

SEPTEMBER 12, 2016

A Council workshop was held at 5:00 PM at the M.S. Bailey Municipal Center with Mayor Bob McLean presiding with Councilmembers Byrd, Cook, Jenkins, Scarborough, and Young. The City Manager was present. Local news media present was Larry Franklin from the Clinton Chronicle. Notice was mailed and emailed to all local news media on Tuesday, August 6, 2016.

PURCHASE CAPITAL EQUIPMENT AUGER TRUCK Mayor McLean called the workshop to order and recognized Mr. Stovall, City Manager. Mr. Stovall stated that the purpose of the workshop is to discuss the purchase of two capital items which are on the Council's agenda tonight. Mr. Stovall stated that City staff thought Council would benefit from a discussion regarding the purchases. Mr. Stovall stated that the two items are an Auger Truck and a Right of Way clearing machine. Mr. Stovall stated that an Auger Truck is a full sized truck with a lifting arm, auguring pole, and pole clamps. Mr. Stovall stated that an Auger Truck is used to set utility poles, hold new poles in place, and lift heavy loads like transformers. Mr. Stovall stated that he is talking about large transformers that customers like Asten Press and School District 56 use. Mr. Stovall stated that Asten Press makes up about 6% of the City's monthly operations and when they need a transformer moved then the City should have the capability to meet their needs. Mr. Stovall stated that the current fleet is old, difficult to maintain, and no longer meets the needs of the City. Mr. Stovall stated that the City cannot replace transformers for our largest customers without contracting the lifting services. Mr. Stovall stated that the certification of equipment against electric shock is critical issue and the oldest Auger Truck can no longer be certified. Mr. Stovall stated that the current fleet consists of a 1998 Terex which is the primary truck and has 10,000 lb. capacity and a 1974 Boom truck which is no longer certified. Councilmember Kuykendall asked if the 1998 Terex Truck had to be certified and Mr. Stovall stated yes. Mr. Stovall stated that if Council approves the purchase of a new Auger Truck then the 1998 Terex Truck would become secondary and the 1974 Boom Truck would be scrapped. Mr. Stovall stated that the cab and chassis on the 1974 would be saved and used as a flatbed truck to move equipment. Mr. Stovall stated that the cost of a new Auger Truck is \$248,876. Mr. Stovall stated that the City did solicit bids and received four. Councilmember Young asked if the City knew what type of engine was in the Kenworth Chassis and Mr. Snelgrove, Electric Division Supervisor, stated he was not familiar with the engine. Mr. Stovall stated that the City did actively solicit bids through the State's listings as well as other listings. Mr. Stovall stated that the City did not receive many bids because Altec and Terex are the only two companies making trucks that size that meet the non-conductivity requirements for electric work. Councilmember Young asked if the City currently had a Boom Truck that could pull the pumps out at the Enoree Pump Station and Mr. Snelgrove stated that the current Auger Trucks are used to transport the pumps. Mayor McLean asked how did City staff swing the pumps out the station's door and Mr. Snelgrove stated by a chain and ball. Mr. Stovall stated that the City

plans to make a \$30,000 down payment from capital funds as part of the 2016-17 budget and finance the balance through a Municipal Lease at 1.93% for five years with an annual payment of \$46,964 beginning in FY 2018 and ending in FY 2022. Councilmember Kuykendall asked what is a Municipal Lease Agreement. Mr. Stovall stated that because of the legality of borrowing money as a government the loan is called a Municipal Lease. Mr. Stovall stated that the reasons for making this purchase includes reliability of the current trucks, safety, restoration of large customers and future commercial customers, and restoration of public facilities. Councilmember Scarborough stated that the delivery time is 300 days which means the City would not receive the truck until next year and Mr. Stovall agreed. Councilmember Kuykendall asked if the Auger Truck had any warranties and Mr. Stovall stated yes. Mr. Meadors, Purchasing Director, stated that the cab and chassis has a manufacturer's warranty and the warranty for parts and labor is one year.

