

**Minutes of Meeting
CONWAY BOARD OF SELECTMEN
July 11, 2017**

The Selectmen's Meeting convened at 4:01 p.m. in the Meeting Room of the Conway Town Hall with the following present: Selectmen, C. David Weathers, Mary Carey Seavey, Carl Thibodeau, John Colbath, and Steven Porter; Town Manager, Earl Sires and Recording Secretary, Lisa Towle

PLEDGE OF ALLEGIANCE

Mr. Weathers led the Board in the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

**Mr. Colbath moved, seconded by Mr. Porter, to approve the agenda.
Motion carried unanimously.**

Lisa Towle will be taking minutes of the meeting tonight, filling in for Karen.

PUBLIC HEARING OPENED AT 4:04 PM

PROPOSED AMENDMENTS TO CHAPTER 115 SOLID WASTE

a. **CONSIDERATION OF PROPOSED AMENDMENTS TO CHAPTER 115 SOLID WASTE**

Mr. Sires gave a brief background, this is an amendment to the Town Code basically adopting several things that were approved over the last few years but never really included in the code, so it is really housekeeping, moving existing policy and regulation into the code. It deals with in particular the current pricing for various items that are going to be taken to the landfill. It talks about the when we change from the dump storage to a reuse area, it outlines all that works. It talks about getting stickers and where to do that, who can do that, and who is eligible. So, nothing new, just the housekeeping and because this is a solid waste district that involves three (3) towns, there's even for us, more process than usual, we have to seek the approval of the solid waste districts for any of these changes. They did review these and did support them. We have been required to have two (2) public hearings, this is the second public hearing, and you can take action to amend the code after this public hearing. In fact, at this meeting if you desire to do that. Once the entire proposed changes are published in the newspaper, only non-substantive changes can be made. Paul and David reviewed what we have here and there are a couple of little things they wanted to add that aren't really of substance, so it can be done without going back through the public hearing process. So, he's just going to walk you through those. If you then decide to adopt those, it would be as amended.

Mr. Degliangeli: Item A: Car, SUV, and light duty trucks up to 20 inches, it is actually up to 17 inches. Then down before Paragraph D, which is struck, above that there is some bold and it says "items to be declared and fees paid" then it says "we do not accept credit cards or debit cards" and we would strike that because we now accept credit cards, there was a change. The last change, is under 115-15 Sticker Permits, we had added the section about a temporary permit for \$5.00 and that is still good, we need to add that recyclables are still required to be separated.

Mr. Sires: Such permits shall be available to any member of the public. Recyclables must be separated. So, that will read and recyclables must be separated
Mr. Degliangeli: Asked for clarification, where it says such permits shall be available to any member of the public is that public that is staying within the solid waste districts.
Mr. Sires: It is to relieve a little pressure on folks that are renting or something like that.
Mr. Degliangeli: They would be renting within the districts as opposed to someone who is renting in Jackson. So, I don't know if you want that clarification in that language or not.
Mr. Weathers: Thought that may not be a bad idea. [Discussion ensues]
Mr. Sires: Any member of the public from the member towns.

Mr. Thidbeau inquired about the tires for cars, SUV, and light duty trucks up to 20, is now actually only 17. Mr. Degliangeli answered yes; it has been for a while. Mr. Thibodeau asked you are classifying 20-inch light duty truck tires as medium heavy-duty truck and charging them \$10.00 for them? Mr. Degliangeli responded that is what we get charged for them when we dispose of them. That is what we do with them, we just send them to a tire company. Mr. Weathers inquired, between 17 and 24 range is what you are saying? Mr. Degliangeli answered light is up to 17, then it is 17 to 24, and anything over 24 we don't accept. Mr. Weathers noted that there is hardly anything out there under 17 now. Mr. Degliangeli stated this is what it is costing us.

Mr. Weathers asked for public comment; Daymond Steer, The Conway Daily Sun asked for clarification that in the past, people from surrounding towns that say missed their garbage hours from their own town, would pay \$5.00 and use Conway, will that be changed. Mr. Degliangeli answered that has never happened.

PUBLIC HEARING CLOSED AT 4:11 PM

Mr. Porter moved, seconded by Mr. Colbath, to adopt the proposed amendments to Chapter 115 Solid Waste as amended. Motion carried unanimously.

REPORT ON ANNUAL AUDIT FROM PLODZIK AND SANDERSON

Mr. Sires noted for those at home, we are required by law every year as a local government in the State of New Hampshire to have a review and an audit of our finances and books done by an outside independent auditing firm. We have done that and they are here to tell you what they found.

Scott Eagen, Senior Manager and Tyler Paine, Auditing Manager with Plodzik and Sanderson, went over the 2016 Auditors Report and Financial Statements. Mr. Eagen ran through a few highlights about our audit opinion to start with and then went over the budgetary results and a couple of the main financial statements. The Auditors Report itself or their opinion letter that is on page one of the report, which is an important document in explaining what they did, how they performed their audit. They audited the financial statements of the governmental activities, major general fund activities and all other aggregate remaining fund information as of and for the year end December 31, 2016 and related notes which collectively comprise this report. Management is responsible for the preparation and fair presentation of the financial statements and the auditor's responsibility is to express an opinion on the financial statements based upon their audit. They conducted their audit in accordance generally accepted auditing standards within the United States and that basically means that they plan and obtain perform audit procedures in order to obtain reasonable assurances that the financial statements and disclosures are fairly in all material respects.

From an opinion stand point the town received an unmodified opinion, which is desirable. The financial statements referred to above, the government wide, the general fund, and all the other related information all present fairly, there were no modifications, omissions or deviations from accounting standards contained in the report. That is really what you are looking to get, it is the best result of an audit. It is important just to highlight that. Everything that was put together by Lilli Gilligan was complete and in accordance with standards.

Mr. Eagen discussed a review of the budgetary results versus the expectation when the budget was set last year. Page 46 of the Auditors Report is a schedule of the estimated and actual revenues on a budgetary basis and this is the town's reporting basis to the State of New Hampshire. Within governmental accounting there are different types of presentations required; this is what is applicable to the MS-535, the report and tax rate settings. The estimated or budgeted revenues for the year were \$12,714,000. And actual revenues were \$12,141,000, resulting in a favorable variance of \$151,000. That is a favorable variance because there was originally a planned use of fund balance or revenue short fall of \$725,000. Revenue actually didn't fall that far below what was raised so; the net revenue variance was a favorable \$150,000. There were a couple variances to the budget; most things came in line with expectations. We did exceed revenue in building permits due to some commercial activity. There were some favorable property tax variances. Part of that was caused by inexperience of increased collectability of some of the taxes, which caused a decrease in allowance for uncollectible taxes or allowance for bad debts. Based upon some favorable experiences that had a positive impact on a portion of the revenues.

Mr. Eagen reviewed the expenditures and encumbrances on page 47 and 48 of the Auditor's Report. The bottom line on page 48 shows that we carried forward encumbrances or prior year budget amounts of \$392,000. We had the current year appropriate of the \$12,714,000. We had expenditures of \$12,328,000 and another approximately \$2,000 that was carried forward into next year's budget. Leaving us with

a favorable positive budgetary variance of \$387,000. Most things were in line, there were a couple departmental savings that were main contributors to the budget surplus. The police department had some health insurance savings with new employees and there was also a savings in highway fuel and some wages in that department as well, which were the main contributors to the favorable budgetary results versus what was planned.

Mr. Eagen reviewed the summary on page 49 of the Auditor's Report. We began with an unassigned fund balance of \$2.7 million. In the budget as part of the tax rate setting process, we allocated \$725,000 to reduce the tax rate. All else equal the fund balance for the year, if expectations on the budget were met, would have gone down to about \$2 million in the unassigned fund balance. Because of the two (2) schedules that were just reviewed with the favorable revenue surplus of \$151,000 and a favorable expenditure surplus of \$387,000, we actually added back \$539,000 versus what was expected. There are a couple of small items for changes and other restrictions in the fund balance, but we ended the year with an unassigned fund balance for the State budgetary purposes of \$2,583,000. Although, it is a decrease we did have a planned decrease of \$725,000 and we came in at about \$2.5 million, which is roughly a \$200,000 decrease.

