

BUDGET COMMITTEE

JANUARY 26, 2021

MEMORIAL BUILDING

7:00 P.M.

The following are to be considered draft minutes until approved by the Board.

The meeting was called to order at 7:00 p.m., and roll was called.

Board members present in the meeting room: Ken Jacques, B. Manning, Justin Hastings, Tim Cook, Jeff Milne, Darrin Patten, and Ex-Officio Tamara Butcher. Absent: Bryan O'Day

Others present in the meeting room: Selectmen Dick Hendl and George McCusker, Ed Abair, and Road Agent Peter Abair.

Present via ZOOM. Leigh Callaway, Whit Smith and Janet Hendl.

Minutes of January 12, 2021: Noted that Whit Smith was present as a guest. "Estimated corrected to estimate page 1, third paragraph from the end." Minutes of January 19, 2021 amended "B. stated he has to problems with, to B. stated he has no problem with it." B. moved to approve both sets of minutes as amended, seconded by Jeff, unanimously approved.

Tamara reported the Selectmen have entertained paving half of Hogg Hill Road. The Gove Brook culvert is already in the operating budget. The highway is looking at a different new truck. The sand shed site was not further discussed by the Selectmen.

Peter stated they have numbers for an International which is a bit cheaper. The whole package is \$160K instead of almost \$190K. The delivery date would be sometime in the fall or the first of the year. The State has the bid on International chassis and that is why the price is cheaper. The warranty is less expensive than the quote for the Western Star. The Board reviewed the estimate.

Ken asked what happens to the truck replacement rotation if a new truck is bought this year, and the red truck gets replaced. What happens with the green truck? Peter stated the green truck could be replaced with a good used truck. It would not get used all the time.

B. stated he looked at the numbers. "Big Green" was purchased in 2013 and getting ten years out of it would be 2023. "Little Green" was purchased in 2015. The original idea was it would last 15 years. That no longer appears to be the case, so he put it in for 12 years which takes it out to 2027. If a new truck is purchased this year, putting in the rotation for 13 years, it would take it out to 2034. Whit's analysis last year was for 10 and 15 years, but that does not seem to be working. He put big green for 10 years, because that will need to be stretched a bit if a new truck is purchased now. Little green is at 12 instead of 15, and the new one at 13, instead of 15. He used that scenario to calculate getting back on a rotation schedule.

Peter would like to keep the money in the current non-lapsing unreserved fund balance in case something happens to the green truck, and it needs to be replaced with another used truck. The

Board discussed possible ways the fund balance might be used as an offset the purchase of a new truck.

B. asked if Big Green would last another couple of years. Pete and Ed agreed it would depend on the body. B. stated using the 75K this year to buy a good used truck, next year (2022) order a new truck which you will not get until 2023 to move things around a little bit. The 75K could be used now to buy a good used truck. Peter stated he found a 2014 Freightliner with a stainless body, 56K miles, for \$62,500. He also found a 2017 International, with a steel side body, with 35K miles for \$70K. Specifications of different trucks, motors, etc. were discussed at length.

Ken asked for people's thoughts on whether to purchase a new or used truck this year. Peter stated if a new truck is not purchased this year, then they will need to purchase a new truck next year. B. stated if a new truck is bought this year, then the green truck needs to go to 2023 or 2024. Consideration needs to be given to the age of a used truck purchase to maintain the replacement rotation of 2023, 2027 and 2034 if a new truck is purchased this year. The years could be spread out if there was more life to be had with the trucks. There was more discussion regarding the 2014 and 2017 used trucks. Jeff stated one other thing that may favor a new truck is the interest rate. It is likely to go up, but it might be a savings now because rates are so low. Darrin stated if the truck will not be received for another year, the full price of that truck will still have to be budgeted. The 75K available needs to remain. If something happens to one of these trucks a replacement will be needed right off. Ken stated the decision needs to be made on how long to run the red and green trucks based on when a new one will be available if the decision is made to buy new.

Tamara noted the price of paving the whole road and the price of a new truck is close and asked what would happen to the paving schedule if Hogg Hill were put off a year or two? Ed stated the ruts in the hill make it difficult to clean the road when plowing. Ken asked about shimming and then paving the year after. Pete stated he could talk to Pike about the cost to shim.

Ken asked Pete his thoughts of Hogg Hill Road. The Selectmen have suggested a budget with half the paving. Gove Brook culvert replacement is in the budget and there is no question about doing Gove Brook. The work proposed is a reasonable option. Pete agreed. Pete stated he could probably push the paving off for another year if the hill were shimmed. Ken suggested finding out what it would cost to shim the hill. Ken noted a decision needs to be made whether to do the paving and Gove Brook and not do a truck; or do the truck and not the paving. The price to do all three is a lot of money and does not appear feasible.

Ken asked if the Board was comfortable waiting two weeks to decide on the paving and the truck. It would be helpful to know what the cost to shim would be and what was going to happen about a truck. Darrin noted the numbers should be known tonight. The hearing is in two weeks, and there cannot be a lot of changes unless a second hearing is held. Peter suggested kicking the paving out, go with a new truck and try to make the green truck last a bit longer. He would like to keep the 75K in the truck replacement fund. The new truck will take the place of the red truck.

The suggestion was made to recess this meeting to next Tuesday (2/4) for further discussion about a truck and paving so numbers can be nailed down before the public hearing on February 9th. Numbers in the Unreserved Fund Balance were reviewed and discussed.

The Board spent time reviewing the proposed operating budget.

The big items to be discuss next week are Gove Brook, paving, and the truck as well as funding sources.

Tamara asked what the Board's thought is on leaving Gove Brook in the budget versus a warrant article. B. stated, he personally would need to know whether there will be a warrant article for a new truck and what the bigger picture is for the other two issues. Ken suggested the Selectmen review how they may want the fund balance to offset the budget.

Ken noted Darrin got a new site plan and new numbers from Dan Nash. Darrin suggested having someone who is in the construction business go over the information from Dan Nash. The other thing Dan discussed was doing the grubbing and getting the lot leveled out and the drainage in, and then let it sit a year to see how it works out. Darrin and Ken suggested the \$100K would be appropriate. Jeff stated when grubbing and leveling would give a good idea of what exists in the ground. If the site is going to sit for a year after that, then you would know what else you are looking at. The Board agreed that it makes sense for the \$100K that lapsed in 2020 to be rolled over for another three years.

The Board agreed to recess this meeting until 7 pm. On February 2, 2021 to discuss the culvert, truck, and paving.

Submitted by,
Janet Roberts,
Administrative Assistant