

**Minutes of the
Litchfield Budget Committee Meeting
Held on January 9, 2018**

The Litchfield Budget Committee held a meeting on Tuesday, January 9, 2018 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), R Keating, J Bourque, D Miller, J Bourque, J Spotts, J Brunelle (Selectmen's Representative), B Bourque (School Board Representative), T Brown (Town Administrator)

Absent: R Keating, C Harrison, Vacancy

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:00 p.m.

- **PLEDGE OF ALLEGIANCE**

- **REVIEW/ADDITIONS TO AGENDA**

The addition of new warrant articles by the Town under Town Budget. Mrs. Couture indicated the Board of Selectmen approved an additional article and a petitioned article.

2. PUBLIC INPUT

There was no public input.

3. CORRESPONDENCE

Mrs. Couture mentioned that correspondence received from the town included information that there will be no financial impact for 2018 for the fire station as the first payment is due in 2019. She indicated information from the school district included a response from legal counsel regarding the 2005 kindergarten article question and what impact it would have on the kindergarten proposal this year. School district counsel indicated that the district can go from a half day program to a full day program at any time and a meeting vote is not required so long as it is funded. Legal counsel responded a vote can be sought if desired, but is not necessary since kindergarten has been approved each year in the budget. Legal counsel indicated the past warrant articles have no impact on what is occurring currently regarding kindergarten.

4. MEMBER INPUT / MISC. BUSINESS

There was no member input.

5. REVIEW/ACCEPTANCE OF MINUTES

- December 7, 2017

MOTION: by Mrs. Douglas

Move to approve the minutes of December 7, 2017

SECOND: by Mr. Miller

VOTE: 3-0-4

The motion carried.

- December 14, 2017

The acceptance of the minutes of December 14, 2017 will be postponed to the next meeting.

6. BUDGET REVIEW: TOWN BUDGET

- **Fire Station Presentation**

Chief Fraitzl provided an overview of the proposal for a new fire station. He introduced John Holly from Warrenstreet Architects and Preston Hunter from Eckman Construction.

Why a new station needed?

The community has changed much over the last 50 years, but the fire station has not changed. The fire station was built in 1959 and has had two additions over the years to try to accommodate more equipment, but no major work has been done since 1979. A tower was added, but cannot currently be used due to code violations. The town has grown significantly since 1959, going from 721 residents to approximately 9,000 residents; schools have been added since 1959 (1 school to 5 schools); annual calls has increased from 35 in 1959 to 653 in 2017.

The fire department currently has five vehicles (3 engines, a tanker and a rescue vehicle), with other equipment stored outside the existing station (Forestry 1 and 2, rescue boat, command vehicle, light trailer, utility truck and special operations trailer). The current station has significant code issues, which were confirmed in the feasibility study that was completed by Warrenstreet Architects. The Litchfield Fire Department is now known as an All Hazard Fire Department, which means response to medical emergencies, hazmat, auto accidents, terrorism, etc.). The current station lack the necessary space for the currently owned equipment and is not energy efficient. Full time coverage was added to the fire department in 1985 and since then staffing includes: two full time staff, two part time staff, a part time inspector, 34 on call firefighters and EMTs. The existing station location is not adequate to best service the town and the goal is to be on scene as quickly as possible (within four minutes).

What is proposed?

Johnathan Holly, Warrenstreet Architects, commented the station shown tonight is the same as the one proposed in 2004, except for a larger administration area. In 2016, a thorough investigation and proposal was made to accommodate a maximum of 8,000 sf. The existing fire station building is 50 years old and not in the optimal place for response times for populated areas. More than half the equipment is stored outside, the overhead doors are too short for vehicles stored there, there are many life safety and code violations, there is asbestos present that cannot be abated, floor two is not ADA compliant. The way it is built it is nearly impossible to fire separate the garage portion from the administration area and the existing structure does not allow building up because it will not support an extra floor. The rise run of the interior stairs is not compliant, the entrance to the building brings the public directly into the bays, there are

vertical height and width issues, and the site is shared with the church and historical society, which creates parking lot/safety issues if the trucks need to get out of the station.

In 2004, a 5 bay station was designed. In 2008 and 2012, that station was reduced to 3 bays. We took the 2004 plans and recalculated the costs. The 2016 proposal costs were for a 3 bay building; this proposal is for a 5 bay building. Inflation in costs for 2016 brings the cost up to \$4M for construction. The town could recoup some costs if the existing property is sold.

Chief Fraitzl indicated the equipment has to be kept in the apparatus bay; hoses have to be packed outside because there is not enough room for the firefighter to get on top of truck inside the bay and pack the hoses.

