

Collbran Board of Trustees Meeting Minutes
Wednesday, September 28, 2016
Special Meeting
6:00 PM Collbran Town Hall

Mayor Sturm called the Special Meeting of September 28, 2016 of the Collbran Board of Trustees to order at 6:03pm. The Pledge of Allegiance was recited.

PRESENT ON ROLL CALL: Trustees P. Sturm, Evans, and Mayor V. Sturm.

ABSENT: Trustees Schowalter and Shrope

OTHERS PRESENT: Administrator Farrar, Town Clerk/Treasurer Phillips, Marshal Appelhanz, and Public Works Assistant Keith Encke.

TRUSTEE SCHOWALTER ARRIVED (6:05 PM)

DISCUSSION AND POSSIBLE DECISION ON BACKHOE PURCHASE

Admin. Farrar mentioned that Public Works Assistant Encke has been looking for a new backhoe and this topic has been discussed by the Trustees during the past three budget years. He said that a John Deere backhoe has been found that has 85 hours on it. He mentioned John Deere's leasing program allows governments to purchase and use a machine, and at the end of a year, they trade them in. The equipment is then sold and many of them have low operating hours. P.W. Asst. Encke mentioned that the John Deere backhoe they have located is priced between \$86,000 and \$89,500. Admin. Farrar said that John Deere is offering financing on the backhoe; if the Town commits before the end of this month, we will get 72 months financing at 0%. He also mentioned that if we do not commit until after the end of the month, they will offer 36 months financing at 0%. He said that we have enough money in the bank and we have a need for a new backhoe. He also mentioned that the current backhoe (Ford-New Holland) we own requires more frequent and expensive maintenance; P.W. Asst. Encke concurred. Admin. Farrar said that the plan would be to take advantage of the 0% financing. Admin. Farrar mentioned that we had received two other price quotes for backhoes, Case and Caterpillar. P.W. Asst. Encke said that the Caterpillar is \$103,000 and without the favorable financing. He said that Case had a used backhoe with 300 hours on it for \$75,000 and a new one for \$94,000, but Case equipment is not rated as high as Caterpillar or John Deere. He said that Caterpillar has the best backhoes, John Deere is second place, and Case is third. Trustee P. Sturm asked if John Deere was the only company of the three that had the 0% financing deal; P.W. Asst. Encke said that they were the only one. Trustee P. Sturm asked if John Deere would take our Ford-New Holland backhoe at the trade-in value of \$12,800. P.W. Asst. Encke said that the dealer value on a trade-in probably would be less and he thinks Collbran would get a better value by selling it ourselves. Trustee Evans asked P.W. Asst. Encke if he has seen the actual backhoe that we would like to purchase. P.W. Asst. Encke said that he has not; he said that the backhoe is in Utah and it is scheduled to be sent to Grand Junction at the end of the month. Admin. Farrar said that if the Board approves the purchase of this backhoe, that staff would not complete the purchase until P.W. Asst. Encke personally checks out the machine and operates it to ensure that everything is in good condition. P.W. Asst. Encke mentioned that already he went to John Deere, Case, and Caterpillar to demo backhoes. Trustee Evans asked which one he liked the best. P.W. Asst. Encke said he liked the Caterpillar the best, but the \$103,000 price is too high. He said that equipment auctions might be an option for getting a good deal, but you do not know how many hours they have until you get to the auction, and you would have to pay cash on the spot.

MOTION: Trustee Evans moved to approve the purchase of a John Deere backhoe for the price of up to \$90,000 and utilize the 72 month, 0% financing that John Deere offers until the end of September, 2016; seconded by Trustee P. Sturm.

ROLL CALL VOTE: 4 Yes votes – Schowalter, P. Sturm, Evans, and V. Sturm. 0 No votes. Motion passed.

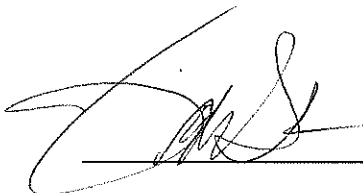
Admin. Farrar mentioned that we would send a letter of intent to John Deere to lock in our price and financing. He said that Town Attorney Jim Neu will be looking over the lease agreement. Admin. Farrar also mentioned that because of TABOR, payment for the backhoe is subject to annual appropriation. He said that because of this, if the Town does not appropriate funds for it in a budget year, we give back the backhoe; he mentioned that John Deere is comfortable with that arrangement. P.W. Asst. Encke spoke briefly about backhoes; he said that the John Deere comes with an extend-a-hoe, which is not common anymore. Trustee Evans asked how many hours the current Town backhoe has on it; P.W. Asst. Encke said it has around 3,000. Admin. Farrar mentioned that Town Atty. Neu would be attending the Board of Trustees meeting on October 4; he said that it has been a while since he has been asked to attend a meeting.

ADJOURN

MOTION: Trustee Evans moved to adjourn the Town of Collbran Board of Trustees Special Meeting of September 28, 2016; seconded by Trustee Schowalter.

ROLL CALL VOTE: 4 Yes votes – Evans, Schowalter, P. Sturm, and V. Sturm. 0 No votes. Motion passed.

The Special Meeting adjourned at 6:19pm.



Approved



Attest

*passed 4-0
(1 absent)*

