

Board of Commissioners

Minutes

January 20, 2021

The Commission meeting convened at 10:00 AM virtually —at the North Conway Water Precinct 104 Sawmill Lane North Conway, NH. The following were present: Commissioner John Santuccio, Commissioner Suzanne Nelson, Commissioner Robert Porter, Fire Chief Patrick Preece, Superintendent Jason Gagnon, Allan Clark of REI, and Recording Secretary Hannah Andersen.

Call the Meeting to Order

Meeting called to order by Chairman John Santuccio at 10:00 AM.

Minutes

Motion of Commissioner Nelson and seconded by Commissioner Santuccio to accept the Public Meeting Minutes from January 06, 2021.

Motion carried by 3-0-0 voice vote.

Fire Department

(Copied from Chief's Report)

Membership:

39 Members

No new applications at this time.

Personnel:

2 members on leave at this time

Training:

Department Training. We did remote training using WebEx. Power point on ground ladders training back to basics. This went well

Engine 3 Training: they be doing water supply training using Webex power point.

Rescue Training: they will be doing cardiac training.

Department Activities

Very busy working the State of New Hampshire on a plan to vaccinate our first responders.

Currently 6 members have received their shots; with no side effects.

More members are in the process of scheduling over the month overall it has been going smoothly.

New Year's fireworks went very well no problems to report.

Emergency Calls:

The fire department has responded to 112 calls for the month of December

The department has responded to 1,209 calls year to date for 2020

The fire department has responded to 14 calls for the month of January

The department has responded to 14 calls year to date for 2021

Apparatus / Trucks:

Car 1 needs a new timing sensor and timing belt, the parts have been ordered (back ordered) still waiting

Norcross Circle:

1. Steel Frame is now 100% complete; would like thank crew from SL Chasse for their work.
2. Masons have started laying bricks on the west wall, north wall, east wall and south wall.
3. The Plumbers have started installing the new boilers; this will take 3 weeks.
4. The roofers just a couple of days of detailing work left when the mason can get the bricks laid to the roof.
5. Electricians working on rough wiring in the admin offices, Deacon and apparatus bays.
6. Sheetrock in the Deacon area should be completed by Friday.

Overall, the project is moving along nicely. Happy New Year to everyone.

REI Update from Allan

The project is mostly on schedule. The budget is overall doing fine. Crews are following Covid-19 policies. Painters will be there next week. Appliances have been purchased. It is looking like there will be \$100,000 of the contingency not expended.

There will be \$200,000 worth of change orders to be reviewed.

| | | |
|-------------|---|---------------------------------------|
| \$2,075 | - | Fasteners for Roof Membrane |
| \$86,297.16 | - | \$38,000 for extra granite components |
| | - | \$45,000 for special bricks |
| \$8,818.75 | - | Mezzanine |
| \$1,141.25 | - | Sink |

Motion of Commissioner Nelson and seconded by Commissioner Porter to approve change orders for a total of \$98,332.16.

Motion carried by a 3-0-0 voice vote

Motion of Commissioner Nelson and seconded by Commissioner Porter to allow Allan Clark to sign the approved change orders for the Commissioners.

Motion carried by a 3-0-0 voice vote.

Commissioners will be doing a walk through at the Fire Station on 10:00AM on Thursday 1/28/20.

New Business

(Superintendent's Report)

NHMBB Refinancing

As mentioned at the last meeting, we are considering the possibility of refunding a portion of the Precinct's existing debt due to historically low rates being seen by the NH Municipal Bond Bank. We are currently waiting for final guidance from the Precinct's general legal counsel and municipal bond counsel on whether or not this would require a standard bond hearing procedure. If a bond hearing is required, that would adjust our pre- Annual Meeting schedule slightly as discussed later in my report.

Solar Project Update

The crews from Revision Energy are working diligently on the solar array. The racking (supports) system is nearing completion and they may begin hanging solar panels as early as the end of this week.

Well 2R Project Update

The project has been advertised – the bid opening is scheduled for February 12th. A pre-bid meeting will be held virtually next week (January 25th).

Annual Meeting Schedule

Precinct bylaws call for Annual Meeting to be held on the last Wednesday of March, which this year falls on March 31st. That's the simple part – from that date, there are options regarding virtual meetings and in-person meetings. Because of the timeline for additional requirements, if the Precinct elects to go "virtual" with Annual Meeting, a decision to do so must be made by next meeting (February 3rd). Here are the timelines for each option:

Option 1: Traditional Annual Meeting (In Person)

| | |
|----------------|--|
| February 10-19 | Candidate Filing Period |
| February 17 | Budget Hearing/Bond Hearing (if necessary) |
| March 16 | Post Warrant |
| March 24 | Annual Report Made Available |
| March 31 | Annual Meeting |

Option 2: Virtual Annual Meeting (via WebEx & Drive-Through Voting)

| | |
|----------------|--|
| February 10-19 | Candidate Filing Period |
| February 10 | Must mail notice to every registered voter about the information session |
| February 17 | Virtual Information Session about proposed optional meeting procedures |

| | |
|-------------|--|
| February 24 | Second Virtual Meeting to discuss the warrant |
| March 16 | Post Warrant & make available online |
| March 24 | Annual Report Made Available |
| March 31 | Drive-Through Voting (Up to 3 ballots) |
| | 1) Election of Officers; 2) Warrant Articles; 3) Bonded Articles |

