



Emerald Lake Village District

Hillsborough, New Hampshire, 03244

ELVD Pre-budget Meeting Minutes

Tuesday, April 14, 2020 @ 5:30 PM

Attendees

Brett Taber, Chairman of Commissioners (remote attendance)

Mark Martin, Commissioner (remote attendance)

Debbie Kardaseski (remote attendance)

Shawn Kilcoyne (remote attendance)

Public using remote attendance

Greg Klos

Melissa Taber

Wayne Held

Chris Reed

Meeting was called to order at 5:30 P.M.

Remote meeting checklist was read aloud with roll call announced by Commissioners and staff that were online.

Budget topics reviewed:

- Initial discussion addressed General operating budget
 - Most sections were agreed on based on prior values
 - Admin and Payroll sections- Some logistics items still require corrections with Intuit and QuickBooks – Treasurer and Admin. Will address for future corrections related to communications
 - This focuses on updates of system and annual billing communications as owner of account
 - Culture and recreation- Discussion on Summer Maintenance contract and payments.
 - Chairman to reach out to Contractor to clear up any concerns of contract copies issued and payment commencement
 - Election section – Discussion about how to make the Annual report available to residents once ready to distribute.
 - Wayne Held commented that in years past Town and Country had provided the printing service and he felt there had been a discount provided.
 - Admin commented that when time comes to print report, the job would be costed out through local vendors and Town and Country vendor.
 - Once all sections were reviewed an agreed value to present would be \$188,537 w/o bonded debt or CRF deposits

- A discussion regarding this year's desire to still deposit some monies into CRF funds prior to seeking out any loans for the Completion of the Red Fox Crossing Bridge project.
 - A suggestion was made by Chairman Taber to still put between \$65,000-\$70,000 into the Roads and Bridges CRF for this year, which is down from the \$100,000 deposited last year. This would allow an overall reduction in the Tax rate from last years-imposed value.
 - An added discussion took place about the possibility of beginning a new CRF to cover any future Dam repairs that might be needed. The recent inspection showed no gross or immediate failures. However, if an emergency failure occurred costs could range between \$50,000 - \$100,000 and that would be difficult for the District to Support. The thought was that if we begin a CRF fund with \$5,000 then this could be looked at with this small amount under an annual process to begin to save funds for this matter.
 - Small repairs and maintenance are currently necessary and can be addressed on an as needed basis
- Discussion moved on to the Water Operating Budget
 - The section for Administrative expenses under water shows a big decrease in this section from last years budgeted value.
 - The reason for that is that the payroll amount for the District Admin position was moved to the General fund where all the other payroll is located.
 - The next section discussed was the Water system operations and repairs
 - This had a lot of discussion regarding Contract costs, Media replacement labor and Media waste removal costs, and Well pump replacement costs. This section saw a potential increase of over 30% considering all the topics.
 - The following sections covering leak repairs and non-leak repairs shows a potential increase as well.
 - This is primarily related to the distribution system parts that are broken or missing. These are needed to be able to safely isolate leaks when they develop.
 - The next section of Water treatment costs shows an increase due to the Media replacement as well.
 - The cost of the Media itself was the largest planned increase.
 - Additional costs for water report mailings was increased due to last years budget failing to plan for the required mailings.
 - The Bonded debt section was discussed and shows the slight reduction in annual expenses for this section in accordance with the planned loan payments
 - The last section of topics discussed was related to suggested Warrant Articles for the year
 - As noted earlier under the General Operating Budget, the discussion on a warrant article to contribute a smaller amount than last year while still depositing some money into CRF for Roads and Bridges would potentially allow for a smaller amount of money to be sought out for on a loan. The smaller deposit (no greater than \$70,000) would also equate to a reduction in the overall tax rate being imposed to the residents.
 - A discussion was held on the Generation of a new CRF for maintenance and repairs for the Dam. This came from the earlier discussion related to the latest Dam inspection by the NH Bureau of Dams. Their suggestion was to start to develop a fund if one does not exist to allow for repairs and maintenance of the Dam for future needs. Although the current maintenance needs are minimal, there are unknown impacts that could cause a failure and a potential for a larger sum of money that the District does not have readily. The proposal is to start this CRF with \$5,000 and seek funding each year thereafter.
 - Another Warrant discussion related to the generation of a new CRF for Grant program funding. The thought for this is that many grants become available outside of the annual meeting timeline and needing to wait until an annual meeting to solicit any kind of matching funds in a single year could cause the District to miss out on funding of projects that directly support the Districts needs. It would also cause a potential spike in funding needs for that specific year that would directly impact the Tax rate. The proposal is to start this CRF with \$5,000 and seek funding each year thereafter.
 - The warrant Article for CRF funding to the water system repairs had good discussion. During the discussion different options around how much to deposit to the fund was discussed ranging from the usual \$60,000 or a lesser amount to allow some money to continue to develop in the fund. The reason for a potential lesser amount is that due primarily to the added operational costs this year and going forward the current water rates do not cover what is needed to allow for future repairs, operations, CRF deposits and loans.
 - Additionally, the prior topic of developing a CRF for future grant expenditure would also need to be considered as an impact to the overall operational budget. It was noted that with

no increase to the water rate we would not be able to seek out the need for a new source water well system this year/ next year, there would be no additional money available to deposit to the CRF fund and no ability to make infrastructure repairs moving forward.

