

**TOWN OF RYE - SELECT BOARD
&
BUDGET COMMITTEE
&
ENERGY COMMITTEE
MEETING
Wednesday, June 15, 2022
7:00 p.m.
Rye Town Hall & Zoom**

Select Board Present: Chair Bill Epperson; Vice-Chair Phil Winslow, and Selectman King

Budget Committee Present: Chair Scott Marion, Jaci Grote, Shawn Crapo, Jeff Ross, Ralph Hickson, Dania Seigle and Suzanne Barton

Others Present: Finance Director/Assistant Town Administrator Becky Bergeron and Acting Town Administrator Kevin Walsh.

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Epperson called the meeting to order at 7:00 p.m. and led the pledge of allegiance.

II. Discussion of Town Hall Annex renovations

Chair Epperson opened the meeting with a quick update of the process so far. He explained that the Town received only one Bid, which was significantly over the budgeted amount. Assistant Town Administrator Bergeron has gone back to Triple Construction to renegotiate the cost by reworking the plans. He then turned the meeting over to Assistant Administrator Bergeron.

Asst. T.A. Bergeron explained the bid came in substantially higher than the Town could support. The bid was rejected and they went back to the drawing board to value engineer the project. The documents that have been presented today are the most up-to-date from the negotiations. Charles Hoyt revised the original plans, based on the initial changes that were made. The revised plans are the ones they are currently working with. She explained that they have taken out some of the things that are not necessary in order to get the building operational, so that they can transition. The base cost now is \$567,777.

Shawn Crapo, Budget Committee, pointed out that current construction replacement cost is going at \$220.00 per square foot. That would be \$550,000 on a 2,500 square foot building. He can understand why this project is coming in so high. He suggested waiting to rebid the project.

Jaci Grote, Budget Committee, noted that the original intent when it was first bid, was to renovate the annex using certain parameters. There was a functionality that was related to that building based on what was originally wanted. She asked how the functionality will differ from what was originally planned.

Asst. TA Bergeron reminded everyone that prior to the purchase of the bank building, Barba and Associates, of Portland Maine, did a space needs assessment on the current town hall. The

results were that the town needed an additional 2,500 square feet for optimal workspace. That is exactly what they got in the bank building. In terms of functionality, the plan is to take what was outlined originally in terms of square footage and optimal workspace, and reconfigure the interior of the bank to support that. The original bid that came in just shy of \$700,000 included the exterior. They were replacing the siding and all the doors and windows. They were replacing the roof and removing the chimney.

The current plan is to:

- Not remove the siding and repaint the building
- Still included the vault room on the back
- Not replace the windows
- Not replace the entire roof and just replace a few shingles
- Not remove the chimney; possibly paint it
- The only door that is being replaced is the back door. (Due to wood rot)

Jaci Grote, Budget Committee, asked if there is a possibility that there are other places to cut, or would the net effect of that gain create a long-term loss?

Asst. TA Bergeron responded that she felt that they have cut out about everything that they can.

Dania Seigle, Budget Committee, asked if there is any item that is on the exclusion list that is detrimental to security and/or safety of the building and the staff.

Asst. TA Bergeron replied no. There is nothing on the list that would affect the security or safety of the building, nor the staff and public who would access the building.

Shawn Crapo, Budget Committee, stated that sometimes it is more expensive to do a remodel than a tear down and rebuild because of the limitations of the old structure. He asked if this has been considered. He also asked if the costs are due to some of the current configuration and layout of the building.

Chair Epperson explained that the interior has already been gutted and now they are reconfiguring it into a town hall. He also explained that there is a 10% contingency in the \$567,777. He pointed out the current construction costs and the availability, or lack thereof, of materials is a factor in the matter. Chair Epperson pointed out that the Town has been battling over this for decades. The research has been done and he feels that this is the best they are going to get. He added that they need to move forward and get the staff moved over to the new building as fast as they possible can.

Jeff Ross, Budget Committee, explained a discussion that the Budget Committee had. The thought of tearing down and building new was to get everything the Town needs. The plan as it stands, is Phase One of a multi-phase plan of at least three phases. Then there will be additional phases for renovation of the existing town hall because not all the employees will be moving to the annex. This will not be the only expense associated with getting the Town where it needs to be. The figures for phases two and three are an additional \$600,000.

