

Madbury Public Works Exploratory Committee

Report to the Board of Selectmen

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Mark Avery, Chair
John Bickford, Vice-Chair
Deb Ahlstrom
Eric Fiegenbaum
Richard Lipari
Joseph Moriarty
Susan Ossoff
John Steele

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PART I. INTRODUCTION

BACKGROUND

In September 2022, the Board of Selectmen (BoS) chartered a seven-member Public Works Exploratory Committee (PWEC) to provide a range of options and supporting data to help the BoS make an informed decision for providing public works tasks for the Town of Madbury in the future. The PWEC was tasked with providing a comprehensive recommendation on responsibilities, employee structure, equipment, and facilities needed for a Department of Public Works (DPW). The PWEC has met monthly and has conducted several working sessions to gather facts to prepare a recommendation.

The immediate need for the BoS is to determine how the town will continue to provide road maintenance capability in the future. Additionally, the PWEC is tasked with recommending a long-term solution to meet other Town public works needs. The current contractor who has provided services to the town for many years has expressed his intent to retire upon the expiration of the current contract on August 31, 2025. This contractor may be willing to extend the contract for up to two years but planning for how to accomplish these tasks in the future is important.

The BoS tasked the PWEC to research the following options:

1. Contract Operations
2. Develop a Department of Public Works
3. Partnerships with other towns
4. Combination of two or more of the above.

DEFINITION OF PUBLIC WORKS

In the PWEC's fact finding process, it became critical to establish a common understanding of what Public Works are.

The American Public Works Association (APWA) provides this definition of Public Works:

Public works is the combination of physical assets, management practices, policies, and personnel necessary for government to provide and sustain structures and services essential to the welfare and acceptable quality of life for its citizens.

The majority of local municipalities divide Public Works into several key functions: Roads and Highways, Cemeteries, Sanitation, Facilities and Grounds, Maintenance, Sewer, and Water.

PART II. EVALUATION OF OPTIONS

CONTRACT OPERATIONS (Current Approach)

This option is a continuation of the approach Madbury currently uses. Madbury meets its Public Works requirements through several means. Highway and Street services are contracted by the Selectmen based on recommendations of the Town’s Road Agent. Predictable and recurring requirements such as winter snow removal, bridge repair and replacement, road rebuilding, paving, and engineering have been performed under long term contracts. Other requirements that are limited in scope are completed using work orders based on “time and materials” billing to the town. Routine seasonal Facilities and Grounds maintenance are conducted by part time Town employees using town-owned equipment. Facility maintenance requirements are contracted as needs arise. Residents pay for their own trash pickup. The Town pays disposal fees called tipping fees for trash disposal. The Town operates a transfer station with a part-time employee and pays for disposal fees.

Table A lists current functions, tasks and methods used by the Town for public works requirements.

TABLE A. CURRENT PUBLIC WORKS FUNCTIONS IN MADBURY

Function	Task	Method
	Snow Removal Deicing Operations	Multi-year contract
	Road Repair Debris Removal Road Sign Maintenance Roadside Mowing Drainage/Culvert Repair Bridge Maintenance Paving Stripping Street Sweeping	Contracted as required
Grounds and Facilities	Town property seasonal maintenance*	Part-time town employees with town equipment
Sanitation	Residential Rubbish	Residents pay local contractor. Town pays disposal fees.
	Transfer Station	Part-time town employee, Town pays disposal fees

*Seasonal maintenance requirements include: mowing, trimming, flower beds, Spring clean-up, Fall clean-up of the Town Hall, Library, Ball Fields, Public Safety complex, and cemetery.

Advantages of Contract Operations:

- Current public works functions provide services economically to the Town.
- The Town does not have to procure facilities or equipment to conduct highway and street maintenance.
- The Town has no requirement to recruit, hire, train, and sustain full-time employees.
- The Town has no requirement for equipment maintenance, facility maintenance, and long- term capital replacement costs.

Concerns with Contract Operations:

- To date, no other contractors have been identified who can meet the services required by the town.
- If a contractor is found, creating multi-year extensions to have predictability for services in the future is a challenge.
- The Town must rely on on-call availability to respond to unpredictable weather events to clear roads.
- The Town must prepare to address the situation should a contractor fail to meet contractual requirements or perform poorly.
- In the current economic environment contractor costs are increasing which may greatly inflate costs to the Town.
- The Town will need to provide a staging area and salt shed capability to support contractor needs; the current contractor is located in Madbury but a subsequent contractor likely will not be based in Madbury.

Discussion

Contract services for Highways and Streets may provide the most economical solution for the Town to maintain its surface infrastructure. Current operations for Facilities and Grounds and Sanitation are fulfilling Town requirements. However, for Highway and Street requirements, at the completion of the current contractor's contract no other contractor alternatives have been identified to provide services. Letters were sent to 22 local contractors with the known or perceived capacity to fulfill the requirement asking if they would be interested in discussing providing Highway and Street requirements to the Town. No contractors responded.

