

Town of Vershire Selectboard Special Meeting Minutes
Monday December 12, 2022 at 6:00pm at the Vershire Town Center.
There will be a remote option for this meeting via Zoom or by phone.

Special Meeting Purpose: To provide an open hearing for Vershire residents about the Town Garage project as per 1 V.S.A § 312(c)(2)

Presiding: Vershire Selectboard: Vernal Stone-chair, Nichole White-Fogarty, and Ken Bushey.

Attendance: Gene Craft- Clerk/Treasurer, Alan Lyford-Highway foreman, Gretchen Harvey-secretary, and James Coe of Coe & Coe Architecture, and there were 22 residents who attended the hearing in person and approximately 17 more who attended remotely.

Call to Order: V. Stone called the meeting to order at 6:01pm

Overview: K. Bushey provided a high-level overview of the garage project from its inception to where it stands today. He noted that the process began with gathering initial cost estimates shown on a handout. The project was put out to bid in the fall of 2022 and the town received one bid from E. F. Wall & Associates, Inc. This bid came in higher than expected and the SB has since succeeded in negotiating with the contractor to find cost savings. The SB is now in possession of a finalized bid from E. F. Wall that requires a selectboard decision soon. G. Craft provided summaries of the budgeting handouts that will be referred to this evening.

Q & A with attendees comprised the rest of the meeting. Below is a summary of the main concerns residents raised and that were expressed in different ways by multiple people:

1. Local Subcontractors: A number of attendees advocated for tapping local businesses who they would have liked to see considered as potential subcontractors for E. F. Wall. K. Bushey explained the state-wide process E. F. Wall followed to find subcontractors at the best cost. J. Coe said that it is still possible to speak to E. F. Wall about local contractors who might want to submit bids for the project.
2. Differences between Estimates: Additional concerns focused on the gap between the initial cost estimates for the garage project from Pitkin, Krebs, and others compared to the final cost estimates in the bid from E. F. Wall. K. Bushey answered these questions using a handout that focused on explaining the cost-plus contract model and he also noted that the early bids did not cover total project costs.
1. Financial Implications for Taxpayers: Residents are worried about how a bid that is higher than the bond vote amount will interact with higher-than-anticipated interest rates set by the bond bank. In particular, how will the higher project costs affect their property taxes. Residents made clear they are already feeling the economic pressures of rising inflation, higher interest rates, and that they are anticipating an increase in their property taxes based upon a town-wide reassessment of property values. The SB recognizes all of these economic pressures facing residents, however, these are state-wide, national or global pressures not caused by local decisions. J. Coe noted that supply chain problems, labor shortages, and high interest rates have impacted contractors also and this explains the higher estimated costs/bids on the projects in which he is involved. The SB reminded residents that it intends to borrow **only** the amount approved at Town Meeting 2022 and expects to cover additional costs contained in the higher bid using a town garage fund (approximately \$85,000) and ARPA funds (approximately \$200,000). In sum: the costs

to the taxpayer would be the same whether or not the SB accepts the higher bid or if they had been able to secure a bid at the bond vote amount.

2. Delaying the Project: Residents wanted the SB to explain why the project could not be put out to bid again and/or delayed until some of these economic pressures are better understood, the market cools off, and/or interest rates have (possibly) come down. J. Coe noted that putting the project out to bid right away (to allow construction to begin in 2023) will likely not generate a different cost/result. G. Craft also noted that there is nothing preventing the town from refinancing the loan from the bond bank if rates do fall significantly. Nevertheless, many residents spoke in favor of delaying the project using different rationales including: the expectation that interest rates will come down and the expectation that competition might drive down project costs. The SB reminded everyone of the problems with further delay: the town garage is in very poor condition, and no one wants to put any more resources into a failing building. Others thought that saving the higher interest the town would pay on the loan secured now could be used instead to buy time with some short-term fixes for the current garage. J. Coe said that in his experience, most contractors are already committed until 2024, so a delay likely means that it would be at least a year before construction could begin. E.F. Wall requires a commitment now in order to make sure the supplies are available for the 2023 construction season.
3. Hiring a Project Manager: There was a discussion about considering the idea of hiring a professional General Contractor or Project Manager to oversee this project for the town knowing that the permits will be good for 5 years and could be extended. The response to this was that even if the town was to identify a qualified candidate for this position, Vershire would need to assume all of the risk and liability for the project that otherwise would be taken on by E. F. Wall.
4. Current Garage Conditions: The SB is concerned that a delay means continuing to ask its highway crew to keep working in substandard conditions. A new garage has been needed for 20 years. One resident asked about conflict of interest because two members of the selectboard have family members that work for the town. The SB made a very careful distinction about its fiscal responsibility to make sure its town garage is a safe and effective work environment and other matters (such as staff salaries) about which they always recuse themselves from making decisions.

Conclusion: V. Stone noted the selectboard will make its decision about whether or not to accept the bid from E. F. Wall at its next regular meeting on December 20, 2022 at 7pm.

Adjourn: V. Stone moved to adjourn the meeting at 7:20pm. N- White-Fogarty seconded. The motion passed unanimously.