



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Details (With Text)

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Title: AUTHORIZE PURCHASE OF WHEEL LOADER FOR 2019 CAPITAL EQUIPMENT
Sponsors: Joe Huss

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Date	Ver.	Action By	Action	Result
9/6/2018	1	City Council	Adopted	Pass

ADMINISTRATION - *Joe Huss, Finance Director*

AUTHORIZE PURCHASE OF WHEEL LOADER FOR 2019 CAPITAL EQUIPMENT

One of the primary pieces of equipment used for snow operations and general maintenance, a 1991 Caterpillar Wheel Loader, has experienced significant mechanical problems and will not be usable for this winter’s snow season. Specifically the transmission has lost its second gear and the third gear is failing. Repairs are estimated in excess of \$50,000 and it does not make economic sense to put that amount of money into a piece of equipment of this age and condition. Replacement of this loader is the top priority of Public Works equipment for 2019.

Staff is requesting that Council authorize the purchase of a new wheel loader in advance of the final adoption of the 2019 Capital Equipment Budget and approve a preliminary budget of \$230,000 for the loader. The loader would be purchased from Ziegler through a state contract and the purchase would conform to all bid statutes and processes.

With this approval, staff can place an order immediately and receive delivery of the new loader in time for the 2018-19 snow season. Lead-time on equipment of this size is typically 10-12 weeks. Payment will still occur from funds appropriated for 2019.

Council review of proposed capital equipment purchases typically occurs at Workshops throughout the fall. The consideration of the rest of the capital equipment budget will occur at upcoming workshops including a five-year outlook for the Capital Equipment Fund.

It has become customary of the Council to fund capital purchases with the use of unrestricted General Fund reserves when those reserves are available. Current projections indicate that

there will be sufficient available unrestricted reserves remaining at 2018 year-end to fund this purchase.

By motion, approve the following resolution.

WHEREAS, Public Works staff has examined the current condition of its 1991 Caterpillar Wheel Loader and has found the loader to be in disrepair; and

WHEREAS, staff has determined that the costs to repair the loader to working condition is not economically feasible; and

WHEREAS, there is a request to purchase a replacement wheel loader in the 2019 Capital Equipment Budget; and

WHEREAS, staff is requesting Council approval to purchase a new wheel loader in advance of adopting the 2019 Capital Equipment Budget in order to make use of the loader for the 2018-19 winter season.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Blaine as follows:

1. That the 2019 Capital Equipment Fund Budget will include an appropriation of \$230,000 for the purchase of the wheel loader.
2. That the City Manager is authorized to purchase a Caterpillar Model 938M wheel loader from Ziegler Cat through State of Minnesota Cooperative Purchasing bid for an amount not to exceed \$230,000.

BE IT FURTHER RESOLVED by the City Council of the City of Blaine that, where allowed, the City intends and reasonably expects to reimburse itself for this purchase out of the proceeds of a borrowing (certificate of indebtedness) to be made by the City after the date of payment of the expenditures.

PASSED by the City Council of the City of Blaine this 6st day of September 2018.