Mr. Holly indicated there are structural issues with the apparatus floor ceilings and the center support post in the station is cracked.

Preparation for the 2018 warrant article included:

- Oct 2017 selected construction manager, Eckman Construction
- Nov 16, 2017 launched information website
- Nov 28, 2017 design update completed
- Dec 2017 construction cost estimate
- Dec 29, 2017 reviewed construction and owner budget costs
- Jan 3, 2018 finalized proposed project budget
- Jan 9, 2018 presented proposal at Budget Committee meeting
- Jan 11, 2018 is the bond hearing
- Feb 3, 2018 is town deliberative session
- Mar 13, 2018 is the annual vote

Chief Fraitzl commented the construction manager selection was very thorough with a committee of many various members.

Mr. Holly indicated the location for the proposed building is Liberty Way, which would provide twice the area coverage and response times would be between 4-5 minutes for the majority of the town. The design includes expansion to add a police station if the safety complex is realized. The building is 1,000 sf larger than the 2004 plan, there is a vented room for firefighter equipment storage, and an emergency operations room with public access (locked off from fire/police areas). Engineers reviewed the power and lighting, which has been upgraded; there is a conduit that connects to the town hall; there will be a full generator included to run the entire station; mechanical systems will be upgraded to high efficiency equipment; relocation of the communication tower.

Mrs. Couture asked for a description of a construction manager.

Hunter Preston, Eckman Construction, explained it allows our company to get involved before the project is completely designed. We will use our expertise, contractors' and suppliers'

knowledge to guarantee price proposals. After the project is approved by the voters, the project is bid out to Eckman and contractors. This is a transparent process and we are responsible for the supervision and administration of the project. Compensation is based on a percentage fee and unused funds are returned to the town.

Project Costs

The cost estimate is based on plans “issued for pricing” dated 11/22/17 (i.e. site, architectural, electrical, plumbing).

Warrenstreet Architects provided answers to the design questions.

Pricing was received from over 30 qualified subcontractors and suppliers.

Current pricing was applied to material quantities and systems shown on the plans.

Coordinated and reviewed project costs with the Town Administrator and Chief Fraitzl to ensure all costs were accounted for.

Building Construction:	\$4,000,000
Site Costs:	\$789,500 (includes utility)
Project Soft Costs:	<u>\$679,500</u>
Total Cost:	\$5,469,000

Chief Fraitzl indicated that approximately \$150,000 of the soft costs are to move our communications tower, current equipment (exhaust system), compressors, cascade systems, washer, extractors and furnishings.

Project Financing

Mr. Brown indicated that the proposed fire station would be financed by a bond through the NH Municipal Bond Bank. He provided a comparison of terms, rates and payments.

Level Principal Bond = payments consist of a level principal amount, but the payment cost can differ.

- 15 Year Term: 2.60%, \$525,314 Year 1 Payment
- 20 Year Term: 3.04%, \$456,598 Year 1 Payment
- 25 Year Term: 3.50%, \$429,076 Year 1 Payment
- 30 Year Term: 3.75%, \$409,010 Year 1 Payment

Level Debt Bond = payments are the same from the start to the end of the loan.

- 15 Year Term: 2.60%, \$460,314 Year 1 Payment
- 20 Year Term: 3.04%, \$386,598 Year 1 Payment
- 25 Year Term: 3.50%, \$349,076 Year 1 Payment
- 30 Year Term: 3.75%, \$324,010 Year 1 Payment

Mr. Brown commented this assumes a \$5.5 Million bond. He noted the building will meet the needs of the town for at least 50 years.

Chief Fraitzl commented that Mr. Hunter referred to getting estimates from contractors and one of the things the town will do is select the contractors. He indicated if contractors in this town want to be involved and meet the scope of work, they will be considered.

Grant Funding

Chief Fraitzl indicated that there are no grants available for the station. He commented there is funding (approx. \$100,000 - \$200,000) through Homeland Security for outfitting and equipping the emergency operations center, which can be used as a shelter or warming center.

Mr. Bourque asked if the tax impact for the Level Debt 20 year bond is correct. Mr. Brown indicated that it is and was received from the NH Municipal Bond Bank.

Mr. Bourque asked if the generator would be large enough to carry the police station once it is added onto the building. Chief Fraitzl indicated that there is no way to determine what they would use.

Mr. Bourque asked how long it would take to move the equipment over from the old station to the new station. Chief Fraitzl indicated the critical items is the communications, for which we will have to build a short term redundancy. He noted it will not impact the ability to be dispatched that day.

Mrs. Couture commented that the Budget Committee was told that the big impact in cost was that building materials are in high demand and the costs have increased significantly due to the hurricane. She asked how much of that is impacting the costs presented and what would happen if the costs are lower as the project commences.