Questions:

Mr. Colbath asked on page 1, Emphasis of Matter, to discuss the delineated Note 1-E, GASB, and Statement No. 72. Mr. Eagen explained that GASB is the Governmental Accounting Standards Boards that are for governmental accounting. GASB 72 is a change in the reporting requirements for fair value of investments. How it affects the town is in disclosure of letting users of the financial statements know when you are getting an investment, what level of assurance or what level of accuracy the quote is. It breaks your investment quotes or levels of investment into three (3) sections; one being a level one input, which means that this is a quote based upon an actively traded stock on a public market, it is an identical transaction and we know that it is a one-to-one exact quote. A level two (2), is a similar quote, that could be a situation where you may hold a bond that is reported at a fair value, but that exact bond, your investment company gives you an approximate price that is worth based upon similar investments. Level three (3), is less than that. What No. 72 said is you had to have to disclose in accordance with this hierarchy and let people know what kind of underlying quote you were given for those investments and that would mainly apply to balances in trust funds and things like that. Mr. Colbath inquired that our trust funds and cemetery funds would fall under that. Mr. Eagen answered exactly and commonly it is stocks or bonds, it is just letting people know what the level, or assurance of the quote is. Level one (1) is a higher more accurate quote and level three (3) falls into numerous categories of what could be a level three (3) quote. There are numerous GASB's, last year or year before we talked a little bit about GASB No. 68 which related to a retirement liability and there are various other GASB's that come along that require work on the staff and the auditors to make sure we are up to standards. Mr. Colbath asked there was Note 1-E within this document. Mr. Eagen stated that Note 1-E will be in the detailed notes on page 24 of the Auditor's Report, in the summary of significant

accounting policies. We have the opinion letter, the management discussion and analysis, prepared by Lilli, basic financial statements, then behind the basic financial statements, is the summary of significant accounting policies and detailed notes. The detailed notes just enumerate additional disclosure requirements and additional detail of the numbers that are in the financial statements. Then there is some supplementary information both required by accounting standards other supplementary information. For example, the budgetary schedule doesn't say you have to have that level of detail if you don't want to, but we do put it in our reports because most of the boards have found it very useful to have that type of analysis in year to year even though it's not required, it one of the most commonly referred to schedules in the audit report.

Mr. Eagen reviewed the governmental fund financial statements on pages 14 – 16 of the Auditor's Report. The balance sheet on page 14 is for the general fund and other governmental funds. For reporting purposes, the general fund includes; the general fund and trust funds, which are combined for reporting. The other governmental funds are all those other funds; the library, the police detail, recreation, recycling, all the smaller funds. The detail of those funds, individually is in the back of the report on pages 50 – 51. All separate accounts that are tracked by the finance office, but for reporting purposes they are reported in one column. The total assets in the general fund are \$13,717,000 and the majority of that is cash and cash equivalents and the tax receivable balance.

The total liabilities was \$7,848,000 with the main being intergovernmental payable at \$7.5 million. The majority of that is related to school tax liability. We collect taxes on behalf of the school and pay them over on a predetermined schedule. The school runs a fiscal year that ends on June 30th and the town ends on December, creating a difference of what is collected during the year and what is owed over. What was collected in 2016 doesn't actually get physically paid out until the end of June, which represents a liability of money that you are collecting or holding that is being paid out over the next six (6) months.

The deferred inflow of resources is a categorization of property taxes, the portion that was not received within 60 days of year end. Accounting standards require us to account for it separately, because it is not a current or available resource that could be used in the prior year.

The fund balances are non-spendable and non-cash items, which are tax deeded property. We have a committed fund balance of \$3.1 million, which are mainly trust funds. Assigned fund balance includes encumbrances and a couple other items that are restricted by management, not an external source, of \$20,531. The unassigned fund balance is \$2.1 million. That number is different from the budgetary that we just mentioned, because of the property tax number. The State doesn't have us do that, the State just wants to know what your true receivable is, however, the accounting standards require this separate calculation. The fund balance is slightly down from last year, but not as far as you had originally intended.

Mr. Eagen reviewed the government wide statements on pages 12 – 14 of the Auditor's Report. These combine all of the funds of the town that were mentioned, all the governmental funds. It also changes the focus of the financial statements that instead of current financial resources, it pulls in a long-term focus and we record our capital assets, long-term debt payable and other long-term liabilities onto this schedule. This includes a significant amount over \$27,000 – \$28,000 in capital assets. It also includes significant long-term liabilities, close to \$14 million dollars. The details off these balances are in the detailed notes. Most notably is that the majority of the liability section here is related to the retirement liability, which is something that was discussed prior. There is a break out of that on page 34 of the Auditor's Report. This gives us a break out of what the long-term liabilities are, a lot of the other stuff are self-explanatory but this one, we really need to go to note 12 to see the break out. The bottom line is for the net pension liability and this is GASB No. 68, the retirement accounting standard that we talked about. In the prior year, it was \$7.2 million, this year it has increased to \$10 million. That isn't because of anything that the Town of Conway has done specifically. The net pension liability is passed down from the NH Retirement System for reporting purposes. The NH Retirement System has an unfunded liability, they have assets and investments and they have projected commitments of what it is going to cost to manage the investments and what the projected benefit payouts are for all the people in the plan. Right now, the assets are less than the liabilities on a plan wide basis. Let's say of approximately \$5 billion what they do is break out a proportionate share based upon what you put into the plan based upon contributions each year. So, the Town of Conway's percentage of that is \$10 million dollars and there was a dramatic increase this year, this is a newer liability, the dramatic increase was due to some changes in the liability calculation mainly due to changes in investment returns. This is an estimate, not an actual number, the town pays their retirement bill in full each month based upon the predetermined rates and you have rates for fire, police, and employees. Those rates are determined in connection with actuaries that over time are designed to pay this liability down so when you pay 28% for an employee, that's not all going to current employees that is going to pay down the liability over time to make sure that over time we get back into equilibrium and the plan isn't underfunded. Due to some changes in assumptions and the assumed rate of return, that really sky rocketed our number this year in liability. It is not due to any management or type of decisions made at this level, it is commitments that you make through hiring people and having them in the system that there is a pension promised and that is the result. Note 13 details that liability more, but that is a big number, it is a volatile number, if you had ½% increase in the assumed rate of return again that is going to slash that number back down, but there is a sensitivity analysis on page 37 that shows what happens when you have a 1 or 2% increase or decrease in the rate of how much that liability can change. It is important that you are comfortable with that because it is such a significant portion of this statement.

Mr. Colbath asked if it is 2036? Mr. Eagen answered it is 2039. They want to be neutral. Mr. Colbath continued, I am interested on the same page and I know we have no control over it, we sort of bought into it and that is the way it is. Our only other liability is the bonding for the library, which we are very fortunate, is our only bond. I

don't know how many towns are in a similar situation. Mr. Eagen responded that of our size that is unusual, all else equal this retirement liability has happened to everyone. The standard affects all governments and then when you look at it versus your peers in NH from a ratio perspective you have less debt than you would see in much smaller communities than you. So, from an all in all stand point, yes from a leverage standpoint.

Mr. Colbath noted we are due to pay that off this year. It has been paid. Mr. Eagen that portion will be gone and you can see capital leases, there is as far as your scheduled debt it is a very low debt service. Mr. Colbath noted from his perspective we are very fortunate. There are things we can't control and things we can control and we have tried to do a good job controlling those things that we can. Mr. Eagen concurred with that that is certainly something that is a result of the management and being able to set reserves aside over the years to allow yourself to be able to fund things without having to get into a situation where you have to get a 20-year bond. Mr. Colbath wanted to make sure people understand that on page 4 of the Auditor's Report, that the town maintains 11 individual government funds. The DARE funds in middle, what I think it is? Mr. Eagen noted that if you want to look at those funds, that's part of it, you maintain all of those funds. The break out of the majority of these is on page 50 & 51. That statement encompasses that fund the expendable trust funds and all of these other funds that are listed on this page. If anyone is interested in specific financial position or activity of any individual activity is broken out on that page. For the main financial report, they are grouped together for reporting.

Mr. Colbath asked on page 4 also for financial purposes so the people understand fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the town, including the capital reserve accounts for the school, the five (5) precincts of Conway as well as 114 cemetery funds and 7 scholarship funds, which I think is almost an overwhelming task for one person who runs our fiscal department and I commend Lilli and us for doing this kind of accounting. I don't know how many towns do that kind of accounting either.

Mr. Eagen stated that governmental accounting is not easy, there are a lot of compliance requirements and separate reporting requirements as you mentioned and it's not just what sometime difficulty is, only what you have control over, but there are many other interested parties, libraries, trustees and other people who you need to pull information together from to generate this type of information. It certainly is a difficult task and I will say the audit went very smoothly this year. Again, a governance letter which is just a letter we sent to the board. There were no major comments, no deficiencies that from an accounting stand point, we call a material weakness or significant deficiency and those are items that are in our opinion as auditors are cause for concern that there instances or procedures or lack of procedures that could lead to a likely misstatement in the financial statements. We did have a couple of minor comments but very minor and all in all you know with Lilli and the other staff the audit went very smoothly. I think it is the smoothest audit for the town that I have been a part of.

Mr. Weathers commented that Lilli and her staff, the voters and residents of this town should be very grateful and appreciate the job that they do and how well off we are because of that.

Mr. Sires asked didn't we get a reduction in our invoice? Ms. Gilligan answered yes and read that due to operating efficiencies we are reducing the engagement fee for 2016 by \$2,580. Which was very generous of Plodzik & Sanderson considering we are under contract. Mr. Sires asked what the operating efficiencies were. Ms. Gilligan answered mine and my staffs. Mr. Eagen noted that there are numerous items and even within the audit last year that as part of the audit we review the procedures and the reconciliation and any time we have come to Lilli and said ok it would be better if there was an analysis or reconciliation of these receipts, she has gone on made spreadsheet, come up with a process, that has made our job easier by giving additional monitoring, additional assurance that the numbers are what they say they are. That's the type of thing we are talking about, I have been thinking about departmental income that we mentioned in the prior year audit and some communities those stand as comments and no one ever changes them. Lilli went in and changed them and it resulted in a time savings and savings to the town ultimately and the audit fee.

