

Capital Expenditure Committee
Meeting Minutes
Wednesday, October 26, 2016
Town Hall, Second Floor Conference Room

Members in attendance:

Brian Bartkus (BB), Tony Battaglia (TB), Dan Brosgol (DB), Mary Ellen Carter (MEC), Eric Dahlberg (ED), Paul Mortenson (PM, arrived late), Jim O'Neil (JO), Barbara Perry (BP)

Member not in attendance:

William Moonan (WM)

Other attendees:

Carl Gagnon – Highway Operations Manager, DPW; Victor Garofalo – Finance Director; Amy Hamilton – Recreation Director; Bobby Iovino – citizen; David Manugian – Public Works Director; Richard Reed – Town Manager; Michael Rosen – Assistant Town Manager

TB called the meeting to order at 7:30 PM, noting that a quorum was present.

1. Review and approve minutes of October 12, 2016

- a. CEC reviewed the meeting minutes of October 12, 2016, noting the following amendments:
 - i. Corrected spelling of “Peter Cox” in “Other attendees” on page 1;
 - ii. Removed extra period in section 2.a.xii on page 2;
 - iii. Removed placeholder text in section 2.a.xvi on page 2;
 - iv. Corrected grammar to “it is currently heated” in section 2.a.xviii on page 3;

Motion to approve the meeting minutes of October 12, 2016, as amended, made by MEC; seconded by BP. Approved by a vote of 6-0-1.

2. Proposed Department of Public Works Vehicles for FY 18-23 Capital Projects Plan

- a. Mr. Manugian kicked off his presentation by acknowledging the efforts of DPW and town staff in helping to prepare the department’s capital projects plan. He also offered introductory comments on the overall fleet replacement process and timetable, noting that vehicles fall into three categories: (1.) large dump truck replacement, (2.) large equipment replacement, and (3.) vehicle and equipment replacement and that he follows a three-step process in evaluating the condition of existing vehicles in the context of preparing requests for replacement: (1.) broad vehicle condition assessment; (2.) VFA vehicle useful life; and (3.) fleet replacement recommendation. He walked the CEC through these steps and how they led to the request being presented: 9 vehicle replacements for FY 2018.
- b. Mr. Manugian continued by providing an overview of the fleet aging model he employs, describing how annual fleet costs change over time as vehicles age and degrade. He summarized the four ratings that can result from inspection: good, fair, poor (reaching/exceeding useful life), critical (cost of repairs exceed value of vehicle when repaired).
- c. Mr. Manugian presented his responses to the CEC Project Questionnaire for the set of 9 vehicle requests for FY 2018 request, noting that all 9 are intended to replace existing vehicles that have reached the “poor” or “critical” point. He displayed several photos of vehicles in varying states

of deterioration. Mr. Gagnon offered commentary on the condition of the vehicles shown in the photos.

