

CHARLOTTE SELECTBOARD SPECIAL MEETING
Monday, December 5, 2022
Charlotte Town Hall 159 Ferry Road and via teleconference

APPROVED

SELECTBOARD MEMBERS: *In person:* James Faulkner, Chair, Frank Tenney, Vice Chair, Louise McCarren

Remote: Matthew Krasnow

Absent: Lewis Mudge

ADMINISTRATION: Dean Bloch, Town Administrator (*in person*)

OTHERS:

In person: John Snow, Patrice Machavern, Charles Russell, Lane Morrison, David Schermerhorn

Remote: Justin Bliss, Hugh Lewis, Jr., Carrie Spear, Paul Plante, Tony Kinson, Juliann Phelps

AGENDA ITEMS:

- 7:00 PM Fire and rescue budget for FY24 and capital equipment plan
- 7:45 PM Lease terms for town garage
- 8:00 PM Consulting proposal from Gallagher, Flynn & Co. to assist with transition of fire & rescue services
- 8:15 PM Adjournment

Fire and rescue budget for FY24 and capital equipment plan

John Snow, President of CVFRS stated that the budget was presented in preliminary fashion to the Selectboard in a prior meeting and was then reviewed and endorsed by the CVFRS members. Tonight's presentation is a final submission. The greatest concern is with the Capital Equipment Plan, which is a multiyear plan, typically ten years of planning at a time. The ambulance needs to be maintained and will need to be pulled back by one year, this is a change from last year's plan. There is a multiyear lead time due to both the town's funding decision and bonding approach as well as the manufacturing supply chain. The next major capital acquisition plan is to replace a tanker to a combination unit in an effort to try and reduce costs. There has been no new information in terms of insurance changes to cause the budget for FY24 to change.

James Faulkner stated that the operating budget for FY24 states the budget reflects the payroll and related payroll expenses of seven full-time staff at the paramedic level. He asked if this would be a completely paramedic service?

Patrice Machavern, Business Manager for CVFRS, stated that the operating budget for FY24 includes seven full time staff which is the same as what is budgeted for currently. They have one full time paramedic working solely with EMS, and the Chief is also a paramedic. The balance of the permanent full time staff includes two that are still to be hired and are going through the reference background checks now. The others are an AEMT Crew Chief or dual EMS and Fire Fighter Certified. Going down the list, it would be Paramedic and then a AEMT/Firefighter 2 and then AEMT/Firefighter 1.

John Snow stated the higher certifications refer to the dual certifications; Firefighter/EMT or Firefighter/AEMT. Patrice Machavern stated that this staffing doesn't require a higher budget. The salaries between an AEMT, an EMT and Paramedics are all comparable, within \$2-3 dollars/hour differences.

James Faulkner stated that he thought that all seven employees were paramedics but that's not the case. Patrice Machavern said that Justin Bliss, Chief, covers intercept calls and sick leave and vacation. The paramedic intercept work is additional revenue.

Dean Bloch asked for an explanation as to how payroll is going up and benefits are going down. Patrice Machavern stated that last year they had requested an increase in staff by three to bring it up to seven full time staff members. It was assumed that those additional staff members would be taking their healthcare insurance at the family rate. This assumption was done to err on the side of caution. Since then, these individuals have decided to either take a single plan or they're taking the payment in lieu. The payment in lieu is 78% of the MVP Gold 1, so that's where the big difference is in the health benefits. They haven't changed the coverage. They're actually going back and adhering to their policy. CVFRS insurance is capped at the single benefit rate. It appears that wages went up. There is a wage and benefits policy that states that permanent staff on an annual basis receive a 2% increase and COLA. The change aside from that is that a full time chief was hired. Patrice Machavern also reported that she is in the budget at reduced hours.

James Faulkner stated that the line item for member incentives is \$27,500. Patrice Machavern stated that this has not increased over the past couple of years with the exception of this past fiscal year because patient billing revenue was so strong. The board added a onetime increase to it to acknowledge their volunteer firefighters and their volunteer EMS staff who were not recognized during the pandemic for hazard pay.

Tony Kinson asked how many paid EMT are in the FY24 budget and how many per diem? He also asked how many volunteer Firefighters there are?

