

TOWN OF MADISON

CONNECTICUT

06443-2563

SUBJECT TO APPROVAL

MEETING DATE: Tuesday January 19, 2021

MEETING PLACE: via Zoom

Capital Improvement Program Committee

Members Present: Judith Hession-Friedman (BOF) Chair, Justin Murphy (BOF), Erin Duques (BOS), Scott Murphy (BOS), Katie Stein (BOE), Galen Cawley (BOE), Gus Horvath (BOF– Resident), Kevin Schroeder (BOS-Resident), Joan Walker (BOE-Resident)

Other Present: Stacy Nobitz (Director of Finance), Kristen Bartosic (Finance Office), John Iennaco (Director of Public Works), Bob Myers (Highway Equipment Consultant)

Approve Minutes

Moved: by Mr. Scott Murphy and seconded by Mr. Justin Murphy to approve the minutes of January 14,2021

Vote: 5-0. Ms. Stein was not available during vote

Chairman Comments

No comments

Committee & Citizen Comments

No comments

Review of 2022-2026 Highway Equipment Reserve Fund

Mr. Iennaco reviewed the process that was followed for the Vehicle Condition Study (Attached). There are 46 vehicles in the Town fleet. The prioritizing of the replacement needs of the vehicles was based on industry standards of 10 years/ 100,000 miles for small to medium vehicles and 12 years/100,000 miles for large 6 wheel dump trucks. Based on these criteria 21 vehicles have reached their useful life. Most concerning to Mr. Iennaco and Mr. Myers are the large 6 wheel dumps trucks that are 13-19 years old.

The Committee members agree that the study demonstrates the need for an infusion of funds into the Highway Equipment Reserve. The discussion continued around whether the Committee should recommend a Special Appropriation into the fund or increase the annual capital budget.

Ms. Nobitz stated that the recommendation from the 1st Selectwoman is an increase in the annual capital budget of \$65,000 in year 1 and a 5% increase in years 2-5. This jump in funding allows for 3 large trucks to be replaced in year 1.

Ms. Friedman agreed the funding is a jump but that jump is supported by the findings of the vehicle study.

Mr. Murphy asked why there hasn't been a more aggressive replacement plan. Mr. Iennaco stated the fund has been on "hold" for several years awaiting the vehicle study Mr. Myers stated having a written replacement policy would benefit the Town. It would be a fluid document but something that the Public Works department and the Bos and BOF can support.

Ms. Walker inquired as to Mr. Myers thoughts of how is the maintenance of the vehicles. Mr. Myers stated he thought the vehicles were receiving scheduled maintenance.

Mr. Schroeder asked how much money the Town might expect from the disposal of the current fleet. Mr. Myers said there was no way to determine that number as of now.

Mr. Scott Murphy asked who would be doing the maintenance on the newer fleet? The vehicles would be under manufacturer warranties for a certain amount of time. Do we have certified mechanics? Mr. Iennaco stated we have 2 experienced mechanics on staff. These mechanics are not certified. Mr. Myers stated in his opinion the mechanics seemed competent and the garage is organized and well maintained.

Mr. Scott Murphy asked how the Verizon GPS system that was implemented by the Town has been working to help track maintenance on each vehicle. Mr. Iennaco stated the system had been under the direction of Human Resources until recently. The system has a tracking of the vehicle location component that is used by HR. Mr. Iennaco will work with the system more closely now to receive information regarding the maintenance and condition of each vehicle.

The Committee asked Mr. Iennaco his opinion of the study suggesting the Town should add more trucks and staff. Mr. Iennaco stated he believes the fleet and staff size is appropriate. The department is able to complete snow routes in approximately 3 hours.

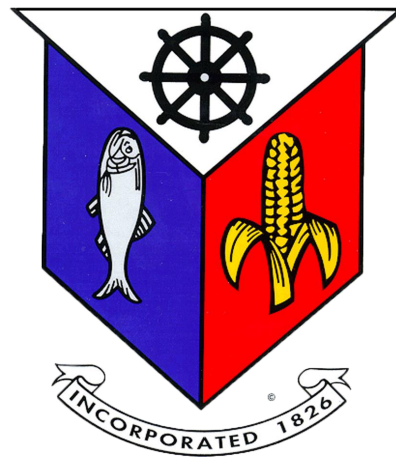
The Committee would like to see the lease schedule updated to include \$300,000/yr annual funding. An additional meeting was added on Friday January 22, 2021 at 4pm via Zoom to review the updated lease schedule and make a final recommendation.

Adjourned 8:50am



Because experience & integrity count.

