

Fertile City Council Minutes
Special Meeting – Equipment Committee
November 23, 2020

The Fertile City Council held a special meeting of the Equipment Committee on Monday, November 23, 2020 at 6 p.m. at the Community Center. Present were: Mayor Daniel Wilkens and Council members Stanton Wang, and Todd Wise, Jeremiah Gudvangen, Public Works Director Kevin Nephew, and City Administrator Lisa Liden.

The meeting was called to order at 6 p.m. by Mayor Wilkens. Wilkens began the meeting by stating that Council and City Staff have been talking for quite some time about purchasing a payloader. Wilkens felt it was time to lay out the steps that needed to be followed to do that and to make some preliminary decisions on what features would be needed on a payloader to meet the City's needs. Council would also have to determine whether the purchase would need to be financed or perhaps leased.

City Administrator Liden presented a cash flow analysis that she had prepared for the next 12 months. Liden explained that the revenue and expenses were based on the budget as well as profit and loss information from the previous 12 months. Liden noted that the revenues were estimated on the low side and the expenses a little on the high side to allow for anything that may have been overlooked. For the 12 months presented, the end of month cash position ranged from a low of \$130,000 in April due to paying off the interim water project loan, to a high of \$500,000 at the end of January.

Mayor Wilkens asked if \$100,000 paid out for equipment in December or January would reduce the bottom number showing end of month cash position by \$100,000 for each of the 12 months. Administrator Liden stated that it would reduce the amount by \$100,000 for each of the 12 months. Mayor Wilkens pointed out that the cash position for most months was pretty good except for the month of April. Subtracting \$100,000 from the projection for April would leave cash flow tight.

Discussion was then held on options for financing and leasing. Jeremiah Gudvangen explained some lease options that are available through John Deere and Case on new equipment. It was noted that those financing costs through leasing were high compared to a straight bank loan. Administrator Liden stated that she could check with Tax Exempt Leasing Corp to see what lease options or payment plans they would have to purchase used equipment. Liden would also check with Jake Aakre at Red River State Bank to see what type of interest rate the City would have to pay for a three-year equipment loan.

Mayor Wilkens asked Public Works Director Kevin Nephew what types of tasks the payloader would be used for. Nephew said that it would work well for loading snow and blowing snow in the alleys, on the west end of town by the sports complex and at the airport. A payloader would be useful for keeping fire hydrants clear also. Nephew noted that in past years the City had to hire out for blowing snow in the alleys and for loading and hauling snow. Owning equipment to do those things would save the City money and allow for those tasks to be done on an ongoing basis.

Information on different used payloaders that were available in the area was then reviewed and discussion was held on the different features that would be required for loading and blowing snow. Discussion was also held on a front mount snow blower that Kevin Nephew had provided information on. Council member Wang did some quick research on the snow blower and determined that the cost of that would be around \$40,000 which was a little more than what the City would like to pay.

Based on the discussions of the tasks that the payloader would be used for and the review of the units that were currently available, a list of preferred features was made. Those features included a high lift capability, hydraulics, ride control, quick attach option, back up camera, and creeper control. As for size, it was determined that a mid-range loader would be best. For Case models, that would be either a 621 or 721. For John Deere, the 544 and 564 models would be good and the Cat 926 would work well. Jeremiah Gudvangen noted that one benefit of going with Cat would be that there is a Cat dealer with mechanics in Crookston, while the nearest John Deere and Case are located in Grand Forks or Fargo.

Mayor Wilkens asked that Nephew and the other committee members do some checking around at area dealers and on swap and sell sites to find some options. He asked Lisa Liden to do further research on financing options and to put together a list of the “must have” features to assist the committee in looking for what was currently available to purchase.

There being no further business the meeting was adjourned at 7:25 p.m. on a motion by Council member Wise.

Daniel Wilkens, Mayor

Lisa J. Liden, City Administrator