

Stratham Highway Department
Capital Reserve/ Vehicle Replacement Summary



Presented by:

Colin Laverty
Director of Public Works

December 18, 2017

6 Wheel Plow Truck Major Expenses After 10 Years								
Truck No.	Date	Description	Miles/HRS	Cost				
					Truck 6 -2001 International 2554	Truck 7 -2003 International 7400	Truck 9 -2006 International 7400	Truck 10 -1995 International 2554
6	6/17/2007	Paint truck body, frame, plows	18,480	\$ 5,760.00	\$ 33,710.69	\$ 47,197.14	\$ 18,497.68	\$ 32,921.78
		Replace spreader chain on multipurpose body	24,480	\$ 3,980.00				
6	11/19/2010							
6	3/27/2011	Replace clutch assembly	27,880	\$ 2,980.00				
6	11/1/2011	Replace all tires	28,920	\$ 2,192.40				
6	11/31/2011	Replace dump cylinder	28,950	\$ 2,450.00				
6	1/15/2012	Replace oil pan	29,135	\$ 982.40	Total 6 Wheel Plow Truck Major Expense After 10 Years			
					\$ 132,327.29			
6	3/10/2012	Replace input shaft and seal on rear end	29,263	\$ 1,854.68				
		Replace drag link, front wheel seals, and brake shoe kit	29,873	\$ 1,941.30				
6	8/4/2012							
6	1/18/2015	Replace air valves from rot	30,160	\$ 894.66				
		Replace passenger side wheel spacer, wheel, and hub	30,221	\$ 1,945.20				
6	1/22/2015							
6	2/10/2015	Replace brakes, shoes, and drums	30,466	\$ 2,265.45				
		Replace springs front, rear, and struts.						
6	3/30/2017	Weld rear end banjo.	34,460	\$ 3,994.60				
		Repair body rot, install new warning lights, paint and weld truck body (White's Welding)	34,440	\$ 2,470.00				
6	3/30/2017							
		Replace rear wheels, drums, seals, rear axle	14,312	\$ 3,162.40				
7	1/22/2009							
7	6/15/2009	Paint truck body, frame, plows	14,891	\$ 5,900.00				
7	10/31/2011	Replace Allison Transmission	18,834	\$ 15,481.20				
7	10/10/2014	Replace tires	21,263	\$ 2,184.11				
7	5/4/2016	Replace engine (Seacoast Truck Repair)	30,180	\$ 8,974.20				
		Repair defroster/heating system (Seacoast Truck Repair)	33,270	\$ 940.00				
7	2/12/2017							
		Replace ECM, transmission module, reflash ECM (Seacoast Truck Repair)	33,490	\$ 6,480.23				
7	4/4/2017							
		Replace main hydraulic valve on plow valve body	33,501	\$ 225.00				
7	4/8/2017							
		Weld new battery box (White's Welding)	33,501	\$ 480.00				
		Weld truck body plate in place (White's Welding)	33,501	\$ 470.00				
7	4/8/2017							
7	12/15/2017	Replace Fuel injectors	34,873	\$ 2,900.00				
9	5/14/2011	Replace oil pan	11,218	\$ 990.68				
9	8/15/2014	Replace dump cylinder	18,603	\$ 1,943.20				
9	11/10/2014	Replace spreader chain and belt	18,990	\$ 4,870.00				
9	6/14/2015	Paint truck body, frame, plows	21,470	\$ 6,150.00				
9	1/11/2017	Replaced turbo (Seacoast Truck Repair)	26,251	\$ 2,271.40				
9	6/18/2017	Replace all tires	26,740	\$ 2,272.40				
10	11/10/2000	Replace oil pan	9,558	\$ 970.00				
10	12/15/2003	Replace drag link and power steering pump	16,850	\$ 1,245.20				
10	9/6/2005	Replace oil pan	20,171	\$ 970.00				
10	9/7/2005	Replace steering box and rear springs	20,171	\$ 3,184.56				
10	10/15/2006	Paint truck body, frame, plows	21,110	\$ 5,760.00				
10	3/15/2006	Replaced exhaust stack	21,427	\$ 620.00				
10	3/15/2009	Replaced muffler	26,494	\$ 610.00				
		Replaced spreader chain, sprockets, drive motor	27,401	\$ 2,684.10				
10	2/31/2010							
10	5/18/2011	Replace front shocks	29,404	\$ 1,451.10				
10	1/18/2013	Replace clutch and throw out bearing	30,750	\$ 2,276.00				
10	3/10/2015	Replace king pins and axle bushings	31,850	\$ 1,914.10				
10	3/10/2015	Replaced front springs	31,850	\$ 1,268.54				
10	10/30/2016	Replaced exhaust stack	40,051	\$ 620.00				
10	2/27/2017	Replaced radiator (Seacoast Truck Repair)	41,138	\$ 2,341.90				
		Replaced rear springs, weld rear end pumpkin (Donovan Spring)	41,442	\$ 2,280.00				
10	4/6/2017							
		Install poly fenders, install new body hinge pins, install air gate	41,519	\$ 3,100.00				
10	4/15/2017							
10	10/24/2017	Replace passenger side steering box	42,013	\$ 986.10				
10	10/24/2017	Replace heater hose and coolant lines	42,013	\$ 640.18				