John Snow stated that there are seven that are permanent full time, supplemented by per diem employees. Volunteers dropped so low that it has made it impossible to supplement with the use of them. It's financially advantageous to have full time employees vs. per diem employees, and it also provides a higher reliability. The weekly FTE is 28 shifts. The full time staff covers 21 of the 28 requiring the hiring of per diems to cover the other 7 shifts. There are 9 volunteer firefighters. There are two junior members and three cadets.

Frank Tenney asked how many more full time members would be needed to have to have a full staff. Patrice Machavern stated that to fully staff at the full time it's 9.3 FTEs. 2.3 more full time FTEs are what the per diems are covering. Frank Tenney stated that therefore it could be an additional three per diem employees to cover those shifts, or the most per diem workers that are required to stay below the number of hours that would require the need to pay benefits. Patrice Machavern stated that currently on their roster there are 22 per diems. She made the point that these full time positions require coverage for vacation and sick time.

Justin Bliss stated that there have been changes to the Capital Improvement Plan, the first being the 2014 ambulance. The old plan included the ambulance being replaced in FY26. Typically, these ambulances have a ten year lifespan. Due to the pandemic and the supply chain, it can take as long as two years to get equipment. Coupled with this decision is the fact that this ambulance has been deemed unsafe for use due to mechanical and electrical issues. Therefore, the bulk of the work is falling onto ambulance #2 which is a newer ambulance. If this ambulance continues to be over worked it's going to end up with issues sooner than later.

The tanker truck is a 1993 and it still does its job holding water but it needs to be replaced. It would be difficult if not impossible to get replacement parts for it. There will soon be a need to replace the back up engine as well. The decision was made to explore feasibility of combining the two trucks. They could potentially increase the size of the water tank on a fire engine and it could perform both tasks at the same time. There is a benefit to combining the two trucks despite the fact that it may seem more expensive to begin with. They initially anticipated a cost of \$729k to replace the Seagrave and it will cost \$150k to replace a Tanker Pumper. The savings come in with having one less vehicle on the road. This translates to less fuel costs, maintenance costs, testing costs and storage cost.

Frank Tenney asked what the life expectancy is of this combined vehicle. The tanker is 30 and the pumper is 20. John Snow stated that they haven't established the life expectancy of a combination vehicle but he figures it would be no more than 20 years. Justin Bliss stated that with the mechanisms they plan to put into the truck it's optimistic thinking that it would last 20 years. As a combined truck it will be used more which means more wear and tear. It would be more realistic to say it would need replacement in 15 years. Patrice Machavern stated that if the trucks were bought separately, it would be \$1.2 million vs \$810,000.

John Snow said that there is more research to be done to rationalize the plan such as the cost of purchase as well as the ability to use the large truck in the town of Charlotte. This would include looking into bridge capacity and insurance for larger amounts of water in the tank portion of the vehicle etc.

Tony Kinson asked with the combined pumper tanker if that would leave two pumpers and one dedicated tanker? Justin Bliss stated that there would be one front line engine and this pumper tanker would be another fire engine. Technically the wildland engine is a structural engine as well. He's anticipating the new pumper tanker to hold 2,000-2,500 gallons of water but more input from manufactures is needed.

Lease terms for town garage

James Faulkner read from the Town Administrator's Report for the Selectboard Meeting on December 5, 2022:

"The rent charged to the Road Commissioner for use of the Town Garage (planned for completion in October 2023) will need to be factored into his budget for FY24, which he'll be presenting to the Selectboard on December 12th. There are a few factors to consider regarding the rent:

- As the first tenant, Lewis Excavating will be doing some of the "fit up" of the garage.

- Maintenance of town highways is the principal business activity for Lewis Excavating; they do a little “outside work,” but this is a fairly small amount of their total business. So, it seems the rent that’s charged should factor this into account; as the principal “client,” the Town will (rightly) be charged to cover most of the rent. If at some point the Road Commissioner operates a larger business, and the maintenance of town highways is a smaller percentage of the total work, the rent should be adjusted. Considering the above, the recommended rent for FY24 is \$500/month.”

James Faulkner reported that the builder would like to start building soon and will be building though the winter weather permitting. Due to this the building may be completed prior to October 2023. Some may say that \$500/month is low, but Junior Lewis will be doing work for the town in exchange for a portion of the rent.

Patrice Machavern received confirmation that the \$500/month would be revenue for the town. John Snow stated that this should be an arm’s length transaction. It would be better to have something as a fair market value rent. If the circumstance changes the town needs to be able to change the rent and rationale. The town would be harmless because it’s the real cost and Junior Lewis would be harmless because he could reflect that in his budget and they offset but it sets an arm’s length basis for any future negotiations with another party.