Mr. Hunter indicated there is a small contingency which could absorb higher fluctuations in material costs. He noted the town will decide what they wish to do with any unused funds.

Mrs. Couture asked if \$5.5M is the worst case scenario or could the town see more in cost. Mr. Hunter indicated that \$5.5M is the maximum price.

Mrs. Bourque asked how this project compares with projects in other towns. Mr. Hunter indicated it depends on how many bays, the equipment, office space, etc. He commented it is not easy to compare costs no two projects are the same and every site is different. He noted the costs are not out of line with what we are seeing.

Mr. Miller commented that he is stunned at the cost per square foot of construction. He indicated it seems very high for a building that is an open space garage area. He asked for a breakdown of the costs of the spaces (i.e. offices, foundation, mechanicals, etc.).

Mr. Hunter commented he can provide a better idea of cost drivers. He indicated that the building is not a big garage, but a critical facility that contains advanced systems and is a state of the art facility. He noted that a cheaper facility can be building using a prefab metal building,

but it will not be the same building. Mr. Hunter indicated that they reviewed a 66 page plan and put in over a month of work. He commented we are the consultant and have to ensure we can provide the best price for the project.

Mr. Holly commented building construction is not a round number. He indicated that it entails a thorough assessment of the building and plan.

Mr. Miller commented people will ask what it will cost if not state of the art and it does not sound as if there will be answer that will satisfy them.

Mr. Brunelle commented we have to make sure whatever we building now will last for 25 years forward.

Mrs. Douglas commented that she appreciates what they have to say, but her concern is that many people voted for a design expecting a smaller number. She indicated that she is sure the numbers are great for your plan, but she is not sure if the plan is great for the community. She noted there is much money that has to go into the schools and this bond will cost the taxpayers \$600+ per year. Mrs. Douglas was concerned that it is a lot to ask of the taxpayers.

Mr. Brown commented we asked the taxpayers if we could revise the existing plans and that is what we did.

Mr. Holly commented this is a modest building with wood trusses and asphalt shingles. He indicated that state of the art refers to the fill hose system for the trucks and the types of systems that will be more modern.

Mr. Spotts asked what is required for a town this size (i.e. equipment, trucks).

Chief Fraitzl commented based on the insurance office, the Town's ISO rating and the NHPA Litchfield is rated on three fire engines and a reserve engine. He explained the three engines and the tanker are what complies with the ISO rating; the rescue is for medical calls and supporting fire scene operations; forestry vehicles are for the vast woods and fields; nothing is a single use vehicle. He noted that one of the forestry vehicles is on loan from the State, for which the requirements are maintenance and storage of the vehicle. He indicated that the five bays house what we currently have for equipment.

Mr. Spotts asked if this equipment is the minimum. Chief Fraitzl commented the town assesses the minimum and this is what the town has had for six years. Mr. Spotts commented that it sounds as if all five bays are needed.

Chief Fraitzl indicated all the gear hanging around the station house will be stored in a gear room that will be vented. He noted the design includes areas for decontamination and equipment washing/drying, as well as an operations/training/community room. He commented the

firefighters currently train in a church hall and there are no showers to decontaminate firefighters after an event.

Mr. Spotts asked if the town grew, how much will this building need to grow? Chief Fraitzl indicated that he does not expect to see that kind of growth for 15 years.

Mrs. Douglas asked if part of the plan is due to population growth, are impact fees able to be used. Mr. Brown indicated that the impact fees were used for the design work, plan revisions, etc.

Mrs. Douglas asked what would be done with the existing building. Mr. Brown indicated the town can consider selling the property or it could be used for storage.

Mrs. Douglas asked what kind of renovation work it would need. Mr. Brown indicated no renovations would be done.

Mrs. Douglas commented she is concerned because the building will have to be heated, maintained and there will be ongoing costs. She indicated it should be demolished or sold.

Mr. Brown indicated that all options are being considered.

Mr. Bourque asked how much less the building would cost if it included only three bays. Mr. Hunter commented it would be a savings of approximately \$280,000. He indicated the exterior wall still has to be built, which is costly.

Mrs. Bourque asked if there is a formal plan for communicating this plan to the community. Mr. Brunelle indicated that there is a website dedicated to the proposed new fire station and this session is being recorded and will be published.

Mrs. Couture commented this presentation and the explanations from the Chief were very helpful.

Chief Fraitzl indicated all the information from tonight is on the website and updated daily. He noted the website has received about 2,500 visits. He agreed that the explanation is helpful in understanding the complexity of the plans.

