**Town of Wales Finance Committee Meeting**

17 November 2016

In attendance: Roy Lainson, Valerie Bernier, Kimberly Jorge, Bill Darnley

CALL TO ORDER

The meeting was called to order at 7:05pm

MINUTES

Approval of meeting minutes from 13 October 2016.

Motion: Roy made a motion to amend the date on the October 2016 meeting minutes to read "13 October 2016" and approve the minutes with the amendment.

Seconded by: Valerie

In favor: all

The motion passed to approve the meeting minutes from October 2016 with the amendment to the date.

OLD BUSINESS

None

NEW BUSINESS

*Review drafts of Budget Request documents*

A draft of the budget request letter that we will be sending out has been proposed to the committee. It is very similar to that of the prior year with the addition of a request that departments reach out to the Finance Committee if they expect any one-time expenses valued between $10,000-$25,000 to occur over the next fiscal year. Valerie and Bill suggest that the figures be amended to $5,000-$25,000 to allow the Finance Committee to better plan for any sizable upcoming expenses.

Two changes were made to the budget planning schedule since last fiscal year's version. We will be meeting twice during February in preparation of the FY18 budget. A request from Justin Mathiau to change the public hearing date was factored into the timeline and the public hearing will therefore occur the night the budget is finalized so that there is time to amend it as needed based on public request.

The budget request spreadsheet document is the same as that of the current fiscal year. It was discussed that this form may be a good place to ask that one-time $10,000-$25,000 expenses be factored in. Valerie proposed that this document include a budget breakdown. This may help individuals filling out the document ensure that they are factoring every necessary expense in when they are reporting their budget request. A new budget request form will be drafted and a copy will be distributed to each department on 11/22/2016.

*Grant/Funding for WFD hose replacement*

A hose grant is being negotiated. The Wales Fire Department will be required to cover 10% of the cost which may range from $3,000-$4,500. A reserve request has not been submitted and it is not definite that the money will be sourced from the reserve, but the fire department wanted to provide notice to the Finance Committee in anticipation of a possible reserve request in the future. More information will follow about the final price.

*Capital Planning Discussion*

The Capital Planning Committee met this past month. At the meeting, Bill began a discussion about generating an annual budget to put toward capital improvements that would sum around $70,000 and include both vehicle and building maintenance. The committee expressed that it may benefit from having two representatives from the Finance Committee rather than one. They declined the Finance Committee's offer to absorb all capital planning responsibilities.

*WHD Backhoe*

A “major catastrophe” occurred with the backhoe in which a pin snapped and dropped a piece of the equipment. This will cost $5,370 to fix and will take 132 days to get the piece in. A machine rental was necessary which is going to cost $4,000 at $100/hour for 40 hours. A local resident states that he can make the piece for $5,400 an a shorter timeline.

$8,250.01 is the total expected expense to complete the repair:

* $5,400 for the piece from Mark
* $2,850.01 Pins, bushings, pistons, packings for Komatsu that would be necessary to complete the repair

Total accrued rental expenses so far:

* $4,000 for the rental from O'keefe
* $4,800 for a one month rental from Caterpillar - this includes a one-time round-trip transport fee as well as a $900 registration fee. Further monthly rental would cost $3,000/month.

Another option would be to see what Caterpillar would offer for it on trade-in to replace the entire vehicle. The current backhoe is valued at approximately $20,000 which is only slightly more expensive than getting this repaired. He proposes that there be a special town meeting to approve the purchase of a new backhoe.

Other alternatives: a backhoe loader would cost $116,900 for a new vehicle on state bid. A lease purchase of a backhoe loader would be an option that would reduce the up-front cost. Chapter 90 money (approximately $30,000) may be available for the purchase of such a vehicle.

Bruce made a phone call to Caterpillar. Caterpillar offers 2.75% interest. For a different town, a similar lease purchase wound up costing $19,500/year for the lease based on a similarly priced vehicle minus the trade-in value of their old vehicle. The money spent on the rental will be knocked off the purchase price of the vehicle.

Motion: Roy makes a motion that we investigate the details of pursuing a lease-purchase option through Caterpillar. We will confirm the purchase recommendation after final numbers are received.

Seconded by: Valerie

All in favor

The motion passed unanimously

Currently, the rentals have totaled $8,800 in expenses. Bruce has $3,000 allotted to rentals in his budget, which brings the cost down to $5,800.

Reserve request was received from Bruce for $5,800 to cover the expenses outlined above.

Roy made a motion to approve the reserve request

Seconded by: Val

All in favor

Motion passed unanimously

The Finance Committee intends to meet on Wednesday, November 23rd, 2016 at 6:00PM. The Board of Selectmen’s attendance will be requested.

Roy will write up a plan for Wednesday’s meeting. He will incorporate the numbers that we anticipate receiving from Bruce tomorrow.

MOTION TO ADJOURN

Motion: Roy made a motion to adjourn at 9:07pm

Seconded by Bill

All in favor

The meeting is adjourned