

[Minutes

Town of Norwich Finance Committee Meeting Friday, February 22, 2011 Tracy Hall, Norwich, Vermont

Members present: Cheryl Lindberg (Chair), Keith Moran (Vice Chair), Stephen Flanders (Secretary), Christopher Rhim, James Dwinell (left at 6:15), and Evan Pierce

Members absent: Jim Mackall

Also Present: Allen Rowell, Neil Fulton, Peter Webster (Town Manager), Andrew Hodgdon (Head, Department of Public Works), Sonny Lewellyn (Public Works), Henry Scheier, and Linda Cook

Chair Lindberg called the meeting to order at 5:00 PM.PP

Agenda Items Discussed

1. Review/Amendment of Agenda:

Lindberg introduced the agenda and asked whether any changes were in order. Pierce noted that he had an item to be discussed under *Norwich School District*.

2. Review/Approval of January Minutes:

Motion: Dwinell moved and Pierce seconded to approve the NFC minutes for 18 January 2011.

The motion carried unanimously.

Motion: Dwinell Moved and Pierce seconded to approve the NFC minutes for 21 January 2011.

The motion carried unanimously.

Motion: Dwinell Moved and Pierce seconded to approve the NFC minutes for 25 January 2011.

The motion carried unanimously.

3. Public Comments:

Scheier announced the schedule for Town Eating Day and the NFC time slot of 11 AM in the Marion Cross School gymnasium. Several NFC members expressed their intention of attending the session.

4. Replacement Grader:

Summary of 11 February information discussion – Lindberg asked Moran for a summary of the informal meeting that occurred on 11 February. She inferred from previous NFC discussions with the Town Manager that there would be up to a year's delay possible but noted that it will be on the Selectboard agenda for 23 February. Others reported the following on the meeting:

- Moran noted that Webster, Fulton, Hodgdon, and Lewellyn were at the 11 February meeting. He noted that Fulton had prepared a spreadsheet outlining the cost comparison of replace versus renting the machine with an operator.
- Pierce noted that, in the meeting, Hodgdon had covered the level of service currently provided and what the level of service would be with just one machine. Pierce understood that letting the condition of gravel roads deteriorate too far requires much more expensive repairs because new material has to be emplaced.

Summary of 22 February town garage briefing – Lindberg asked for a summary of the show and tell demonstration of the grader that occurred on 22 February at the town garage, hosted by Hodgdon and Lewellyn. The following reported on the meeting:

- Moran reported that Selectboard members, Ed Childs and Roger Blake were present, as was Town Manager Webster. NFC members, Moran, Flanders, and Pierce were also present for the briefing. At that briefing, they compared the two graders, the primary one a Caterpillar with a 14-foot blade and hydraulic power to the front wheels, the secondary grader a John Deere with a 12-foot blade and no power to the front wheels. Lewellen explained the usefulness of the smaller blade on narrower roads and the productivity advantage of the power to the front wheels. He also contrasted the scarifying mechanism between the two machines. Lewellyn highlighted several worn features of the grader that required service. Hodgdon pointed out a hydraulic leak. Rowell came and asked some questions that addressed the current condition of the grader. Rowell had Sonny put the grader through a few paces.
- Flanders noted that the NFC had received information on the cost to repair a variety of items on the grader, including those items described in the briefing, plus the transmission. At the briefing, Flanders had asked about the trade-off of replace versus repair and understood that the machine had reached a phase when it was unpredictable what might go wrong. He noted that the grader was near the end of its useful life span.

Discussion about replacement of the grader – The discussion turned to the replacement of the grader, as follows:

- Moran noted that Rowell had reported that a private user would only replace items, as needed. He felt that the machine with minor repairs could be made to keep the current machine going.
- Dwinell asked whether the Caterpillar was purchased new. Fulton answered, yes. Rhim noted that the information was not provided in a timely fashion to make a decision.
- Webster apologized for not providing an invitation to the field visit earlier. He noted that he received the update from Caterpillar only over the weekend. He noted that repair versus replace was a matter of chance. He noted that the Selectboard had requested that the item be on the agenda. He pointed out that Thetford residents are voting next week on the funding to replace their single, 15-year-old grader.
- Fulton noted that Hodgdon had requested proposals on repairs. Using two graders extends the life of the primary grader, which is not a consideration in the spreadsheet that he prepared. He showed a curve from his spreadsheet that demonstrates after the

first 25 days creates a flat rate of return on investment. He emphasized that the three most important aspects of road maintenance are “ditching, ditching, ditching.”