Mr. Sires summarized that we have virtually no debt other than this thing from the retirement board. We have a reasonable and perhaps more than sufficient amount of money in the bank under fund balance. Our finance staff is doing a great job.

Mr. Thibodeau asked on page 49 of the Auditor's Report under fund balance what GAAP is and how it affects the fund balance and there is roughly a \$400,000 difference in the fund balance and what do we actually have in cash? Mr. Eagen responded that fund balance is not actually cash, fund balance would be more like a net worth, to translate it into a more common term. The cash is what is reported on page 14 which was the \$11 million, which includes capital reserve funds, but that is the cash position. GAAP is general accepted accounting principles, it's a rule based system of how to account for certain transactions. The State of New Hampshire has one basis where they consider certain things revenue, that if you bill for property taxes and your reasonably assured collection you can consider that revenue. For GAAP, they have more restrictive criteria for revenue and they say, it has to be reasonable that you are going to collect it but we actually want you to have collected it within 60 days of year end. If you collected it 61 days or 90 days after year end, we are not going to let you call it revenue for a GAAP financial statement. The \$494,000 you have here is the amount of your property taxes that were receivable at year end but not collected until after 60 days. So, it was money that you are ultimately going to collect but didn't meet timing criteria that accounting rules said you needed to have. It is different from what the State of New Hampshire want you to treat it and that is what that adjustment relates to. Those are differences in how different accounting basis or ways to account for transactions you have. You have a budgetary basis that we talked about here, a full accrual basis which means your account for all your capital assets, long-term assets, long-term liabilities, and you have this thing called modified accrual basis in middle of

the two and those are per rules of this modified accrual basis that is how you have to consider revenue and when revenue is available and it gives some specific terms for property taxes that we have to consider and make an adjustment for to go from how it needs to happen for your budget to how it has to happen for this particular set of GAAP financial statements, which don't know hit point home in conference, you essentially have a report here that has three (3) different sets of financial statements with different accounting rules that have to be followed for each respective set of financial statements and that's one of the reconciling items between the middle set, the modified accrual and the budgetary financial statements.

FINANCE REPORT

a. REVIEW OF MS 535

Ms. Gilligan presented the 535 noting it is the exact same information that was just presented in the audit, but some of the areas are accounted for differently by the DRA versus the GAAP standards that the audit utilizes. This is the DRA's requirement of providing the audit documentation of amounts of money that was budgeted, amounts of money that was spent from that budget, as well as the amount of money that was budgeted for revenues and the amount of money that was collected in revenues. On Page 7 of the DRA report, (page 10 in the packet), the last line where says unassigned fund balance it shows that question that Carl just asked about the beginning fund balance then the ending fund balance of \$2,583,101. The easiest way to explain that is, he was right it is not cash, because the amount of money in our fund balance is also offset by unpaid taxes, which is at any given time approximately \$2 million, once tax collections are completed between current year taxes owed and liens that are owed as well. That is why they don't let you use all of the fund balance to reduce taxes when you are setting tax rate in October. As you recall we already approved at the town meeting to use \$250,000 of that for capital reserve for infrastructure for this year. That is not reflected in this because this 2016's spending and revenue. This document will be sent to the DRA to show all of the items that are budgeted and received as revenues.

B. Q2 EXPENDITURE AND REVENUE UPDATE

Ms. Gilligan reviewed the expenditure report with the board. Noting this is 2017 spending through this week. At this stage, where we are 27 weeks through the goal, if you were to spend the same amount of money every week, we would need to have 48% left, we have 45% left of our budget. Ms. Gilligan identified areas that were fully paid out of those budgets; insurance: all products of insurance except health insurance are fully paid; any membership dues to NH Municipal Association and Planning Board Association, that sort of thing; all software maintenance on our databases; elections: there are no more elections this year so that budget is fully spent; Memorial Day is finished; July 4th might have a couple of very small bills that trickle in for next week but pretty much all that is spent; audit is fully paid; incentives: the police department has quite a few incentives, those are fully paid, whereas the incentive for all other

employees that is paid out at this stage is the sick buyout which happens the second payroll in January. The ambulances are fully paid because as you recall the rest of the ambulance payments will be coming out of the warrant articles budgets as opposed to the general funds that you are looking at here. As well as the Library Bond and Library interest on that bond is fully paid down. Non-Precinct Fire is an odd system of lumpy payments you have one in June, one in July and one in October, so we are 2/3's spent of that. The only tracking to overspend right now is welfare. Right now, there is 32% left as opposed to 48% left. Otherwise if you go to the highway budget, you can see that the bottom line of the highway budget on page 5 of the expenditure report, we have 36% left but that is primarily because this past years winter was a larger experience than expected and the majority of paving that is done out of this budget versus the infrastructure budget is fully been spent out of here because of the way those road work construction projects were scheduled. In the end I anticipate to spend pretty close to the budget and as you know we will not be overspending it because we may not. I don't anticipate a large amount of money from underspending in the expenditures to increase our fund balance.

Mr. Sires pointed out as we went through the audit they pointed out that we underspent the budget by \$360,000 + last year and we did hear from the budget committee members this year that seemed like a lot of money and maybe the budget should be reduced because they think we have all this money left over. \$362,000 is about 3.2% of the \$12 million budget, you can't by law overspend the budget so, 3% in the big picture is still pretty close. We have been in that 3-4% range and it would be a little bit scary to have the budgets put, we ask for what we think we are going to need and then we spend what we have to spend and we end up 3% under. I would just encourage everyone to keep that in mind this coming year when the budget committee is talking about the budget and how much money we have left over at the end of the year. Ms. Gilligan responded that right now this makes the financial director pretty nervous, we are cutting it close but as you know we have very lumpy spending for a lot of larger spending areas.

Ms. Seavey asked why cemeteries are always at zero? Ms. Gilligan answered that unfortunately she can't make it not print here; we didn't budget for cemeteries this year. The trust funds as pointed out earlier we have 114 different trust accounts for cemeteries and should anything occur that should needs attention, it will come out of parks and recreation budget for maintenance of those properties. Ms. Seavey asked why do we keep that? Ms. Gilligan answered that she can't make it go away; it is part of the database. Mr. Weathers noted that in reality monies are being spent on the upkeep of the cemeteries, but it comes out of that department. Ms. Gilligan answered our grounds department maintains them with landscaping and if there is any broken cemetery stones. If those are stones from a family that does not have a trust account, they are fixed and the cost of that comes out of the parks and rec maintenance crew budget.

Ms. Gilligan reviewed the revenue budget report with the board. Noting we are looking at and tracking to potentially receive \$380,000 more than we budgeted for.

Right now, although 51% left to go when 48% is the goal means that we are at this stage have under collected by \$140,000, but if you recall rooms and meals is paid on the last day of the year and that is \$520,000. The highway block grant is paid quarterly and the first two (2) quarterly payments are less than the second two (2) quarterly payments. The areas that are tracking to affect the budget are something that will be coming in later as well. Library usually makes their contribution towards the end of the year and the \$4,000 for conservation funds, is that \$4,000 grant applied for but we have not yet received the monies. So, we are looking very solid with revenues.

DISCUSSION OF PROPOSED CONWAY REC PATH:
MOUNT WASHINGTON VALLEY TRAILS COMMITTEE

Tim Scott and Larry Garland were present representing the Mount Washington Valley Recreational Path Group, standing in for Chris Meier, president. Mr. Scott commented, as you know for about 10 years the Mount Washington Valley Trails Association has been thinking of some way to make a recreation path accessible to the public. Initially all the way from Fryeburg up to Harts Location and lots of different variations on that over the years. Turns out as far back as 1994 there was a group also planning to do that, so this is not new thing to our valley to try and provide this asset to our residents and to our visitors. Earlier this year the path group after looking at all sorts of different alternatives, there was one a couple years ago that was going to go through Whittaker Woods. We decided on one that would begin just north of Walmart and follow the bypass corridor, go along Pudding Pond, cross at railroad tracks at the narrow point and end up at Cranmore. It is 2.8 miles, it would be hard surface, the maximum grade at any point would be 4% so it can be accessible by wheelchairs. That is the project we have begun to raise money for, at least we are putting together a committee to raise money for. The missing piece and part of what we are here to talk to you about today, is that in a week we are going to be meeting with the Department of Transportation along with Councilor Joe Kenney and they are going to try to find a way to fast forward what we need, which is a memorandum of understanding from the State in order to use the bypass corridor. That's the only thing that stands between us and doing that. In the meantime, we are gathering the people to raise money, because this is approximately \$2 million to do the 2.8 miles including the bridge and all the necessary work. We will kick off that campaign to quietly, in fact we have it already, we have an early grant from *** Davis Watson, the promise of a grant of \$300,000 towards the project once we get that memorandum of understanding. We will be on our way and much like the campaign I did for the community center and the ski museum; this is going to be totally funded by private money in the valley. There will be no cost to the Town of Conway, but we wanted to bring you up to date on where we are.

