



TOWN OF HARWINTON

HARWINTON, CONNECTICUT 06791

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CAPITAL EQUIPMENT COMMITTEE MEETING WEDNESDAY FEBRUARY 21st, 2018

Chairman, John Fredsall, called the meeting to order at 7:00 pm. Committee members present were, Dave Bousquet, Pat Doyle, and myself. Bill Buys Jr. was absent and Jim Savenella is south for the winter. The minutes from the previous meeting on July 27th, 2017 were passed out and reviewed. Pat made a motion to accept with Dave's second, and the motion to accept was unanimous.

The agenda for this meeting was to go over the equipment needs for the 2018-2019, budget year and a look a little further out. A review of the updated list of the capital equipment, owned and operated, by the Town was reviewed by the committee. It was noted that the depreciation amount has dropped a little from last year to just over \$245,000 per year, and that the Town appropriated \$255,000 last year for equipment. The members appreciate the tough economic conditions that the Town and the State are experiencing but feel they would be negligent in their duty to not recommend to the Selectman and the Board of Finance the necessary equipment that is required. It makes good economic sense to replace equipment on a regular and timely basis in order to maintain reliability and limit costs related to repairs. Using this sound policy, as the Town has done in the past, certainly limits the strain on the repair budget and helps up-time of the equipment.

John presented his thoughts for the coming year for the committee to consider and made note that Unit's #9, 11, are due this year and #8 and #25 are due next year and that the committee should look at the best way to try and limit the impact to the budget. It was decided to review the specifications and budget numbers that John obtained for the two pieces that are due for replacement this year. They are Unit #11, a 2007, 40,000 lb. plowing dump truck and Unit #9, a 2006 one ton 4x4 pickup truck. After this discussion of the two pieces Pat made a motion to recommend appropriating \$155,000 for Unit #11's replacement with the trade-in. With Dave's second the motion carried unanimously. Dave made a motion to recommend appropriating \$50,000 for Unit #9's replacement with the trade-in. With Pat's second the motion carried unanimously.

The members then took a look at next year to see how the Committee's long term plan was working out. The next budget year, 19/20, the plan is to replace Unit #25, the road grader, which we pushed back a year already and Unit #8 a 2008, 40,000 lb. plowing dump truck. This would still be difficult year but will be a little less costly since we moved up one piece to the present year, which was Unit #22, the excavator. The grader is the hard one as it's an expensive piece and it's tough to fit in around the Town's plowing fleet, which has also gotten very costly. The grader has an estimated cost of \$300,000 with the wing, and the truck would be estimated at \$175,000, both without trade-in values figured in. That total figure would be \$475,000, well above the amount the Town normally expends on equipment each year. If the town was able to get the Capitol Equipment Reserve Account up to somewhere around \$200,000 and with the \$90,000 in trade-in values for these two items that the Committee is estimating, would help a great deal in limiting the impact of these two items at one time.

The total of this year's Capitol Equipment Depreciation is \$245,000, the amount the Town normally expends on equipment each year. The total of equipment purchases this year would be \$205,000. The Committee has recommended in the past for years when the depreciation amount is not reached in actual equipment purchases, that the balance be put into the Capitol Account for years such when two large purchases come due in the same year. This seems especially appropriate this year. The members believe that it should recommend to the Board of Selectman and Finance that they appropriate \$205,000 for Capitol Equipment this year and the balance of \$40,000 be added to the Capitol Equipment Reserve Account, which has a balance of \$145,132 as of this writing to help offset next year's large pieces. A motion was made by Dave and seconded by Pat to recommend to the Boards of Selectman and Finance for their action, a budget amount of \$245,000, for this year's equipment needs. The motion carried unanimously.

With nothing else on agenda, the meeting was adjourned at 7:45pm.

John D. Fredsall
Chairman, Capital Equipment Committee

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