In House Plowing vs. Subcontracting (Per 6 Wheel 5 Ton Plow Truck)									
Subcontracting					In House Plowing				Notes
<u>Labor</u>					<u>Labor</u>				
Hourly Rate	Avg. No of Hrs.	Number of Annual Storms	Total Cost		Hourly Rate	Avg. No of Hrs.	Number of Annual Storms	Total Cost	
\$ 100.00	12	30	\$ 36,000.00		\$ 22.00	12	30	\$ 7,920.00	Regular Time Rate
					\$ 38.00	3	30	\$ 3,420.00	Over Time Rate
<u>Cutting Edges</u>			\$ 4,000.00		<u>Cutting Edges</u>			\$ 4,000.00	
<u>Fuel</u>			n/a		<u>Fuel</u>				
					Price Per Gallon	No. of Gal.	Number of Annual Storms		
					\$ 2.52	40	30	\$ 3,024.00	
<u>Equipment Maintenance</u>			n/a		<u>Average Equipment Maintenance</u>			\$ 2,000.00	
Total Estimated Annual Cost			\$ 40,000.00		Total Annual Estimated Cost			\$ 20,364.00	
Cost of 6 Wheel Plow Truck Per Life Cycle			n/a		Cost of 6 Wheel Plow Truck Per Life Cycle			\$ 190,000.00	
10 Year Estimated Life Cycle Cost			\$ 400,000.00		10 Year Estimated Life Cycle Cost			\$ 393,640.00	

