher. The figures are not finalized yet.

**Moderator Ekberg opened Article 11 for discussion:**

Article 11      Wastewater Pickup Truck Replacement

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$70,000 for replacement of the Wastewater pickup truck with plow. Funding for this article will come from the Sewer Vehicle Capital Reserve, with no amount to be raised by taxation.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion about changing the appropriation amount allocated in Article 11 to \$75,000.

**Moderator Ekberg opened Article 12 for discussion:**

Article 12      Water Pickup Truck Replacement

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$75,000 for replacement of a Water pickup truck with plow and utility body. Funding for this article will come from the Water Vehicle Capital Reserve, with no amount to be raised by taxation.

[Recommended by the Board of Commissioners 3-0-0]

No discussion.

**Moderator Ekberg opened Article 13 for discussion:**

Article 13      Appropriation to Pope Memorial Library

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$10,000 for the purpose of supporting the programs of the Pope Memorial

Library (North Conway Public Library). This is a tax funded article.

[Recommended by the Board of Commissioners 3-0-0]

No discussion.

**Moderator Ekberg opened Article 14 for discussion:**

Article 14     Appropriation to Schouler Park Skating Rink

To see if the voters of the North Conway Water Precinct will vote to raise and appropriate the sum of \$6,750 for the purpose of supporting the programs of the Schouler Park Skating Rink. This is a tax funded article.

[Recommended by the Board of Commissioners 3-0-0]

No discussion.

**Moderator Ekberg opened Article 15 for discussion:**

Article 15     Cell Tower Lease

To see if the Precinct will authorize its Board of Commissioners to negotiate a lease of property with a private entity on such terms and conditions as it deems to be in the best interest of the Precinct for the purpose of installing, constructing, maintaining, repairing, modifying and operating a commercial telecommunications facility on Precinct property located at either the Hurricane Tank parcel (Town Lot 204-6) or the Pine Hill Tank parcel (Town Lot 251-159) with the understanding that the Board of Commissioners may decline to enter into an agreement if it deems the terms and conditions not to be in the best interest of the Precinct.

[Recommended by the Board of Commissioners 3-0-0]

There was a discussion about authorizing the Cell Tower lease on Pine Hill or the Hurricane Tank. It needs to go through the Town's zoning process and the Precinct would do a Public Hearing in order for taxpayers to weigh in on the project but the town does have a well-established process with this already as well and people will have time to weigh in. This could be an opportunity to collect revenue on the water side.

**Moderator Ekberg opened Article 16 for discussion:**

Article 16     Ratify Auditor

To see if the voters of the North Conway Water Precinct will ratify Plodzik & Sanderson as the Precinct auditor for the calendar year 2023.

[Recommended by the Board of Commissioners 3 – 0 – 0]

No discussion.

**Moderator Ekberg opened Article 17 for discussion:**

Article 17      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 as permitted in Section 6 of the Precinct Charter.

No discussion.

**Moderator Ekberg opened Article 17 for discussion:**

Article 18      Act Upon any other Business

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

There was an inquiry as to what the estimated tax rate will be this year. It has not yet been calculated for this year, but will be included in the Annual Book, as will the requested Treasurer's Report.

**At 7:53PM, Motion of Commissioner Nelson and seconded by Commissioner Porter to Adjourn.**

Respectfully,



Hannah Andersen  
Recording Secretary