- The next Warrant Article discussions focused on the Bridge Bond.
 - The thoughts shared during this discussion focused on what is the right amount to borrow since we have some money in the roads and Bridges CRF. Based on current timing of events, the first payment on any loan would not be required to hit the District finances until 2021. If our current CRF still has about \$150,000 - \$180,000 we could safely use a portion of that as a deposit and seek funding for approx. \$275,000 - \$300,000 over a 10-year period. This would equate to an estimated payment of about \$36,000 per year for the 10-year period. With this potential payment and a comparable CRF deposit continued each year, the tax rate would potentially remain the same or lessen slightly from current rates.
 - Current and recent interest rates through NHMBB have been less than 1.5%
 - However, current feedback from NHMBB about Bond loans is that there are very few of these being sold at this time due to the financial situation related to COVID-19.
 - There is the ability to obtain short-term financing through alternate funding options such as NHMBB (B.A.N) Bond anticipation note, Colorado Bank Suggested by legal as a viable financing option.
 - If unable to obtain financing this year we would not be able to begin or complete the Bridge project until the fall time frame of 2021.
- The next Warrant article focused on a Bond for the Water System
 - The Board had previously been working on our Asset management program to aid in identifying source water and Infrastructure repair needs. Subsequently due to some failure points in the system during the 2019 year the District received a Source water violation and was further instructed by NHDES to develop other approaches to restore capacity.
 - Note: The District had applied through the States Drinking water revolving loan fund last year and was denied its award due to the state funding restrictions. After the violation was issued, the state in turn offered the District an emergency funding option for the same amount we had originally requested (\$350,000). This funding comes as a low interest loan dependent on the years carried thru along with an ADMIN fee for the State and the loan program of 2%. Any loan option would require the District to obtain a majority vote from the residents at our Annual meeting before entering a loan.
 - The Board has reviewed the States option as well as the NHMBB option where no ongoing ADMIN fee is imposed.
 - The discussion reminded those that if a Loan was obtained that the Boards thought on how to apply that would be as follows:
 - Use the finding for the development and drilling of a new Source well system as presented by our Engineering firm (Wright-Pierce). This system style would be a Gravel packed system and be reviewed for its potential installation on one or two of the currently owned District properties to aid in reducing costs.
 - Additionally, by focusing on a well system first instead of replacing a single full road distribution piping we could review one of the smaller roads to have the piping replaced and begin this infrastructure replacement process. Other options were to install the missing section of piping on Gould Pond Road between Hummingbird and Hemlock so that a zone can be completed. This would allow the District the ability to install another Zone meter as previously required by NHDES thus allowing the District to obtain its waiver extension for another 3-4 years for house metering.
 - All these identified projects showed an estimated cost of between \$350,000 - \$380,000 in total.
 - The discussion then focused on what amount would be a desired loan amount. While considering that some money is in the Water CRF, then a portion could be sought out under a loan and the balance covered directly through payments out of the CRF.
 - A similar approach as noted earlier with the Bridge bond, if a loan for approx. \$275,000 - \$300,000 was obtained, it would require a loan payment of about \$36,000 for the loan period.
 - The payment made out of the CRF would cover most of the prework

- needed for the well system and the road / water piping upgrades.
 - This would still allow the future operating budget, future savings, and future potential new loan to be covered by the increase in water rates.
 - The last Warrant article discussed was the potential for a change in Stipend rates for some of the positions.
 - The original discussion focused on the desire to save any amount of money and some felt that the Commissioner rates should be equal at the \$300 rate. Additionally, there was the concern that the Treasurer amount was considerably low based on the volume of work being done with budget planning, financial tracking, etc. This role is now larger than just writing checks and being a balance check for the District bookkeeping entries. There was a suggestion of changing this rate to \$200 like the Clerks rate. Another discussion focused on the Clerks rate and whether additional tasks could be added to this position to keep the rate the same or do we reduce the rate to something else.
 - A lot of passionate and suggestive discussion was made by Board and Staff members as well as residents that attended the Virtual meeting. This topic has been discussed previously and had similar feedback from both the Board and the residents alike.
 - Information was shared that reducing the monetary stipend to any individual or similar positions could pose a negative impact. Many comments were made that this current Board and team have shown improvement on many topics and are continuing to seek out improvement opportunities for the District.
 - Information was shared that over the past 5 years there have been approx. 15-18 different commissioners in their positions. During this period, there has not been a single Commissioner position held for the full three-year term. This generates a huge impact to the District and its goals toward improvement.
 - There were several monetary suggestions made as to what an overall cost position for Stipends could be, but no value or approach was agreed upon as to how to present a Warrant Article for this.
 - The Discussion was tabled to the next meeting by asking those present to think about it again and if possible, to bring forth their ideas then.
 - The last topic discussed was about our continued plan for holding the Bond hearings, Public budget hearings, and seeking out methods to hold elections and an Annual meeting.
 - A suggestion was provided by Debbie Kardaseski, that the Bow School District was using by means of a virtual meeting and time spaced attendance for various voting aspects.
 - The Board took this information under advisement to allow time to research legal and viable options.

A Motion was made by Chairman Taber and 2nd by Commissioner Martin to adjourn the meeting. Roll call vote was held by both with the affirmative from both commissioners. Meeting was adjourned at 8:30 PM

Submitted by:

Brett Taber

Approved by:

Brett Taber, ELVD Board of Commissioner Chairman

Mark Martin, *Commissioner*