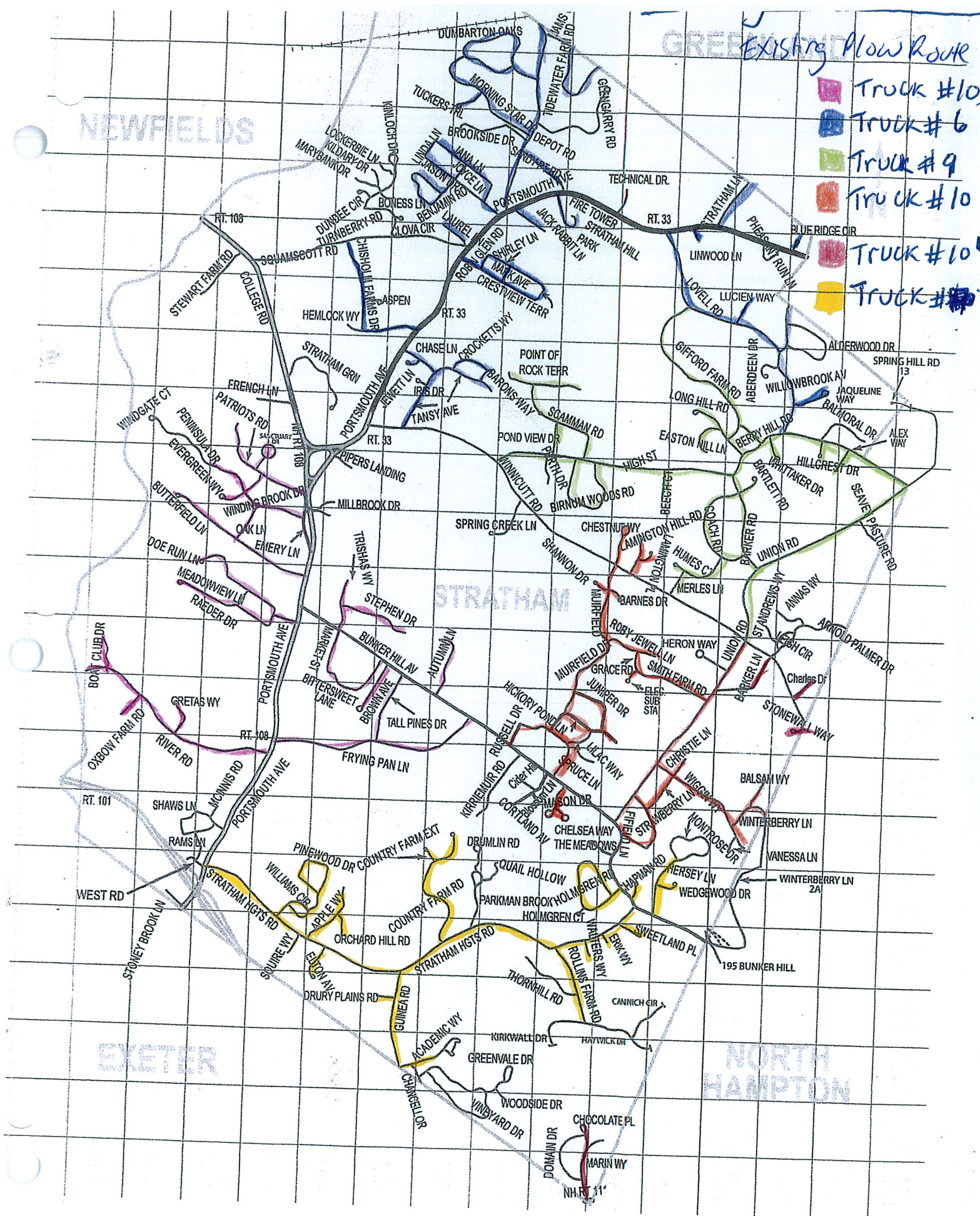
Notes:

1. Dependable Subcontractors are becoming hard to find after speaking with NHDOT, Town of Exeter, City of Portsmouth.
2. In House Plowing Cost of 6 Wheel Plow Truck amount carried is \$190,000.00. The Town would see 27,500 for Western Star 4700 single axle repurchase agreement with McDevitt Trucks. Snow and ice equipment will be used for 2 life cycles which will bring the 2nd life cycle cost down to approximately \$155,000 for a single axle 4700 Western Star.
3. It is favorable to continue to plow snow in house and have control of man power and equipment to help ensure reliable services for the residents of Stratham.
4. The Town typically supplies cutting edges to the subcontractor bases on discussions with other Towns.

New Town Maintained Streets Since 2012				
Street Name	Road Length (Linear FT)	No. of Houses	Average Taxes	Total Taxes per Street
Market Street	1,210	4	\$ 11,660	\$ 46,640
Bittersweet Lane	2,200	16	\$ 11,330	\$ 181,280
Scamman Road Extension	1,020	2	\$ 9,228	\$ 18,456
Point of Rocks Terrace	1,380	18	\$ 10,400	\$ 187,200
Hillcrest/Whitaker Drive	1,280	6	\$ 9,974	\$ 59,844
Alex Way	350	3	\$ 13,875	\$ 41,625
Breslin Farm Road	1,720	20	\$ 13,000	\$ 260,000
Sanctuary Drive	810	4	\$ 20,480	\$ 81,920
Barbara's Way	620	6	\$ 11,000	\$ 66,000
Betty Lane	765	3	\$ 10,000	\$ 30,000
Rollins Farm Road Extension	280	0		\$ -
Item Totals	11,635	82		\$ 972,965

