

**TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE
February 13, 2012
MINUTES**

Call to Order:

7:00 pm Chairman Don Daley called the meeting to order.

Roll Call:

Present:

Don Daley, Chairman; H. Cady, T. Dillon, F. McGarry, and K. Verville Committee Members; Steve Barry, Board of Selectmen Representative; Maryann Clark, School Board Representative

Absent: James Spillane, Vice Chair, D. Pitman Committee Member

Approval of Minutes: Public Hearing January 11th and the following MBC Meeting

Motion: Selectman Barry moved to approve the minutes as submitted

Second: F. McGarry

Discussion: Chairman Daley noted that the title should be corrected the minutes show "Deliberative Session" and should indicate that it was the "Public Hearing". Also on page 3, paragraph 3 the final sentence should include that he was referring to "Other Money Warrant Articles". Also on page 3, paragraph 4 in the final sentence "100%" should be removed.

Vote to approve the minutes of January 11, 2012 as corrected: Yea: 6, Nay: 0, Abstained: 1 – Motion Carries

Old Business:

Chairman Daley noted that he is in receipt of resignations from Committee Members Liz Murphy and Kevin Chalbeck, the MBC is appreciative of their service, and Chairman Daley thanked the members for submitting their intent prior to the Town Meeting so that the vacant positions can be placed on the ballots.

Motion: F. McGarry moved to accept the resignations of Liz Murphy and Kevin Chalbeck

Second: M. Clark

Vote: Yea: 7, Nay: 0, Abstained: 0 – Motion Carries

Reconsidering of Warrant Articles:

Chairman Daley reminded the Committee that two Warrant Articles had been amended during the Deliberative Sessions, Town Budget Warrant Articles 1 and 3. The Committee has the opportunity now to vote on the amended language should someone wish to discuss it.

WARRANT ARTICLE 1 – Regarding the Lease/Purchase Agreement of a Fire Engine for the Fire Department:

Motion: H. Cady made a motion to raise Warrant Article 1 for discussion

Second: K. Verville

Discussion: H. Cady indicated that she had concern with this Warrant Article as discussions at the Deliberative Session indicated that the intent is to pay off the lease in four years, no Town Meeting can obligate the next, what would happen if elected officials change and future Board of Selectman opt not to carry forward with this arrangement. Selectman Barry responded that he cannot imagine any future Boards making that decision, but should it come to that then the equipment would need to be returned. The financing was structured in a way that removes an upfront down payment and allows approximately \$198,000 to earn interest over the four years until such time as the final payment is made.

T. Dillon noted that it was discussed at last month's Fire Department Meeting and asked if the 7% interest figure is accurate? Selectman Barry confirmed, the \$198,000 is expected to earn close to 8% interest over the next four years. K. Verville asked if the \$198,000 would be paid at the end of four years or eight. Selectman Barry responded that the plan is to pay it at the end of year four. K. Verville pointed out that there is potential risk to capital with the structure of the

investment. T. Dillon concurred, commented that it seems to be earning such a high interest rate in today's market conditions that there could be some volatility associated with it. He also noted that he will be abstaining from this vote as an active member of the Fire Department.

Vote to Recommend Article 1 as Amended: Yea: 6, Nay: 0, Abstained: 1 – Motion Carries

WARRANT ARTICLE 3 – Regarding the Purchase of a New or Used Front-End Loader:

Motion: K. Verville made a motion to raise Warrant Article 3 for discussion

Second: H. Cady

Discussion: K. Verville commented that he was surprised by the anticipated inflation rate of 10% presented he would hope that the Town could find something cheaper. Selectman Barry agreed, and noted that he would expect that the purchasing of the Loader would be a well thought out process where the individuals responsible would do their due diligence to find the best deal. H. Cady asked what the life expectancy of the Loader would be. Selectman Barry responded that in recent years the Town has had a better track record of making its equipment last. He would say a certain life of at least 20 years if they were to purchase a new or like new condition Loader, perhaps longer. T. Dillon asked who would maintain the equipment. Selectman Barry responded that it would be the Transfer Station along with a likely Warranty or Service Contract.

H. Cady noted that when she was recently reviewing a Department Manifest that one repair used a company out of Waterville, Maine who was paid hourly at \$75/hour for travel time. She wonders if there isn't a more local company who could be used for that service. Selectman Barry noted that he was not aware of the specific details, he would have to believe that if the Road Agent contracted that company that there would have been little to no better alternative, but he will look into.

Vote to Recommend Article 3 as Amended: Yea: 7, Nay: 0, Abstained: 0 – Motion Carries

Other Business: Chairman Daley noted that he has scheduled an organizational Committee meeting to be held on April 17th and thanked Tom Dillon for his service to the Committee as he will be taking a break next year.

Adjournment

7:35 pm

Motion: K. Verville

Second: Selectman Barry

All in favor – Motion Carries

The Minutes were Recorded, Transcribed and Respectfully Submitted by Katie Libby.

Pending Approval by the Municipal Budget Committee