Jaci Grote, Budget Committee, commented that when this was first talked about, the plan was to renovate the TD Bank. The restriction that the Budget Committee put on was that it wouldn't cost more than what was received from the sale of the Tolley Barn. The proceeds from the

Trolley Barn sale were \$411,000. She believes that at the end of the \$567,777., the Town will be where they thought they would be. The TD Bank will be modified to the way they need it for the employees to move. The idea of phases two and three came way after the budget meeting. She felt that by completing the bank to this phase, they will have come to the place where they all had intended to be. She pointed out that it was always the intention to renovate the old town hall, working with the Heritage and Historic District Commissions. This is nothing new. She added that by completing the project to the end of the \$567,777., will bring them to the finish line. Anything after that goes back to the voters. Phases two and three will have to be on the warrant.

There was further discussion on whether the annex will be adequate to fit the needs of the Town. Chair Epperson stated that it is perfectly adequate for the needs, right now. If there is growth and the need for more services, that is when they start looking at phases two and three.

Dania Seigle, Budget Committee, stated that by completing phase one, the town's people will get to see the improvements and success. With this, they will be able to market the next phases in a way that is understandable to the Town. The town's people are extremely accommodating. The town staff need an incredible amount of support. Success will reap success.

The discussion led to ADA compliance. Acting Administrator Walsh pointed out that as time goes on, more and more residents are finding it challenging to make it up the stairs to the Selectman's office and the Assessing office. He has seen a lot of the residents transitioning to one floor living. He commented that they owe it to their residents to allow them the opportunity to come to the Town Hall to do their town business. He has also seen staff meeting residents in the parking lot to conduct their business.

Vice-Chair Winslow responded that the Board is responsible for managing the assets of the Town. There is a \$700,000 property setting there that they have committed to renovating. They told the residents that they would use the funds from the sale of the Trolley Barn. They have found that in today's economic climate, that is going to be unrealistic. It is going to cost a little bit more. Also, they have to provide safe and efficient office space for the employees. The Board has been promising this for the past twelve years. The Board also must manage the Town's assets and funds, and they believe this is the best way to do it. This is not the whole step. It is the first step. Vice-Chair Winslow also pointed out that for the past three years, the Board has been presenting this plan to the voters. If they change the plan to a tear down/rebuild the voters will say that the Board is not doing their job in communicating what they are doing. Now is the time to pull the trigger.

Scott Marion, Budget Committee, summarized that with the Trolley Barn proceeds of \$411,000., they are looking at an additional \$150,000., if there are no costs overruns. He asked if they would be set by doing phase 1 or if phase 2 would have to be done right away.

Vice-Chair Winslow pointed out that Triple Construction is only holding the price until the end of next week.

Jaci Grote, Budget Committee, asked if the employees would be able to stay in the building if they went directly into phase two.

Asst. T.A. Bergeron, replied that it will be disruptive, but yes, they can stay.

Jaci Grote, Budget Committee, asked if they would go into phase two after phase one, or would the Town Hall be renovated first? She asked how much time they are going to give to evaluate the benefits and/or improvements needed before embarking into phase two and three.

Chair Epperson pointed out that they have anticipated the immediate needs of the Town Hall and the employees. Phases two and three are conceptual in the event that they found out that phase one is not adequate to meet the future needs of the town.

Asst. TA Bergeron talked about some additions that are not covered in the \$567,777 price.

Fire Suppression System:

- There is a need to bring a new water line from the hydrant at the street into the annex building for the fire sprinkler system.
 - The pipe can be 4-inch, 6-inch, or the HTPE pipe.
 - The Water District Superintendent will be responsible for the installation.
 - He is in the process of getting three competitive quotes.
 - The range of cost should be between \$18,000 and \$23,000, which is not included in the \$567,777.

Asst. T.A. Bergeron explained that technically in Phase One of this project, they are not required to provide fire suppression because of the number of offices. However, in engineering this project for future expansion, it makes sense to engineer it with fire suppression, because if phase two and three is approved, they will be required by code to have it.

