Waterville Estates Village District

July 28, 2021 Commissioners APPROVED Meeting Minutes

Approved as amended on February 21, 2023.

Commissioners present: Gerry Panuczak, Maureen Patti.

Attendees: Ellen Witt, John Scruton, Tyler Payne, Judy Kinney, Harry Bertino, Jim Murphy, Bill Mitchell, Matt Smith, Denise Bujalski, Stan Bujalski plus others via zoom.

Call to Order: Ms. Patti called the meeting to order at 9:01 AM. She pointed out that this is a special meeting.

Roll Call: Ms. Patti, Mr. Panuczak

Approval of Agenda: Ms. Patti motioned to amend the agenda as follows:
Add interim update from acting General Manager
Add Treasurer's Report
Address Maureen Patti's participation on RMA modification committee

The motion was seconded by Mr. Panuczak and it was unanimously voted by roll call to adopt the agenda with amendments.

2019 Financial Report-Tyler Payne, Auditor: Ms. Patti recognized T. Payne and went on to ask the following questions:
-Did you see improvements from 2018 to 2019? T. Payne answered yes, there was significant separation of funds.
-Were staff and management helpful, available and cooperative to you? T. Payne answered yes, considering that management was wearing many hats, they worked with us to get it done.
-Ms. Patti went on to say that lack of written policies procedures is an issue. We hope to have written procedures soon. Will we see any changes in 2020 in the audit? T. Payne stated that we will give the client the benefit of the doubt and take all new procedural improvements into account.
-Is there any evidence of misappropriations or theft? T. Payne answered, no.

Ms. Patti asked about negative impact in an audit of the adverse opinions. A brief discussion regarding the importance of having an actuary report followed. J. Scruton said he was interested in adverse opinions, given the fact that the district doesn't offer health insurance benefits, post employment, would you anticipate any significant impact to bottom line. T. Payne went on to name some actuaries firms and answered that was hard to say, and would depend on the actuary's calculations report. J. Scruton than asked T. Payne to send him a list of recommended actuaries. J. Scruton stated the cost had come down to about $3000 for initial calculations.

Ms. Patti asked how many instances of stale items were found? Is it something of grave concern? T. Payne said that there were not that many, and that it was a clean up concern, an area where there should be policies and procedures. J. Kinney said that stale items do get turned over to the state. T. Payne said that they consider anything three months or older stale.

Ms. Patti asked if there was any issue with the depreciation we are using? T. Payne answered, no, that straight line is pretty standard. Ms. Patti asked if T. Payne had any issues regarding future capitol reserves or needs? T. Payne answered, no.

Ms. Patti asked about exposed deposits, when deposits exceed the limit of federally insured funds. T. Payne said that it would not happen very often and that there were numerous options available working with the banks. J. Scruton said in his experience, there was always collateralization relationships with institutions and you work with your bank on it. T. Payne said that it doesn't happen very often, that you would exceed the limit, that it might happen in times of high tax collection.

Ms. Patti asked about the restated net position of approximately 53K less following the audit. Can you explain why? T. Payne explained that through audit procedures some capitol assets were identified and they played a depreciation that was not recorded or reported, retroactive being on to the 2018 balances. Ms. Patti asked for further explanation and T. Payne agreed to send files to her.

Mr. Panuczak asked for a summary of adverse opinions in three areas that were noted in the audit; proprietary fund, government activities, and business activities. He went on to ask if T. Payne could summarize what the commissioners need to do, given the lack of a report from an actuary. The process to rectify items is to get a valuation report from actuary, then we can amend. Wording would be modified after that. Mr. Panuczak said that there will be major changes with Water Fund soon and asked how will that effect the audit. T. Payne answered that it probably will not effect our audit. Mr. Panuczak went on to explain that instead of a flat rate we will be moving to a Water Dept. as a separate entity and funds will not be co-mingled with the General Fund. T. Payne said that as long as we understand procedures and communicate, it should not change audit procedures.

