

**Board of Selectmen**  
**Meeting Minutes**  
**Thursday, February 2, 2023**

**Approved**



**1) Open Meeting**

Chair Dudek called the meeting to order at 5:07 p.m. Board members present: Michelle Dudek, Chair; Andy Guptill; Jim Delaney.

Also present: Town Administrator Kimberley Edelmann, several members of the Budget Committee, Chet Adams

**2) Highway Garage Construction Project**

Chair Dudek noted that the reason for the work session was to go over the information from DuBois & King regarding the proposed Highway Garage and to figure out what to present at Town Meeting the following month.

TA Edelmann gave updates on several topics.

**a. Architectural Drawings**

TA Edelmann said she reviewed the drawings done by Stewart Associates Architects LLC in Laconia and noted that they had not been stamped with the professional's seal yet. That meant they were not final and were still open for review, discussion and modification. Once stamped, they would become part of the package made available when the Town puts the construction project out to bid.

**b. PCM Company Cost Estimate**

DuBois & King engaged Preferred Construction Management Company (PCM) from Portland, Maine to provide a cost estimate. PCM is well respected in their field. However, they don't shop for local pricing as a local builder would. They use data from their database which is collected regularly from various sources.

John Kenney from DuBois & King said his team reviewed the cost estimate and generally felt it was on the high end.

**c. Contract with DuBois & King**

TA Edelmann read the contract, then contacted John Kenney at DuBois & King to confirm her understanding of the scope of the work they were providing throughout the life of the project. Selectman Delaney was in her office during the call. Per the contract, DuBois & King was providing the following services:

- ◆ Survey
- ◆ Civil engineering, including water system, wastewater system, electrical & communications, final civil site design, and permitting
- ◆ Geotechnical engineering
- ◆ Architectural services, including the schematic design and construction bid documents
- ◆ Structural engineering

- ◆ Electrical, mechanical and plumbing
- ◆ Bid phase support
- ◆ Construction phase support, include a few trips to the site during construction, review of payment requisitions & change orders, and coordination of inspections.

TA Edelmann noted that the next major step that the Town was the bid process to identify and contract a construction manager, general contractor or builder for the construction phase. Mr. Kenney confirmed that DuBois & King would help put together the bid package.

#### **d. Bidding Process**

Over a period of a few weeks, the Town would put out the bid, meet bidders, and select one.

TA Edelmann said she also spoke with a Construction Manager (CM) who helped her understand more about process from their perspective. The CM would need a few weeks to gather real numbers for the construction costs and a few more weeks to get bids from subcontractors that they would contract to do the work.

The CM would present the Town with the final construction cost. A contract with that cost stated would be signed. Once signed, the number would not be changed.

She was informed that the best time to go out to bid was from January through March as it was a fairly quiet period for the local construction industry.

#### **e. Funds Needed**

TA Edelmann noted that based on the number from PCM, the only number available at the time, the total cost of construction was \$2,446,263. The Town already had \$650,000 set aside towards construction. If the Town wanted to build the building in 2023, the Town needed another \$1,786,263. That would mean a massive one time tax hit, or pursuit of a bond or bank loan.

TA Edelmann noted that if the Selectboard decided to pursue a loan or bond, the associated Warrant Article would read something like:

*To see if the town will vote to raise and appropriate the sum of \$1,800,000 for the construction of a highway garage and office, and to authorize the issuance of not more than \$1,800,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon.*

In other words, the Town would vote at Town Meeting to allow the Selectboard to pursue financing.

#### **f. Funding Sources**

TA Edelmann talked about the NH Municipal Bond Bank (NHMBB) and shared some of the process involved in getting a bond through them. An application for the bond would have to be submitted to the NHMBB by April 28th. If approved, the funds would arrive in August. Meanwhile, the Town still had \$650,000 to get moving with construction.

TA Edelmann said the NHMBB has a full history of the bond interest rates on their website at <https://www.nhmbb.org/>. Currently, they were quoting 5.5%. That rate is quoted for safety purposes. The bond sale in January 2023 actually came in at 3.44%.

TA Edelmann said she also spoke with the local Bar Harbor bank. She received email stating that for \$1,200,000, the rate for 15 years would be over 5%. If going with a bank loan, she suggested the Town talk to several banks.

