



**LACONIA CITY COUNCIL  
BUDGET WORK SESSION  
MAY 13, 2013  
CITY HALL – CONFERENCE ROOM 200A  
6:00 P.M.**

**CALL TO ORDER:**

Mayor Seymour called the budget work session to order at the above date and time.

**ATTENDANCE:**

The following Councilors were in attendance: Councilor Doyle, Lahey, Lipman, Baer, Hamel and Bolduc.

Also in attendance: City Manager Scott Myers, Finance Director Donna Woodaman, Public Works Director Paul Moynihan, Assistant Public Works Director Luke Powell, and Dave Keets

**PUBLIC WORKS (Pg. 87 – 102)**

Director Moynihan reviewed a prepared presentation (see Attachment #1).

Councilor Lipman asked if the investment in new equipment has resulted in older equipment, which may require more maintenance and still carry insurance costs, to be taken out of service. Director Moynihan replied that there are pieces that have not been taken out of service at this time because the replacements were purchased within the last year and the auction cycle has not begun yet. Some equipment is still used in a less demanding manner, such as plow truck being used as a salt truck, and used for the remainder of its useful life and will go to auction when all use is exhausted.

Councilor Lipman commented that it seems to be that we are holding on to equipment for the sake of having the equipment, acknowledging that unsafe equipment has been discarded, and this equipment carries higher maintenance costs for the City. Director Moynihan replied that some of the equipment that has not been taken out of inventory, such as an old sweeper, is used as back up and to subsidize work that would otherwise need to be done by outside contracted services. In regard to insurance cost, Director Moynihan has had conversations with Jon Gardner about this and the impact is very minimal. Director Moynihan added that he relies on the knowledge and experience of his Lead Mechanic, Danny Walker, to be resourceful and use all parts and pieces of older equipment that can be salvaged before they are removed from the inventory.

Director Moynihan stated that he will discuss this with the City Manager, Finance Director, Foreman and Lead Mechanic and make a decision regarding the older equipment.

Councilor Lahey asked if maintenance is part of the Internal Services Fund (ISF). Director Moynihan replied that vehicle maintenance is part of the ISF.

Councilor Lipman commented that as new equipment with warranties and lower maintenance cost there should be some savings that are realized within the ISF. Finance Director Woodaman commented that the Lead Mechanic does a nice job of working with Director Moynihan and the Finance Department to maintain communication with regard to the condition of vehicles and making the determination if cost to maintain will outweigh the useful life of the vehicle or equipment.

Mayor Seymour noted that an inventory list was provided to the Council and it may be helpful to have this updated. Director Moynihan replied that there is a list of all equipment.

Councilor Lipman asked if the grader has been taken out of service. Director Moynihan replied that it has not but that there has been discussion with neighboring communities to assist with grading in the future so that the grader can be taken out of service. When this is finalized there will be not issues with taking it out of service. Director Moynihan pointed out that the grader is in working condition and was used a few weeks ago to grade the few gravel roads the City has.

Councilor Hamel commented that he is disappointed to hear that the old sweeper is still in the inventory and being used because it was the understanding that it was unusable and needed to be replaced. Director Moynihan replied that sweeper is not unsafe and has been assistive in taking wear and tear off the new sweeper and minimizes the use of contracted services; this is a sweeper that cost \$6,500 when purchased. Director Moynihan reiterated that he is taking the knowledge of staff that are experienced with this equipment and know when it is time to discard it. If the Council would like to insist the sweeper be taken out of service it will be done.

Councilor Lipman stated that the Council is looking for an analysis of the total cost of ownership for each piece of equipment as opposed to a generalization from staff. There are additional costs, such as insurance and maintenance, which may outweigh the occasional benefit of use we receive from the equipment. Director Moynihan replied that he did not get the impression that the insurance cost would outweigh the benefits to having the equipment for backup.

Councilor Hamel asked if the City still has Bombadiers used for sidewalk maintenance. Director Moynihan replied that one has been taken out of service and a couple remain; there were a few instances this winter where more up to date equipment was out of service and these were used to subsidize and get the sidewalks cleared.

