

Questions regarding the sale or trade of our 1998 Champion motor grader and purchase of a suitable replacement.

The unit was purchased in 1998 with 168 hours on it. The initial plan was to retain for 10 years and then trade and replace it. The board changed, the grader was running fine and there was no urgency to replace what wasn't broken. 22 years passed and the grader required some repair work in August 2020. Vibration and noise was apparent in the cab when the grader was in gear. A repair visit determined the vibration was a result of the braking mechanism becoming out of round and vibrating on the drive shaft. During repair of those parts needle bearings on the U joint were discovered to be in need of replacement. The repair included shoe and brake disc replacement . The grader is now operational.

As an operating unit, the grader has some cash value, which we are happy about. However, if the unit requires more work, particularly in the clutch assembly or transmission the repair cost will become very high and availability of parts more of a problem. Selling a working grader, we believe, will be a better solution. The repair cost for this last work is estimated at \$2-3000 , the bill has not arrived . The grader drive tires will require replacement at an estimated cost of \$7000. Estimated costs for a transmission repair or motor rebuild could be as much as \$20,000 for either.

Parts availability is limited and some parts are not available, and the cost of keeping the unit in service does not appear to be money well spent.

Why are parts no longer available? Age is a factor, and Champion was purchased by Volvo. After a few years, Volvo dissolved Champion, and then Volvo got out of motor graders in total.

Your board has to make a decision regarding replacement of a major piece of equipment and we do not have experience with what has changed and the best solution to serve our town.

We use the grader about 300 hours per year. New grader prices are about \$300,000+, less than 1000 hours about \$250,000, less than 7000 hours about \$140-150,000. Assurances are made that with proper care a replacement might last 15-20 years. However, modern advancements in pollution control require computer operation of the engine and drive train. The warning lights that appear on your car dash frequently require visits to the repair shop. The same issues will be present with the electronic features on new construction equipment.

The Chair of the Town of Cary board initiated the following steps to help with the decision. We contacted the following vendors to educate us on what is available, what we might need, and the questions we need answered, regarding any purchase or lease agreement (McCoy Construction and Forestry, Fabick Cat, and Miller Bradford). Sales personnel from all three companies have given us some background information about availability of used and new motor graders. We are awaiting their estimates of the trade in value of our Champion, as well as prices for any new or used unit they may have available.

We hope to have the information available to us prior to the next scheduled town meeting of September 8, 2020. The board will meet when that information is available, to discuss what option appears to be the most cost effective and to determine if more information is needed before we can decide on a purchase, who will finance, and any other question that may arise. The motor grader replacement will be on the agenda for the next meeting if we get the information needed.