The Committee also became aware of another company that could potentially provide these services. TALCO Enterprises of Nottingham expressed some interest and further discussion should be conducted but there are issues for the Town being able to secure a contract and long-term commitment several years in advance of the expiration of the current contract. Additionally, the Town must prepare in case no contractor is located and development of Public Works capabilities require years of advance planning. A local resident expressed interest in possibly assuming and extending contract responsibilities but further discussion is needed, the resident currently does not have the required assets to fulfill the requirements of the contract.

While contract services appear to be the most economically advantageous for the town, the long-term prospect of maintaining a predictable and committed relationship with a local vendor is limited. Contract costs are likely to escalate. Should a contractor fail to meet their obligations, or should the contractor choose not to renew at the end of a contract, the Town will find itself in the position of needing to find another contractor which is getting increasingly difficult. Therefore, this option does not provide a long-term solution.

Costs

Table B presents a summary of costs related to Public Works in Madbury for 2020-2023.

Table B. Public Works related costs in Madbury for Years 2020 through 2023

Dept	Description	2020		2021		2022		2023
		Budget	Actual	Budget	Actual	Budget	Actual	Budget
4195	Cemeteries	\$8,542	\$7,548	\$9,542	\$8,311	\$9,700	\$8,089	\$9,860
4312	Highways and Streets	\$440,000	\$422,648	\$440,000	\$368,732	\$621,400	\$593,225	\$770,500
4313	Bridges	\$7,000	\$6,193	\$7,000	\$2,100	\$7,000	\$550	\$7,000
4323	Hazardous Waste Collection	\$1,400	\$1,261	\$1,400	\$866	\$1,400	\$772	\$1,400
4324	Solid Waste Disposal	\$76,159	\$63,856	\$74,726	\$68,575	\$76,600	\$61,201	\$83,335
4329	Recycling	\$35,000	\$29,258	\$39,750	\$26,123	\$39,750	\$25,712	\$40,250
	TOTAL	\$568,101	\$530,763	\$572,418	\$474,708	\$755,850	\$689,550	\$912,345

Source: Town Annual Reports

DEVELOP A MADBURY DPW

Advantages of a Madbury DPW:

- Sustained predictable service to meet Town requirements.
- Town DPW employees will be focused on prioritizing infrastructure requirements.
- A DPW Director (or equivalent position) will be able to proactively plan and budget to meet Town Public Works needs.
- Increased level of responsiveness and accountability to the Town.
- Town will have the ability to expand capacity to meet emerging or additional requirements.
- Cost efficiencies with sustained and focused management.

Concerns:

- Costs to fund infrastructure and equipment.
- Bonding may be required for funding necessitating a Town Audit be conducted.
- Need to hire full-time employees requiring a human resources department or contract.
- Long term cost of facility and equipment maintenance, capital improvement and replacement.

Discussion:

The creation of a DPW for the town of Madbury requires a projected four to five years of planning and implementation to achieve operating capability. Developing an understanding of Town needs and developing a funding approach, designing, engineering, and constructing facilities, purchasing equipment, and hiring employees will be time consuming and resource intensive.

Funding a DPW likely requires developing the capacity to bond and building capital reserves. In order to bond, the Town is required to undergo a full audit. The Town currently undergoes an annual audit by elected auditors fulfilling state requirements; lenders require a CPA to conduct the audit.

The audit process by a CPA could take 2 or more years to put out to bid and schedule. A current cost estimate for infrastructure and equipment is \$2.4 million. The PWEC cautions that these costs will likely continue to increase in future years. In developing estimates, the PWEC collected cost information from a number of sources but did this without knowing specific engineering and design parameters.

The Town will need to develop a Public Works facility. This facility would include a maintenance building and salt storage shed. Site selection, design, engineering and construction would be required parts of the process. The PWEC reviewed Town owned properties to try to identify possible available sites. The Town transfer station property seemed to be the most viable location for a Public Works facility.

Additionally, the Town would have to hire up to three full time employees to meet the needs of a DPW. Employing full time employees would require the Town to have Human Resources capabilities that it does not have at this time. Human resources could potentially be administered by a Town employee or by contracted services.

Estimated Costs

The following two tables illustrate projected costs for equipment and personnel for a Madbury DPW.

Table C. Facilities and Core Equipment Estimated Costs

Buildings*	Cost
Garage (100'x50' building w/ 4 bays)	\$1,500,000
Salt Shed (50'x50' cold storage shed)	\$150,000
Core Equipment**	
6-wheel Dump Truck with plow/wing/sander (Truck 1)	\$225,000
6-wheel Dump Truck with plow/wing/sander (Truck 2)	\$225,000
F550 with plow, sander (truck 3)	\$120,000
Rubber tire backhoe	\$80,000
Miscellaneous tools and equipment	\$100,000
TOTAL	\$2,400,000

Source: Consultations with local contractors

*Facility cost estimates assume construction costs of \$300 a square foot for a garage, and cold storage at \$100 per square foot with an allowance for site work.