Larry Garland discussed as this project evolved over the years, as we have gotten to know the community, as the community has gotten to know us and we got to know the lay of the land a little better. To be clear when we are talking about a recreation path, what our vision is a destination, it is not a sidewalk through town, it is a place where people can go that is accessible to town, which gives them an opportunity to step off the busy streets. A place where parents can take their young children and their toddlers and strollers and push them along a safe path where small children can

ride their balance bicycles with their parents and not worry about traffic turning and entering. Where seniors can go shuffle their feet without getting hustled and bustled off the curb of the sidewalk. A place where people can go just for respite, relaxation and enjoyment. That does require a place that is near town yet also provides a little bit of stepping into the boarder of nature. We want to make this a pleasurable experience because we have such a wonderful valley here to be able to enjoy. To allow everyone of all ages and abilities to be able to enjoy this type of amenity. We have plenty of hiking trails, we have plenty of mountain bike trails, but we don't have very many opportunities for people with limited abilities. When we say rec path, you probably have visions of places like Stowe, VT, or the paths around Champlain Lake up in Vermont, or perhaps around the coast line in Portland, the bay. It is a destination, it is where people can go, specifically for that stepping out, stepping aside. In this area the places for that are somewhat limited and the bypass corridor as Tim pointed is one of the few areas where we actually have a continuous corridor that will provide that type of destination. It has trail head access at Hemlock Lane which is a public way and there should be sufficient space there, we hope, for a micropark, an area of defined parking. Perhaps a grass area with a picnic table or two with a shade tree where people can transition out of their cars onto the corridor. Terminating on the north end at Cranmore. We have had several meetings with Ben Wilcox of Cranmore and he is very interested in this project. He is willing to make some adjustments to his operations to accommodate the location of trail head access up at Cranmore. That of course is very close to the North Conway Village area. It also gives us an opportunity in the middle of the route at Thompson Road to actually improve and expand the trail head access that right now is very constrained. The on road parking at Thompson Road trailhead, because there is land there that has been taken by the State for bypass corridor; it is land that should we obtain permission from the State, we could then improve access to this corridor both north and south from that location. So, we feel that this project as it is currently defined is a tremendous value to the community and great potential for attracting people to a destination, that is close to town, accessible to town.

Mr. Garland continued; as Tim pointed out most of the land we are seeing here, that is not already town land is owned by the State. They took the land in order to build the bypass and the DOT is now studying their conundrum if you will. If the Conway bypass doesn't get built then, what do they do with this land, they have a choice to divest in the land which means we lose the corridor or somehow securing the corridor for future use. That's what we are going to be talking to them about, hopefully securing use of this corridor so we don't lose the continuity or the connection between the villages in Conway. That meeting with DOT is scheduled for a week from tomorrow at the North Conway Community Center with Joe Kenney and representatives of DOT at 5:30 PM. Another reason that it is important for us to talk with you today, the Town is that the State in making decisions and resolving issues like this is prefers to execute agreements with town agencies rather than non-profit organizations. This has happened before we worked with Earl a number of times on grants and other memoranda that are required to be submitted on behalf of the town rather than private non-profit. We again request cooperation and support and talking with DOT and helping us secure use of the corridor for this recreation path.

Mr. Weathers commented that there are a number of different parcels of land that have been taken by the State for the proposed bypass and some of them have become available supposedly, but not in the main corridor, supposedly some of them have been sold off. Others near the corridor or in the corridor the State won't give any commitment as far as what their long range decision is going to be down the road. It will be interesting to see what you get for a response next week from them. I haven't been able to in other commitments and other areas we have looked at. North Conway Fire was looking at a parcel north of the hospital that wasn't in the traveled portion but they wouldn't even commit to that. Is everything hinged on the state committing that land? Mr. Garland responds that we understand there are fragmented parcels outside the right of way, strictly speaking that were acquired during that process. When we began talking with the State a year ago about this particular project their first reaction was, they were interested in hearing our proposal and that they were willing to look into it. Since that time and this is within the last six (6) months, I believe there has been a call for internal review in the department in terms of what to do with the bypass holdings in general. That is sort of shifted the emphasis a little bit and I don't know if this would play into your question. That the department is now conducting an internal review on what to do with these bypass lands. We are hoping we can offer them a solution, we know it is a difficult position for them to be in, to have to give up this land, but if we can offer them a solution we think that is a good out for them. Mr. Weathers commented it would be interesting to see what they say.

Mr. Brennan from the public commented that there is a house at the end of Thompson Road on the left side that is up for sale with a local real estate agent. Mr. Garland commented that he knows the house Mr. Brennan is speaking of. In this whole process, there may be some splitting of parcels, there may be some boundary line adjustments, there may be a series of negotiations that could go on as part of this project, but we want to start having that discussion and see where we stand in terms of the State's willingness to work with us on it.

Mr. Sires asked for clarity what are you looking for from the board at this point? Mr. Garland responded we are meeting with the State a week from tomorrow to have a sit down face to face discussion, we would like to know if the town is supportive of this initiative because as I say it may very well come around to the fact that it's the town that has to come to an agreement with the State. I don't know it will come to that, that is one of the plausible scenarios.

Daymond Steer, The Conway Daily Sun asked if this meeting is something that people can watch or participate somehow or is this a private meeting at the center? [Discussion ensued] Mr. Garland noted that arrangements are just being confirmed this week through Joe Kenney and the DOT administrators, but I don't see any reason why this couldn't be.

Joe Berry to Dave Weathers question about how important is the State cooperates with us, it is all important. I think our club president, Chris Meier has an

opinion that there are other forms of permission, we are not looking for ownership, we are not necessarily looking for an easement at this point. It would be other types of permissions, lease or just given permission to put a path there is how so many other communities around the country have been dealing with their rec paths. Where there are segments going through areas that are unsettling like we are talking about. It is remarkable what incredibly low percentage of those under 1% ever have issues later on. So, there's one scenario in terms of how we may approach this, as we are doing that with some other land we are looking at.

Mr. Holmes commented on behalf of Mr. Brennan who met with him in his office just prior to the meeting. He is very concerned, he is from the Thompson Road neighborhood and he became very concerned about the possibility of the use of this rec path for motorized vehicles. He wants the assurances of this committee that there is no way, shape, or form that this path is going to be used for motorized vehicles, ATV's, or snow machines. Mr. Garland responded that it is the stated mission to promote non-motorized recreation. That's our purpose, is building this for non-motorized recreation.

Mr. Brennan asked if there is going to be a lot of congestion on Thompson Road? Mr. Garland stated potentially there could be slightly more than there is now. Mr. Brennan stated that the speed limit is 30 mph, we hit that everyday coming around a 90-degree curve, the further you can move that to the electrical lines, the better off we would be. Mr. Garland mentioned that they do have opportunities to make improvements in that area, specifically the diagonal corner from Thompson and Hawke Rd, there is a State owned lot where we could actually enhance some parking there and get cars off the street, which I think would make a safer situation. There are ways, we haven't gotten into the engineering yet, but I think there are ways that we could perhaps create safe buffers in the road so that it is not as challenging for the local traffic that's driving through. Mr. Brennan stated that you take that 90-degree angle and two cars going opposite ways, there is no room for improvement. Mr. Garland noted that they would take a close look at the land that we are asking the State to allow us to use, the actual road way would be under the jurisdiction of the town.

Mr. Thibodeau inquired about the non-motorized vehicles and inclusion of snowmobiles in that. On multiple occasions when we have discussed these paths and rec trails in the past we were told that snow mobiles were considered non-motorized vehicles during the winter months. Will this path be open to snowmobiles, because according to the map, at least part of this path conflicts with an existing snowmobile trail? Mr. Garland inquired what was meant by conflicts. Mr. Thibodeau responded that the trail is overlaid over the top of the path. Mr. Garland asked if that is in the Barnes Road area? Mr. Thibodeau noted that it comes from Barnes Road and follows the path down to the Hemlock Lane Trail Head. Mr. Garland commented that he believes the snowmobile trail is actually on the east side of the railroad tracks and our proposal is for the west side. Mr. Thibodeau further inquired if the new path will not be open to snowmobiles? Mr. Garland responded that it has been their approach to this that snowmobiles will be allowed to operate where they are currently allowed to operate and not necessarily allowed to operate where they are presently not allowed to operate. So,

we are not changing that scenario at all. In other words, they would stay on the east side of the tracks and we would stay on the west side of the tracks. Mr. Thibodeau noted that they won't be allowed to use this trail from Barnes Road to Cranmore Trail Head. Mr. Garland answered they would not under our project proposal. Mr. Thibodeau asked why? Mr. Garland responded that our mission is to build a path that people can enjoy year round without the interference of vehicles. If it is decided, mutually or through other parties that snowmobiles who want access to it in the winter, then that would have to be a discussion to be had at that time. We are not proposing it or intending to build it for that purpose. Mr. Thibodeau commented that he understands they are not intending to build it for that purpose, but once it is there, I can see it would be a very useful venue for snowmobiles to get from Barnes Road to Cranmore. I believe in Fryeburg where they have built that from the information booth down to the airport is open to snowmobiles in the winter time. Mr. Brennan noted that there is no age limit on the operator of a snowmobile and if a kid 12 years old has a skidoo he can operate it.