TA Edelmann noted that if the Town decided to wait another year, the construction prices would only increase. She said that per her contacts in the construction industry, ideally, for where the Town was in the process, it should be November

and not 5 weeks away from Town Meeting. She said there was time to have a Bond Hearing. That would require a separate event publicized in the newspaper.

### **3) Three Options**

TA Edelmann stated that she had been researching history of the highway garage overall. She talked about other options that had been on the table or were mentioned to her.

#### **a. Johnson Lane Property**

The first was to purchase a property on Johnson Lane which was not officially on the market. The property would allow the Highway Department to move in soon, but they would likely also have to do some building maintenance and changes to make it suitable.

The property has not been inspected. It was not known if DES permits would be required, especially with the Blackwater River going around the property. It was not known if washing vehicles would be allowed. It was unknown how the residents in the neighborhood would feel.

The value of the property was under \$650,000 and, if agreed, could be purchased without an impact to taxes.

TA Edelmann noted that there were no letters of offer from the owner, nor anything in past minutes that she could find regarding prices or intent of the owner to sell. She added that any undocumented discussions had to be considered rumor and hearsay. If the Town wanted to talk to the owner, they needed to invite the owner to a meeting.

TA Edelmann provided the property card to the Selectboard, as well as business registration information from the Secretary of State showing that the business on Johnson Lane was considered active by the State.

#### **b. LaValley Building Supply**

TA Edelmann said Selectman Delaney has repeatedly spoken about a quote from LaValley Building Supply to build a structure. However, Selectman Delaney went through past minutes and was unable to find sufficient documentation about any discussions. And while he had an email with a price, there were no drawings.

TA Edelmann stressed that if the Town wanted to move forward with LaValley, it would be good to invite them to a meeting for discussion.

#### **c. DuBois & King**

The 3rd option was the option currently on the table.

#### **d. Other Documents**

TA Edelmann also provided a copy of the Procurement Policy which states that the Town would go out to bid on items over \$10,000.

She also provided a high level diagram which shows the relationships within the Highway Garage Project between the Town, DuBois & King, and the builder who was as yet unidentified.

#### **4) Working Through the Options**

##### **a. Johnson Lane**

Chair Dudek stated that she did not support pursuing purchase of the property on Johnson Lane. Her reasons included that the building was in disrepair. It needed a heating system. Also, the property had a history of parking issues. She felt it would not be a harmonious fit for the neighborhood with big equipment frequently traveling the road. The property also was at the far west edge of Andover near The Refinery; it was not centrally located.

Selectman Guptill said he pushed for the White Oak location because of the central location. Also, it had a sandpit there.

Chair Dudek said that there was a Highway Building Committee for a year that looked at various options. They decided White Oak was the way to go. Selectman Delaney said he totally agreed.

##### **b. LaValley**

TA Edelmann noted that there was no formal information from LaValley. Chair Dudek felt that the informal prices was probably not inclusive of everything. She suspected if it was, overall prices between LaValley and DuBois & King would be close.

Selectman Delaney said the LaValley building was \$938,000. He said if the Budget Meeting was extended, he would request immediate full plans and full pricing. Chair Dudek suspected that could take a few months, as it did for DuBois & King.

Selectman Delaney said he felt that side by side, the two buildings would come in at the same price. But he would request more detail.

Selectman Guptill said the Town needed to budget for worse case scenario.

##### **c. How to Reduce Costs**

Chair Dudek wondered if the Town could do some of the construction work to help reduce costs.

TA Edelmann advised against having Town employees doing any of the work. She noted that the skill sets may be insufficient, the employees would not be doing their regular jobs that they should be doing, and the Town would want to have only "one throat to choke" if things go wrong. She said the CM would be responsible for the workers, responsible for eating costs of problems, responsible for managing people issues, responsible for damage, and the authority to manage any issues that arise during construction. The Town would be wise to let the CM do their job without help from Town employees.

Selectman Delaney agreed, stating that those were some of the reasons to go with a general contractor. They would be in charge of everything.

#### **5) NH Municipal Bond Bank**

Selectman Guptill felt they were at the point of going for a bond.

TA Edelmann said that earlier in the day, she and Selectman Delaney were looking at the payment schedule of a 20 year \$1,800,000 bond at 5.5%. Annual total payments would start around \$192,000 and reduce down to \$92,000 by the 20th year.