**Core Equipment is the minimum required to provide adequate services. Additional required heavy equipment (excavators, chippers, etc.) could be rented at economical rates rather than purchased by the Town.

Table D. Projected Personnel costs for a DPW

Position	Salary	Benefits Cost (estimate)	TOTAL
DPW Director	\$80,000	\$24,000	\$104,000
Truck Driver/Laborer	\$55,000	\$16,500	\$71,500
Truck Driver/Laborer	\$48,000	\$14,400	\$62,400
TOTAL	\$183,000	\$54,900	\$237,900

Source: Data from other Towns

Note: These are estimated initial costs

PARTNERSHIPS WITH OTHER TOWNS

Advantages:

- Possibility of lessened requirements to own and maintain Town facilities and equipment.
- No requirement to hire full-time town employees.
- Madbury can rely on partnered city or town experience in road maintenance and ability to provide heavy equipment.

Concerns:

- Concerns over prioritization of partner town's needs over Madbury's.
- Town will need to assist in funding equipment and personnel to meet the additional requirements.
- Potential need to provide some facilities.
- Annual or periodic requirement to renegotiate contract terms for services.
- Need to plan for situation where partner town wishes to terminate partnership.
- Complex relationship requiring extensive communication and coordination.

Discussion:

The PWEC discussed the potential for a partnership with the towns of Barrington, Durham, Lee, and the City of Dover. DPW representatives from each community expressed that a partnership may be feasible but difficult to control. All communities except the Town of Lee expressed ongoing challenges with hiring qualified personnel to meet upcoming winter maintenance requirements. All surrounding communities stated there would be a requirement to add personnel and equipment to their existing structure to meet the needs of Madbury (capital cost the Town would have to pay for). Most communities also expressed that their primary focus would be their own community and Madbury would be a secondary effort.

The structure of a partnership with a local community to provide services could be complex and challenging. Defining how decisions are made, priorities of effort, budgets and authority to make decisions requires the drafting of a legal contract requiring continuing review. The process for annual budget development and billing for services from the partner community need to be developed. If the partner community acquires equipment for use to provide services in Madbury and needs staging facilities in Madbury, the oversight and use of the equipment and facilities would be complex.

HYBRID APPROACH

The PWEC had extensive discussions about how a hybrid approach might work. No viable alternative that used this approach seemed feasible. Madbury currently has some in-house Public Works capabilities and contracts other work. Other than changing the balance of contracted versus in-house work, which is just a modification of the current approach and not a new approach, no other viable hybrid approach was identified.

PART III. RECOMMENDATION AND TIMELINE

Recommendation

The PWEC, after extensive research, discussion, and analysis, is recommending to the BoS that Madbury develop a Department of Public Works to provide a long-term solution to meet the Public Works requirements of the Town.

The PWEC believes it will take 4-5 years to develop a Public Works department in Madbury that is functional and has adequate equipment and facilities. This timeline is supported by the timeline for the Town of Brookline in developing its Public Works Department.

Recommended Next Steps

The PWEC recommends that the following steps needs to be taken as soon as possible to start the process for developing in-house Public Works capabilities.

- Extend the current contract with A.J. Hartford as long as possible.
- Continue to seek alternate contractors to provide services which could extend the implementation timeline and would provide additional time to increase capital reserves and purchase equipment.
- Begin the process to conduct the required audit to enable bonding capability
- Identify a site for Public Works facilities and begin work to construct a salt shed which will likely be required for all options.

Discussion:

The PWEC recommends that the Town of Madbury develop a Public Works Department. This recommendation is complicated by the long timeline to fund, build, resource, and staff the department; the PWEC estimates it could take 4-5 years to have an operational department.

The immediate need is to ensure the roads continue to be maintained by a contractor, and the PWEC recommends extending the current contract for 2 years or longer if possible. Contract services provide the Town time to continue to build its capital reserves to fund a department and reduce bonding requirements. This also gives the town time to initiate construction of facilities and acquisition of equipment.

The Town needs to develop the financial resources for a Department of Public Works which may include bonding so the PWEC recommends the Town contract for an audit as soon as possible. The PWEC also recommends that the Town continue to build its capital reserves.

Planning for Public Works facilities need to be started. This includes site selection, site and building engineering, and construction. The priority is the construction of a salt shed.

Should the BoS decide to proceed with the recommendation to develop a Department of Public Works, the BoS might consider establishing an implementation committee and/or obtaining professional expertise to guide, advise, and oversee the project. The BoS might also consider hiring a Director of Public Works to oversee the development of facilities and acquisition of equipment.