- Rowell suggested that the town use the John Deere as a back-up, rather than as a regular means for road grading. He understood that the John Deere operates about 400 hours per year, but suggested that usage could be cut back to 300 hours. He agreed that repairs are in order, but suggested that the decision doesn't need to be rushed.
- Scheier asked about the cost to rent. Hodgdon reported that grader rental without an operator is \$7200/month with a maximum usage of 172 hours. Renting from Rowell with an operator is \$90/hour.
- Lindberg noted that the designated public works fund has an outgo that is about as fast as inflow. Fulton noted that the fire department reserve fund tends to build a higher balance because of fewer and more expensive vehicles than police and public works.
- Pierce asked what would be high-priority fix-it items. Hodgdon mentioned oil seals and pins.
- Flanders noted that there were so many variables to consider in making the repair-replace decision difficult to do in a precise manner. Instead, he suggested that a decision based on “fuzzy” information might not result in a very outcome than one based on perfect information. He felt that, once a machine is getting old, the exact moment to replace it becomes less precise.

Motion: Dwinell moved and Moran seconded that the NFC not recommend the purchase of the grader.

Discussion: The following points were made in the discussion of the motion:

- Moran believes that the decision is too hasty. He feels that the town is well equipped now. The machine is in “good enough” condition. Not agreeing won't adversely affect PWD. Frugality indicates waiting on the decision.
- Pierce felt that the decision could await the recommendations of the planning and capital works committees.
- Flanders emphasized that the motion was about non-support of the purchase, not delay.
- Dwinell maintained that past practice allowed the use of one fewer graders. He noted the availability of a local contractor to provide back-up. He felt that a nice-to-have gift became a must-have.
- Pierce doesn't wish for a diminution of service, but would favor delay.
- Rhim said he was not in favor of the motion, as stated, but favored looking at other options. There is no sense of urgency.
- Scheier is looking forward to a better decision process with new committees coming on line.

- Fulton noted that the Department of Public Works has a vehicle replacement plan that has been the basis of appropriations to their reserve fund and it's not appropriate to stop replacing vehicles that are at the end of their economic life while a study is undertaken to possibly develop a new, better plan.
- Lindberg was concerned about the level of planning.

The motion carried five to one (Flanders against).

(Dwinell left at this point.)

5. Norwich School District:

Lindberg asked for input in presenting the NFC position on the Norwich School District (NSD) budget at Town Meeting. Pierce expressed concern that, whereas the NFC guidance was for there to be no increase in taxes within the district, which included Marion Cross School (MCS) budget and the Dresden assessment, the Dresden budget is voted on separately. He noted that this makes it difficult to separate the NFC's position on the MCS budget from the merits of the Dresden budget, which the NFC votes on as part of the Dresden Finance Committee. He emphasized that the NFC's opinion on the MCS budget should not include the Dresden budget.

The members reviewed the NFC discussion of its vote on the NSD budget. Discussion included how one would distinguish the contribution of the Dresden and MCS budgets to the town school tax rate.

6. Town of Norwich:

Lindberg asked for input in presenting the NFC position on the Norwich Town expenditure budget at Town Meeting. The members agreed that this was straight-forward.

7. Statement of Purpose:

Will be deferred to a later meeting.

8. Other Topics:

No other topics were discussed.

9. Summary of Next Agenda:

After some discussion, the members decided to hold the next meeting on March 15, when the NFC will elect its new officers.

10. Adjournment:

Motion: Pierce moved and Rhim seconded that the NFC adjourn

The motion passed unanimously.

Adjournment: 6:45 PM

Tentative future meeting date (5 PM in Tracy Hall):

Tuesday, March 15, 2011