Notes:

1. Total new road length since 2012 is 11,635 (2.2 miles) spread-out throughout Town.
2. Current snow plowing routes take approximately 4 hours to make one round trip.
3. Currently if one truck breaks down it is difficult to plow all plow routes with one less truck
4. If two trucks break down, which does happen, The Highway Department does not have enough equipment to service Stratham residents in a timely manner.
5. The 5th large plow truck would reduce round trips by at least 1 hours from 4 to 3 hours.
6. Should a truck break down in the new situation, crews can still handle the plow routes in a safe and timely manner
7. Number of new homes generate more than x in taxes annually. The cost of a new single axle plow truck is \$190,000.00. The cost of a new tandem axle plow truck is \$215,000.00
8. Currently each truck plows approximately 9.6 miles of road some routes are longer due to more development on some sides of Town than another. Each plow truck plows about ^{2.5}~~2.5~~ miles per hour.
9. By adding an additional truck, each truck will plow approximately 7.2 miles of road which will take 3 hours per round trip
10. Some roads listed above have not been accepted as Town maintained roads but will be in the future.



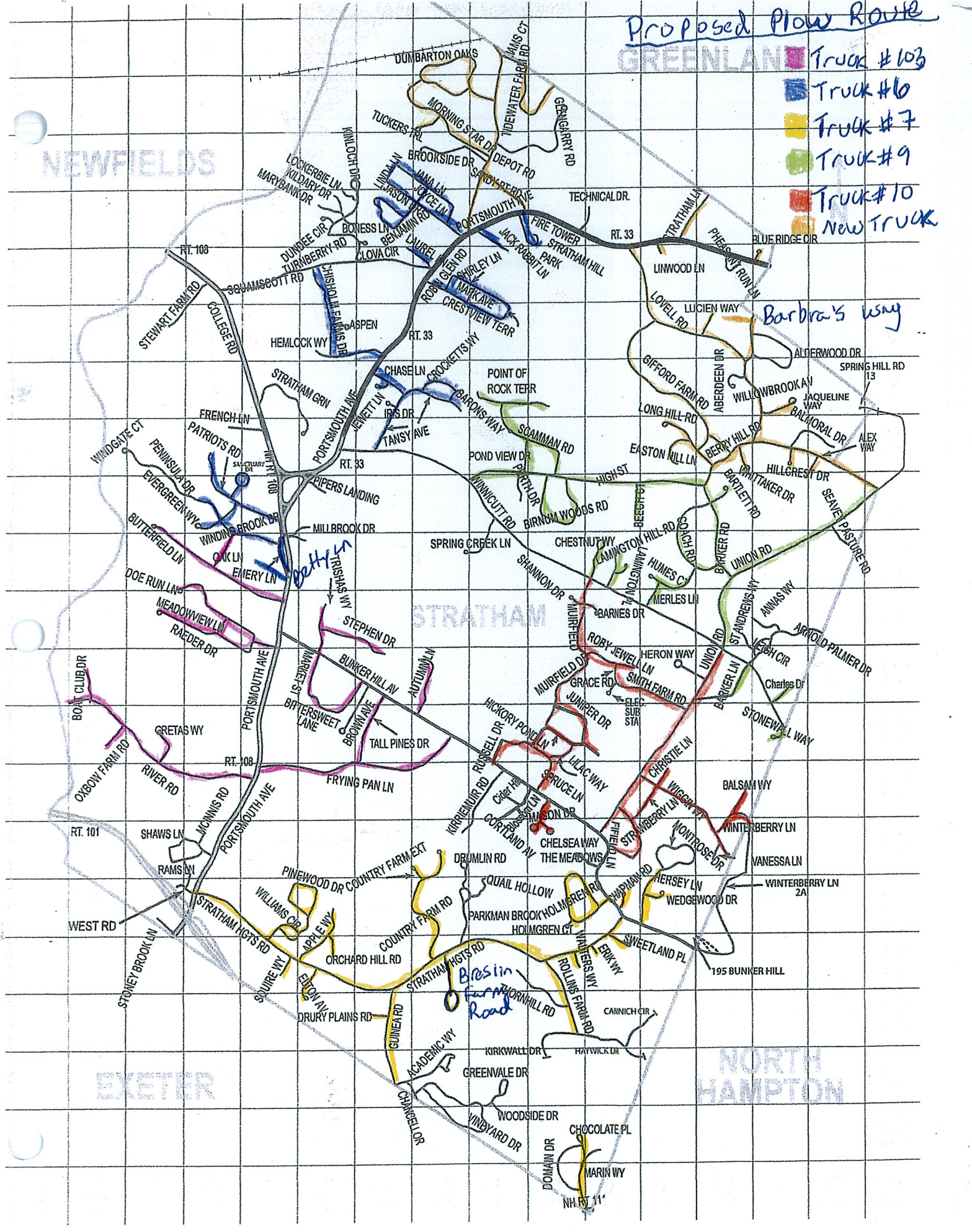
- Existing Flow Route
- Truck #10
 - Truck #6
 - Truck #9
 - Truck #10
 - Truck #10
 - Truck #10