Councilor Hamel asked what is done with the older dump trucks that were used for plowing that have had replacements purchased. Director Moynihan replied that they are scheduled for auction for this year but one may be moved to a salt truck to get the most of the useful life. Councilor Hamel commented that the City bonded the purchase of new equipment because it was the impression that the older equipment was in such poor condition that they could not be used any longer and now they are still being used. Councilor Hamel pondered if the older equipment needed to be replaced. Director Moynihan replied that the equipment was recently purchased in the last year and the first opportunity for auction is coming up but reiterated that some of the older equipment has been useful to the department in recent months.

Councilor Lipman again asked for the total cost of ownership to be analyzed.

Councilor Bolduc that he has been asked by taxpayers what has been happening with old equipment and he has told them it goes to auction because he was with the understanding that this was happening. Director Moynihan advised that the Mr. Walker finds value in the miscellaneous parts of older

equipment that can be useful when making repairs to other equipment; Mr. Walker does not retain equipment that does not have a value to it.

Councilor Hamel asked how much funding remains in the Fencing/Guardrail Replacement; this line was not funded by the City Manager in the Capital Outlay budget. Director Moynihan replied that \$40,000 remains in the current budget and that there are two walls that will need to be repaired. There is currently a Request for Proposals (RFP) out for the guardrail replacement and there has been thought to have retaining wall installation completed by staff rather than contractors to reduce cost. Asst. Director Powell commented that current projects of guardrail replacement and wall repair will use the current budgeted amount.

Councilor Baer asked why Tree Work appears as a line item for the department when it also appears with Parks & Recreation's proposed budget. Asst. Director Powell replied that this funding is used for public right-of-ways, while Parks & Recreation uses the funding for the City parks. In many cases the City attempts to have utility crews remove any limbs that are infringing on power lines and the City will handle anything that is overhanging sidewalks and roadways.

Councilor Lipman asked if the snow maintenance budget will be in line this fiscal year or will reserve funds be needed. City Manager Myers replied that the estimate is \$10,000 over budget but the City is working with FEMA for federal reimbursements for the blizzard and the final numbers are anticipated before the close of the fiscal year. This may leave a surplus in the winter maintenance budget and this could be applied to the reserve fund which has a substantial balance from the prior mild winter. Director Moynihan commented that at the end of February the estimate was to have finished the season within budget but it is looking fairly close at this time.

Councilor Lipman asked how the budget for the next fiscal year was calculated. City Manager Myers replied that a rolling five year average is being used which resulted in a level funding for this year.

Mayor Seymour asked if there was a significant project that needed to be done with the Boardwalk that resulted in a request to double the funding, which the City Manager did not support in his proposal. Director Moynihan replied that it was anticipated that the uprights on the docks would need to be repaired or replaced. Funds have been secured in the current budget to make these repairs and the reduction by the City Manager is comfortable. City Manager Myers added that this was done sooner so the work would be completed for the beginning of the season rather than the end after funds were made available.

Councilor Hamel asked if there are any major equipment replacements anticipated in the near future. Director Moynihan replied that the sewer Vactor is approximately 10 years old and would be covered through the enterprise fund. The grader will be taken out of service and not be replaced. A three year list is made with the Mr. Walker and one dump truck is scheduled to be replaced within that time.

Councilor Hamel asked what the approximate cost of a sewer Vactor is. Director Moynihan referred to a CIP list provided by Matt Mooney and replied that the estimate is \$350,000.

Councilor Hamel thanked the Public Works staff for all of the hard work they complete throughout the year.

Mayor Seymour commented that he has received comments that the City does a great job on winter maintenance and it is visible to those on the roads.

Mayor Seymour thanked Director Moynihan for his presentation.

Mayor Seymour closed the budget hearing at 6:55 p.m.

Respectfully Submitted:

Mary A. Reynolds  
City Clerk