

# CITY OF HENDRUM

## Special Council Meeting Minutes

May 15, 2023

### CALL TO ORDER

Mayor Johannsen called to order the special meeting of the City of Hendrum council at 7:35 pm on May 15, 2023 in the board room of the Professional Building located at 308 Main Street East in Hendrum, Minnesota. The Pledge of Allegiance was recited.

### ROLL CALL

The following council members were present: Brian Schlapkohl, Paul Baukol, Michael Smart, Lues Lopez and Curt Johannsen.

The following city personnel were present: Keri Plemmons, Clerk-Treasurer.

### PURPOSE

A special meeting of the Hendrum City Council was called to decide what to do about the city tractor. Two options were presented. The first option is to keep the current tractor, which is no longer covered under warranty. The current tractor has approximately \$15,000.00 in transmission repairs to make it operable and won't be available for 4-8 weeks. In addition, the final balloon payment of \$20,600.00 is due this month. The second option is to trade in the tractor and enter into a new lease agreement for either a new or used tractor. There is currently a government program that offers municipalities an option to purchase brand new tractors for 30% off the listed price. The price of a new tractor is approximately the same as a used tractor and the new tractor will be eligible for the purchase of an extended warranty to cover repairs needed during the entire lease agreement payment schedule. Cost estimates for a new tractor and two comparable used tractors were reviewed. A decision was made by the council to trade in the city tractor and enter into a lease payment agreement to purchase a new Case IH Farmall 120 MFWA Tractor with the extended warranty.

*MOTION: P. Baukol moved; seconded by M. Smart to enter into a lease payment agreement with United Lease and Finance, Inc. to purchase a new Case IH Farmall 120 MFWA Tractor and extended warranty for \$79,841.00 and to authorize Mayor Johannsen and Clerk-Treasurer Plemmons to sign any documents necessary to effectuate the agreement.*

*BAUKOL: aye; JOHANNSEN: aye; LOPEZ: aye; SCHLAPKOHL: aye; SMART: aye. MOTION PASSED.*

### ADJOURNMENT

*B. Schlapkohl moved; seconded by L. Lopez to adjourn the meeting at 8:02 pm.*

Minutes submitted by: Keri Plemmons, Clerk-Treasurer