Asst. T.A. Bergeron noted that the security company, Pelmac Industries, that services the Public Safety building will be doing the security work on the annex. She does not have a quote yet from Pelmac Industries. She projects \$28,000 would cover it. Rockport Computers will be doing the cable infrastructure for the computers/internet. She anticipates that this will cost around \$10,000 to \$15,000. She explained that the costs for these two items are also not in the \$567,777 quoted by Triple Construction.

Scott Marion, Budget Committee, asked where the money would be coming from.

Asst. T.A. Bergeron explained:

- \$280,000 from the sale of the Trolley Barn, less \$29,000 spent on the plans
- \$250,000 the balance in the Buildings and Construction Capital Reserve Fund
- \$572,650 from ARPA funds, less \$166,000 to the sewer pump station upgrades.

The ARPA funds cannot be put against the tax rate. There are expressed uses attached to these funds.

Jaci Grote, Budget Committee, asked if there is anything more pressing that they should be spending this money on?

Acting Town Administrator Walsh, stated that with covid being a part of our new norm, the Board has made it clear that the employees are working too close for too long.

Vice-Chair Winslow reported that at the last Select Board's meeting, each of the Selectmen brought in a list of their Top 5 Objectives for 2022. The first thing on each of their list was the Town Hall Annex.

Howard Kalet, Co-Chair of the Energy Committee, noted that the Energy Committee had originally asked to have a heat pump added to the heating system. A heat pump in today's environment is more efficient. The original quote came back at \$46,000. They have another quote for \$8,500. He projects that they would recover that cost through energy savings within five years. In addition, they would be reducing the amount of CO2 they are putting out dramatically. The unit that they are recommending would not have to be expanded if the town moved forward to phase two and three.

Vice-Chair Winslow asked Asst. T.A. Bergeron what the experience has been like with the Geothermal system in the Town Hall building.

Asst. T.A. Bergeron responded that it has not been favorable. She reminded the group that the system was undersized from the start. There were subsequent recommendations for things that should be done to make the building more weather tight and to help with the efficiency. The Geothermal system does not keep up with the demand. There are five individuals that run space heaters from September through April.

Tom Pfau, Rye Energy Committee, pointed out that this building is leaky. If anything is planned for this building, it first needs to be weatherized. The heaters under the desk are not because of the Geothermal system.

Howard Kalet, Rye Energy Committee, stated that the Energy Committee feels that they need to follow up on the recommendation to seal up and weatherize the building. There may be funds available to do that.

Asst. T.A. Bergeron called attention to the 10% contingency number. She asserted that it will probably be used for alternates 12 and 13. There is the insulation and the roof joist. There are also repairs that are needed to the siding where the drive-thru is. Plus, the 10% contingency will be available if they get into something and it is more than originally planned.

There was discussion regarding the sprinkler system. Acting T.A. Walsh reported that it has been recommended to use a dry and wet system. The dry system will be in the attic where there is a potential for the pipes to freeze. The wet pipes will be below, where it is always at least 20 degrees Fahrenheit. Fire Chief Cotreau agrees with this method. This recommended system is included in the base amount.

Selectman King summarized the alternates as follows:

- Number 8 – No
- Number 9 – No
- Number 10 – Heat Pump for \$8,500 – Yes
- Number 11 – Lepage Door verses Wooden Door – No price yet.
- Number 12 – 13 – Insulation & joist – 10% Contingency

Motion by Jaci Grote to authorize the Select Board to spend up to \$650,000 for the renovations associated with the Town Hall Annex. This includes the \$567,777 bid from Triple Construction, along with \$25,000 for the water line, \$15,000 for interior cabling, \$30,000 for the security system, and \$8,500 for the heat pump. The \$650,000 will be paid by a combination of the balance of the ARPA funds and the \$250,000 balance from the sale of the Trolley Barn. Seconded by Dania Seigle. Vote: 6-1 Opposed: Shawn Crapo

Adjournment

Motion by Scott Marion to adjourn the Budget Meeting at 8:20 p.m. Seconded by Jaci Grote. All in favor.

Motion by Phil Winslow to adjourn the Select Board Meeting at 8:20 p.m. Seconded by Tom King. All in favor.

Respectfully Submitted
Dyana F, Ledger