



City of Hartford * County of Van Buren * State of Michigan

TO: Mayor Danger and the Hartford City Commission

FROM: Nicol Pulluam, City Manager 

DATE: July 27, 2026

RE: **APPROVAL OF A LEASE-TO-PURCHASE A BACKHOE FROM McCANN INDUSTRIES, INC.**

ITEM BEFORE THE COMMISSION:

The item before the Commission is to approve the lease-to-purchase of a Backhoe for 5 years from McCann Industries, Inc.

DISCUSSION:

The city's backhoe has broken down and needs to be replaced. This backhoe is over 20 years old; it was purchased brand new by the city. The Public Works Department uses the backhoe daily.

Over the past two weeks, Ricky has been shopping around for a replacement backhoe. He received a quote from McCann Industries for a used Case 695SV Backhoe, which features an enclosed cab with heat and A/C, four-wheel drive, a four-way front bucket, pilot controls, and an extendable hoe, for \$123,000.

The second quote is for a brand-new Case 580SN Backhoe, also with an enclosed cab that includes heat and A/C, four-wheel drive, a hydraulic coupler front with a 93-inch bucket, a manual coupler back with an 18-foot heavy-duty bucket, pilot controls, and an extendable hoe, for \$145,500.

The interest rate for leasing is 7.05 percent with a five-year term. My goal is to pay off the lease early, and there will be no penalty for doing so. The lease payments for the Case 695SV Backhoe would be five annual payments of \$28,184, while the payments for the Case 580SN would be \$33,312.

Leasing a backhoe was not included in the budget; however, the general fund will add \$75K to the fund balance as of June 30, 2026.

RECOMMENDATION:

The City of Hartford City Commission approves the City Manager to negotiate the leasing of a Backhoe for no more than \$145,500 and to execute the lease documents for no more than 5 years at an interest rate of 7.25% or better.