Councilmember Kuykendall asked if the current trucks are stored out in the open or under cover. Mr. Stovall stated that the 1998 truck is parked under a shed but the 1974 truck is out in the open. Councilmember Young asked if City staff kept the trucks at the D E Tribble building and Mr. Snelgrove stated yes. Councilmember Young asked what guidelines does Altec use to certify these trucks and Mr. Snelgrove stated that Altec would not certify any truck over fifteen years old. Mr. Snelgrove stated that Altec is the City's primary vendor who works on the utility truck's hydraulic systems. Councilmember Cook asked if the City purchases this new Auger Truck would the City be in a position five years from now to replace the 1998 truck. Councilmember Young asked how long would the certification on the 1998 truck last and Mr. Snelgrove stated the truck is evaluated every year for the certification. Mr. Stovall stated that the City would like to have the utility trucks on the same type of purchasing schedule as the fire trucks and Public Works is working toward that type of plan. Mr. Satterfield, Public Works Director, stated that the City is struggling with the trucks with the Caterpillar diesel engines and would like to get away from purchasing them. Mr. Satterfield stated that because of the emission issues with these trucks personnel has to drive them several miles to keep the engines functioning. Councilmember Byrd asked if the City had any plans to be able to house these trucks and Mr. Stovall stated that at some point the City would need to build a shelter. Mayor McLean stated that the City could construct a pole building and they are fairly cheap to build. Mr. Stovall asked Mr. Satterfield to address the need for being able to move the large transformers. Mr. Satterfield stated that Asten Press had an issue with their transformer and the City was going to have to replace it but the City had to contract the moving services. Mr. Satterfield stated that luckily the contractor was available at that time to help the City move the transformer. Mr. Satterfield stated that if the contractor had not been able to help then Asten Press would have been without power for a long period of time. Mr. Stovall stated that the next purchase is a Right of Way clearing machine. Mr. Stovall stated that this machine trims tree limbs away

TRIMMER

from live powers lines and opens up vertical clearances. Mr. Stovall stated that the City is requesting this machine because of the right of way clearing of the Electric Distribution lines and the river service lines. Mr. Stovall stated that the Jarraff would trim trees away from overhead lines in areas where appearance is not a large concern or where a truck cannot safely operate. Mr. Stovall stated that the Jarraff could be used for the Sewer Right of Way trimming. Mr. Stovall stated that safety is also an issue while trimming trees and the Jarraff provides an enclosed cab so the employee would not be in a bucket truck trying to trim tree with a chainsaw close to live power lines. Mr. Stovall stated that for the last two years the City has contracted the right of way clearing and each round of contracting cost the City \$40,000. Mr. Stovall stated that a new Jarraff costs \$250,000 but a used remanufactured machine cost \$99,000. Mr. Stovall stated that City staff felt the used Jarraff could effectively complete the right of way clearing work. Mr. Stovall stated that this purchase is a sole source bid. Mr. Stovall stated that the ROW personnel met with the vendor about using this type of machine and learned that private companies who use the Jarraff are able to trim six times faster than a ROW crew with a bucket truck. Mr. Stovall stated that the ROW personnel recommends buying the remanufactured Jarraff because it is in good condition and does not have many hours of use. Mr. Stovall stated that the City could not find another vendor who remanufactured these machines. Mr. Stovall stated that the City would make a \$17,878 down payment from the I&I Capital Funds approved as part of the 2016-17 budget. Mr. Stovall stated that the City would finance the balance through a Municipal Lease with a 2.06% interest rate for five years with annual payments of \$17,291.36 beginning in FY 2018 and ending in FY 2022. Mr. Stovall stated that trees are the largest cause of outages and blinks in Clinton and the Clinton is far above the National Rate and the Regional Rate for tree related incidents.

Mr. Stovall stated that blinks on our power lines are also primarily due to trees and the failure to properly maintain the right of way clearing. Mr. Stovall stated that ROW personnel carry a high Workers Compensation cost for the City. Mr. Stovall stated that working in an insulated cab on the ground is safer than running a chainsaw in a Bucket Truck 70 foot in the air. Mr. Stovall stated that the Jarraff would also be able to provide the vertical clearance on the Sewer Right of Ways. Mr. Stovall stated that if the City rented this machine the cost would be \$7,000 per month. Mr. Stovall stated that if the City purchases the machine then the cost would be \$1,650 per month for five years. Councilmember Byrd asked how long would it take to receive the Jarraff. Mr. Alexander, ROW Director, stated that the machine is on the vendor's lot and would be transported to Clinton as soon as payment is made. Mr. Alexander stated that the vendor refurbishes these machines with new engines and new hydraulic pumps. Mr. Alexander stated that these machines are simple and would not have any emission issues. Mayor McLean stated that the City contracted this work for \$40,000 per year and in two years this machine would pay for itself. Councilmember Young asked if the City had to worry about transporting the

Jarraff and Mr. Alexander stated that City staff would be able to drive the machine to the work site. Mr. Stovall stated that the City realizes it is asking Council to make two large purchases but City staff needs the equipment to do their jobs. Councilmember Young asked if personnel would have to be trained how to operate this machine and Mr. Alexandra stated that current staff could operate the machine. Mr. Satterfield stated that the most recent employee hired for the ROW crew also has experience in operating a Jarraff.

ADJOURN

With there no further business before Council motion was made by Councilmember Young to adjourn and seconded by Councilmember Kuykendall. The vote was unanimous.

CITY CLERK

MAYOR