

January 13, 2015 Select Board Minutes, Groton Community Building (Approved)

Select Board: Peter Lyon, Gary Lamberton, Nathan Puffer

Fire Department: Wade Johnson, Wayne & Dorothy Knott, Treasurer: Roberta Dana, Auditor: Debbie Johnson, Dingee Machine Co: Larry Dingee, Dale Lawrence

The meeting was called to order at 7:00 PM

Wade Johnson presented lease proposals from Spafford Leasing Associates, Municipal Asset Management, Dingee Machine, and Municipal Leasing Consultants to borrow \$178,000 to finance the new Fire Truck. Each of the proposals contained a three year option for \$60K+ per year payments, a five year option for \$37K + per year payments, a seven year option for \$27K+ per year payments and a ten year option for \$20K + per year payments. ( detailed proposals are on file in the town office). Gary asked why they had specified Lease/Purchase in the Article that was voted on, Wade responded that it was the easiest approach to take to obtain voter approval. Gary asked if local banks could support this transaction, Roberta responded that she did not know. Roberta reported that the State has a "Vermont Municipal Loan Fund" with some constraints and limits. Peter was concerned that all the options used up the entire annual equipment allocation so no funds would be available to purchase the Ambulance which is planned for next years budget. Everyone agreed that the Ambulance is the most used vehicle and is not in very good shape. Wade also pointed out that the other Fire Truck is starting to experience problems so funding will also be required for that vehicle. It was agreed that the capital plan needed to be reviewed for all of the vehicles before any decision could be made.

Larry Dingee expressed a concern in that the chassis was ordered on October 10th and is expected to be delivered about February 15<sup>th</sup> for a price of \$105,924 and he is expecting to receive the first payment from the town on or about March 1 for \$52,926. Larry also pointed out that he is expecting the second payment 60 days later for \$52,926 and the final payment upon completion of \$70,568. The Board responded to Larry that this is the first time that they have seen any of this information and are not prepared to make a decision at this time.

Roberta asked if the town is paying interest on the whole \$178K right up front, Dorothy responded that she thinks that they will send the whole check at once right up front. Larry reported that it takes 6 -7 months to build the truck and that he has been doing this for over 30 years. Nathan asked how long it took to execute the lease and Wade responded approximately one month. To give the town some time, Larry proposed that he borrow the money up front and charge the town for interest and fees that he incurs to cover his cost of borrowing. Nathan asked Larry if he could provide his cost for the next meeting (in two days) and Larry said he would try. Roberta reported that Brent Smith believes that since the article said 10 years that there were no other options. The Board asked Roberta to contact VLCT to determine if the wording of the article said lease/finance for 10 years requires a 10 year deal.

Wayne suggested that the capital plan be updated to consider more used equipment. It was agreed to review the updated capital plan at the next board meeting and then continue the discussion of funding options.

Roberta Dana reported that she had received an email from VLCT that stated Mr. Austin on Seyon Road had processed a claim that Brent hit his vehicle with the town snow plow. Roberta explained that VLCT, who provides the coverage, requires approval for the claim by the town prior to processing. Roberta

said that she is unwilling to approve and is looking for the Board to make that decision. Before making a decision, the Board wanted to give Brent a chance to provide a report. This item will be added to the next meeting agenda when Brent is available.

Peter requested an update in the purchase order policy. Currently Groton is the only town in the area that requires the prior approval by a board member for purchases to take place. Peter used the example of having to sign a PO for Jim before he could purchase a windshield wiper for the cruiser and where Brent has requested approval to fix a broken sander chain. Gary asked if this is a change to the final approval process and Peter said no, that all checks, before they are paid, would still require Board approval. Gary and Nathan agreed with the concern. Peter moved, Nathan seconded, and the motion passed unanimously to eliminate the need for prior approvals on PO's for any purchase under \$500.

Gary Lamberton, Chair

Prepared by Peter Lyon