

June 17, 2014

To: Residents and Property Owners in the Town of Rutland

From: Dale Beske, Chair, Town of Rutland

Subject: Proposed New Town Hall Project

The purpose of this letter is to bring you up to date on proposals for the construction of a new Rutland Town Hall and the repurposing of the current Town Hall building.

I. Overview

The Town of Rutland government currently operates in a 1960's era metal garage building. This letter describes the status of the Town Board's efforts to replace the office and records storage portion of that building with a more modern facility. This will allow us to dedicate the entire current facility for use as a garage.

II. Current Town Hall Deficiencies

The current Town Hall was built in the mid-1960s. At that time, Rutland had a population of around 700 people. Since then, the population has nearly tripled to about 1985. In the 1960s, the primary Town services were road maintenance, assessment, property tax collection and elections. All these services, and additional services provided by the Town, have increased in complexity over the past 50 years. Newer services include zoning functions, comprehensive planning functions, partnership in EMS services and Senior Center services, recycling services and the like.

The current Town Hall falls short in many areas, including:

- a) It has inadequate space for meetings, tax collection, elections and records storage.
- b) Current Town officers necessarily operate out of their own homes.
- c) There are no audio-visual facilities for presentations during meetings.
- d) There is inadequate security for the clerk and treasurer when tax and dog license money is being collected.
- e) There is very limited security for Town records.
- f) The heating system for the meeting area is located in the garage area. There is no barrier to prevent diesel fumes and odors generated in the garage area from permeating the entire building. There is no ventilation to bring in fresh outside air. The

space is 2/3rds garage and 1/3rd meeting and office space, with the two areas separated only by a folding curtain, so the space dedicated to meetings and records storage is very garage-like.

- g) It is poorly insulated, so it is expensive to heat during the winter months.
- h) There is no air conditioning during the hot, humid summer months.
- i) The existing well and septic system are failing. These will soon need to be replaced at considerable expense.
- j) The building is not comfortable for poll workers during elections.

III. Town Board Actions to Date

Most of the elected Town officials are familiar with other Town Halls in the area as a result of joint meetings, County Towns Association meetings and the like. We have been aware of the shortcomings of the current building for some time. We have been working on ideas for a better facility for a number of years.

a. Purchase of Land

The Town Board purchased three acres to the north of the existing Town Hall property to build a new Town Hall. This purchase was completed about three years ago. The Town now owns these additional three acres free and clear. The parcel is about 262 feet wide along Center Road and about 497 feet deep (less the 33 foot right-of-way easement for the road).

b. Space Needs Study

The Town started to identify requirements for a new Town Hall following the purchase of the land. The officials started a list of priorities and desired features for the new building.

We then worked with Strand Associates to document and formalize our space needs and estimate the size and probable cost of a building that would fulfill those needs. The space needs study was completed in April 2013. It proposed a building of about 5200 sq ft at a cost of about \$1.08 million. This information was discussed at the 2013 Annual Meeting (April 2013). There were approximately 12 people at that meeting (not counting the elected officials). The consensus of the meeting was to proceed with the project.

c. Viewing of Other Town Halls

During the summer of 2013, the Clerk, Treasurer and Board viewed five recently built Town Halls in the area. These included West Point, Kingston, Christiana, Fulton and Bristol. We learned a lot from the local elected officials regarding what they liked and did not like about the new facilities. Sizes of the buildings without garages were mostly

in the 4000-5000 sq ft range. Costs for those buildings today would be comparable to the \$1 million cost proposed for Rutland.

d. Bidding and Hiring of an Architectural Firm

Late in 2013, we sought bids from architectural firms for the development of the new Town Hall. Angus-Young of Janesville was the winning bidder. Their references were excellent, and their price was the best among the three responding firms. A contract with Angus-Young was negotiated in December 2013 and signed in early January 2014. The contract split the project into three phases: design, bid document preparation and bid analysis, and construction oversight.

e. Formation of a Building Committee

The Board decided a committee of 12 persons should be formed to help the Board with the design and construction of a new Town Hall. The committee was to be initially comprised of the Clerk, Treasurer, 4 Board members, Constable and 5 citizen members. The intent to form the committee was advertised in the newsletter which accompanied the property tax bills in December 2013. The Board requested volunteers in the same newsletter. The committee began biweekly meetings in January 2014. The committee continues to meet, usually on the second and fourth Tuesdays of the month at 6:30 at the Town Hall.

f. Notifications to Town Residents

Town meeting notices are posted on the Town website, as well as outside the Town Hall, at the Collection Center, at the Carter and Gruenewald Implement dealership and at the White Rock tavern. A tentative agenda is published in the Oregon and Stoughton papers the week before the meeting. All Town meetings are open meetings (with the exception of limited types of agenda items which may be posted as closed session items for specific reasons as defined in Section 19.85 of the Statutes). The agendas are posted to meet the legal requirements of the open meeting law, as well as to keep residents informed.

The purchase of the additional land was on the Board agenda prior to the actual purchase. This was about 7-8 years ago, as we bought the land on a 5 year land contract and have now owned it free and clear for several years.

The space needs study was discussed at the April 2013 Annual Meeting. About 12 residents attended that meeting and voiced support for the project.

The plan to hire an architectural firm to prepare a design and assist with the bidding and construction was discussed at the Town Budget meeting in late November 2013. Only one resident attended that meeting.

There was a paragraph dedicated to the building project, including the estimated \$1 million cost, on the front page of the newsletter which accompanied the tax bills in December 2013. The newsletter was also posted on the Town website.

As of the April 2014 Annual Meeting, the new building had been on posted agendas for more than 20 meetings.

g. Work by the Building Committee

The Building Committee first met on January 8, 2014.

Prior to the April 15, 2014 Annual Meeting, the committee trimmed the size of the building by about four hundred square feet, from the 5200 sq ft recommended in the space needs study to the 4800 sq ft represented by the plan presented at the Annual Meeting.

IV. Annual Meeting

a. Notification to Residents of the Meeting

A letter was sent by the Board to the residents or owners of all parcels in the Town on March 31, 2014 advising them of the upcoming meeting and the votes planned for the meeting. The Board used the same addresses used for property tax billing, as maintained by Dane County, for this mailing. The letter included details on the current design of the building, the estimated cost and the estimated property tax impact of the required borrowing. This information was developed with the assistance of Angus-Young and others starting in January 2014. It also informed the residents and property owners of the progress on the project and advised them that a vote would be taken at the April 15, 2014 Annual Meeting.

Following the March 31, 2014 letter, an anonymous letter in opposition to the building project was hand-delivered to most mail boxes in the Town.

The Annual Meeting was attended by approximately 150 people, more than half of whom had to stand in the garage area of the current Town Hall.

b. Resolutions Needed

The Town Board must receive Town Elector authorization prior to constructing a new building, as well as prior to borrowing for a term of more than 10 years (with the

exception of loans from the State Trust Funds). A Town Elector is anyone who is eligible to vote in an election in the Town, which essentially means any U. S. Citizen over the age of 18 who has been a resident of the Town for the 28 days preceding the voting.

i. Authorization to Build

The first resolution presented at the Annual meeting was to authorize the construction of the Town Hall, with borrowing of up to \$1 million from the State Trust Funds for up to 20 years. Authorization to borrow from State Trust Funds is not legally required, but the Board chose to include it in the resolution to make it clear what was being authorized by the resolution, and the source of the funds.

ii. Authorization to Borrow or Issue Bonds

The second resolution was to authorize the bonding or borrowing of up to \$1 million for up to 20 years from any source. Though the State Trust Funds loan program offers competitive interest rates, this resolution would have allowed the Town Board to look for an even better interest rate.

Note: Town borrowing or bonding is legally limited to a maximum term of 20 years, regardless of the source of the funds. It is possible to borrow for a shorter term and then refinance after 5 or 10 years for an additional 20 years, thereby spreading the repayment over a total period of 25 or 30 years. This type of financing would expose to the Town to the risk of an unpredictable interest rate at the time of refinancing. The Board was not willing to take that risk.

c. Voting Results

Both of the above resolutions failed, each by votes of approximately 110-40. Many electors left the Annual Meeting as the ballots on the first two resolutions were being collected.

d. Additional Resolution at the Annual Town Meeting

There were approximately 40 people left as the votes were being counted. Town residents who spoke prior to the vote and following the counting of the ballots stated there is a need for a better Town Hall, but that the overall project cost should be reduced.

A resolution was then introduced from the floor to direct the Board to come up with other options. These additional options would limit the borrowing to \$750,000 and

\$500,000. These additional options would then be presented at a reconvened Annual Meeting in the August timeframe.

There were also requests from the floor to post more information, including agendas and meeting notes, to the Town website and to set up several forms on the Town website, allowing persons to submit comments and allowing persons to sign up for email updates related to the building project.

V. Actions Taken Since Annual Meeting

The date to reconvene the Annual Meeting was set for September 9, 2014, 6:30 pm at the Town Hall.

The website has been updated to include the two requested forms. One form allows persons to submit comments to the Building Committee. The other form allows persons to sign up for email updates from the Building Committee. See the Town website at <http://town.rutland.wi.us>. Comments will be accepted through the end of June, in order to allow time for the Committee to review and respond to them before the September 9, 2014 meeting.

The committee membership was expanded by two following the Annual Meeting (April 15, 2014).

The committee continues to meet on the second and fourth Tuesdays of the month and work on the additional options.

VI. Considerations Before Voting at the Reconvened Annual Meeting

New resolutions to authorize building and different levels of borrowing will be voted on at the reconvened Annual Meeting on September 9, 2014. The Board hopes that Town Electors will take the following concerns into consideration before voting at that meeting.

1. We need to provide a safe workspace from which the Clerk and Treasurer can collect property taxes, dog license fees and the like. The current setup is not secure.
2. We need to provide secure record storage. Digitization is not a magic bullet, as records still need to be maintained in their original form. We have checked with the Wisconsin Towns Association regarding record maintenance, and they have informed us that records need to be kept in their original form.
3. We need to provide workspace and file storage space for the elected officials. Working out of one's home is not always possible or secure. Not all elected officials are willing to dedicate part of their homes to the Town.

4. The Clerk and Treasurer positions have become much more complex over time. There is a steep learning curve for new holders of those offices. When former longtime elected office holders retire, many Towns now choose to convert the elected Clerk and Treasurer positions to Board-appointed employee positions. The Town did this with the Assessor position when our longtime elected Assessor, the late Henry Elvekrog, retired in the late 1990's. Other nearby Towns, including Dunn, Dunkirk and Oregon, have converted their previously elected Clerk positions into appointed Clerk positions. Dunn has gone further and combined the Clerk and Treasurer positions into a single appointed Clerk-Treasurer-Business Manager position. Should such a conversion occur at some future time in Rutland, for either or both of these offices, we will need to provide adequate office space, since appointed Clerks and Treasurers do not need to reside within the Town.
5. We need to provide a more accommodating meeting room.

There are several factors.

One is room capacity. The plans presented in April called for a meeting space for 99 people (not 150 people as has been erroneously reported by others). The committee is well aware that a room with a capacity of 100 or more people has stiffer commercial building code requirements including sprinklers, along with a high capacity well and a larger water storage system to supply water for the sprinklers. We did have 150 people at the Annual Meeting this year, but a room with a capacity of 99 people should handle most large meetings.

The current room is not comfortable for attendees and is not well equipped for presentations. We have only a portable sound system. There is no equipment for screen projection of Power Point-type presentations. The lighting is poor; the air is worse. Any time a closed session is needed, the general public needs to wait outdoors.

There have been questions raised as to how often the meeting room would actually be used. Quite often, as it turns out. The Plan Commission and Board meet separately at least once each month, for a total of at least 24 meetings a year.

There are typically at least 8 special meetings which must occur each year:

1. Caucus in January
2. Annual Meeting in April
3. Open Book, typically in May or June
4. Board of Review, typically in May or June
- 5, 6 and 7. Multiple budget meetings, usually in October and November
8. Town Meeting to adopt the levy in November.

In addition, there are special meetings for issues that need to be addressed or projects that need to be worked on. For example, this year there have already been 2 special meetings

with DOT related to Highway 14 improvements, with at least **3** more scheduled in the near future. Any zoning changes which draw public attention typically generate **1** or more special meetings. Our Comprehensive Plan needs to be reviewed and updated sometime within the next year or so; that effort will likely generate a series of at least **6** special meetings and public hearings. These are just current examples. Special meetings are not unusual occurrences.

Thus, there will be a minimum of **32** meetings at the Town Hall every year; over 40 meetings in a single year is not an unusual occurrence.

It has also been reported that the meeting room is being built larger than needed to accommodate private functions, in direct competition with local businesses. The availability of the room is not the driving force in the design, but rather a byproduct of the construction of a new building.

It has further been reported that no one has asked to use the meeting room. The Triangle Troopers 4-H used to meet at the Town Hall, but they outgrew the space and now meet at the Dunkirk Town Hall. The Rutland 4-H currently uses the Town Hall for their monthly meetings. Dave Grueneberg, who both manages the racetrack and owns the White Rock tavern, stated at a recent Board meeting that he would rent the meeting room for a drivers' meeting.

Many Towns do rent their facility as a source of revenue. Nearby examples are Dunkirk, Christiana and Montrose. A recent check of the online calendar for the Montrose Town Hall showed it was booked twice every weekend for the next 4 weekends. Christiana staff informed us that their facility is often booked well in advance for both weekend days.

6. We have very limited space to conduct elections, especially the presidential and gubernatorial elections (which tend to draw many more voters than primary elections and local elections). Voters standing in line are at risk of being forced to wait outdoors. By law, the polls are open 13 hours. Some poll workers are at the Town Hall for the entire 13 hours on Election Day, plus time after the polls close to count ballots and close up. We have no kitchenette facilities for the storage of food or the preparation of meals by these workers.
7. Cost is a concern for everyone. However, cutting the total project cost in half does not result in a building that is one half as large. Site preparation costs, including well, septic, grading, storm water management, erosion control, driveways, parking, utility service connections and the like will cost approximately \$150,000 - \$160,000, regardless of building size. There may be some small savings in site costs as the building size is reduced, but these savings would be limited. Project management, design and furnishing costs of more than \$100,000 also have to be factored in.

With a \$500,000 borrowing budget (using up to \$100,000 from reserves), only \$250,000-\$300,000 might be available for the actual construction. With a \$750,000 borrowing budget (again using up to \$100,000 from reserves), the actual construction money available might be approximately \$500,000-\$550,000. At \$900,000 in borrowing, the construction budget might be \$700,000-\$750,000.

Keep in mind that as building size decreases, the cost per sq ft may increase. So, if we borrow only half as much money, we might get about 1/3 the square footage in the new building.

Borrowing \$900,000 would have a tax impact of approximately \$70/year on a typical parcel assessed at \$250,000; borrowing \$750,000 would have a tax impact of \$58/year; borrowing \$500,000 would have a tax impact of \$39/year.

Note that some people have reported the Angus Young contract is over \$100,000. This is incorrect. The design portion of the original contract was for just under \$20,000; that has been increased to \$26,600 with the recent addendum (which is for the purpose of exploring options for different amounts of borrowing). The bidding and construction phases would bring the original contract total to approximately \$63,000, or approximately \$70,000 after the addendum is included.

8. It has been proposed that we gut the current Town Hall and remodel it into a new Town Hall. This would require that we also build a new insulated, heated garage for the trucks and other equipment, move the equipment into that building, and then use offsite facilities (or possibly the new garage?) for Town meetings while the current building is being gutted and remodeled. The resulting Town Hall would likely still retain the diesel smell, could not have insulated floors, and would start life with a 50 year old exterior. The floor in the apparatus area is pitted from salt exposure and is sloped for drainage, which would need to be reworked for a level surface. In addition, there has been some settling along the west wall.

We have been told that a square foot of remodeled space can cost up to three times the cost of a square foot of newly constructed space, so it is very likely that the project cost would be higher, especially when the cost of a new garage facility is figured in.

Actual costs for remodeling the current building are being researched. Gutting the current building has been roughly estimated to cost in the range of \$50,000. Once gutted, the current 2400 sq ft building might have a value of about \$20 a square foot for the metal frame and another \$7 a square foot for the concrete floor; total value might be in the range of \$65,000. We would then need to build a Town Hall inside those 2400 sq ft, plus build a whole new garage with its own heating and restroom facilities. The features identified for

the new building would have to be greatly reduced in size to fit within the current garage footprint.

9. Another proposal which was made is to add onto the current Town Hall. Given the slope of the roof and the direction of the roof gable, any addition would have to attach on the north side of the current building. We would need to keep the new part of the building completely separated from the existing building to avoid having fumes quickly ruin the new portion of the building. This implies a firewall (probably also required by code), and a completely separate second heating and cooling system and so on. The design of the new space would be limited by the manner in which it could be connected to the existing building. As above, this is also being researched. No cost estimates are known yet.
10. Some have suggested we should have purchased the Mueller Implement building and relocated there. The list price for that building was about \$1 million. It would have needed some remodeling. It would have also taken that property off the tax rolls, which would have reduced our levy limit.

