

TO: Board of Aldermen  
FROM: Public Works Director  
DATE: 07/14/2025  
SUBJECT: Skid Steer Replacement

#### REQUESTED INFORMATION

1. Hours Used Annually & Rental Cost Comparison

Public Works is currently using the Gehl skid steer at a rate of approximately 275 hours per year. Rental of a comparable unit on an as-needed basis would cost approximately \$34,000 annually, factoring in 68 uses and standard delivery fees. A full-year rental would cost \$57,600 annually.

2. Estimated Insurance Cost (Ownership)

The City currently pays \$390/year in insurance for the existing Gehl skid steer.

3. Repair & Maintenance Costs (Ownership)

Routine maintenance is averaging approximately \$633/year. One-time repair cost of \$1,789 (door replacement) was incident-based and not representative of typical upkeep.

4. Trade-in/Resale Value of Case 60XT

The current Case 60XT skid steer is inoperable and would cost over \$12,000 to repair (best case). Estimated sale value in its current condition is \$5,000–\$10,000.

#### Summary

Estimated annual cost of ownership (insurance + maintenance): ~\$1,500/year

Estimated annual rental cost: \$34,000 (as needed)–\$57,600 (entire year)

#### OPTIONS:

1. Buy it: \$105,000, allows us to use this piece of equipment at a moment's notice without the need to schedule delivery, or send a crew to pick it up, saves the city \$8,067 in less than two years compared to renting
2. Rent it: costs more, rent what we need when we need it, no additional ownership costs, so long as there are no damages to the machine itself.
3. Do nothing: stick with what we have

#### Recommendation:

Based on comparative cost, operational demand, and available grant funding (\$30,000), the most cost-effective and operationally sound option is to purchase a new skid steer and surplus the Case 60XT.