

WATERVILLE ESTATES VILLAGE DISTRICT / ASSOCIATION JOINT MEETING

December 29, 2020 MEETING

MINUTES

Attendees: Matt Smith (Clerk), Maureen Patti (Commissioner), John Herlihy (Commissioner), Corey Smith (WEA/WEVD Manager), Gerry Panuczak (Commissioner), Judy Kinney (WEA/WEVD Assistant Manager), Mike Hering (Board of Directors President and Meeting Chair), Terry Tole (BOD), Mark O'Hara (BOD), Madhavi Challagulla (BOD), Art Marks (BOD), Ryan Timms (BOD)

Guests: Harry Bertino, Jim Murphy, Mark Canfield, other parties, some unidentifiable, via Zoom.

Call to Order: Mr. Hering called the meeting to order at 11:01 AM.

Covid Zoom Declaration: Mr. Herlihy read a declaration authorizing a zoom meeting per the Governor's orders.

Roll Call: Mr. Herlihy, aye, Ms. Patti, aye, Mr. Panuczak, aye.

General: Mr. Hering asked the Commissioners (BOC) for their "vision" for the community. Ms. Patti had a response to the letter submitted by Mr. C. Smith on behalf of the Association Board (WEA BOD) at 8:15 PM the previous evening. Ms. Patti made a motion to have her response accepted by the BOC, Mr. Herlihy and Mr. Panuczak indicated they would accept the response. Ms. Patti asked that the two letters be posted online and on constant contact. She also sent the response letter to the WEA BOD. Mr. Panuczak said we are not here to talk about a change in the construct and that the municipal / HOA model works well. He indicated he wanted Campton Mountain to be the best small ski area in New Hampshire, not the best kept secret in New Hampshire. He discussed taxes being used in the Recreational Revolving Fund (Rec Fund) and that the Rec Fund operates at a \$150,000 loss per year best case scenario and that method of operation had resulted in deferred maintenance. He indicated the current slate of Commissioners is trying to correct the problem. He indicated the recreation business could be run better and it would be best to work together. He talked about the three snow making water source options not being fully analyzed, but that we needed to start building our brand. He stated, we need to utilize the Mountain Lodge year-round and that 10 years from now it should be the best ski area.

Ms. Tole asked what the priority array was for getting caught up on deferred maintenance. Mr. Panuczak responded building and employee safety, then the water system. He indicated that the Planning Board was in the process of crafting a master plan and it would help with prioritizing. Ms. Tole asked if we would re-open after the safety issues and lack of ventilation were addressed and what the timeline was. Mr. Panuczak said we had just received a draft report from DuBois and King and it dealt with the fact that two of our facilities don't have proper HVAC and it was too early to give a timeline. Ms. Patti indicated that the General Manager only brought it to the attention of the Commissioners at the beginning of September. Mr. O'Hara stated the vaccine is 3 – 4 months away and discussed that schools and City or Lowell MA don't have fresh air and didn't understand why it was important to ventilate. Mr. Herlihy indicated that the evaluation concluded there were many deficiencies and that the deferred maintenance should have been performed a long time ago. Ms. Challagulla asked whether the improvements were necessary for Covid or regardless of Covid. Ms. Patti stated the answer is easy, New Hampshire building standards require ventilation and that the Recreation Center (Rec Center) had fresh air systems that have been inoperable for a long and indeterminate time. Mr. C. Smith stated the Rec Center HVAC has been brought up before, but the Ski Lodge HVAC had never been discussed. Mr. Hering suggested that the Rec Center and Ski Lodge were constructed before codes required fresh air. He stated that Waterville Valley had no fresh air, that if we had broken fresh air systems, we should fix them and that the BOD had a partial reopening plan. Mr. Herlihy stated that the Ski Lodge did not have operable windows and was a "sick building". Mr. Hering stated that fresh air was introduced to the Ski Lodge when air is sucked down the chimney by other Ski Lodge air systems. Mr. Herlihy indicated we would be discussing the engineers report at the Village meeting scheduled for tomorrow.

Mr. Marks said the ski area is a great little ski area and asked if Commissioners Patti and Herlihy agreed. Ms. Patti indicated that she supported the ski area and cited the actions she has taken that demonstrate that support including working to find a water source for snowmaking. Mr. Marks stated he was looking for a yes or no answer. Ms. Patti pointed out that people aren't listening when she tells them she supports the ski area so detailing the actions was the only way to make the point. Mr. Herlihy said he has skied at Campton Mountain since the 70's. Mr. Hering clarified that the Ski Lodge was built in the 60's and the Rec Center in the 80's. Mr. Herlihy stated that he supports the ski area but that it needs to be sustainable. He stated we need to evaluate the cost to the community and the benefit to the community. He stated that 145 New England ski areas have closed in the past 15 years as a result of global warming. Ms. Challagulla stated that global warming would "kill everything" and asked "what's your point?". Mr. Marks stated that we are a weather-based community. Mr. O'Hara indicated that if we had made snow already, the ski area would be open now. Mr. C. Smith indicated we were currently test running the snow gun. He indicated that the public had not seen the previously referenced letters. Ms. Patti suggested that he share the letters on the screen as he was the zoom host. She stated that we would schedule a meeting to discuss the three different snow making plans. Mr. Hering discussed the WEA snow making committee consisting of himself, Mr. O'Hara, Mr. C. Smith, and Mr. Tole. He asked if a Commissioner would join the committee and Mr. Panuczak volunteered. He indicated he was full time and was happy to participate. Mr. Hering indicated he was full time as well. Mr. C. Smith indicated Mr. Hering had asked him to look at taxes in the Rec Fund. Ms. Patti talked about the consistent misinformation provided about the Rec Fund. She read from the 2006 warrant article which established the Rec Fund pursuant to RSA 35-B and pointed out that the warrant language only allowed funding through fees and charges and only authorized the Commissioners to direct the Treasurer to disburse funds. She observed that the BOD suggestion to hold more dues outside the Rec Fund, so they would have more freedom to spend, was problematic.