Joe Berry commented that one of the first meetings I attended probably 3 ½ years ago, where we had people coming up from the railroad division of the DOT, and specifically people whose job is to help preserve their corridors that are not being used and fostering support for rails to trails and we went down from Redstone down to Fryeburg. One of the active participants for this was head of the local snowmobile organization and they were overwhelmingly supportive in what we were doing and has been cooperation since. So, where ever they got snowmobile trails and if we end up wanting to run our rec path to Fryeburg along the same corridor, there would be cooperation there. They already got it, they have been maintaining relationships there for decades. I think understanding the effort our group has had, we are not looking to displace snowmobiles from where they have been going, but similarly and very clear that our whole focus on having a community rec path, as there are 10's of thousands of these around country, it is about exercise. It is motor free, what we are up to is building something that you will see families there with young kids on their bicycles that have no other place to go and a dozen other types of uses. That is all about being outside and exercising. I do not see us, ever run into a problem where we are building a rec path for people to be outside under their own power, where they are going to be challenged by some other motorized use. That has been the response I have been hearing from a number of people that have been with this effort for many years.

Mr. Weathers commented that he would be interested to see how the meeting goes next week. He would also like to meet as a body and just pass this around and to table it as far as support or nonsupport until we have a chance to discuss this. This is the first time other than the last time you were in here that this is even been brought up. Mr. Weathers asked up on Thompson Road if you were to go through that area, that is the main access point for the conservation commission when they do forest land improvement work, for heavy equipment, logging equipment, skidders, and trucks, what would that do when you are crossing that path as it appears you are going actually pretty close to the actual parking lot now. How does the town with its forest management consultant continue that work? Mr. Garland answered they would

anticipate that they would be able to continue as they are now. What we would do in that section from Thompson Road along that roadway into where the kiosk is, we wouldn't have to substantially change. That is pretty much solid in terms of recreational opportunity and there is no reason why that couldn't. Mr. Weathers noted that south of that location the two are going to be crossing paths. Mr. Garland noted that once they are south of that location they would be on a piece of town land before they get back onto what is State land. That is when we get to the design stage that is something they would be talking with the town about, how best to locate that on the town property so it accommodates town use. We haven't actually drawn a line ground we have been out in the field looking at it and we have seen where it looks like there could be a good way through there, but we haven't done any engineering yet. We are at the concept stage of saying we would like come off of that bypass corridor and across the Pudding Pond outlet. We would need to use town land before we exit onto Thompson Road and of course we would be amendable to discussing with the town what their needs and requirements are before we did any engineering on it.

Mr. Weathers noted again he would like to table as far as the boards commitment back to the group, until they have had a chance to talk among themselves and he would be interested in seeing how the meeting goes next week. Mr. Garland asked if anyone from the town might be interested in attending the meeting on Wednesday, July 19, 2017? Mr. Garland noted that they will inform the board and keep them up to date, although they would be hearing it second hand. Mr. Weathers noted that he would be surprised if they get a definite commitment from the State at that meeting. Mr. Garland responded that they are trying to start the conversation.

Daymond Steer, The Conway Daily Sun, stated one issue you might run into creating a path of this nature is the possibility of hypodermic needles being left on the ground and who would be responsible for monitoring and maintaining that in terms of picking them up and keeping an eye on the security of the path. Mr. Garland responded that the Mount Washington Valley Trails Association currently has a memorandum of understanding with the town, that the trails association will steward recreational trails that are under the jurisdiction of the town. So, we would be assuming stewardship responsibilities for the trail proper. Needles on the ground anywhere else, I don't know how handled by the town now, who has responsibility for that.

Mr. Garland concluded that this is a major commitment for us, as you know we have retained the services of Tim Scott, Country Consultants, which is a significant commitment on our part. We also contract the services of the Mount Washington Valley Chamber for business support and community development. We are all in on this, all we need is that permission from DOT and we will see how it plays out with their requirements. It may not be an all or nothing gain, it maybe they chose to do something with some parcels of land and something else with others. It may be no negotiation with the town, we don't know yet until we have the meeting next Wednesday.

UPDATE ON NHDOT CONWAY VILLAGE MAIN ST. AGREEMENT

Mr. Degliangeli passed out a draft of the agreement he has been working on with DOT. Some highlights of the agreement are 90-10 responsibilities for the project west of the light on Washington Street and 100% of the responsibility for the project East by DOT. I think that is what we have been talking about right along and we are waiting for our comments back from DOT, we had sent them a draft 9010 and had a teleconference with them and then took their comments and put them into this document and sent it back for their review and that last call was yesterday.

Mr. Weathers asked you are waiting at this time to hear back from the state as to whether or not they are going to go along with this. Mr. Degliangeli stated they seemed supportive, they have to run it up the flag pole and ultimately to execute the new agreement they have to have Governor and Council review, but the people we were talking to are in support and that include someone at the commissioner's office level, the program manager. Likewise, we are taking it back to the board, our consultant and I are still thinking it over, reading it, re-reading it, making sure we got our contingencies covered. There is a logistics, red tape snag in that the approved federal project that is out there now was this old 43-57 project percentage wise, which stopped at Washington St. and that percentage wasn't the town but the district and the State. A lot has happened since then, the project scope has expanded, we successfully have been able to secure this money in the 10-year plan, with the traffic improvements, the district no longer owns the sidewalks and most significantly in negotiating the larger scope and higher percentages the State has decided that the appropriate thing to do is to not have an agreement with the district but to have it with the town as they do all their locally managed projects. To have the district which is a utility be under forced account. We agree that would make the most sense.

Before they can do that, two things have to happen; (1) they have to complete this 43-57 project because it is funded by federal highways and they want to see that project closed out, or (2) they would close the project out today and not complete it, but if they do that we don't have funds to continue the design effort until the GASSET hearings happen this fall and the department is successful at re prioritizing the 10 year plan and moving that money into our wallet. We have agreed that we will continue under that and that the town and the district would then have separately a memorandum of understanding or an intergovernmental agreement. That at such time we would do the accounting and reimburse whoever under the agreed upon force account for their pieces, our 10% and the State is 90%. That is the agreement we are working on now, this is in draft and we started drafting but we are not ready to share the document between the town and the district. I hope to have something for them next week at their meeting on Thursday and that would then become an attachment of this document.

Other than a bunch of red tape it seems like the State and the town is on the same page. They have been cooperative, they feel that the reprioritization of the 10-year plan is doable, but it is public money and there is a process and they can't change the schedule for the process. That will happen sometime this fall and in order to keep the design going we are going to continue under the existing agreement and get this finalized, inked and they will bring it to Governor and Council. They think logistically the

best way to do that is the same time as the GASSET project happens, so they don't have to say if this is successful then that, instead they can say here's what we are doing in one swoop. We think it makes sense we have had a lot of cooperation and support from DOT these last couple of weeks seems they finally see the light at the end of the tunnel, and every time I talk with Pete from the commissioner's office he is positive, he says there is a lot of public support for this that he has heard from Gene Chandler. I think we are on the right track; I would like to think I will have a document for you to sign by the end of July or beginning of August

Mr. Thibodeau commented that we have all of the agreed upon details and everything looks great, and we have the percentage down to the 10% range, but what are we looking at for a timeline? Mr. Degliangeli answered we are continuing to the design and I encourage the board to read through this and either call me or talk about it at the next selectmen's meeting and see what they are saying. They would be in support of a phase budget east and west, possibly best-case scenario at this time we can get a late season September or fall 2018 start. More pragmatic is probably a spring 2019 start.

Mr. Thibodeau asked if FairPoint or Eversource going to be holding us up on this? Mr. Degliangeli responded, I wish I could answer that for you, they are making progress with the easements for the design, we email them every couple of weeks and there is always a response; I had a guy in the field today, we will have it to you. We can't know until the easements are all in place and we say, ok move your infrastructure. Thus far they haven't said they weren't going to, thus far they have been sending design people out and engineering and management folks are in the email chain and they are preparing to cooperate.

Ms. Seavey commented, I know all the dates keep pushing out, I don't know about any of the other selectmen, but I get hammered, with what's the hold up? Mr. Colbath commented that the surface of that road is deteriorating terribly. Mr. Degliangeli responded that the paper did a piece where they said they were going to go in there and patch that. It's a complicated project it has lots of parties, the funding is complicated, we are asking to move monies from the various projects, various pockets, and various funding sources. We are asking to take money from projects that we were scheduled to do 8 years from now and move them up to 2 years from now. So, far I like the progress we are making. The only thing I have done in town like this, which was actually more complicated as this was the interconnect. That took us much longer to get this far, but it is done and it is functioning, it works, however that was a good 12-year effort. We are in our second year on this project. Don't misunderstand me, on one hand this is frustrating and takes a lot of time yet on the other hand it is always like this and as these things go we seem to be making good progress.

Mr. Thibodeau asked if there is any possibility, and if not, what would the holdup be, engineering or the money shuffle, of kicking this thing off in the spring of 2018? Mr. Degliangeli stated I just don't see it. Mr. Sires commented that the GASSET and the 10-year plan process, sort of ends in the winter when the Governor and Council adopt it.

So, they don't even have an approved plan to move this project forward until probably 2018 at the earliest. Mr. Degliangeli noted that all of this extra work is 100% DOT funding. I want to say this again, we are financing it, because that is our part of the cooperation, now we want to bring you from we were 43, then 12, and now we are at 10%. We want you to fund 100% of it and they said ok, but their conditions were that we continue to do all of east and west under the locally managed program. That means we will be financing that and we will get 100% reimbursement and every time I talk with DOT that point is covered. That money needs to come into this project and I am going to be repeating what Earl said. That GASSET hearing happens in the fall, where they go around to all the towns, then they sit and Governor and Council make a decision. At that point and time we are going to be talking to our representatives, Gene Chandler, being at the top of the list, because he is on that committee and we are asking them to take this Conway project which is out 8 years from now and move it up to next year. Before they can start, that process has to happen, that has to be approved by the statewide process and that process is like legislative, it is laid out by statute and we can't change that. What we can do is get the design done, go door to door to get those easements the utility company is going to need to move those poles back. Keep in mind the base of those poles will stay within the right-of-way, but there are easements that are going to be required for anchors and easements required for airspace, because you have 3-phase power. While the base of the pole might be a foot inside the right-of-way they require 10-foot clearance from 3-phase and so you now have to record that easement, even though it is airspace, it has to be done and negotiated. So, you have to go to all those property owners, that is part of the engineering and the design and that has to get done. If we get that done, there is really nothing to hold up the utility company from starting their work in the spring of 2018. If the rest of the design is completed then it is possible to do Fall construction start where we are actually tearing up the road. Do we want to be bidding something in the spring, because we won't have Governor and Council approval for this project until then? I would rather see us bid it in the late fall, early winter for the 2019 start. Again, that does not include the utility company's going and moving their infrastructure. They can do that outside of the general contracting bidding process.

Ms. Seavey asked what utility companies are there that we have to work with, is it just Fair Point or is it multitude of utilities that have to be worked with. Mr. Degliangeli answered there are two utilities we are working with, Eversource and Fair Point. Fair Point owns the pole sets in this part of town and Eversource, which is the power, has a cooperative agreement with Fair Point and they occupy the poles. There are other private companies that rent space from Fair Point on those poles, we do not have to work with them directly, but they have to in turn move their infrastructure over as well. Whether those companies contract with Fair Point to do that for them or they do it their own or they contract through third party, each has to get moved over. I am aware of four entities on those poles in Conway.

Mr. Sires inquired that it would be just the poles that are being moved not the conduit and all the stuff that is under the ground. Mr. Degliangeli responded that there are two conduit systems in the ground currently, one is in the sidewalk, so currently

behind the poles, that conduit system is going to stay and the poles are going to go behind that to the back of the sidewalk. There is a second conduit system out in the roadway that is to be vacated. There was extra capacity in the sidewalk conduit system to take that fiber optic then the one in the road is to be abandoned. Our agreement with them is that we would remove if for them, part of the construction when we are in there digging.

Mr. Degliangeli there are lots of properties there that get power or access that underground, so when you move the pole back you are now also removing some section of their underground, because it drops down the pole with conduit, goes underneath the sidewalk, and goes to the properties. So, that work has to be done also. Ms. Seavey asked who does that. Mr. Degliangeli answered that is done by the utility companies, but we need to secure the easements for them. Ms. Seavey asked why have to secure the easements for the two entities that you are working with? Mr. Degliangeli responded correct, telecommunications and cable, that type of thing doesn't require an airspace clearance as great as power, so they are well protected within the other ones.

CONSIDERATION OF NHDOT MUNICIPAL WORK ZONE AGREEMENT FOR US 302 BRIDGE PROJECT

After discussion, Mr. Sires recommended that the board sign the agreement, however they also asked us again which alternative on relocating the board had supported and without Karen here we weren't able to dig back into the minutes at this point. Mr. Sires noted his recollection was moving it to the north. If anyone remembers it we can tell them otherwise we will reschedule it. After discussion, it was determined that the board's recommendation was to move it to the north. Mr. Degliangeli will reach back to him, indicating that our recollection was to the north and if that is yours too then that is what we will go with and we will get them something in writing.

Mr. Thibodeau moved, seconded by Mr. Colbath, to approve the work zone agreement for the US 302 Bridge Project and give the chairman authority to sign it out of session. Motion carried unanimously.

UPDATE ON DIANA'S BATHS PARKING

Mr. Sires commented that Jim and the Forest Service have been very helpful and cooperative; we are really working this thing together. As we both agreed on the phone, we don't have the answer to this situation yet. What has gone on to update, we had asked the State to post no parking along West Side Road for certain distance north and south of the entrance, the did that. We implemented that program and the police started ticketing folks, we gave out dozens of tickets over the first week or two. We then found we had to put additional signage up there and that was right at the entrance and said, basically, move your car because there is a \$100 fine and we are serious. That sort of worked for a while until we got into the heavy volume on the 4th of July

weekend which wasn't part effected, that was one of the few areas that was open that week because of high water. What showed that people are willing to part beyond the areas that have been signed no parking and walk to Diana's Bath. It also showed that the parking lot itself, people would go in there and start to wait for somebody else to leave and traffic would queue out onto West Side Road, then you would have a traffic jam on the road because people are sitting there waiting to get in.

We had unhappy land owners in that area, they have since put their own no parking signs up. The result of all this is we found the only way we can manage this situation is for the town to have a police officer there on the street and a patrol car during the higher volume areas, say 10-4 particularly on the weekends. For the forest service to have two (2) staff, one at the entrance and one inside trying to manage that problem and telling people that the lot is full they need to come back later or go somewhere else.

Jim noted the current situation, based on this last week, all things going pretty well then influx people wanted to get to Diana's Bath, maybe because of the high water, but I think it is probably what we are seeing as the next step up in visitation as we get into the warmer weather. I worked out there for about three (3) hours, directing traffic in the lot to see what it was like. What we are discovering is if we are not in the lot, we lose the lot and if Conway is not on the street we lose the street, so people will start parking. It is an interesting situation, people they get in that lot and they drive around and we have to stop them at the gate, we put up a sign that says "lots full". There are no good solutions right now for us except to staff it.

Mr. Weathers asked in a different location, such as lower falls, when that water is full they will go beyond the falls, beyond the guardrail then start parking along the road back toward Blackberry Crossing, there is no parking west of lower falls at all. Why is it you don't allow them to circle in lower falls, why is that condition occurring at Diana's Bath and not lower falls? Jim noted that they staff lower falls, so we have the same problem it is just a loop pointed out, but there is also overflow parking. The issue with lower falls is that people park as close as they can in the no parking. The shoulder is not very wide, but they park there anyway, so that is our problem there is ticketing that then stopping people from coming in the lot and just waiting or standing and waiting.

Mr. Weathers asked if personnel are available both personnel wise and finance wise that they can keep a person or two there this summer? Jim answered that the effort is going to be to try to staff it during the busy time with at least one person. Our expectation was that we could do it with one person; the reality is it takes two (2) people to run it. One person trying to figure out spots and another person holding everybody back. I would like to have one person out there once we get a system in place, where we can feel like it is manageable. I think the weekends we are going to have to have two people out there. Do we have the staffing? No we actually don't, what I am going to try to do is get a couple of emergency hires on to help fill the gap. Staffing is pretty tight all the way around right now.

Mr. Sires stated that the plan from the police department is to have regular patrol there and keep an eye on it and when it gets jammed to be there. I suspect they will end up being there and staffing pretty much all day during the weekends, particularly if the weather is really good. We are both handling it in the same way, it is an expense we didn't budget for, but I think the forest service, the police and the town realize there is no other way for this to be managed right now, other than this active management with staff. In terms of the future, at the staff level we are kicking around ideas, we have suggested shuttle services and gone to a couple people with similar type businesses that might be able to do this. The problem is they don't they have the parking for the numbers of people at their places of business. Shuttling people there is one possibility and more signs farther south beyond the Lucy property, which would be a request to the state. That is really about all we have come up with outside the lot.

Ms. Seavey thought the issue with not extending the parking was the capacity issue of what you wanted in the park at any time. I think if you are going to start shuttling people you are losing the whole point of trying to control the capacity being in the park at any time. Jim responded that the traffic situation is a public safety issue there. For example, the US Government didn't own that land, let's say the town owned it or privately owned we would probably have the same problem. If it was privately owned they wouldn't build a parking lot, but nobody saw this issue coming. People could be shuttled in there; I did see a camp dropped a bunch of people off in a bus at one point. I think that in the future some improvements need to be made to the lot, for example if we paved the lot, so we could have the spaces defined that would be one long-term investment in the lot. In terms of the shuttle service, I think you are still going to have some of the same problem because people really don't want to get away from their cars. What approximately 50% of the people do is they come in they stay for about an hour and they leave.

