

**CONWAY VILLAGE FIRE DISTRICT  
PUBLIC HEARING ON PROPOSED RATE STRUCTURE  
Thursday December 8, 2016  
Minutes**

Meeting was called to order at 4:30

Commissioners present: Janine Bean, Michael Digregorio, Steve Bamsey

Others present: Gregg Quint- Superintendent, Chief Solomon, and Amy Snow-Municipal Bookkeeper, Steve Anderson

Ms. Bean started the meeting at 4:30 p.m. with the pledge of allegiance. She also stated that before she opens the meeting she will set some ground rules such as, limiting the conversations, questions and answers to what the hearing is about which is the proposed rate structure and asked that comments, questions and remarks be friendly. She then opened the meeting on the proposed rate structure at 4:31p.m and explained the reason for the meeting is to explain the proposed rate structure changes to the water and sewer building structure.

The public received handouts. (See attached). Ms. Bean referred to the first page and explained what the rate structure for sewer demand fee and usage rate could be with the current rate structure.

She then went to the next page regarding the proposed new rate structure; Ms. Bean explained that the new proposed rate structure would be based on USUs (Utility service units) and it is a betterment fee charged to every property in the district. USUs are based on the number of units served at each property either residential or business taken directly from the tax cards at the Town of Conway. Ms. Bean said so if you have a building with four apartments in it, there would be four betterment fees. Mr. DiGregorio responded four USUs. A member of the public asked is there only one on those units now. Ms. Bean responded there is only one per meter. The same member of the public clarified so homeowners are paying the same amount as people having apartments. Mr. Bamsey said well yes, right now. Ms. Bean said, because the debt is on the taxes. Mr. Bamsey explained it goes by meters, so if somebody has a single meter going into a building, and that building is divided into three units, four units or five units yes, the demand fee is based on a meter. He went on to say, there has been some disparity between individual units vs multiple units in some cases Mr. Bamsey went on to explain the proposed rate structure also looks at the fact unfortunately or fortunately depending on how you look at it, we have a high number of non- profits that pay no taxes, and the betterment fee system will shift that payment structure so that the non- profits will pay more of an equal share. Another member of the public asked if he could ask a question, he asked, did you say per meter or per unit in the building. Ms. Bean responded both things, but right now it's per meter, the demand fee is by the meter. Discussion ensued.

Ms. Bean went to the next page and explained the formula and what the betterment fee and usage rate could be with the new rate structure. (See attached). Mr. Woelflein asked So what if you're not hooked up to the sewer. Ms. Bean responded you would be receiving the betterment fee. Mr. Woelflein responded "really". He asked are you going to lower my precinct taxes. Ms. Bean and Mr. Digregorio responded "that is the goal". Jim Kelly asked "#1 on the hand out \$75.34 does that correspond to anything on our current bill." Ms. Bean said "no, this is a new betterment fee

that will eliminate the demand fee that was \$92.00 and the \$75.34 kicks in. so yes, it correlates' s to the demand fee on the old bill. A member of the public asked "per unit" Ms. Bean said per unit. Discussion ensued.

Ms. Bean explained the numbers presented are our best guess estimate and the worst case scenario we could come up with, because we don't know how much money we are getting from the State yet or the SAG Grant, so the \$542,362 is the worst case scenario. She went to the next slide and read the slide; she explained the proposed new rate structure takes all of the debt off taxes so you would see your tax rate go down. A brief discussion ensued around getting the money from the State.

Ms. Bean said the water rates will remain in their current structure, not to say they are going down. Our budget has not been set so the numbers are based on worst case scenario.

Ms. Bean opened the meeting up to questions.

Randy Davidson expressed his concern on how the Commissioner's will get the precinct water and sewer rates down, because compared to the rest of the Town this Precinct is paying absorbent taxes. Mr. Bamsey responded we totally understand that, we live here to unfortunately we were forced into a situation that we had no control over with the Lagoon system being obsolete. We had a couple of options; we could build our own plant or the inter-connect with North Conway which is completed. He went on to explain we still have some infrastructure that is very old and out dated and needs to be replaced on Main Street.

Mr. Davidson went on to express his concern on how will people be able to sell their homes. Mr. Bamsey responded by shifting to a betterment fee system and taking the burden off the tax rate; that can at least on paper increase the value of homes because, when people look at real-estate listing one of the first things they look at is what the taxes are on that particular piece of property. He went on to explain not that our fees that we are paying will go down, but it is going to shift where the money is coming from. The betterment fee system creates an equalized system for everyone in the community; right now the residential home owner pays the burden because it's one meter and one unit. This way it looks at all units.

Ms. Bean reviewed if we keep everything on taxes the way it is now, the usage rate will go up to \$15.88 on sewer and the tax bill will be \$5.40 per 1000. That includes the General District, the Fire, Water and Sewer and any other articles. If we go to the betterment fee property tax would be \$2.73 per 1000 and everyone will participate in the betterment fee. The betterment fee based on the worst case scenario is \$301.31 a year and everyone pays the same per unit. By putting it (the debt) on the betterment fee it lowers the property tax which was the Boards goal so people would want to move in here.