J. Scruton asked where does the district need to focus? T. Payne said that the District was in compliance regarding post employment and ok with 34. J. Scruton asked if there were other good management procedures that are not required that could be suggested? T. Payne said those items are, revenue budget and operational efficiency. J. Kinney asked if there was a way to adjust in Quick Books, and that she would like more information on it. T. Payne said that it can be worked on. J. Scruton asked that they have a discussion on reconciliation also. T. Payne said that reconciliations were not timely. J. Scruton asked to go to year end rather than summer and fall and if that too, can be a discussion with J. Kinney. M. Patti asked if there were any other questions, none were raised.

Acting General Manager's Interim Report: J. Scruton reported on the progress of an air lock system for the entry doors. He said that it was difficult getting more than one quote. He did have a quote from Granite State Glass which was $7,700 to do the work, asked if it was worth it to save energy and that needs to be looked at. He went on to say that it would cost approximately $2,500 per auto ADA openers for doors and that two doors at the mechanical level are in poor shape and would be safer with an air lock system on them. He mentioned that Matt Smith has been designated to work on energy issues. J. Kinney asked about the doors at the kitchen area. J. Scruton said we should consult with M. Smith and develop an inventory. Mr. Panuczak said that $7,700 is a lot of money, but it is the main entrance to the Rec. Center that we are talking about and air is leaking continuously. He went on to said that it was an original design feature of the building and it should be put back in. J. Kinney mentioned that when the front desk was moved the configuration was changed along with change of location of the mailboxes. J. Kinney stated that the temperature regulation is a problem at the front desk. The employees are freezing cold in the wintertime when seated there.

J. Scruton reported that there was a bill from Sanford Head for $2,000. Clean Harbors has been given the ok to proceed. Also, the RFP on salt and sand is ready to go out for bid.

Quotes on carpets are being worked on. He asked if the total office was to be included. Ms. Patti said that she thought the entire office area should be done and gave J. Scruton the ok to explore costs. J. Scruton said that he was working on getting a quote for next year's budget regarding moving the computer area to open attic space and that he would need engineering input to see if it was feasible. It was pointed out that the alternative was to take over the half of the closet space. J. Scruton said that this was a better solution to save needed closet space and it would be more secure. We need to know how much weight that attic area can support. He said he would work on estimates for the 2022 budget.

Ms. Patti asked if the $7,700 for air lock system includes ADA auto openers? It was pointed out that $3,000 is left over from a Warrant Article for ADA upgrades. J. Scruton said that the quote is approximately $2,500 each, for all doors and that the $3,000 would be a good to use as a start for the front doors. Mr. Panuczak said that Granite State is a reputable firm. A discussion continued about which doors could be candidates for updates. J. Scruton pointed out that according to his research, under the 1999 (?) code, it allows 34 inch openings not 36 inch. I would have Granite State inspect all locations to make sure it is ADA compliant. Ms. Patti pointed out that the doors to the basket ball courts have center posts. J. Scruton agreed that that was a problem, as are others, such as the pool doors. J. Scruton agreed that having a center post is a problem and there are other doors, such as the entrance to the indoor pools, with center posts. Also discussed was the exit door to the bathroom, which is a big problem because it is too heavy and should be replaced. It was agreed that the doors need to be prioritized but that we should start with the two entrances. J. Kinney stated that the temperature regulation is a problem at the front desk. The employees are freezing cold in the wintertime when seated there.

Treasurer's Report: Ms. Patti said that we did not have a report on June 23rd. Mr. Panuczak read the report:

	Current	Previous
Northway Bank	72,039	52,641
Water Dept.	9,973	1,231
Rec. Fund	60,065	54,686
Friends of Campton Mountain	37,483	37,483
Meredith Savings	1,020,600	920,539

Taxes Owed:

	Campton	Thorton
2020	3,746	12,746
2019	16,371	200
2018	26,583	3,442

Ms. Patti asked what effect other events such as a public auction could have on taxes numbers. J. Scruton said that an auction does not affect taxes but agreed it would reduce the amount of taxes still owed to the District as the properties sold were delinquent on paying property taxes. Therefore, the amount of outstanding taxes owed to the District would be reduced. Mr. Panuczak stated that the Association has made a deposit into the Rec. Fund and that the run rate is approximately $5,000 per month. With that it looks like we will not need another for two months. J. Scruton said that he would

like to take a better look at the monthly run numbers. J. Kinney said that R. Diefenbach was working on an invoice for Sean Tole.