Mrs. Bourque asked how concerns of new neighbors will be addressed. Chief Fraitzl indicated that exiting on Albuquerque Avenue is less busy than on Route 3A and sirens will not be used in the wee hours of the morning. HE noted that there is no outside audio on the building.

Mr. Bourque asked what is involved with the site work on that site. Chief Fraitzl indicated it is mostly sand, but there is a contingency for a harder substance; the soils are good based on the studies that were completed; drainage swales are a big component as the creation of detention

ponds requires significant excavation. He noted that building a leach field and creating structures to hold contaminated water are factors as well.

Mrs. Couture asked for further public comment. Hearing none, she thanked all parties for attending.

Mrs. Douglas suggested that presenters at the Budget Hearing focus on the rationale and justification for the need of the proposed building as the challenge will be the cost.

Budget Committee members discussed past projects, both town hall and high school, costs, plans and the future of the current site. Also discussed was feedback from the community on the determination of the bond term.

Mr. Miller commented costs in 2008 for a fire station were \$1.9M and have increased \$3.5M in 10 years. He indicated it is a different fire chief sitting here now than before and both had different opinions of what is needed for this town.

Mr. Brunelle commented the plans are the essentially the same as in 2008, with the exception of the additional 1,000 sf. He indicated the systems and some equipment are more expensive.

Mr. Miller agreed, but believes that there are different factors in what this fire chief wants for the town as compared to what the former fire chief wanted.

Mr. Brunelle commented the systems compliance and requirements have changed.

Mrs. Douglas commented it is an elaborate plan. Mr. Brunelle indicated that the Board of Selectmen want to build a facility that is energy efficient, with upgraded systems to accommodate the needs.

Mrs. Couture commented that the town will need to justify some of the items that are different and why. She indicated it is lot more difficult when you have to live it day to day. She suggested highlighting the issues that will be questioned and why they are being included.

Mr. Bourque commented that there are towns that built complexes for less than this station.

Mr. Miller offered to share the link with what is being said across the country regarding the construction of fire stations.

Mr. Brunelle commented the proposal will not exceed the cost or what is on the plans. He noted there is room in the schedule to move small things around.

Mrs. Douglas commented that additions and changes still have to be budgeted and they will have a contractor contingency. She indicated we have to have one.

Mrs. Couture asked Budget Committee members to send their questions to her between tonight and Thursday.

Warrant Articles

Article 7 Road Improvements

To see if the Town will vote to raise and appropriate the sum of \$200,000 for the purpose of road improvement projects. It is anticipated that these funds will be used toward the cost of repairs to Broadview Drive, Kemo Circle, Pakesso Drive, Sata Way, Kokokehas Circle and other roads as necessary.

Estimated 2018 tax rate increase is \$0.22

Mr. Brunelle explained that the Board of Selectmen was looking for a way to alleviate some of the impact of the first year payment of the bond in 2018 and removed this article from the warrant. He noted that there will not be a year one bond payment until 2019 and the Board of Selectmen did not want to be two years behind in road improvements, so they added the article to the warrant for 2018. He indicated the Board of Selectmen understand the Budget Committee is unable to recommend or vote on the article because of the tax cap.

Mrs. Couture indicated the Committee will have to make a decision Thursday night. She noted we will have to find a reduction elsewhere in the budget if the Committee wants to recommend the article.

Petition Article: Beautification of Litchfield

To see if the Town will vote to establish a Town Beautification Expendable Trust fund pursuant to RSA 31:19-a, for the purpose of enhancing community pride and identity in a variety of ways, such as but not limited to, purchasing flowers, trees, shrubs, signs, holiday decorations, monuments and other amenities to improve the visual appearance of town buildings, facilities, roadsides and landscaping; further to raise and appropriate \$2,500 to put in the fund; furthermore to name the Board of Selectmen as agents to expend from said fund based on proposals or petitions received from the town citizens, groups and /or boards and committees.

Estimated 2018 tax rate increase is \$0.00.

Mr. Brunelle indicated the Board of Selectmen have not taken action on the article.

Mrs. Couture commented if there is a cost attached, the Budget Committee does have to take a position on the article. She indicated that the Budget Committee will meet after the hearings on Thursday night to vote on article recommendations that were not included in the budget review of the town.

7. Public Input

There was no public input.

8. Adjourn

MOTION: by Mrs. Douglas

Move to adjourn the meeting

SECOND: by Mrs. Bourque

VOTE: 7-0-0

The motion carried.

The meeting was adjourned at 9:05 p.m.

Next meeting: January 11, 2018, Budget Hearing

Recorded by: Michele E. Flynn, Recording Secretary

Approved: