



Warner Budget Committee

Meeting Minutes
Thursday, July 12, 2018
UNAPPROVED

Mike Cutting opened the meeting at 7:02 pm.

Committee members in attendance: Mike Cutting, Martha Mical, David Minton, Martha Bodnarik, Alfred Hanson

Absent: Pete Newman - Water District Rep., John Dabuliewicz - Selectman's Rep.

Others present: Jim Bingham and Tracey Hallenborg, Tim Allen, John Leavitt, Varick Proper

1. Minutes

A. David made a motion to approve meeting minutes dated March 29. Martha M. seconded the motion, the motion passed unanimously.

B. David made a motion to approve meeting minutes dated April 12. Martha M. seconded the motion, the motion passed unanimously.

2. Philosophy for the Public Works Department

- A. Director of Public Works, Tim Allen, said in the short range 2002, 2007 and 2004 dump trucks are his biggest concern within the next 4 to 5 years. Long range, Tim would like to work his way towards 2 - 10- wheeler's, 2 - single axles, 3 - 550s and a pick-up. The grader is almost 3-years old, the back-hoe is 2-years old, the loader is 10-years old, which has 9,000 hours on it. Tim had the loader checked out from top to bottom and was told the machine is good for another 3,000 to 4,000 hours (3-years). Cosmetically the loader needs work and some recommended mechanical work. Replacement cost for a loader runs between \$185K - \$200K. A lease/purchase quote is for \$189K, \$40K per year, 5-year lease.
- B. Tim talked about the current lease on the grader, it's leased and warrantied for 7 years, you're responsible for general service, tires, windshield wipers etc. The payments are \$40K up front and each year on the 5-year lease. David asked if Highway Departments around Warner are leasing as well. Tim said they are getting more into leasing the equipment and purchasing the trucks. Alfred asked Tim how long will he keep the grader after the 7-year lease is up. Tim said the last grader was used for 15 years and it wasn't purchased new. Alfred said the gain is the usage after the lease is up. Tim thinks the town needs to get on a 10 or 12-year cycle with the equipment to get a handle on the payback. Tim feels a lease situation should be considered for the 3 big items. Alfred asked Tim if his maintenance records can tell him what the grader he had for 15 years cost him. Tim said not on that grader, but he does have information on the new one. Jim said the history is being built now, it wasn't built years ago.
- C. Tim explained why he wants to work towards 2 - 10-wheelers, 2 - single axles, 3 - 550s and a pick-up. He said the plow routes are 3.5-hour routes. Exit 7 area is always the last to get completed. Tim would like another 10-wheeler for the clean-up on the west end of town and the other 10-wheeler for Schoodac, Plains Road, and Exit 7 area. Tim wants to replace the 1997 Mack with a 550 so he would have that vehicle to send to Warner Rd, Dimond Lane, Toms Pond, all the short roads for the initial attack during a snowstorm. This will save from purchasing another dump truck. The new 550 has proved capable to handle snowstorms and the vehicle fully equipped cost half the price of a dump truck. And it makes more sense to move dirt with the 10-wheelers rather than the smaller trucks. This type of equipment may lengthen the time on the snow plow routes, but the equipment will be more helpful after the snow season is over.
- D. Alfred said if the equipment is no longer lasting as long as it had before, then the equipment costs will double in a short amount of time. Jim said that is the struggle, the machines that are being built now are much more complicated than 20 years ago mainly because of electronics. Alfred said then stay away from it, scope out exactly what the department should be doing in services. Alfred feels the department should shrink, the biggest cost is snow removal and he feels the town should do what other towns do, hire snow removal services using their own equipment. Alfred feels the town cannot keep up with the cost of equipment with the way the town is budgeting. The pros and cons were discussed about contract hiring. Tim is willing to try one hired driver for the next snow season. Alfred also suggested using an independent leasing company, he feels

it would be cheaper over the term of the lease. Tim asked, should this operation be based on snow removal or maintenance regarding contract services. The majority said snow removal.

- E. Tim is pondering hiring a mechanic as well which would reduce some maintenance costs.
- F. Martha B. suggested putting together a questionnaire about road maintenance that can be filled out at the next election. John Leavitt suggested adding the cost impact on the survey as well.
- G. Mike asked Tim if he has any regrets about eliminating the excavator. Tim said he didn't want to get rid of it, but, he had more important places to spend the money. Tim is not looking to replace the excavator.
- H. The pros and cons of leasing were discussed again. Tim feels the big-ticket items should be leased and the trucks purchased.

3. Committee Vacancy

Mike told the Committee that John Leavitt has volunteered to fill the vacancy. Alfred made the motion to appoint John Leavitt. David seconded the motion. The motion was rescinded. The Committee decided to advertise for a replacement that will need to fill the position until March 2019. A meeting will be arranged in September to review the interested candidates.

4. Year to Date Expenses

- The operating budget is at 46.7% spent for half the year.
- Varick Proper talked about the future of disposal costs which are anticipated to be higher because the entire industry is changing.
- Police Department is looking to fill a full-time and a part-time position.
- Land Use Legal is overspent due to on-going issues from the beginning of the year.

5. Year to Date Revenue

- Revenue estimate for the year is \$1,100,00, currently there is \$738,000 collected to date.
- The timber tax on tornado-damaged property is being abated on a case by case basis. Martha M. explained how the tax is being calculated.
- The Selectmen are developing a process for selling town property.

6. Solar Array

Alfred asked if there was a breakdown of the cost for the solar array in the Town Report, he said he couldn't find it. It was pointed out the total cost is listed on page 55, but not a breakdown. Jim said he needs to meet with Selectman Carson and create a detail on what the costs are, the project is not closed. Also, the cost of renewable energy credits needs to be looked at. When the project was presented in 2016 the market was giving \$46.00 a credit, the model presented to the voters was \$50.00 per credit and now it's \$15.00 per credit. We were supposed to have enough revenue coming in to pay the loan each year, that may not happen.

7. New Fire Station

Martha M. asked how much has been spent to date on the new fire station. Jim said almost \$500,000. There was a substantial change order for \$39,000 to remove 146 truckloads of what North Branch felt was unsuitable material from the site which was not cleared by the town. If North Branch had called, the town would have talked to the Director of Public Works to discuss a cheaper option. Martha M. said the last she heard that cost was being disputed. Jim said the conclusion is the town ate it. On the other side, North Branch has been giving the town credits to get the work done. Mike noted that the contingency fund is \$70,000 and now half is spent and it was said at Town Meeting the town would not use any of that money. Jim said the town was hoping, where the unknowns are, are in the site work which is now completed. John Leavitt feels North Branch should have absorbed the \$39,000 because they proceeded without town approval.

8. Roundabout

The town is still waiting for the state reimbursement. Warranty work still needs to be done as well.

9. Adjournment

Meeting adjourned at 9:10 pm

Recorder of the minutes: Mary Whalen