H. Bertino asked about figuring income into the Rec. Fund, how much revenue? Ms. Patti said that we can work to get the break down for the August 4th meeting. M. Smith entered the meeting and was asked about the $7,700 cost for update on doors to be energy efficient and ADA compliant and his thoughts on rate of return on investment. M. Smith said that the main entrance should be a priority. He said that with municipalities, he thought the IRR of 2-3 % is required to make an investment, 5 years is the number. J. Scruton agreed that 5 years is often used in terms of energy efficiency pay back. M. Smith continued that he would look it up, and that energy recovery has been talked about for the locker room, for example, but does not make sense in the summit lounge. J. Scruton added that he also has a meeting scheduled with an electrician regarding LED lights. Ms. Patti asked to clarified that IRR referred to Internal Rate of Return and that you would want your rate of return to be between 4-5%.

Ms. Patti's proposed change to her membership on RMA Modification Committee: Ms. Patti made a motion to remove her as a voting committee member which would reduce the number of members required for a quorum. She explained that post pandemic, we have to consider the laws governing physical meetings now and this would make it easier to have a quorum. Mr. Panuczak seconded. A discussion followed about ex-officio members and their voting positions. J. Scruton pointed out that it is up to the Chair of an advisory committee to decide regarding ex-officio members voting. With that, Ms. Patti withdrew her motion.

H. Bertino asked about non-officio discussing in a meeting, but not voting or being counted on in a quorum.

June 4, 2021 WEVD Clerk Proposed Procedures (See Attached): Motions to amend the *Procedures For Transmission and Retention By Management of WEVD Commissioner Meeting Minutes* were made by Ms. Patti and seconded by Mr. Panuczak are as follows:

Section:

No. 1. Change-"designated volunteer" to "designee"
No. 2. Change-" meeting, date & time" to meeting and time
No. 5: Unbold type
No. 7: Change- "WEVD Clerk or Deputy Clerk" to WEVD Clerk, Deputy Clerk, or designee

Ms. Patti made a motion to approve the *Procedures For Transmission and Retention By Management of WEVD Commissioner Meeting Minutes* with amendments, it was seconded by Mr. Panuczak and it passed unanimously by roll call vote.

June 9, 2021 WEVD Records Committee Proposed Procedures (See Attached) : Motions to amend the *Proposed Procedures Recommended by the Records Committee* on June 9, 2021 were made by Ms. Patti and seconded by Mr. Panuczak were as follows:

No. 1: Change-"record meeting without WEVD Management/meeting administrator permission" to "the public sessions of any WEVD public body meetings"
No. 2: to read, "to meeting and date."
No. 3: Change- "completion" to "approval". Delete- "with notice or without notice with ___ business days. Delete- "still need destruction/deletion procedure" in parenthesis.

Ms. Patti made a motion to approve the *Proposed Procedures Recommended by the Records Committee* with amendments, it was seconded by Mr. Panuczak and passed unanimously by roll call vote.

WEVD Proposed Governing Body Procedures (See Attached): Motions to amend the *Proposed Governing Body Procedures* made by Ms. Patti and seconded by Mr. Panuczak were as follows:

Section 2: General Provisions

A. Responsibilities of Members:
   No. 6: Change- "The Chair shall" to "The Chair or his/her designee shall"
   No 8: Add- "who would then take office following the current meeting"
   No 10: modified to read: "When appointing an advisory committee, the Commission should designated if the Commissioner serving on the committee is assigned as a voting member or non-voting liaison. Each advisory body should have a Chair who is not a member of the governing body."

B. Meetings:
   b: "Notice of Board meetings shall be made not less than twenty-four (24) hours, excluding Sundays and legal holidays, in advance of a meeting as required by NH law (RSA 91-A:2, II)."