TA Edelmann explained that after 10 years, the NHMBB can restructure the bond at a reduced rate. They can not increase the rate. The NHMBB works very hard to support and help municipalities.

To get on the list of Towns who will be getting a bond, the Town would need to get a Bond Attorney at a cost of anywhere from \$3,500 to \$8,000. His job would be to analyze whether the Town of Andover was a safe investment for those who

were purchasing the bond. He might want to look at everything about the Town from demographics to audit reports. When the NHMBB sells the bond, it goes out on the market and offered investors who would be assured that the Towns would make their payments.

The term of the bond (10, 15, 20 years) would be selected by the Selectboard.

A member of the public asked what impact \$192,000 on the tax rate. TA Edelmann said she didn't know the number, but would find out. She said she would absolutely have answers to that and more for Town Meeting. She also said she wanted to hear from residents who were leaning against the project and learn what their concerns were.

## **6) Other Capital Budget Items**

Selectman Guptill noted that if they move to a bond request, that would free up some of the funds they were going to request, maybe allowing for other requests.

TA Edelmann said that she would recommend supporting the Town Clerk / Tax Collector's request. She sees how much traffic the TC / TC handles. And it was a small amount compared to millions.

## **7) Bond Option - Time Lines**

The Selectboard reviewed the NH Municipal Association's calendar of activities leading up to Town Meeting. There was still time to have a Bond Hearing and do get it noticed in the newspaper, per RSA 33:8-a Procedure for Authorizing Bonds or Notes in Excess of \$100,000.

Per the NHMA, February 20th was the last day to post a Bond Hearing in the newspaper. The last day to hold Bond Hearing was February 27th. The Annual Report also needed to be considered.

The Selectboard would work offline to agree a date for the Bond Hearing.

TA Edelmann said she would work on the presentation for the hearing.

## **8) Quality of Minutes**

TA Edelmann talked about the need for detailed minutes, especially leading up to Town Meeting. The Bond Attorney may want to review them, as well as any lenders. She said she'd continue working with Lisa Meier to ensure the minutes contained good detail.

She also stressed that motions were a critically important part of the minutes.

Selectman Guptill made a **motion** to go forward to seek a bond or loan in the amount of \$1,800,000 for construction of a Highway Garage at White Oak Pit. Selectman Delaney **seconded**. The **motion passed** with all in favor.

## **9) Budget Committee**

TA Edelmann asked the members of the public and Budget Committee who were present if they had any questions.

Mark Cowdrey said it was important for the Budget Committee to have an understanding of what the appropriation was for. TA Edelmann said by next week, there would be an updated list of warrant articles that she would send to them.

Selectman Delaney pointed out they could keep asking the Town to set aside \$600,000 until you get to the point where there's enough money, while costs increase, or they ask the Town to take a one time hit when you know what it's going to cost and it's going to have less impact than asking for \$600,000.

What would happen if the Town votes no? Selectman Dudek noted that it would be a different board. They would have to ask again at the 2024 Town Meeting. Selectman Guptill said another option was to have a Special Meeting like the school did in the early 90's.

Selectman Delaney said that it might be good to have two warrant articles: The bond and a back up article requesting more funds to put aside. Selectman Guptill asked what would happen at Town Meeting? The bond article had to go first. If it passed, the second could be tabled.

TA Edelmann noted that the \$650,000 put aside in 2022 was not put into an interest earning account which could have been applied towards the project. To correct that, advice should be sought.

Was the bond vote done by ballot? It would be done during the Town Meeting with paper votes. The box would be open for one hour. After the hour was done, the votes would be counted. If the vote failed, the contingent article could be considered.

TA Edelmann said she would update the Warrant and warned everyone that the numbers would change as the Bond article was required to be presented first.

## **10) Adjournment & Next Meeting**

Selectman Guptill **made a motion** to adjourn at 5:59 pm. Selectman Delaney **seconded**. The **motion passed** with all in favor. The next meeting was scheduled for Wednesday, February 8, 2023 at 6 p.m.

Respectfully Submitted,

Kimberley Edelmann  
Recording Secretary

These minutes were approved at the  
Select Board meeting on March 7, 2023.