By opting for the Virtual Annual Meeting, the Precinct essentially trades 2 in-person meetings (budget hearing & annual meeting) for 1 full mailing, 2 virtual sessions, and 1 day of drive-through voting. The ability for floor debate immediately prior to voting also seems to be lost in the virtual format – all discussion happens at the second virtual meeting on February 24, almost 3 weeks before the Warrant must be posted and 4 weeks before the Annual Report is available. If a Traditional, in-person meeting is preferred we can look into venues for the meeting such as the North Conway Community Center gym or John Fuller School gym. Either way, the Commission needs to make a decision no later than the February 3 meeting so that we may meet the February 10 mailing deadline if the Virtual option is chosen.

There is a third option, in theory. We could postpone Annual Meeting just as we did last year with the plan of holding an outdoor meeting in early May when weather is likely more favorable.

Commissioners will wait to decide on the Annual Meeting until the 2/3/21 Meeting.

2021 Budget

First draft budgets are attached to this report. The purpose of this first draft is for you to become familiar with general trends for the year and to put together any questions you might have ahead of the next meeting. In general, I've tried to hold the budgets at last year's level or lower with the expectation that revenues are likely to be lower due to the ongoing COVID-related tourism revenue reduction. I have, however, projected revenues to be higher than they were in 2020 based on my feeling that we will see some tourism rebound this year. I've kept the major maintenance items in the budgets – I believe it is important to continue to maintain our equipment to the fullest extent possible in order for it to return good long-term value to the Precinct. What I have pushed off, for example, are some proactive maintenance items that while important, may not have immediate or long-term repercussions. Two examples of this are the siding on the west side of the water garage and siding on the Well 4/5 control building. Both the water and sewer budgets have items in them that can be held off on should revenues fall short of projections – an example of this is a proposed backup generator at the Walmart sewer pump station. In summary, the budgets retain what I believe we need to provide a solid baseline of maintenance and repair but still offer some flexibility if needed. Additionally, because of the Precinct's past sound financial management both water and sewer funds have strong fund

balances that provide an additional level of security against dramatically lower revenues or unexpected emergency repairs.

Water Fund Highlights

- Operating budget holds steady at same level as 2020
- Capital Reserve Contribution dropped from 2020 proposed of \$290,000 to 2020 actual level of \$60,000
- No new vehicle purchases
- Billing revenues forecasted to decrease by 2%
- Water meter project (\$101,182) again is budgeted to use fund balance (money already in the bank) instead of new revenues. What this means is that "new money" revenues are projected to be approximately \$76K more than expenses. This \$76K "operational surplus" acts as additional cushion against decreased revenues.

Sewer Fund Highlights

- The Operational Budget increased by approximately \$64K from 2020. However, most of this increase is due to the \$112K increase in Capital Contribution – this is money to be transferred from sewer to the general fund to offset long-term debt payments. This increase in Capital Contribution includes the promised \$130K anticipated
- savings/revenue from the solar project to help offset the cost of the fire station bond.
- \$35,000 was cut from the Plant Repairs & Maintenance budget line. This was done to reflect backing off on some of the more proactive maintenance in a year of revenue uncertainty.
- The \$940,483 shown for the Solar Array is the remaining balance due to Revision Energy for the remainder of the project. This is funded from fund balance (money already in the bank). Likewise, the \$110,000 shown for the meter project is also slated to come from fund balance.
- Sewer billing revenues are projected to fall by 4.7%.
- Septage billing is projected to remain consistent with what we actually saw in 2020. If the Commission opts to give the tiered septage rates (discussed in December) a shot, actual revenues could grow from 2020.
- CVFD share has fallen due to cuts in the budget lines for which costs are shared per the IMA.
- Although the budget projects a fund balance change of -\$1,033,103 – if you remove the two items which are designated to come out of fund balance (solar project, meter project), operational expenses are projected to be approximately \$17K less than operational revenues.

General (Commissioners) Fund Highlights

- The operating budget has been reduced almost 5%.

- Long-term debt is shown broken out by originating fund – Fire, Sewer, & Water
- Revenues are slated to increase by 29%. This is primarily due to:
- Increase in sewer capital contribution (solar savings offset for fire station bond)
- Increase in SAG funds to be received (Contract 8B and Aeration project are new funds, plus some cleanup in the accounting of existing SAG revenues)

For all budgets, there will be a few tweaks and changes that need to happen over the next few weeks. 2020 expenses will be finalized, and quotes with updated pricing will continue to trickle in.

Please take a look at these budgets and reach out to me before the next meeting with any questions you might have so that I can be sure to have answers and clarifications ready.

Signing of Checks

Motion of Commissioner Nelson and seconded by Commissioner Porter to ratify checks signed out of session:

1. Payroll Checks dated 1/21/2021.
2. Accounts Payable Checks dated 1/21/2021.

Motion carried by voice vote 3-0-0.

Adjourn

Having nothing further to come before this public meeting, Motion of Commissioner Nelson and seconded by Commissioner Porter to adjourn this public meeting at 11:00am .

Motion carried by voice vote 3-0-0.

Respectfully,



Hannah Andersen
Recording Secretary