Charles Russell stated that it should be made clear what Junior Lewis is doing for work on the landscaping etc. in exchange for this reduced rent. It should be made clear with documentation when the work is done in order to know when the rent should increase from the reduced rate.

Matthew Krasnow stated that historically this system has been very cost effective with having only three Road Commissioners over the past fifty years. Conversely if a new Road Commissioner were to be elected it would be in the lease agreement that the lease with the old Road Commissioner would end. It would not be a lease that any private contractor could extend past the point of their term as Road Commissioner.

Frank Tenney stated he’s fine with the \$500 for the lease of the town garage for the private portion of Lewis Excavation being operated out of the structure, and would be renewed every year in March at the time of the election. He stated that the rent doesn’t need to be a line item in Junior Lewis’ budget because it’s for his private work, however it should be a line item as revenue for the town. There should be no line item in his budget stating that he needs \$500 to lease a building for his private business.

James Faulkner agreed with Charles Russell that after the work is done the \$500/month will need to increase.

Scooter MacMillan asked how many towns in Vermont have Road Commissioners that are voted on as a private Road Commissioner? He also asked of the towns that are equivalent in size to Charlotte what is the average budget for the town’s road department? James Faulkner stated that other town garage budgets are much higher but he couldn’t give an exact number. VLCT would know how many towns in VT have elected Road Commissioners but it’s not an unusual set up.

Matthew Krasnow stated that Sullivan Powers could be another resource. Dean Bloch stated that Junior Lewis could budget on \$500/month for the lease and in the meantime the Selectboard could consult with the town auditor.

Frank Tenney highlighted again that the Road Commissioner doesn't have a lease payment but Lewis Excavating does and therefore this shouldn't be an expense line item in Junior Lewis' Road Commissioner budget for the town. Frank Tenney stated that it makes the most sense to him that the rent should be the fair market value amount and Junior Lewis can put it in as an expense in his Road Commissioner budget minus the \$500 that is his rent for his portion of his business which is his private business. The remaining amount following the \$500 being subtracted would be the amount that the town would essentially pay for the contracted Road Commissioner's expenses. Patrice Machavern, John Snow and Charles Russell all concurred with Frank Tenney.

Matthew Krasnow stated that one of the comparison's that should be done for due diligence, if the Selectboard wanted to do a fair market assessment of what this lease should be, is to compare it to what the town's liability would be if it needed to stand up a municipal department. That's more than rent, the town would need to have line items for personnel and for benefits as well as for trucks and equipment. All things that an elected Road Commissioner's absorbs in part because he also runs a private excavation business that subsidizes that which benefits the town directly. A researched based analysis of what the fair market value of a lease should be just for the building alone in comparison to what the town could be looking at as a liability which is what it would cost to have a highway department that would occupy that building just like the employees of the town hall. There really needs to be a comparison to what the liability the town might have without an elected contracted Road Commissioner.

Frank Tenney stated that it seems that it would make more sense to find out what it would cost to rent a six bay garage out to a contractor in any other place. Matthew Krasnow stated that the thing to remember is that this contract that comes with this position includes the obligation to the town first before any other business. There may be no way to objectively put a value on that.

Dean Bloch asked if the Road Commissioner was using the town garage for his contract with the town only, would the town still charge him the fair market rate rent?

James Faulkner stated that it sounds like further research needs to be done based on all of this conversation. Frank Tenney agreed that checking in with Sullivan & Powers would be helpful. He will also look into what a reasonable rent would be for the same type of building as the town garage. With that number in his opinion the Selectboard will be able to share it with Junior Lewis to put into his budget minus the \$500/month rent. Louise McCarren asked Dean Bloch to reach out to Sullivan & Powers.

James Faulkner and Frank Tenney concurred that by having a fair market value in place for rent for the building, when a different Road Commissioner comes along, the rate will be established. A new percentage would need to be established at that time. Currently the assumption is that Junior Lewis is doing 5% of outside work with his business following his obligations to the

town. The contract with a new Road Commissioner would have to state the fee for the rental and that it may be reduced dependent of private and public work done.

Matthew Krasnow cautioned the idea of making uncertainty with the lease contract could deter a successor, and maybe even deter a successor from using the building at all. The town could end up with a vacant building. For this budget season the Selectboard needs to figure out something that works with generally accepted practices from an accounting standpoint by talking with Rick Bingham. This should be done followed by continued discussion on long term plans for leasing the town garage as to not hold up the budget.

