

MINUTES OF THE SPECIAL MEETING OF THE VILLAGE OF BENZONIA  
1276 MICHIGAN AVENUE  
BENZONIA, MI 49616  
Thursday, June 14, 2018  
POSTED: Monday, June 11, 8:00 p.m.

PRESENT:

PRESIDENT: Flynn  
COUNCIL: Heyn, French, Rankin, Bair, Scholten  
CLERK: Nye  
VISITORS: None  
EXCUSED: Misner

CALL TO ORDER: The Special Meeting of the Benzonia Village Council was called to order at 10:00 a.m. by President Flynn.

ATTENDENCE TAKEN BY CLERK

The purpose of this meeting is to address the purchase of a new multi-use tractor as well as anything else within the authority of the Council.

Trustee Rankin shares that he has consulted with Bob Kerby regarding the purchase of the tractor and his opinion is that the tractor is ideal and will never wear out. Rental fees for this type of equipment are extreme and include delivery and pick-up fees.

President Flynn shares the reason for the Special Meeting is that delivery of this piece of equipment, if approved, is three months or more. Act 51 Training Seminar attended by President Flynn, Trustee Rankin and Clerk Nye was 99% regarding accounting for Act 51 monies; these monies can be used to purchase equipment.

Clerk Nye reviews financial documents including:

- Most current Treasurer's report; fund balances and CD amounts
- Budget documents; amounts in contingency funds
- Estimated Distribution for Michigan Transportation Funding; estimated future payments of Act 51 monies
  - Email from Trustee Misner included in packet stating her opinion that a purchase of this magnitude be financed instead of purchased outright to not limit Village cash flow in case of an emergency.

Extensive discussion regarding financing or paying cash for tractor. Financing may impact ability to be bonded for MDOT 2020 Streets Project. If paid outright, new snow plow truck will definitely need to be financed or at least partially financed.

Financing Options:

- Cash Pool: Transfer a portion of Motor Vehicle Funds to Street Funds and pay Major and Local Street amounts in proportion to % of streets in Village.
- Finance Purchase at 5.0994% - paying an additional 12,066.82 in interest
- Finance Purchase Five Years with Balloon – payment \$500.00 less a month with a balloon payment at the end of 28,240.00 – paying an additional \$15,423.22 in interest.

Trustee Scholten has been consulting with Jeff Bower, MI CAT, on this particular tractor. Model sits at the lower end of the spectrum for what we need it for but would allow Boman and Marshall to do their job safely and effectively. Options for this tractor have been researched for the last two and a half months. Ultimately won't have to worry about this tractor during current Council tenure and passing along an excellent piece of equipment that holds its value. Tractor will displace at least two pieces of equipment that will be sold on RangerBid. Trustee Scholten acknowledges Trustee Misner's email but after review of the financials, prefers pooling the money and buying outright.

The Caterpillar 415F2IL is a multi-purpose tractor that will include an oscillating brush, bucket and forks. Thirty-two implements available. The tractor, if purchased outright, would belong to Streets and other funds would be charged hourly for its use based on State of Michigan established equipment fees.

**French moves, supported by Rankin, to approve the purchase of a Caterpillar 415F2IL using funds as follow: \$20,000.00 to be transferred from Motor Vehicle Fund to Streets Fund and remainder paid by Major and Local Streets with amounts to be determined by % according to distance of streets. Purchase not to exceed \$90,287.58. Ayes – Heyn, French, Rankin, Bair, Scholten, Flynn. Nays – None. Motion Carried. Misner – Excused.**

**Scholten moves, supported by French to adjourn meeting at 10:49 a.m. Ayes – All. Nays – None. Motion Carried. Misner Excused.**

Respectfully submitted,

Rhonda Nye,  
Village Clerk

DRAFTED: June 14, 2018 APPROVED: July 2, 2018