- d. Mr. Manugian then invited the CEC to pose questions about the FY 2018 requests:
 - i. BP asked for clarification on how a vehicle's estimated useful life determined. Mr. Manugian responded that it can vary, as different vehicles have different life expectancies based on their expected use (i.e. – street driving or heavy-duty hauling), manufacturer, exposure to elements, and other variables. Mr. Gagnon added that estimated useful life is informed by sources such as trade publications (such as Kelly Blue Book), the experience of other municipalities, and industry knowledge. Mr. Gagnon offered further that the measure of useful life is different for certain vehicles, such as large trucks, for which the metric is running hours, not mileage.
 - ii. MEC asked if the town could possibly qualify for discounted pricing if multiple vehicles are purchased at once. Mr. Gagnon responded that Bedford's fleet is so small, and annual vehicle replacement volume is so limited – compared to other jurisdictions – that such a discount isn't applicable. MEC asked further if an enhanced washing process could prolong useful life by delaying deterioration due to rust or exposure to the elements. Mr. Gagnon responded that vehicles are already washed very aggressively, but – even with careful washing and strong cleaning agents – vehicles will continue to degrade over time, especially due to salt infiltration. MEC also asked for additional details on the status of vehicle G4. Mr. Manugian responded that inspection identified critical mechanical issues for this vehicle. Mr. Gagnon added that a diesel engine, such as the one in vehicle G4, are not good for the applications in which such vehicles are currently being used by the town.
 - iii. BB asked for clarification on the large dump trucks included in the FY18 request. Mr. Gagnon responded that the FY18 request includes two large dump truck replacements and that these are 2 of the 9 in the town's fleet presently. He added that this request includes accompanying equipment (i.e. – plow attachments).
 - iv. DB asked if the DPW tracks running hours in real-time. Mr. Gagnon responded that they do for the larger vehicles, adding that for smaller vehicles, age is tracked by the mile (with the exception of police cruisers). DB also asked if the DPW foresees a reduction in the demand for mowing equipment as the town replaces more acreage of athletic fields with artificial turf. Mr. Gagnon responded that the DPW is confident that the current inventory of mowing equipment can provide the level of service needed across the town.
 - v. PM asked about the best way of disposing of old equipment – whether by trade-in or selling it on our own. Mr. Gagnon stated that trading in old equipment is the better option due to the time and effort needed to sell it ourselves.
 - vi. ED asked if the town has explored the possibility of sharing vehicles with other towns. Mr. Gagnon stated that he has heard of this approach, but has never heard of it working. Mr. Manugian added that he is aware of such arrangements working well for other types of equipment, but not for vehicles.
 - vii. TB asked if there is any kind of product or coating that can be applied to the underside of vehicles to shield them from wear-and-tear and deterioration due to salt. Mr. Gagnon responded that he has worked in the field of public works for years and is

unaware of any such product, stressing that salt always seems to find its way into the nooks and crannies of vehicles. TB also asked how insurance works for town-owned public works vehicles. Mr. Garofalo responded that insurance is based on the whole fleet and the deductible level that the town chooses.

- viii. MEC asked if the cost of a large dump truck is expected to remain constant over time, noting that the projected cost of such vehicles in the out-years of the DPW capital projects plan appears to match the cost figures for FY18. Mr. Gagnon responded that prices will change over time and that the project plan will be updated to reflect these changes going forward. Mr. Manugian added that the VFA program has an inflator built in to its cost modeling algorithm.

3. Proposed Water Meter Replacement Project

- a. Mr. Manugian provided a brief overview of the \$1,251,000 water meter replacement project proposed for FY18 (summarized on Slide 41 of the presentation he provided for the meeting). He pointed to what he sees as a major point in support of the project: reducing annual town wide meter reading resourcing from 1,000 hours to 80 hours, a time savings that would free up hours for other important tasks like hydrant flushing and backflow testing and a financial savings of \$23,000. He added that the project would reduce water lost due to leaks by as much as 4 million gallons annually, which would drive a \$13,000 savings on water bills and a \$24,000 savings on sewer bills.
- b. Mr. Manugian added the point that the MWRA offers a 10-year, zero-interest loan program to fund projects like this.
- c. TB opened the floor to questions from CEC members on the project:
 - i. JO asked how many years the project would be bonded, if approved. Mr. Garofalo responded that, under state law, the maximum bonding time is 10 years. JO followed up to ask at what speed a driver may travel while collecting readings from the new meters. Mr. Manugian responded that a driver can travel at “regular” speed, offering the example of Natick, where a town-wide reading of meters can be completed in around 3 hours.
 - ii. MEC asked if the town has considered changing the frequency of water billing – from biannually to perhaps monthly or quarterly. Mr. Garofalo responded that the town has considered moving to a quarterly billing cycle. He added that state law prohibits combining water bills with quarterly property tax bills.
 - iii. BB stated that he is skeptical on this project, pointing to minimal savings on costs and FTEs. He asked how long the new meters could be expected to last. Mr. Manugian responded that replacement is recommended at 15 years.
 - iv. Mr. Reed offered that one tangible benefit that has not yet been mentioned is the reduction in the volume of resident complaints and questions regarding water billing issues, stressing the Town Hall receives a noteworthy volume of such resident calls each month.
 - v. DB asked for clarification that a new house would be automatically outfitted with a new meter. Mr. Garofalo responded in the affirmative.