Report to Town of Madison



REVIEW/RECOMMENDATIONS FOR VEHICLE FLEET

Prepared by Robert Myers

MCS Operational Evaluation and Implementation Services Consultant

December 17, 2020



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Report Summary

This report provides the Town of Madison with an independent evaluation of the Department of Public Works (DPW) Fleet inventory, specifically the condition of the fleet, recommendations for a replacement schedule, and recommendations on future purchases. This assessment was performed by Robert Myers, consultant on behalf of the Municipal Consulting Service (MCS) of the Connecticut Conference of Municipalities (CCM). This report addresses the issues, scope, and deliverables as contained in Exhibit A – page 4 of the CCM Municipal Consulting Service Agreement with the Town of Madison.

Executive Summary

The Town of Madison is in a good position to move forward with a solid, comprehensive, policy-driven vehicle replacement plan to be fully funded annually. This proposed plan will offer the Town and Department of Public Works a safe, consistent, and professional fleet. It will offer cost savings and instill pride among the ranks as well as the Town's residents.

After meeting with the Director of DPW on two occasions and touring the DPW garage with the DPW Highway Superintendent, it became apparent that many heavy vehicles were well beyond the vehicles' useful life. Six vehicles stood out based on overall condition: MDS plate #'s 7, 8, 12, 72, 70 and 53. Patching, welding, and many other temporary repairs have been completed to keep the vehicles in use. Vehicles have been mended to the point where sturdiness and road worthiness may be in question. One vehicle's dump body was so rusted that it had no non-rusted metal left on which to weld. To lift and close the tailgate, a front-end loader was needed to push the sides of the dump body in place to latch the tailgate. The Town thus far has been using (but not adhering to) a 15-year life cycle for its heavy vehicles, three years longer than the 12-year "best practices" life cycle. As a result of working with the Director of DPW revising and upgrading the town's vehicle inventory, a more current vehicle and equipment excel inventory list is incorporated in this report.

Another observation was the Sterling name brand truck is no longer manufactured and obtaining parts may be challenging if not impossible. The heavy/medium fleet consists of five different brand name vehicles - Sterling, Freightliner, Ford, Chevrolet, and Mack. Owning vehicles of the

same brand name has its benefits. It is recommended, to the extent possible, to maintain a fleet of vehicles with the same or limited difference in name brand. This makes it easier for drivers to move from vehicle to vehicle, reduces excess parts inventory, allows consistency and speed in repair, and reduces special tool requirements for the repair mechanics.

The following is a list summarizing observations and action recommendations within this report:

1. Appropriate \$1,929,000 in capital for the replacement of all vehicles that are currently outside the recommended Best Practice's life cycle.
2. Consider adding four to five heavy/medium vehicles to the DPW fleet.
3. Create a Town policy by requiring to the extent feasible the appropriate town staff and stakeholders adhere to Best Practices vehicle/equipment life cycle replacement schedule and fund annually.
4. Create a Town vehicle and equipment disposal policy by requiring to the extent feasible the appropriate Town staff and stakeholders adhere to Best Practices.
5. Maintain an accurate and up to date vehicle/equipment inventory incorporating Best Practices.
6. Capital Improvement Plan (CIP) Committee members and other appropriate staff and stakeholders tour the DPW Garage and observe the current condition of heavy/medium vehicles.
7. Consider deleting from the vehicle inventory name brand Sterling vehicles because these are no longer manufactured.
8. Consider heavy/medium vehicle future purchases of the same name brand.

DPW Department staffing and similar town comparison summary

When comparing similar towns, essential statistics to analyze are the number of DPW employees, total road miles of responsibility, and the number of snowplow routes needed. Additionally, the services and duties the department provides the Town (every town may be somewhat different) must be considered, such as tree work, road patching or reconstruction, waterway cleaning, repair and reconstruction, road drainage and repair, etc. Doing so helps to determine (within reason) the general number of heavy/medium vehicles as well as other equipment generally needed to perform the duties and responsibilities of the department.

The Town of Madison's DPW is comprised of 16 full-time employees. The department is responsible for maintaining 131 road miles and has 12 major snowplow routes. The department currently has 12 heavy/medium vehicles.

- The Clinton DPW is comprised of 16 full-time employees. The department is responsible for maintaining 80 road miles and has 8 major snowplow routes. Clinton has 15 heavy/medium vehicles.
- The Waterford DPW is comprised of 33 full-time employees. The department is responsible for maintaining 242 road miles and has 15 major snowplow routes. Waterford has 24 heavy/medium vehicles.
- The East Lyme DPW is comprised of 24 full-time employees. The department is responsible for maintaining 114 road miles and has 12 major snowplow routes. East Lyme has 17 heavy/medium vehicles.