Proposed Plow Route

- GREENLAND Truck #103
- Truck #10
- Truck #16
- Truck #7
- Truck #9
- Truck #10
- New Truck

Barbra's way

Breslin Farm Road



Equipment Replacement Schedule						
Truck/Equipment No.	Make	Model	Equipment Class	Year Purchased	Estimated Cost of Replacement	Projected Year of Replacement
Truck 6	International	2554	Heavy Duty Truck	2001	190 K	2019
Truck 7	International	7400	Heavy Duty Truck	2003	215 K	2018
Truck 9	International	7400	Heavy Duty Truck	2006	190 K	2022
Truck 10	International	2554	Heavy Duty Truck	1995	190 K	2021
Add Truck 201	Western Star	4700	Heavy Duty Truck	2018	190K	
Truck 103	International	Terrastar	Medium Duty Truck	2013	100 K	2023
Truck 101	Chevrolet	3500	Light Duty Truck	2017	60 K	2027
Truck 102	Ford	F-350	Light Duty Truck	2007	60 K	2019
Truck 104	Chevrolet	3500	Light Duty Truck	2016	60 K	2026
Bandit 1590 XP Wood Chipper	Bandit	1590 XP	Misc. Equipment	2015	60 K	2035
Kubota L3710 Tractor	Kubota	L3710	Misc. Equipment	2000	Not to be Replaced	
Cat 416 Backhoe	Cat	416 IT	Misc. Equipment	2000	175 K	2020
John Deere Loader	John Deere	544J	Misc. Equipment	2004	200 K	2024
Bobcat A770 All Wheel Steer Loader	Bobcat	A770	Misc. Equipment	2015	75 K	2025

Total Cost of Total Assets

\$ 1,765,000.00

[illegible]



203 E. PARK AVENUE, LIBERTYVILLE, ILLINOIS 60048

847-247-0771

847-247-0772

www.taxexemptleasing.com

December 4, 2017

VIA E-MAIL: claverty@strathamnh.gov

Colin P. Laverty
Director of Public Works
Town of Stratham, New Hampshire

Dear Colin:

I am pleased to provide the following quote for Town of Stratham for the financing of a new dump truck. This quote is valid for 14 days and is subject to credit review and proper documentation.

Equipment:	10-Wheel Western Star with Snow & Ice Equipment		6-Wheel Western Star with Snow & Ice Equipment	
Equipment Cost (Approximate):	\$215,000.00		\$190,000.00	
Down Payment:	\$0.00		\$0.00	
Financed Amount:	\$215,000.00		\$190,000.00	
Payment Frequency:	Annual, in arrears (first payment due one year from lease date)		Annual, in arrears (first payment due one year from lease date)	
Term:	5-years	7-years	5-years	7-years
Rate*:	3.19%	3.29%	3.19%	3.29%
Payment*:	\$47,201.21	\$34,887.01	\$41,712.70	\$30,830.38
Factor^:	.21954	.16227	.21954	.16227

* Rate and payment assumes that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.