Frank Tenney stated that in the contract it should simply say what the town wants the fair market rent and the sliding scale would just represent how much the town would contribute back into the budget to the contractor for municipal use. James Faulkner stated the call to Sullivan & Powers will take place tomorrow and Frank Tenney indicated that he would like to be a part of the conversation.

MOTION by Louise McCarren, seconded by James Faulkner to set rent for the town garage at \$500/month conditioned on consultation with Sullivan & Powers.

The motion was withdrawn by Louise McCarren.

Consulting proposal from Gallagher, Flynn & Co. to assist with transition of fire & rescue services

James Faulkner stated that he and Frank Tenney spoke about this topic this morning, and following that James Faulkner spoke with Dan Lyons right after and made a few changes to the proposal. The most important part of the contract is the plan and implementation of it. Hiring of a consultant will assist with implementing the plan and will help to coordinate with the town and CVFRS all the way to the finished project in June 2023. He will report to the Selectboard every two weeks to indicate where the process is at. This contract isn't to exceed \$20,000. The contract is for \$18,900 and is the town's responsibility. The \$1,100 difference is in there for incidentals and that's why it includes the language not to exceed. Frank Tenney agreed stating that he wanted to make it an even number. He confirmed that the Selectboard would designate Dean Bloch as the employee and himself as the one to make the management decisions. James Faulkner stated that this is half the cost of the other two bids that the Selectboard received.

James Faulkner said that it was brought to his attention that not going out to bid a second time but rather going straight to Gallagher Flynn & Co. is a violation of the town's purchasing policy. Matthew Krasnow stated that in the Charlotte Purchasing Policy under Exceptions To The Use Of The Bid Process, section 5(A) it states that the Selectboard may waive the bid process for major purchases and authorize the purchase from a single source under the following circumstances, 1-3. Under the 2nd circumstance it would seem that the town could choose Gallagher Flynn & Co. to be a preferred source in a targeted fashion for this process. The action after, if the motion passes, Section 5b outlines the obligations of the Selectboard on how to record this decision and he stated the three step process that should be followed.

Charles Russell stated that he would argue for more transparency with the process. This is a contract that the public hasn't seen. There should also be a feasibility study for this. More public awareness and understanding of this would be beneficial. If there is no pressing reason that this needs to get done this year, delaying a year would be prudent.

James Faulkner explained that this has been a long time in the making and it hasn't been rushed and he wonders why Charles Russell is bringing this all up so late in the process. Charles Russell stated that he feels that the board at CVFRS hasn't been involved the way they should have. The respect for Fire & Rescue hasn't been what it should've been. A feasibility study should be done to show the pros and cons to this transition. Frank Tenney stated that this would be backstepping. James Faulkner expressed again that this hasn't been a process that has been done quickly and without proper thought and planning. He stated that he feels Charles Russell's comments are offensive.

MOTION by Matthew Krasnow, seconded by Frank Tenney, to appoint Gallagher Flynn & Co. to be a preferred source to the town of Charlotte in order to provide consulting services the town in its transition to a Municipal Fire and Rescue Service. VOTE: 4 ayes, 0 nays, (1 absent); Motion Carried.

Matthew Krasnow asked if the previous comments could be recognized by adding to the motion that Gallagher Flynn & Company's work will be done in open meeting as much as possible as they inform the town through the process. James Faulkner stated that this will all be in open meeting as it has been right along.

MOTION by Louise McCarren, seconded by James Faulkner, to approve the consulting proposal from Gallagher, Flynn & Co. to assist with transition of fire & rescue services, not to exceed \$20,000. VOTE: 4 ayes, 0 nays, (1 absent); Motion Carried.

MOTION by James Faulkner, seconded by Louise McCarren, that communication will be between Gallagher, Flynn & Co. and Dean Bloch and Frank Tenney. VOTE: 4 ayes, 0 nays, (1 absent); Motion Carried.

Adjournment

MOTION by Louise McCarren, seconded by Frank Tenney, to adjourn. VOTE: 4 ayes, 0 nays, (1 absent); Motion Carried.

The meeting was adjourned at 8:55 p.m.

Minutes respectfully submitted, Brooke Milo, Minute Taker. Edits by Dean Bloch.