Mr. C. Smith stated that the problem is that the WEA creates a budget and then the Commissioners can say yea or nay which prevents the WEA BOD from managing the business the way the business needs to be managed. Mr. Hering stated that the previous BOC allowed a "broad-brush" approach and that it was impossible to project 15 months out. He indicated the price of a burger should not be a BOC decision. Ms. Patti expressed concern about the need for flexibility, but what's at issue is that the Recreation Management Agreement (RMA) requires proposals and associated budgets. She noted the RMA gives the Association final approval over all recreational activities. She understands that the BOD wishes they did not sign the agreement, but it is the contract they are all bound by at this time. Ms. Tole asked what level of detail is required, \$20k for bands or the name of each band. Ms. Patti said that a formal proposal need not list band names. Mr. Panuczak stated that budgeting 15 months out is nothing new and that the General Manager can manage day to day issues. He said the RMA is well written and we should just follow it. Mr. C. Smith said Waterville Estates Village District (WEVD) is unique and no other municipalities are doing Bar and Restaurant business. He stated that we should not follow the RMA. Mr. Hering said that WEA wishes to revisit the RMA and has provided a budget. He said the budget limitations put us in a different position. Ms. Patti stated the Commissioners have not received anything but a one-page proposal saying "do what you did last year and we'd like to give \$34k of CIF money for the Locker Room Upgrade". Back and forth discussion took place. Ms. Patti pointed out that the RMA requires a proposal.

Mr. Hering stated that the BOD does not agree with the RMA and we needed to set up a meeting to resolve the issue. Mr. Hering discussed CIF and it was never the intent that CIF commitments be made ahead of time. He complained that NH statutes require that CIF contributions of \$5k and over require a public vote. He stated that a CIF contribution did not create a legacy liability for WEVD. Ms. Challagulla stated that the bottom line is the 2006 Warrant Article that created the Rec Fund directly subverts the Sovereignty of the BOD. She stated that the warrant article was not legal and the BOD could overturn it. Ms. Patti said the warrant article was very clear about the Rec Fund and the Commissioners role in it. Heated discussion took place with Ms. Challagulla stating WEA was here first so the BOD can disassociate from WEVD. Ms. Patti said the BOC wants to work with the BOD within the terms of the RMA. Ms. Challagulla continued to call for sovereignty to be returned to the BOD.

Mr. Hering said the BOD letter from last evening revolves around the suggestion that instead of transferring dues. The BOD could retain the funds and spend them as they wish. He said the BOD did not have to comply with the statutes and regulations that the village does. He complained that WEVD had been “inundated” with Right to Know (RTK) requests costing \$10’s of thousand or dollars in legal fees and staff time and that the BOD could help avoid that. Ms. Challagulla came back to the legality of the 2006 Rec Fund warrant article and the sovereignty of the BOD. Ms. Patti corrected Mr. Hering on the requirements of CIF transfers to WEVD. The BOC can approve contributions under \$10k and needed to hold a public hearing for amounts \$10k and over, but the power to accept still rested with the BOC and did not require a public vote. She stated that our current difficulties from RTK stem from not having enough staff and not having a plan. She said RTK is a standard cost of doing business for a municipality. She said we are big enough to need procedures and to follow them. Mr. C. Smith reiterated by keeping the dues in the BOD’s control we could avoid RTK altogether particularly as it relates to requests for OneTouch Bistro data. Ms. Patti indicated that it may not solve the problem but would seek advice from village counsel. Mr. Panuczak stated that many municipalities have Bar and Restaurant operations and we are not unique in this regard.

Ms. Challagulla asked what do we want out of this meeting and that she thought the priorities were to open, redo the RMA, deal with the ventilation, and address CIF. Mr. Timms stated we are two hours into the meeting and haven’t talked about the agenda items and that the BOD could not continue to put their head in the sand. He said the BOD has had plenty of time to comply with the terms of the RMA and to continue to not engage is irresponsible. He said the BOD should stop complaining and blaming. Heated discussion took place among the BOD members.

Mr. Canfield talked about how the new RMA came about indicating he worked with Sean Tole and Karen Waters. He indicated that there were no changes to the terms of the RMA only changes were made to make each parties responsibilities more clear. He talked about the need to safely re-open and maintain Covid compliance. He said, as a member of the village Budget Advisory Committee, there were limitations on what the village can do. He said he wants to see the members dues used properly and doesn’t want the money spent unwisely. Mr. Hering said he appreciated the re-opening comments and that the BOD had submitted a budget in November reflective of the previous year. Mr. Herlihy indicated the BOD had not seen these plans.

Commissioners Departure from meeting: Ms. Patti indicated she had an unavoidable appointment and left the meeting at 1:10PM. Commissioners Herlihy and Panuczak departed at 1:10, thus ending the public portion of the meeting.