Ms. Seavey asked what the attitude of people was, were they obnoxious? Jim commented that what he thinks people are doing is they are getting on their phone or computer and they are looking on trip advisor and they are saying, oh I got to go check out Diana's Bath and they are driving from wherever. Some people are local, some people are traveling from another state and they get to Diana's Bath and they are like now what am I going to do. That is the number one question we get is, now what are we going to do and what we have been doing is handing out a map, here's some other stuff you can do. That involves someone stopping in front of the entrance of the parking lot. Again, potentially blocking traffic, some people stop in the middle of the road and it is a pretty interesting situation, their behavior. There is really not much we can do to change that behavior other than we try to waive them on and they want to ask questions. Trying to get some stuff out on trip advisor and on the local websites, that talks about Diana's Bath, but don't talk anything about the parking. I am going to contact those folks and I think it would probably be worth trying to get through to trip advisor and get more information out there. What we have been telling people is get here early if you want to get here, but don't who up at noon and expect to get a spot.

Ms. Seavey asked what as the role of the police officers, just directing traffic on? Mr. Sires answered that as Jim mentioned if you don't manage the parking lot you lose the parking lot. What that means is traffic backs up out onto West Side Rd and creates a snarl going both ways, so that is a road that we enforce traffic on, so they are dealing with the road. People were also parking down beyond where the DOT themselves put up the no parking signs, but the private land owners there were unhappy and that was creating some very unpleasant situations there. When people were parking a mile away you have the same situation with people walking up and down the roads, so they were trying to get them out of there. That is why I say, it is sort of this double approach we have to do the road and they have to do the parking lot. Jim further commented that just having a police car with its lights on changes people's behavior. If that wasn't there, I am assuming people would just park on the side of the road.

Mr. Weathers commented that Earl, myself and Chief of Police met that Friday morning before the 4th and we were trying to evaluate what had taken place and what some possible alternatives were. At that time, they were obeying what was posted on the West Side Road. Coming out of the lot until you get to the last sign they were abiding it, at that time the police were patrolling 2-4 times a day. What was happening is at that very last sign coming back towards town; they were starting to park on private property. Well, they were getting upset with the landowners giving them a hard time and we checked with the State and the State has just a right-of-way that they do not own any of the property once you get out beyond the tagged portion of the road. Behoove the land owners and they had the right to post their property no parking, no trespassing, whatever and they started doing that putting the signs very close and people were abiding by it. That was just moving the problem back towards town, they went all the way to Lucy Brook posting it and then they were parking near Echo Lake and walking back up.

Ms. Seavey asked what is on the other side, what is Bartlett doing? Mr. Sires responded that he does not know and he hasn't heard that there has been a problem up there. Ms. Seavey clarified it is just on the Conway side not on the Bartlett side. Mr. Sires noted that is what they have been concerned with, they may be having in issue up there but I don't know. I suspect at some point we are going to hear from the condo association because they have also been going and parking in there. Jim indicated that he has heard from Glenn Builders, people go down and pull in their lot, and actually had people parking there and walking up.

Mr. Sires summarized at this point maybe asking DOT to sign more of it south as no parking we are letting you know what we are doing and what we plan to do and then the story is going to be unfolding. Jim further commented we will see how it goes as we move through the summer, assuming the weekends are going to be very busy and assuming we are going to have busy times, but I really can't predict.

Daymond Steer, The Conway Daily Sun, suggested what if we had the solar powered parking meters and cranked up the fee. Jim commented that they charge a fee for the recreation pass and that is essentially the fee. In order for us to collect money

we have to have the authority to collect money, we don't have any authority to collect money that way. Somebody mentioned to me today, they make these automatic gates that count cars coming in and out, I am sure it is very expensive, but I am going to look into it to see what something like that would cost. Mr. Steer further suggested hiring a teenager to tell you when there is a spot, like a restaurant reservation.

Mr. Holmes commented regarding people going all the way down to Shartner's Farm, parking and walking, it is not an ideal situation, but it is safer than it was because they are not walking outside the cars that are parked off the pavement and there are no kids darting out from between the cars. It's a kin to walking East Main Street here to the post office, there's a lot of traffic. It is not ideal but it is better than it was and similar to other parts of town.

Ms. Seavey asked you have got to be collecting more money there, I don't think people were paying there before, so it must be off setting a little bit. Jim noted that they actually were paying because the amount of money we were collecting wouldn't have been possible. We did raise the recreation pass to \$5.00 this year; it hadn't been raised since 1996. Mr. Weathers asked if that is a one-time fee for the year. Jim answered that it is per day. That is a \$5.00 fee for a day pass then there is a yearly pass which is \$30.00. Most people have those stickers and the recreation pass covers those sites that have amenities, but a normal trail head doesn't require that. Mr. Sires noted that unfortunately the money does not stay here it goes into the federal budget. Jim clarified, that it does stay here and that will help us fund positions. There is money coming in to help fund positions to do that. Since this is a new issue, not the parking but the fact that we are going to have to staff it at the level we are, being able to respond to that is not an instant, I can't just put an ad in the paper and say come on down, I have to do some work to get some folks in there. Next year we will have more information and we will be able to respond better.

Mr. Weathers asked if they are doing or a plan to do a study on an impact of Diana's Bath. Jim responded that they have been talking about some way of putting some plots in there to look at some kind of capacity study. Mr. Weathers further asked if you look at compaction, the water quality, and the use in itself just in the number of people going in there. Jim commented that they are doing water quality but they haven't done anything with looking at compaction and vegetation. It is a matter of funding and capacity of the staff to be able to do that.

APPOINTMENT OF MEMBERS TO THE RECREATION CENTER FEASIBLY STUDY COMMITTEE

Mr. Degliangeli executed a signed agreement with the architects and they proposed a schedule, this schedule could be accelerated but this is what I gave them as end dates, so the furthest away I would like to go so that we can take the information and have it available for our 2018 budget process. It is timely because tonight I think on the agenda is the appointments to the committee. You can see we are looking to have

to have these first meetings with the rec staff no later than the 25th of this month, but we could move those out if staff is available.

Mr. Thibodeau asked if the final delivery of the report on 10/24 is that going to give us time enough to hash this over and put something together for warrant? Mr. Degliangeli responded for warrant it will, keep in mind it will be to budget but it is two steps and you always do operating first and then capital reserve or warrant articles later and I am usually not done with my stuff until around this timeframe. Mr. Thibodeau commented that your stuff is usually pretty straight forward, it takes some discussion but I wonder how convoluted this is going to be. Mr. Degliangeli noted it is scheduled for before Halloween. Mr. Thibodeau responded if you think that is going to be time enough to hash it over. Mr. Degliangeli noted that Stewart our architect said he could accelerate this some, but this is what I gave him is no later than this. If we want to modify this and move it up, I am happy to do so.

Mr. Weathers commented that there is site assessment, building assessments, structural, and MEP. What is MEP? Mr. Degliangeli explained MEP is mechanical, electrical, and plumbing. Mr. Weathers asked all of that by the end of August on this schedule here, correct? Then they come back with a conceptual by the middle of September, with a draft report to follow. Mr. Degliangeli stated remember these tasks were laid out in our request for proposal. Here are the programs we are doing now, how many people can we service and part two is can we renovate our existing facility in the space available and part three is how does that compare to tearing down and building new. That is all the information we need to go to town meeting with.

Mr. Thibodeau noted that there is no selectmen's meeting on the 24th can it be backed up to the 17th? Mr. Degliangeli stated he would talk to them and see what they can do. Mr. Thibodeau explained that if they don't, there is no meeting on the 24th, so now we are looking at October 31st before we can actually know.

Mr. Sires commented that he was asked at the last meeting to talk to the individuals about their willingness to serve as alternates, because you had three for two positions. Kristin McGonagle Snowden said she would but she would much rather be on the committee, Larry Huemmler said no, he just wants to be on the committee and Randy said he would be on as an alternate, but I think his preference was also to be on the committee. Then in the meantime as I noted we had an additional volunteer Stacy Sand, who did volunteer but noted she had missed the notice in the paper so her application or notice came in after the date we set to receive them by. I think you are looking for two members from the community and then John had indicated maybe having alternates would be a good idea.

Mr. Colbath asked if we had friends of yet? Mr. Sires answered they know they are to appoint someone but we haven't heard who that is yet.

Mr. Weathers explained we are looking to come up with two as regular members and one as an alternate and now we have four names. Stacy just submitted hers and it

is after the fact, if you want to consider it, she didn't get it in within the timeframe, and didn't make the deadline. [Discussion ensues]

Mr. Colbath moved, seconded by Mr. Porter, to appoint the two who wanted to be on and appoint Randy as the alternate. Motion carried unanimously.

**CONSIDERATION OF CONWAY TOWN CLERK PROPOSAL
REGARDING CHATHAM FEES COLLECTED BY CONWAY DURING
THE ABSENCE OF THE CHATHAM TOWN CLERK.**

Mr. Sires explained that their town clerk was unavailable; Rhoda stepped in to help out as a kindness to a neighboring town. We collected town fees and state fees and then fees that the clerk keeps for doing the work. Rhoda is suggesting that the State already got its fees; she would keep \$81.00 in clerks' fees and give Chatham the revenue they would have collected had their clerk been on duty. She felt that was the way to approach a town helping another town out.