This suggestion implies the current Town-owned properties could be sold, but these current properties would be difficult to reuse for another purpose. There was underground pollution from leaking storage tanks, discovered and remediated in the 1990's, on the current site, which would likely make the original parcel with the current buildings difficult to sell. The newly purchased three-acre parcel is deed restricted to governmental uses only.

11. Others have suggested that the Town should continue to live with what we have and put all the Town's money into the roads. The Board has been working to improve the roads, and has budgeted \$300,000 for that work this year. It has been difficult to keep up, given the current high prices for road work. We have been trying to do a least one mile of road reconstruction each year, but also have to dedicate some road money (\$65,000 this year) to seal coating and crack sealing (\$12,000 this year). Seal coating (also known as chip sealing) extends the life of those roads which have been reconstructed recently. Crack sealing reduces frost damage by keeping water out.

A mile of reconstructed asphalt, at the typical Town road width of 22 feet wide, without any complications such as large culverts, soft ground or extensive ditch grading or filling, cost \$170,000 to \$175,000 in 2013. All components of road work are closely tied to the cost of oil, whether in the form of asphalt paving material or oil for chip sealing or in the form of diesel for hauling gravel, grading, pulverizing and the like. In 2001, we were paying \$20 to \$22 a ton for asphalt; that same ton of asphalt is now \$53 - \$55. Over that same period, our shared revenues from the state have decreased from \$60,000 to \$25,000. Road aids (also from the state) have only slightly increased. There are levy limits, in place since 2001, which prevent us from raising the tax levy without Town Elector approval.

With 46 miles of roads, the Board would like to be able to reconstruct two miles a year, but the money is just not available to do that. We would need to add at least \$125,000 to the tax levy each year to reconstruct two miles a year. This would have a tax impact of about \$100 per year on the typical \$250,000 assessed value parcel, significantly more than the \$70 per year impact discussed at the April 15, 2014 meeting for borrowing \$900,000 for a new Town Hall.

12. We should consider including a salt shed (estimated cost \$55,000) in this project. The salt shed will give us the flexibility to buy a year's worth of salt during the summer when prices are the lowest. It will also relieve the patrolmen of the need to make trips to Madison after each snowstorm to pick up salt for the next storm (while saving the Town the cost of those trips). We have been contracting with the County to buy salt from them. The County's contract does not provide us any flexibility in terms of the amount of salt. The amount of salt we need each winter varies from year to year, depending on the severity of the weather. We have to execute a new contract in June each year. We could run out of salt, if we contract for too small an amount, or end up with excess salt at the end of the winter and no place to store it, if we contract for too large an amount.
13. We should also include cost-effective energy efficiency improvements for the existing building (cost not yet determined) in this project. The current Town Hall building will continue to be used as the Town's garage facility. It is not energy efficient. Our highest monthly natural gas and electricity bill this past year was \$1,100 for (others have incorrectly reported that we are averaging \$1,100 per month.) We would still need to heat the garage but only to 40 or 45 degrees, so the equipment and the water system do not freeze. The current building will no longer need to be heated for meetings and elections. We are researching the cost of making the building more efficient and converting the meeting area to garage space. One firm gave a rough verbal estimate of \$50,000 to \$100,000 to gut the meeting room area, remove the skylights, add roof insulation and a new standing seam roof, add sidewall insulation and add a third garage door. The insulation on the front wall could be done in the form of exterior insulation with a stucco covering to dress up the building a little. Given the age of the building, it would seem more appropriate to insulate it and continue to use it as a garage, rather than to remodel it into office and meeting space.
14. The Town needs to provide adequate facilities to insure the needs of the Town are met. Without appropriate facilities, there is a concern there will not be people willing to serve in the elected offices and on the Plan Commission and other committees in the future.

The Town Board hopes you, as a Town Elector, will seriously consider the current and future needs of the Town, and will attend the reconvened Annual Meeting on September 9, 2014 and vote in favor of completing this important project to meet those future needs.

Due to the high cost of mailing (the March 31 mailing cost approximately \$1,300), please continue to refer to the Town Website for updates. See <http://town.rutland.wi.us>

Attachment: [March 31 2014 Letter to Residents and Property Owners](#)