^ Factor is based on quoted rates. If the equipment cost changes or a down payment is made, the new payment amount can be calculated by multiplying the new financed amount by the rate factor.

Note: If the equipment will require a "build-out period", the financed amount will be placed into an escrow account at lease signing and funds disbursed as instructed by the customer.

I have attached an application that must be completed in order to proceed with the credit process. In addition, we will need copies of the Town's last 2-years of audited financial statements, along with a copy of its current interim financial statement. Once these items are gathered, please fax all of the information to 866-2-FAX-APP (866-232-9277) or e-mail to markz@taxexemptleasing.com.

I appreciate this opportunity and look forward to proceeding. Please let me know if I can answer any questions. I can be reached at 847-247-0771.

Kind Regards,

Mark M. Zaslavsky

Presentation Based on Pricing from McDevitt Trucks

Western Star 4700	Initial Cost	10 Year BB	15 Year BB	20 Year BB
6 Wheel Plow Truck	\$ 190,000.00	\$ 27,500.00	\$ 14,000.00	\$ 10,000.00
10 Wheel Plow Truck	\$ 215,000.00	\$ 35,000.00	\$ 21,000.00	\$ 12,000.00
Mack Granite	Initial Cost	10 Year BB	15 Year BB	20 Year BB
6 Wheel Plow Truck	\$ 200,000.00	\$ 37,500.00	\$ 24,000.00	\$ 17,000.00
10 Wheel Plow Truck	\$ 225,000.00	\$ 45,000.00	\$ 31,000.00	\$ 22,000.00

Notes:

1. The Initial Cost of The Western Star 4700 is \$10,000.00 less than The Mack Granite. However the buy back (BB) is \$10,000.00 greater at the 10 Year Anniversary.
2. BB stands for Buy Back
3. Other Truck Dealers International, Freightliner, Peterbilt, Kenworth will not offer buy back value.
4. Many Towns and DOT's have been moving away from International, Freightliner due to numerous computer and electrical brake downs. These include the Town of Lee, City of Rochester, Town of Derry, Town of New Market, Town of Hampton
5. Initial Cost includes cost of truck cab and chassis, dump body, plow and wing, stainless steel sander. These items are proposed to be used over truck life cycles (20 years) which reduce the cost of the truck on the second life cycle. These prices include a painted steel dump body. To include stainless steel dump body add \$10,000.00
6. Painted Steel truck bodies are sufficient for 10 year life cycles. If 15 or 20 year life cycles are preferred factor in approximately \$8,000.00 for re painting.



MCDEVITT TRUCKS INC.

1 Mack Avenue • PO Box 4640 • Manchester, NH 03108

Repurchase Agreement

Town of Stratham, NH

2019 Western Star 4700 Tandem Axle Municipal Dump/Plow/Wing Truck

McDevitt Trucks is pleased to offer the Town of Stratham this repurchase agreement for the 2019 Western Star municipal dump truck specified in the enclosed bid package. This agreement provides guaranteed residuals at specific anniversaries, subject to conditions itemized on the attachment, so that the Town of Stratham may project its net life cycle costs from time of asset acquisition to time of disposal.

It is important to note that the values listed below are not trade values; that is, they are not contingent upon future truck purchases from McDevitt Trucks. Instead, they are simply repurchase offers for the equipment should the Town of Stratham decide to retire the truck, despite the town's future plans for equipment.

The inherent features, design, and engineering of the Western Star 4700 make it uniquely suitable for municipal applications, especially considering the extended service life of municipal trucks as compared to commercial applications. However, because of Western Star's more robust and unique specifications compared to other truck brands, its original purchase price is often higher. The repurchase agreements most often provide net life cycle costs which actually make the purchase of Western Star Trucks less expensive than buying the initial "low bid" competitor truck.