C. Transparency in Expenditures:
   Delete-paragraphs a., b. and c.
   Change paragraph d. to a.

Ms. Patti expressed concern regarding tracking line items, moving funds for line items. She suggested to introduce this in discussion with J. Scruton who is of the opinion that we are not mature enough to sustain this. J. Scruton said that in practice, a major capitol expenditure items; such as doors/windows, should be a record in the minutes. Administration should, however, make commissioners aware of smaller over spending, its a matter of budget management. For example, cat walks towers, is an example of an item that should be in the meeting minutes, this also goes to financial procedures. J. Murphy asked if this was raised at a prior meeting by our accountant? Ms. Patti said that in our audit meeting in January, we had a conversation on this issue and auditor recommended in 2018 budget, not sure about 2019. He recommended an expenditure based budget. J. Kinney added that we have changed auditors over the years, one company took Association assets and put them into District. It created problems that we are still working on today.

D. Advisory Committees:
   Section d.- Unbold type
   Section i. - Add "committee". Delete comma, add "and", delete "& time" as well as identification of the committee meeting and date.
   Section iv.- Unbold type
   Section vii.- (To be approved on Aug. 4th) Delete "by the"

Ms. Patti made a motion to approve the *Proposed Governing Body Procedures* with amendments, it was seconded by Mr. Panuczak and passed unanimously by roll call vote.

Ms. Patti asked if there were any additional questions. B. Mitchell asked about the status of the indoor jacuzzi and if it had been authorized to be put back in its original location. Ms. Patti said that it cannot be put back unless it can be ADA accessible. Consideration is being given to putting it on the upper deck to be ADA compliant. This will be determined by engineers and extent of necessary construction

work. B. Mitchell asked about the HVAC and how it is being addressed. Ms. Patti said that we are looking at the whole building and that M. Smith, who has been appointed as Energy Czar, is working on it. B. Mitchell went on to say that all we hear is about problems not solutions. Ms. Patti pointed out that this a special meeting, not a general meeting. The issues have been addressed at Commission meetings and will continue to be. J. Scruton added that a critical problem was the boiler situation and those are being replaced this week. J. Murphy pointed out that the table tops at the lodge, which he worked on, are in need of maintenance.

Ms. Patti asked if there were any other questions or comments.

Next Meeting: August 4, 2021

Convening of Non-Public Session: Ms. Patti motioned to enter non-public session at 11:07 AM, pursuant to RSA 91-A:3, II (a) and RSA 91-A:3, II (b). Mr. Panuczak seconded and the motion passed unanimously by roll call vote.

H. Bertino asked to address an issue from an earlier meeting per 91-A:3, II (c).

A motion to exit Non-Public meeting was made by Mr. Panuczak and seconded by Ms. Patti. It was passed unanimously by roll call vote.

In public session, it was announced that we were going into Non-Public session per 91-A:3 II (c) at 11:10 AM. Ms. Patti stated all reasons for actions.

Motion was made to enter Non-Public session was made by Mr. Panuczak, seconded by Ms. Patti and passed unanimously by roll call vote.

Non-Public Session entered into at 11:11 AM pursuant to RSA 91-A:3, II (a), RSA 91-A:3, II (b), and RSA 91-A:3, II (c). H. Bertino and J. Murphy, J. Kinney were in attendance until 11:30 AM. J. Scruton stayed through whole meeting.

Public Session Reconvened at 11:44 AM. A Motion to seal non-public session minutes, due to the fact that it will adversely affect the reputation of any person other than this commission, was made by Mr. Panuczak, seconded by Ms. Patti and passed unanimously by roll call vote.

Mr. Panuczak made a motion to gather incident report from WEVD employee and concerned citizen regarding an event in the Community Center lobby. It passed unanimously by roll call vote.

Adjournment: Ms. Patti motioned to adjourn the meeting, Ms. Patti seconded, and the Motion passed unanimously by roll call vote at 11:45 AM.