- vi. PM asked if there is any cost to a homeowner for installation of a new meter. Mr. Garofalo responded that there is no cost to residential property owners, but commercial and industrial property owners are required to pay for installation.
- vii. Mr. Garofalo distributed three printouts showing town water and sewer expenses over time graphs showing expenses over time and made the point that he estimates the cost of the upgrade (in the form of higher water bills) to be \$14 per year per household, based on average annual residential use of 6,000 cubic feet.
- viii. PM stated that it appears this project will require \$125,000 in annual spending over 10 years to achieve \$60,000 in annual savings.
- ix. ED asked if there are any ongoing costs to a residential property owner for a new meter (i.e. – electricity). Mr. Manugian stated that there are no ongoing costs – the meter’s “pinging” functionality is powered by battery.
- x. TB asked Mr. Garofalo to clarify the estimated \$14 per household cost he previously mentioned. Mr. Garofalo stated that this is an annualized cost based on a 10-year bond and average residential use.
- xi. JO stated that he appreciates all of the detailed information provided on this project, which meets the request he made at a previous meeting.

4. Skate Park Rehabilitation Project – DPW and Recreation

- a. Mr. Manugian provided overview of skate park rehabilitation project request: \$18,000 to repair damaged ramps and panels at the skate park.
- b. Ms. Hamilton stated that she wished she had more information available for the night’s meeting so she could sufficiently convey the urgency of the project, but the information she was preparing is not yet complete. She noted that the Recreation Department views the skate park as an important facility for Bedford children and believes that it serves an important public purpose.
- c. BB asked if Ms. Hamilton could provide additional evidence – even anecdotal – on why the skate park serves an important public purpose. Ms. Hamilton responded that it is used frequently by children (who may otherwise seek to skateboard at other town venues that are not intended for such activity). She also noted that the Recreation Department intends to pursue funding through CPA. Mr. Garofalo added that his research indicates that this project would be a CPA eligible expense.
- d. MEC asked if the \$18,000 could be better spent on something else in the Recreation Department’s purview that is being used by more residents, such as benches. Ms. Hamilton responded that it is her sense that the skate park is being used by residents and is in need of repair.
- e. DB asked if there is any indication that injuries occur at the skate park at a noteworthy rate. Mr. Hamilton responded that she is not aware of injuries over and above what she sees at regular playgrounds.
- f. BP asked if the Recreation Department has an estimate of the useful life of the repairs. Mr. Hamilton responded that she did not know specifically, but is assuming that repairs will hold up as long as the original facility, or roughly 14 years.
- g. BP asked for clarification on the possibility of relying on CPA funds to pay for the rehabilitation, specifically because CPA funding cannot be used for maintenance. Mr. Garofalo responded he is

working to confirm that this project is eligible for CPA funding, noting that a true rehabilitation project is different from maintenance.

- h. BP asked Ms. Hamilton how confident she is in the requested amount of \$18,000, since there are aspects of the request that sound somewhat “TBD.” Ms. Hamilton responded that she is confident in the amount being requested, adding that it represents an increase in the original amount of \$15,000 developed in the summer of 2015 to account for inflation and rising contracting costs.

5. New Business

- a. Mr. Rosen noted that he expects the focus of next week’s meeting (11/2/16) to be a presentation of school facility projects by Facility Director Taissir Alani. If time permits, he expects that Mr. Alani will also provide an overview of town projects for fiscal years 2019-2023.
- b. DB briefly recapped a recent meeting on plans to improve parking at the Lane Middle School, which included talk of a change to nearby road configuration to improve access to parking. Mr. Rosen added that he attended a recent meeting on this same topic, where it was decided that road configuration would remain as-is, but plans are in the works to reconfigure the lot itself and the bus loop.

6. Next Meeting Dates

N/A

7. Adjournment

- a. Motion to adjourn made by MEC; seconded by PM. Approved by a vote of 8-0-0.

Meeting was adjourned at 9:36 PM.

Respectfully submitted by Eric Dahlberg, CEC Clerk.

Minutes approved on November 2, 2016