

**TOWN OF MALONE**  
**Budget Work Session**  
**October 26, 2016**

The Town Board of the Town of Malone conducted a Town Budget 2016 Work Session on Thursday, October 26, 2016, at the Malone Town Offices, 27 Airport Rd., Malone, NY commencing at 2:30 p.m.

**PRESENT:**            Howard Maneely    -----    Supervisor  
                         John Sullivan        -----    Deputy Supervisor  
                         Mary Scharf            -----    Councilor  
                         Louise Taylor        -----    Councilor

**RECORDING SECRETARY:** Deborah Hutchins, Town Clerk

**ALSO PRESENT:**    Denice Hudson, Budget Officer  
                                 Jason Scharf, Enterprise (via teleconference)

Supervisor Maneely opened the work session at 2:30 p.m.

**2016 Preliminary Town Budget (Work Session #3)**

The meeting began with a presentation from Jason Scharf from Enterprise Fleet Management.

Highlights from the program were as follows:

Jason reviewed the current fleet list of 12 vehicles (non-commercial driver) owned by the Town which are the ones of primary focus.

Jason explained that Enterprise was started in 1957 and manages more than 1.8 million vehicles at this time. Franklin County is currently a customer with Enterprise Fleet Program.

In reviewing the breakdown of the Town's fleet, the majority of the current fleet is over 10 years and only purchased 5 vehicles in the last 10 years. At this rate the Town will eventually cycle their vehicles out at 24 years.

The Town's average cost of maintaining a vehicle is about \$95 per month currently. They would target to reducing to about \$40 per month with the new fleet being added. In addition to this, there would be about a 25% reduction in fuel costs. Other points given were lower depreciation costs through resale value, decreased operating expenses, less vehicle down time, enhanced employee morale and reduced carbon emissions.

By replacing vehicles will see reduced operational expense which will attack the maintenance and fuel costs. These are hard dollar costs. Soft dollar costs – less repairs, less down time, more guys out doing the work intended to do.

The vehicle life cycle should not exceed 5 years- optimal time to replace. Keeping an aging fleet will only continue to cost more.

The maintenance program includes a fixed monthly rate for the term of the vehicle which includes all major and minor repairs, recommended services, incidentals and 24/7 roadside assistance. By utilizing the maintenance program, would free up Town mechanics to work on the backlog on larger equipment.

Enterprise account management team will meet with the Town quarterly or semi-annually to do a review and help manage vehicles. This is an annual review with an in-depth analysis of program. Enterprise will set up a manageable vehicle budget to utilize moving forward to help is getting replacement vehicles when needed.

Deputy Supervisor Sullivan expressed his concern and asked for some kind of assurance with regard to our Town mechanics having enough work to do if the Town utilizes the Enterprise maintenance program. Mike Andrews, Deputy Highway Supt., explained that the highway department has a CDL fleet that is as deteriorated as the small truck fleet. Mike

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confirmed that there is plenty of work for the mechanics on the larger equipment. Often in winter, they keep employees that are not mechanics in the garage to help work on the trucks. Mike does not ever see lack of work with the mechanics to become an issue. Jason confirmed that the Enterprise maintenance contract is totally optional.

Jason further explained that the maintenance program savings would be approximately \$3,300 per year (based on the current rate of \$95 per vehicle and his expected rate of \$40 per vehicle x 5 vehicles). Supervisor Maneely asked for confirmation that the maintenance program is just for the new vehicles to be acquired and Jason stated that it is. This does not include labor costs – mechanics wages.

Budget Officer Hudson requested clarification on what the approx. \$30,000 budgeted would get the Town. Jason responded that they should be able to replace 5 vehicles in year one without any problem at all. There should be an influx (conservatively) of \$5,000 by getting rid of older vehicles.

Mike Andrews then asked about what type of vehicles would be leased. Jason explained that the next step is to sit down and review which vehicles are the biggest maintenance offenders. Also discussed replacing trucks and moving from 250's (3/4 T) to 350's (1 T) to become more versatile vehicles.

Supervisor Maneely stated that we are looking at a budget of \$30,000 for 2017. Supervisor Maneely asked if the maintenance was included in the \$30,000 budget. Jason stated that the anticipated \$40 per month, per vehicle, would be included in the lease payment if that option is chosen. Discussion was held on options for staying within the \$30,000 budget and being able to lease 5 vehicles.

Supervisor Maneely asked about the delivery time for the vehicles and Jason stated would be approximately 4 to 6 months for delivery. There would be no billing until after receipt of the vehicles.

Mike Andrews asked about selling the vehicles being replaced and Jason stated that they will assist in selling them. Phone conference with Enterprise ended at this time.

Mike Andrews then spoke about the certified letter from Carla Gerber. He provided an explanation of measurements from center of the road that were done earlier this year at her property location. It revealed that her trees and fence are in the right-of-way but no issue was made on this. Mike stated that they will revisit her to remind her of what was discussed earlier this year.

Budget Officer Hudson then reviewed budget modifications to date. She discussed the sewer shortfall and explained that we need to borrow from the general fund to pay the sewer. This will increase the money we have to recover when sewer bills are done in August. Denice explained that with making the adjustment for this shortfall, we are now \$27,000 under the tax cap. She explained that she also had to include coverage for the new furnace for the garage. Denice explained that she will increase the general contingency from \$20,000 to \$35,000 which will leave us approximately \$7,000 under the cap (last year was \$9,000 under the tax cap). Deputy Supervisor Sullivan and Councilor Scharf asked what effect this would have on the tax rate by adding the \$20,000. Denice calculated the change as follows: The general tax rate will be 1.79525, the Village rate will be 4.261 (slight decrease) and the Town rate will be 8.8274 (slight increase).

Meeting was adjourned at 3:48 p.m. The Public Hearing sessions will be held on November 2, 2016. The next meeting date to pass the budget will be on November 9, 2016.

**RESPECTFULLY SUBMITTED,**

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**DEBORAH A. HUTCHINS, TOWN CLERK**