We hope the Town of Stratham is pleased by this repurchase agreement. McDevitt Trucks is proud to serve the town, and looks forward to receiving this bid award.

Western Star 4700, VIN _____

Ten year anniversary: \$ 35,000

Fifteen year anniversary: \$ 21,000

Twenty year anniversary: \$ 12,000

Note: Subject to terms and conditions on attachment

Once again, thank you for this opportunity to serve the Town of Stratham. It is our pleasure and privilege to do business with you.

John J. "Jack" McDevitt, Jr.
President

Charles Grandl
Sales Representative



MCDEVITT TRUCKS INC.

1 Mack Avenue • PO Box 4640 • Manchester, NH 03108

Repurchase Agreement

Town of Stratham, NH

2019 Western Star 4700 Single Axle Municipal Dump/Plow/Wing Truck

McDevitt Trucks is pleased to offer the Town of Stratham this repurchase agreement for the dump truck specified in the Town of Stratham Bid (TBD). This agreement provides guaranteed residuals at specific anniversaries, subject to conditions itemized on the attachment, so that Stratham may project its net life cycle costs from time of asset acquisition to time of disposal.

It is important to note that the values listed below are not trade values; that is, they are not contingent upon future truck purchases from McDevitt Trucks. Instead, they are simply repurchase offers for the equipment should Stratham decide to retire the trucks, despite the town's future plans for equipment.

The inherent features, design, and engineering of the Western Star 4700 make it uniquely suitable for municipal applications, especially considering the extended service life of municipal trucks as compared to commercial applications. However, because of Western Star's more robust and unique specifications compared to other truck brands, its original purchase price is often higher. The repurchase agreements most often provide net life cycle costs which actually make the purchase of Western Star less expensive than buying the initial "low bid" competitor truck.

We hope the Town of Stratham is pleased by this repurchase agreement. McDevitt Trucks is proud to serve the town, and looks forward to receiving this bid award.

Western Star 4700, VIN _____

Ten year anniversary:	\$27,500.00 each
Fifteen year anniversary:	\$14,000.00 each
Twenty year anniversary:	\$10,000.00 each

Note: Subject to terms and conditions on attachment

Once again, thank you for this opportunity to serve the Town of Stratham. It is our pleasure and privilege to do business with you.

John J. "Jack" McDevitt, Jr.
President

Charles Grandll
Sales Representative



MCDEVITT TRUCKS INC.

1 Mack Avenue • PO Box 4640 • Manchester, NH 03108

Repurchase Agreement Town of Stratham, NH

2019 Mack Granite Tandem Axle Municipal Dump/Plow/Wing Truck

McDevitt Trucks is pleased to offer the Town of Stratham this repurchase agreement for the 2019 Mack Granite municipal dump truck specified in the enclosed bid package. This agreement provides guaranteed residuals at specific anniversaries, subject to conditions itemized on the attachment, so that the Town of Stratham may project its net life cycle costs from time of asset acquisition to time of disposal.

It is important to note that the values listed below are not trade values; that is, they are not contingent upon future truck purchases from McDevitt Trucks. Instead, they are simply repurchase offers for the equipment should the Town of Stratham decide to retire the truck, despite the town's future plans for equipment.

The inherent features, design, and engineering of the Mack Granite make it uniquely suitable for municipal applications, especially considering the extended service life of municipal trucks as compared to commercial applications. However, because of Mack's more robust and unique specifications compared to other truck brands, its original purchase price is often higher. The repurchase agreements most often provide net life cycle costs which actually make the purchase of Mack Trucks less expensive than buying the initial "low bid" competitor truck.

We hope the Town of Stratham is pleased by this repurchase agreement. McDevitt Trucks is proud to serve the town, and looks forward to receiving this bid award.

Mack Granite, VIN _____

Ten year anniversary:	\$ 45,000
Fifteen year anniversary:	\$ 31,000
Twenty year anniversary:	\$ 22,000

Note: Subject to terms and conditions on attachment

Once again, thank you for this opportunity to serve the Town of Stratham. It is our pleasure and privilege to do business with you.

