

Town of Elmore Select Board Special Meeting

"He is always a slave who cannot live on little."

-- Horace--

MEETING DATE: 22SEP16 -- START 1805hrs -- END 1820hrs)

REVISION: V1.0

STATUS: APPROVED

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**ATTENDEES: Michel LaCasse, Robb Wills, Robert Burley, Steve Nutting,
Sandra LaCasse, Patrick LaCasse**

**TOPIC: REVIEW SPECIFICATIONS AND ACQUISITION OF REPLACEMENT
ROAD GRADER TO MEET EXISTING AND PLANNED TOWN NEEDS FOR NEXT 10
YEARS.**

- 1. Steve Nutting requested summary of current equipment and status:**
 - a. Existing grader, manufactured 1992, Acquired used in 2005.
 - b. 2005 Cost = \$80K
 - c. Grader is operating at significantly reduced capacity. Engine, hydraulic systems (transmission) are failing and "making metal." Friction caused temperature rise in each subsystem limits useful operation to about 25% of each hour. Brakes require rebuild.
 - d. Residual value is \$25K. Estimated repair costs \$30-35K
- 2. Michel LaCasse reviewed results of open bid process conducted during period 22August16 to 19September16.**
 - a. Caterpillar, John Deere and Case vendors in VT and NH were contacted. Used equipment from other municipalities throughout Northeast was searched with no relevant results.
 - b. Caterpillar no bid. Beaugard (Case) was both low bid and best match for town need. John Deere and Caterpillar could only offer new equipment with pricing \$375K to \$450K.
- 3. Grader Description:**
 - a. 2012 Case of equivalent, size, power and equipment to Town current John Deere. Case Grader has 150 hours TT and is basically new with sun faded paint, having served Beaugard (Case Dealer) as a demo and front lot show piece.
 - b. Engine fully compliant with most recent EPA and ANR air quality regulations.
- 4. COST: \$153K less \$28K Trade for total town cost of \$125K.** Delivered to town. Included are: 90 day warranty and 6 new tires (Value \$7200)
- 5. Financing Discussion:**
 - a. Town Capital Plan and Operating budget had planned for replacement in FY2018. Acquisition moved to FY2017 due to existing equipment failures.
 - b. A combination of current Operating Budget and Capital Reserves is sufficient for acquisition in FY2017 with no anticipated adverse tax consequences.
 - c. The Town will finance acquisition by a 5 year loan with Union Bank at 1.37%.
- 6. Acquisition Approved by unanimous vote.**