DPW Town by Town Comparison Summary						
	Madison	Clinton	East Lyme	Waterford	Average	
Number of Employees	16	16	24	33	22.25	
Road Miles	131	80	114	242	141.75	
Snowplow routes	12	8	12	15	11.75	
Number of Vehicles	12	15	17	24	17	

In comparing the surrounding towns from the chart above, the Town of Madison’s DPW is short on average approximately 4-5 heavy/medium vehicles with consideration of the number of employees and road miles of responsibility. Additional equipment may be necessary to perform the Madison DPW duties and responsibilities. An evaluation should take place to determine how best to utilize the equipment. For example, perhaps shorter snowplow routes to increase the number of passes during a snowstorm and/or other department duties and responsibilities.

American Public Works Association Best Practices Equipment Replacement

Replacement:

Equipment should be replaced at the most economical point in its life cycle, meaning, the development of a planned, well-administered vehicle turnover program that will be relatively consistent from one year to the next. The economic life refers to the length of time over which the average total unit cost is lowest. Total unit cost encompasses all cost associated with ownership of the equipment.

Replacement Policy:

A replacement policy establishes and clearly defines vehicle, equipment, parts, and supply replacement cycles. Replacement cycles should be clearly established as policy so related maintenance support can be planned. The economic life of equipment and parts should be reviewed, particularly if the maintenance practices are being adjusted. Use of a vehicle or equipment replacement fund is recommended.

Replacement Analysis:

Replacement policy and cycles should be reviewed at periodic intervals to verify replacement analysis. To have the most economical replacement policy, the Town should take into consideration the following criteria: total cost of maintenance and depreciation, the environment in which the equipment operates, fuel costs, conditional suitability, safety, downtime, alternative fuels, energy-efficient vehicles and equipment, new technology, and a review of repair vs. replacement cost.

Fleet Vehicle Inventory:

An inventory of all fleet vehicles should be maintained on at least an annual basis. It is good practice to update the inventory list as each vehicle/equipment is added to or deleted from the fleet. The Town should assign a unit number or plate number, description, class, serial, or vehicle identification number, date purchased, vendor cost, department using unit, date unit was placed in service, expected life, salvage value and mileage and/or hour tracking. The inventory should be able to be sorted by class, numerical sequence, or department using unit. Unit inventories should indicate whether the vehicle is owned or leased and whether the agency is required to insure the vehicle in case of an accident or disaster.

Vehicle and Equipment Disposal:

A procedure identifying the disposal method for vehicles and/or equipment is recommended. Disposal of used vehicles or equipment is a major consideration and care should be taken to ensure the process is handled according to what the Town guidelines allow. The process may include sealed bids, auction, or use of online bidding. Most often when a vehicle is disposed of at the end of its useful life, rather than when it is junk or scrap, a higher sales prices may be achieved.

Financing of Capital Planning and Improvement Program (CIP):

The CIP is a detailed financial plan over a specified period. Traditionally, municipalities use a five-year CIP to forecast and plan accordingly. The CIP identifies how the capital plan fits into the established policies, goals, and objectives, and how the capital improvement process incorporates finance recommendations. The updated Vehicle Inventory sheet now incorporates a five-year CIP plan. A financial analysis may be performed to determine the potential to carry out a capital plan, to identify financing methods and funding sources, and to assess funding availability and constraints. Input from appropriate Town boards should be included in capital planning and improvement programming as there is no “one size fits all” in determining the best funding/borrowing sources of the municipality or whether to own vs. lease.

Vehicle replacement program:

The following are suggested Best Practices life expectancies of the standard DPW vehicle/equipment fleet:

References:

APWA Public Works Management Practices Manual 9th Edition

ISBN 978-1060675-058-2 © American Public Works Association, August 2017

EXHIBIT A – Contractual Scope of Work

Project

The town of Madison has requested a Fleet Evaluation Study, including:

- Independent analysis of the condition of its fleet
- Recommendations for a replacement schedule
- Recommendations on future purchases

Methodology

- Review departmental data, including equipment records, rules and regulations, administrative manuals and/or guideline memoranda (if any), and operating standards
- Meet with representative employees to gain staff insights and suggestions for improvement
- Obtain and compare information with similar Connecticut municipalities and available industry best practices
- Formulate tentative evaluations and develop recommendations
- Draft the preliminary report containing findings and recommendations
- Review draft report with Town's Management Team, and incorporate adjustments to the draft
- Finalize and submit the final study report

Deliverables

- Assessment of planning and replacement recommendations
- Analysis of fleet vs. actual needs
- Comparison with similar towns
- Financial considerations (own vs. lease, 5-year CIP)
- Recommended best practices
- Draft and Final reports