

SELECTMENS' WORKSHOP
Minutes of 10-05-09
4:15 p.m.

Selectmen:

Peter F. Brothers, Chairman
Miller C. Lovett, Vice Chairman
Robert C. Flanders
Charles G. Palm
Colette Worsman

Town Manager:

Phillip L. Warren

Recording Clerk:

Karin Landry

Call to Order: Chairman Peter Brothers called the meeting to order at 4:15 p.m. He introduced Selectmen Lovett, Flanders and Worsman; the Town Manager, and the Recording Clerk. Selectman Palm arrived shortly after the meeting commenced.

W 09-45 Annex Wall Bids

A request for proposals for the work at the Town Hall Annex was sent out to local contractors from an official bid list, and published in the Union Leader and Laconia Daily Sun. Approximately five companies viewed the job site, resulting in three bids:

<u>Bidder</u>	<u>Option A</u>	<u>Option B</u>
CK Landmark Construction Corporation	\$ 29,250.00	\$ 53,750.00
BF Construction	\$ 63,700.00	\$ 79,100.00
E. Guimond Construction, LLC	\$ 78,580.00	\$ 163,846.00

CK Landmark and E. Guimond are registered contractors in the State of New Hampshire. Town Manager Phillip Warren recommends that the contractor that is chosen has the ability to put a 100% performance bond on the work. The bond will protect the Town in the event the contractor fails to complete the work. A change order will include the additional costs associated with obtaining the bond. E. Guimond is the only contractor able to provide the bond; however, their bid is outside the realm of what is believed to be a fair price. Mr. Warren does not feel comfortable proceeding with any of the existing bids, and made a recommendation to immediately put out another Request for Proposal. Bidders will be asked to provide references, show that they are an entity in good standing with the State of New Hampshire, and obtain a performance bond for 100% of the work. The performance bond will be included under Option C of the Request. Doing so will save time in analyzing the bids. The Request will be published in the Union Leader, local newspapers, and in the Dodge Construction Bulletin, if the Bulletin chooses to do so.

Selectman Flanders is in favor of the approach. Based on his experience in the construction industry, he is not comfortable with the current bids. He reminded the Board of previous problems encountered when accepting a bid solely on a "low bid" basis.

Rebidding the project will push the start date into November, with an estimated completion date around the first of the year.

Selectman Worsman does not favor requiring a performance bond because they are difficult to obtain in the current economic environment and making that stipulation could rule out qualified contractors. There are alternative courses of action, such as an incremental payment schedule, with the bulk of the project being paid for once the work is complete, or running a credit check to see if a contractor's suppliers have been paid. Although he appreciates the fact that performance bonds are difficult to obtain at this time, Selectman Flanders pointed out that if a company is not able to obtain a performance bond, it is extremely unlikely that they will have the financial depth to complete the majority of a project before receiving substantial compensation. Selectman Worsman has not encountered that to be the case in her experience.

The Chair is comfortable moving forward with another Request for Proposal that includes obtaining a performance bond. He recognizes that bonds are difficult to obtain at this time, but the job includes elements of hydrology and engineering that make it more involved than a standard job, and he wants to get it right the first time. He would like to explore other options for drawing qualified contractors into the bidding process. Dialogue ensued regarding the short time frame of the first Request, and how it might have prevented potential contractors from submitting a bid.

Mr. Warren explained that the job is not of the scope to attract contractors from Southern New Hampshire or Massachusetts. Construction journals and the Dodge Bulletin have been contacted, but they have the discretion whether or not to include the RFP in their publications. The Request will be posted on the website. Local contractors from the official bid list will be notified. He told the Board that all available avenues have been pursued.

Dialogue ensued regarding building code requirements for a professionally engineered design for walls exceeding 4' in height. Mr. Warren will investigate the matter with the Code Enforcement Officer.

Selectman Palm suggested contacting Bauen Corporation to identify contractors and subcontractors they are familiar with to expedite the process of the second Request. Mr. Warren told the Board that Bauen Corporation was notified during the first round of bids.

Dialogue ensued regarding the particulars of the new RFP. All options must be explored, including altering the original Request to get a better response. The penalties for not completing the work by November 15 must be amended. Mr. Warren recommends pushing all facets of the bid back to accommodate the bid process. Selectman Lovett suggested phasing the project. Selectman Flanders explained that if the garage is in place at the time the wall is reconstructed, the cost will increase substantially. The Chair reminded the Board that several meetings were spent looking at the best options and time frame.

Mr. Warren presented information from the Assessor regarding the impact of various options on the assessment. The Annex is currently assessed as an office building at \$332,900. If the garage is demolished, the assessed value will be reduced by \$9,300. If both the garage and rear section of the building are demolished, the assessed value will be reduced by \$28,700. A market analysis from a local realtor in 2006 stated that due to the poor office layout, the most likely future use of the building is a single family residence

Dialogue ensued regarding how the impending winter season will impact the project. The groundwork must be done before there is frost in the ground. Asphalt plants close at Thanksgiving however concrete plants deliver year round. There was a consensus among the Board to allow a 3-5 week window for submission of bids and that the performance bond should be listed as a separate line item.