Mr. Thibodeau moved, seconded by Mr. Colbath, to approve Rhoda Quinn's request to keep the \$81.00 of clerk fees collected on behalf of Chatham. Motion carried unanimously.

**REVIEW OF LETTER FROM EATON BOARD OF SELECTMEN REGARDING
RECREATION FEES AND CANCELLING SNOW PLOWING CONTRACT.**

Mr. Sires explained that we wrote back once they asked us to reconsider the fees and you replied, they have now responded to that reply saying they still don't think it is fair and therefore they are not going to plow those parts of roads that are more easily accessible by them than us that are Town of Conway roads, so they have canceled the contract that we had, which they can do under the language of the contract and that means we will be contracting with someone in the private sector this fall.

Mr. Colbath asked who prepared the spreadsheet that is attached, did we? Mr. Sires explained that was their take on why treating recreation participants the same as we treat the school and refuse isn't fair. They break it down on a per pupil, participant basis. Mr. Weathers noted we are basing it on an evaluation of three towns and in this particular instance they are basing it strictly on the number of kids that would be participating, where as if it was the other situation and they had 100 students that would be eligible to participate it would still cost them the same, where it would go up under their rationale. It is good for the solid waste and library but not in this particular case because their number of kids have decreased and they want to use that figure, they are just dividing the total cost by the number of kids using the service. Ms. Seavey noted that using their calculation it would have to be reviewed every year.

APPOINTMENTS TO ZONING BOARD OF ADJUSTMENT

Mr. Sires explained that there was one vacancy and one person interested, that is Steven Steiner. He has been an alternate for some time and John can tell you all about that.

Mr. Colbath commented that Steve has been an alternate for 2-3 years and he does religiously attend every meeting, sometimes he has needed to be appointed, but he is there and actively participating. That being said it will leave us with no current alternates and the Zoning Board still needs people to come forward to volunteer to be alternates.

Mr. Porter asked where he is a member of the Planning Board is there a conflict between those two boards. Mr. Sires stated he doesn't believe so. Mr. Colbath stated by the State statute he can serve on both and it is not perceived as a conflict by the State. He is a member of the Budget Committee also and we seem to have current conflicts with meetings.

Mr. Weathers noted that this would only be through April 2019 as Mr. Steiner is only filling a vacancy and then the vote would take place again.

Ms. Seavey stated that the Budget Committee and they is complex and he is on both of them, there would be a conflict with a second person on the Zoning Board. Mr. Weathers asked why there isn't a conflict with being an alternate. Ms. Seavey noted that time schedule, because sometimes I step in for John on the Budget Committee and he is on the Budget Committee. Mr. Colbath stated that there is a conflict with him being an alternate because the last meeting we had as the Zoning Board we were asked by the town planner to make every effort to be there. Steve and I both did not go to the Budget Committee we came to Zoning as asked.

Mr. Thibodeau moved, seconded by Mr. Porter, to make Steven Steiner a permanent member of the Zoning Board through April 2019. Motion carried unanimously.

REVIEW OF RECEIPTS

Mr. Weathers noted that the receipts are present for the last two weeks for anybody who would like to look at them.

SIGNING OF DOCUMENTS

a. RAFFLE PERMIT: VAUGHN CENTER

Mr. Weathers noted that there is one raffle permit for the Vaughn Center.

Mr. Thibodeau moved, seconded by Mr. Porter, to sign the documents of 7/18/2017 – 9/7/2017. Motion carried 4-0-1 (John Colbath).

CONSIDERATION OF BILLS: MANIFEST DATED 7/13/17.

Mr. Thibodeau moved, seconded by Ms. Seavey, to pay the bills. Motion carried 4-0-1 (Steve Porter).

RATIFICATION OF DOCUMENTS SIGNED OUT OF SESSION

- a. MANIFEST DATED 6/29/17 AND 7/6/17
- b. PAYROLL DATED 7/6/17

Mr. Colbath moved, seconded by Ms. Seavey, to ratify both A & B. Motion carried 4-0-1 (Carl Thibodeau).

CONSIDERATION OF MINUTES

Mr. Sires noted this would be for June 9, 2007 that was sent out both public and non-public. Mr. Colbath noted that Holly did a very good job.

Mr. Colbath moved, seconded by Ms. Seavey, to approve the minutes of 6/9/2017. Motion carried unanimously.

TOWN MANAGER REPORT

Mr. Sires discussed at first bridge there is a kiosk that was put in up there, which was built by the rec staff, mainly Jeremy Gibbs and we have put new signage in there and coordinated all the signage that was up there into one panel. We had put signs up in the past as a demonstration project so see if it was going to work. Now it is working and we made it look better.

There is also a public parking sign in the public parking lot in North Conway, hopefully people will see that and know where our public parking is. Diana's Bath as we talked about took a lot time.

Solar Garden as mentioned before we are looking some amendments from that. We still understand that the terms are going to stay the same in terms of financial compensation. They may have some other proposals for leased language to change, I have told them as long as it is non-substantive changes, like different names of people who are going to be on their side, probably shouldn't be a problem, but we can't change those terms because voters voted on a specific lease.

They are also talking to CVFD about a project there and Tom and I are going down there the 20th to meet with them to share our information with them. Mr. Weathers asked if they are still looking at a fall construction. Mr. Sires responded, I

think they are still hoping to do that but we are getting close to fall. They are doing a lot of things on their side, but we will see what they come back with.

4th of July, as usual John and his staff pulled off a major event. This was a 10,000 person attended event all day long and a lot of logistical arrangements and security and that kind of stuff and a lot of trash, you know we were there the next morning Tom and I at 9:30 – 10:00 and there wasn't a wrapper in the park. John says it's like mardi gras, the minute it's over they start to sweep up, so Jeff, Lee, Jeremy and all our rec campers and John's staff as well did great.

Tom and I have been doing a lot of information sharing and going around looking at different things and talking about different projects and making sure he is up to speed. We are looking forward to having Karen back and we will really sort of do the final more detailed stuff when she is back, looking at files and where stuff is and all that.

BOARD REPORTS AND COMMENTS

Mr. Porter noted the Planning Board meets Thursday at 7:00 pm, I don't have anything to add.

Mr. Colbath noted that the Budget Committee meets next Wednesday, the 19th as 6:30pm and Zoning Board meets next Wednesday, the 19th at 7:00 pm.

Mr. Thibodeau noted that the airport authorities meet and shared their findings and information with the full board. The annual meeting of the airport authority will be August 18, at 6:00 pm at the airport. We will be inviting all the town officials and government entities that are participating in the promotion of the airport. In the final iteration of the State of New Hampshire budget they are giving us \$75,000 towards the new hanger building, which I think is a mile stone to think the State of New Hampshire is going to be passing money across the State line for the airport. They passed the final budget two weeks ago. We are continuing to update northern borders on our progress so that grant lies in the wings and the progress is being made on the EDA grant funding, we are getting the engineering on the way and we have come up with a final location for the building.

Ms. Seavey noted that the economic council hasn't met and neither has Channel 3. I just wanted to make a comment, I was involved in the parade and I can honestly say kudos to John and his group for organizing that. It was a lot of fun and they did a great job.

Mr. Weathers noted that it was a large crowd this year, the more you approach the 4-way intersection from there all the way down through town, the only thing is to remind folks that do have a float, please do not throw candy out to the children, you get them running out into the street trying to collect it. I know John spoke with the vendors and someone was still doing it, it is just dangerous. Other than that I think it went off without a hitch. The fireworks and activities in Schuler Park, the group was really good.

Mike Lane came up with a suggestion this year that they put a path through the middle of Schuler Park running north to south and east to west and kept it 10-feet wide for emergency and people walking. It worked out very well John put his employees patrolling that and that was an added safety factor and was more convenient people working and moving around.

Ms. Seavey noted that the basket that was passed around did quite well too. Mr. Sires said he thinks it was \$1,300 or \$1,600. Ms. Gilligan stated it was \$1,370.

PUBLIC COMMENTS AND MEDIA QUESTIONS

None.

NON PUBLIC SESSION / NH RSA 91-A:3,II (c) – Tax Matter and NON PUBLIC SESSION / NH RSA 91-A:3,II (e) – Pending Litigation

At 6:35 pm, **Mr. Colbath moved, seconded by Mr. Thibodeau, to go into nonpublic session under NH RSA 91-A:3, II (e) to discuss a pending litigation and under NH RSA 91-A:3, II (c) to discuss a tax matter.** The nonpublic session included Town Manager, Earl Sires, Tax Assessor, Tom Holmes and Recording Secretary, Lisa Towle. **Motion carried by unanimous roll call vote.**

The board returned to public session at 6:51 pm.

Mr. Colbath moved, seconded by Mr. Porter, to seal the minutes of the nonpublic session. Motion carried unanimously.

ADJOURN

At 6:52 pm, the meeting adjourned at the call of the Chair,

Respectfully submitted,

Lisa Towle
Recording Secretary