



AGENDA ITEM #: 21-126
COUNCIL MTG OF: October 21, 2021
FROM: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
OFFERED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
PREPARED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director
SUBJECT: Supplemental Appropriation: 10 Wheel Dump Truck w/wing plow

STAFF REPORT
Public Hearing 11-2-21

PURPOSE

The purpose of this document is to present to the Council, for their consideration, a proposal to purchase a new 2022 Western Star 4700 10 Wheel Dump Truck for the Water Division.

TOWN ADMINISTRATOR COMMENTS:

This purchase will be funded from additional revenues accruing to the Water Division from its participation in the Southern NH Regional Water Interconnection Project. The Town plans to capitalize on its preferential leasing terms with Bank of America on a seven-year term at just under 1.4%. This action is a Supplemental Appropriation with no impact on the tax rate, and thus requires a public hearing (Nov. 2) and a 2/3 affirmative vote of the Town Council.

BACKGROUND

The Water Division requires access to a dump truck year-round for the purpose of maintenance work, trench restoration and emergency water main repairs. During the winter months the Highway Department's dump trucks are equipped and reserved for winter operations (sanding, salting, and plowing).

In FY13 the Water Department acquired one of Highway's dump trucks scheduled for replacement; a 2000 International 6-wheel dump truck. Now, after 8 years this truck has developed significant maintenance issues mostly due to substantial rusting of the dump body and frame (The truck was used by highway for the prior 7 years for salting and plowing before being transferred to Water.) It was included in the Water CIP for replacement with another HW Dump Truck in FY22. Since Highway did not have a truck to transfer, its replacement was deferred to FY23 with the intention of being able to extend the use of the 2000 International one more year. The truck, however, has failed its most recent inspection and is unsafe to operate. It will require significant investment to repair it, the total cost of which is not known until it is disassembled. It will include at a minimum a new dump body and framework. The Water Dept. does not have access to a dump truck going into this winter.

DISCUSSION

Following an internal discussion of options, the Department has been made aware that McDevitt Truck, LLC has a fully equipped (dump body with wing plow but no front plow) 10-wheel dump truck on its lot. Since the Department intended to replace this truck in its next budget and substantial lead times would likely defer delivery of any new truck ordered as part of the FY23 Budget until late 2023 or early 2024, the Department expressed interest to the vendor.

McDevitt Trucks Inc. has been the Department's vendor for 6 and 10-wheel dump trucks for the last 5 years. McDevitt has offered the new 10-wheel dump truck to the Town at a competitive price of \$184,573. By comparison, the last 10-wheel dump truck the Town purchased was 2018

for \$193,262 for a comparable MACK. (The new truck does not have a front plow which would cost about \$5,000 to add.)

FISCAL IMPACT

We would propose to lease the new truck at the current interest rate of 1.3848% for 7 years. The lease would have no net cost in FY2022 with the first lease payment of \$27,857.77 due in FY2023. Revenues from the Regional Water Project would be sufficient to offset the lease payment without need to increase rates.

RECOMMENDED ACTION BY COUNCIL

It is recommended that the Council approve a supplemental appropriation for the FY2022 Water Fund budget in the amount of \$184,573 and to authorize the Administrator to enter into a lease agreement to fund the purchase.

SUGGESTED MOTION:

Please see Resolution #2021-065 for action on November 2, with a 2/3 vote of the entire Council required for approval.