W 09-46 2010 Board of Selectmen Budget Goals

The Board began with a review of the 2008-2009 budget goals:

- Protect Water Quality of the Town's Water Supply & Evaluate Water System
- Protect Water Quality of Meredith Bay
- Improve Department Efficiencies and Address Budget Constraints
- Develop an Information Technology (IT) Master Plan
- Improve the Capital Improvement Review Process
- Development of Workforce Housing
- Maintain a Viable and Sustainable Community

It was made clear to the Town Manager during the interview process that the main goal of the Board is to keep the tax levy stable. He is seeking direction from the Board on how they wish to proceed.

The Chair sees water quality issues continuing to be important. Maintaining a viable and sustainable community can be fine tuned. The Town has contributed a lot towards promoting workforce housing in the area, and in view of tactical and budget constraints, there might be greater focus on other areas that would improve the lives of residents.

Selectman Lovett favors tactical goals and deadlines for certain things. For example, protecting the water quality of Meredith Bay has been on the list for two to three years, but specific problems should be identified. He would like to see an overall plan for addressing the problem that ranges from the local to the state level. The sense of responsibility must be enhanced, particularly at the early stages of infestation. All stakeholders must be identified. He would like to have specifics within one-year's time. The Town Manager has been asked to create a master plan for attacking milfoil in bodies of water that includes all stakeholders. The protection of the Town's water supply and the water quality of Meredith Bay can be combined and defined qualitatively and quantitatively. Selectman Lovett would also like to find ways to involve residents in maintaining a viable and sustainable community, such as greater attendance at various meetings.

Selectman Flanders reviewed how the budget has been developed in the past. In the past, the Town Manager put the Board in a defensive posture by presenting a budget with double digit increases, and as a result there was a bigger increase than there should have been. The last couple of years the budget presented to the Board has been consistent with previous years, which put the Board in a more favorable position. Although the Board is happy with last year's budget process and how it worked, the Board only has control of the Town's portion of the tax bill (33%). The Chair would like to see more dialogue with other entities that have an impact on the tax bill, as well as dissemination of the Town's information on a broader base.

The Town Manager does not intend to put the Board on the defense. He was given very broad goals, with the exception of keeping what is spent within a specific amount. He intends to come to the Board with a unified budget that will reduce the pleas of department heads. There will be areas that need enhancement or adjustment, but the goal is to deliver a unified budget that can be reviewed by the Board.

The Chair reiterated that the number one goal is staying within the confines of the budget numbers that are identified. Many communities have approached larger entities to address water quality issues. The IT Master Plan is important in delivering services efficiently, and in customer's being able to convey information to the Town. The broad based goals have been identified, but the steps to be taken and dollars spent should be specified.

Selectman Worsman suggested including a goal of working collaboratively and cooperatively with the school, county, and state budgets. Dialogue ensued regarding making the Town's struggles and goals known at those levels. The Town Manager shared strategies that were employed in the state of his former employment. Selectman Worsman suggested rearranging the goals. Workforce housing might be able to be removed from the list. Water quality is where the Town makes its living, and it must be viable. The Chair agrees that maintaining a better balance of housing for various economic levels may not warrant being on this year's list of goals, but that it should not be lost over a period of time.

Dialogue ensued regarding collaborative purchasing. Dialogue has taken place at the county level regarding collaborative purchases. The Town Manager believes that there are gains to be made from the collaborative purchase of items such as office supplies, salt, and fuel. The County group meets once a month and Mr. Warren will update the Board as the meetings take place. The Chair commented on what will likely be slow progress on the matter. Selectman Lovett pointed out that other communities have shown signs of readiness, and that small quantifiable gains can be expanded.

Selectman Palm favors broadening the water quality goal so that it addresses water quality for the entire community. He suggested wording such as "protect/enhance the water quality of the natural bodies of water", and asking the Town Manager to identify items that can be addressed over specific period of time such as milfoil and shoreline protection. Because workforce housing is part of being a sustainable community, he suggested listing workforce housing as a bullet item under maintaining a viable and sustainable community. He would like to include a broad goal of

supporting collaborative efforts with other entities, with the Town Manager providing the bullet items that are specifics.

In summary, the Town Manager will reorganize the goals adding bullets for specific actions, dates, and time horizons. The Chair encouraged the Board to continue their review of the goals, and make suggestions regarding specifics and wording.

Selectman Palm motioned to adjourn the meeting at 5:25 p.m. Seconded by Selectman Worsman. 5-0. All in favor. Motion passed unanimously.

Respectfully submitted,

Phillip L. Warren, Town Manager

Peter F. Brothers, Chairman

Karin Landry, Recording Clerk

Miller C. Lovett, Vice Chairman

Robert C. Flanders

Charles G. Palm

Colette Worsman