Danny Quint inquired about why the District does not offer Veterans discount. Ms. Bean responded the precinct never had anything for the Veterans it is the Town that offers Veterans deferment.

A member of the public expressed his concern around the fairness of the betterment fee. He thought it should be based on usage. Discussion ensued.

Ms. Bean explained by law it has to be equal and fair to everyone. Gary, a member of the public, begged to differ that it was equal and fair. Discussion ensued.

Burr Phillips who is not a resident was given permission to speak. He was comparing the tax rate of a single mobile home in a park to the betterment fee said their rate is going up 100% and is concerned if they can pay it.

Ms. Bean said some people will be paying a lot more and some people who have been paying for 30 years will not be paying as much.

Mr. Bamsey said I don't know what they are paying on property taxes and yes, some people's rate is definitely going up. He went on to ask a question, on the flip side why is it the individual homeowner who lives right next to me in a trailer, who is paying a much higher property tax is not receiving the same break as somebody in Lamplighters.

Mr. Phillips said I think they are, it's the way Lamplighter is taxed up. It is taxed differently.

Mr. Bamsey said right now what we are looking at is that we have a current system that has great disparity in it depending on where you live in town and what you live in and a couple of facts that are not going away; the first one we have a huge amount of debt and unfortunately we are a little more in debt beyond what we should be, but there was no getting around it our infrastructure had to be replaced. The second thing, we do not have a lot of new development coming into town. North Conway did 10 million dollars easily this year. We can't compare ourselves to them, but that is the fact of where we are right now. He went on to say we have to come up with a fee and a structure system that is equalizing because again the individual homeowner is paying the brunt of it.

Mr. Phillips said, he agreed we have to pay the debt service and that is why you do it through taxes, but something to think about is if you own a very high end house your rate is going down and if you own the lowest value house which probably is a reflection of your income, your rate is going up huge.

Mr. Bamsey said the median house in Conway Village is \$170,000. So yes, there might be a few million dollar homes in town, but that is not the normal house in town.

Mr. Phillips said, but there is 200 low income houses in Lamplighter that is going up that's not a small number.

Anne from Lamplighter Park confirmed that they would be paying on 234 units whether they are occupied or not occupied lots. She also wanted to clarify the fees once on the betterment fee.

Mr. Bradbury asked, based on this new structure and the amount we owe, how long will it take to pay it off (the debt) and what happens then.

Ms. Bean responded, we have a 30 year loan to Rural Development and it's down to 26 years.

Mr. Kelly asked, do we own the meters in the house or do we rent them.

Mr. Quint responded, they are owned by the District it is kind of a grey area everything around it is yours, because we are not licensed plumbers we are not supposed to make any adjustments to anything but the meter.

Mr. Kelly asked, is it worth purchasing the meter over 30 years or is just part of the bill. Mr. Quint said it is kind of incorporated into it. He went on to explain deduct meters.

Mr. Bernier from the North Conway Water Precinct who is not a CVFD resident was given permission to speak. He stated a big part of the problem is that the State has deferred 30% of the money the District should be receiving. He went on to say the precinct is trying to recoup all of its portion and the states 30% obligation. When the point in time comes and the Precinct begins to get the 30% it can offer some relief. He also stated what the Precinct is trying to do is the right thing even though it does not make everyone happy. He explained in rate setting for water and sewer rates you have fixed cost and variable cost. Most of the cost is in the fixed cost portion of your operating budget. The variable cost is a very small portion of our budget. If people start using a lot more water, you can't necessarily create a lot more money because there is a cost associated to providing the water. He then addressed Mr. Davison's concern about the tax rate. He said when he started for the precinct 13 years ago the tax rate was 4.00 per 1000 range. The only reason their tax rate is down is because they have paid off their debt.

Ms. Bean said the \$75.00 is based on the \$542,362, if we get 247,000 from the State in 2018 that 75.00 goes down. And the tax rate could go down below 3.00 if people come to vote down some stuff on their taxes.

Jim asked, when we start to put together figures on the Main St. project and the State is going to promise us money on that to or is that different people we get money from. Discussion ensued around how the project would be funded. This project has nothing to do with the betterment fee. It will affect water.

Discussion ensued around what would happen if the debt was put on usage.

Mr. Davidson stated, he thinks the Board should do whatever is fair and equitable for all people who live in the precinct. For individual home and residential, apartment complexes to take it off the backs of the individual home owners.

Mr. Bamsey acknowledged Tom Buco for his efforts on behalf of the District. Mr. Bamsey encouraged people to reach out to representatives to support the legislation that is currently in the Governor's office. A member of the public asked about a petition, Ms. Bean said you can call the office and get the address of the legislatives because we have a letter going out the first of the year because they will be going into session.

Mr. Phillips asked when the Board will vote on this. Ms. Bean said she did not know because we are still working on budgets. He asked the Board not to vote on it tonight.

Ms. Bean closed the Public Hearing at 5:38 p.m.