

CITY OF MARSHALL
EQUIPMENT REVIEW COMMITTEE
M I N U T E S
Monday, May 9, 2024
10:00 AM

MEMBERS PRESENT: Jim Lozinski and Craig Schafer

STAFF PRESENT: Sharon Hanson, City Administrator, Jason Anderson, Director of Public Works/City Engineer; Jim Marshall, Director of Public Safety; E.J. Moberg, Director of Administrative Services; Preston Stensrud, Parks and Rec Supervisor; Scott Truedson, Wastewater Supervisor; Quentin Brunsvold, Fire Chief; Stephen Zimmer, City Administrator Intern; Karla Drown, Finance Director; and Dean Coudron, Public Ways Supervisor.

Chairman Lozinski called the meeting to order at 4:00 PM

Consider Approval of the Minutes

Motion by Schafer, seconded by Lozinski to approve the minutes as presented. All voted in favor. Motion passed 2-0.

Utility Vehicle for the Fire Department

Brunsvold provided a quick background on the specifications that were being asked to be put out for bid. The Fire Department purposely went with very generic specs to encourage a variety of bids. Lozinski asked if this was going to replace a current unit or would be an addition. Brunsvold clarified that this would be a replacement for the current unit and after talks with Stensrud the Fire Department would be passing the current unit down to the Parks Department. The current UTV has a closed body and was installed with a snowplow which would be well used by the Parks Department. Schafer asked about the body and carrying capacity of the proposed unit. The new unit to be bid on would not include a plow or a closed body. The bed portion would just need to be long enough to carry the skid unit and needed to be a composite box or have a spray liner as the previous UTV had a lot of rust issues. The proposed unit would also be moving to a gasoline engine instead of diesel for ease of maintenance and convenience. Brunsvold talked to a few dealers and it sounded as if the bids would be coming in well under budget and trade-in offers weren't enticing, hence the suggestion to give the old UTV to the Parks Department.

Motion made by Schafer, Seconded by Lozinski to authorize the Fire Department to advertise for bids for a Utility Vehicle. All voted in Favor, the motion passed 2-0.

Enterprise Vehicle Leasing

Moberg led the discussion about the 22 leased vehicles through Enterprise Fleet Management. Moberg had inquired with Baker Tilly about Capital Equipment Notes and Minnwest Bank about options to buyout the fleet. The total remaining payments which included interest and management fees was \$566,611.13 and there would be an additional \$251,150.25 in residual to own the vehicles outright. Enterprise would also need to be compensated \$8,850 to transfer the titles to the City of Marshall. The committee asked various questions regarding terms and interest rates. Baker Tilly estimated that the city would incur roughly \$55,000 in issuance costs and have an interest rate of 4.8% for short term capital equipment notes. Minnwest Bank would have a much smaller closing cost of \$1000 but the interest rate would be higher than the notes and could change until we lock in a rate. Staff recalled that vehicles used to be purchased through a mixture of levy and equipment bonding. Lozinski suggested that vehicles be rotated every 10 years and to use 5-year bonds except for Police Department vehicles. The Police Department Vehicles would need to be cycled quicker because of higher use. Director Marshall indicated that upfitting times for vehicles has become problematic and could take up to a year before a vehicle would be put into service unless proper timelines for procurement were in place. With Enterprise it was always a guess when vehicles would show up and if one were to show up unexpectedly for PD it might sit for a year unused while we continued to pay on the lease because it couldn't be equipped with proper equipment.

Motion made by Schafer, Seconded by Lozinski to have staff look into financing options to buyout the Enterprise Fleet Management leases and future vehicle purchases, along with staff to create a vehicle procurement policy.

Adjourn

Motion by Schafer, second by Lozinski to adjourn the meeting. Motion passed 2-0. The meeting was adjourned at 4:36 PM.

Respectfully submitted,
Steven Anderson
City Clerk