John J. "Jack" McDevitt, Jr.
President

Charles Grandll
Sales Representative

MCDEVITT TRUCKS INC.

1 Mack Avenue • PO Box 4640 • Manchester, NH 03108

Repurchase Agreement Town of Stratham, NH 2019 Mack Granite Single Axle Municipal Dump/Plow/Wing Truck

McDevitt Trucks is pleased to offer the Town of Stratham this repurchase agreement for the dump truck specified in the Town of Stratham Bid (TBD). This agreement provides guaranteed residuals at specific anniversaries, subject to conditions itemized on the attachment, so that Stratham may project its net life cycle costs from time of asset acquisition to time of disposal.

It is important to note that the values listed below are not trade values; that is, they are not contingent upon future truck purchases from McDevitt Trucks. Instead, they are simply repurchase offers for the equipment should Stratham decide to retire the trucks, despite the town's future plans for equipment.

The inherent features, design, and engineering of the Mack Granite make it uniquely suitable for municipal applications, especially considering the extended service life of municipal trucks as compared to commercial applications. However, because of Mack's more robust and unique specifications compared to other truck brands, its original purchase price is often higher. The repurchase agreements most often provide net life cycle costs which actually make the purchase of Mack Trucks less expensive than buying the initial "low bid" competitor truck.

We hope the Town of Stratham is pleased by this repurchase agreement. McDevitt Trucks is proud to serve the town, and looks forward to receiving this bid award.

Mack Granite, VIN _____

Ten year anniversary:	\$37,500.00 each
Fifteen year anniversary:	\$24,000.00 each
Twenty year anniversary:	\$17,000.00 each

Note: Subject to terms and conditions on attachment

Once again, thank you for this opportunity to serve the Town of Stratham. It is our pleasure and privilege to do business with you.

John J. "Jack" McDevitt, Jr.
President

Charles Grandll
Sales Representative

Equipment Replacement Schedule Highway/Fire/Building & Code Enforcement																
Truck/ Equipment No.	Year Purchased	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Highway Department																
Truck 6- 2001 International 2554	2001		(190)										(155)			
Truck 7- 2003 International 7400	2003	(215)										(175)				
Truck 9- 2006 International 7400	2006					(190)										(155)
Truck 10 - 1995 International 2554	1995				(190)										(155)	
Truck 101- 2017 Chevrolet 3500	2017										(60)					
Truck 102- 2007 Ford F-350	2007		(60)										(60)			
Truck 103- 2013 International Terrastar	2013						(100)									
Truck 104- 2016 Chevrolet 3500	2016									(60)						
Bandit 18" Wood Chipper	2015															
Kubota L3710 Tractor (Not to be replaced)	2000															
Cat 416IT Backhoe	2000			(175)												
John Deere 544J Loader	2004							(200)								
Bobcat A770 All Wheel Steer Loader	2015								(75)							
ADD Truck 201- 2018 Western Star 4700	2018	(190)										(155)				
Fire Department																
Engine 1- 2000 E- One Engine	2000			(720)												
Engine 3- 2008 E- One Engine	2008											(891)				
Tanker 8- 2012 HME Tanker	2012															
SCBA Air Packs	2003	(200)														
Proposed Ladder Truck	2026									(1100)						
Car 1/ Utility Truck	2006					(50)										
Forestry Squad 1 Proposed Command SUV	1997			(60)												
								(45)								
Building & Code Enforcement																
2001 Ford Explorer	2001	(30)												(30)		
Assessing/Administration																
2003 Ford Escape	2003				(25)											
Annual Projected Total (x1000)		(\$635.00)	\$ (250.00)	\$ (955.00)	\$ (215.00)	\$ (240.00)	\$ (100.00)	\$ (245.00)	\$ (75.00)	\$ (1,160.00)	\$ (60.00)	\$ (1,221.00)	\$ (215.00)	\$ (30.00)	\$ (155.00)	\$ (155.00)