

MEMO

TO:	Members of the Common Council
FROM:	Adam Wason, Public Works Director Joe VanDeventer, Director of Street Operations
DATE:	08/11/23
RE:	Milling Machine Lease - Purchase

Following our 2022 paving season, and during our routine and preventative maintenance work on our 2013 Bomag milling machine, it was discovered that a major component of the machine was needing replaced, and that it may be time to retire the machine. After many delays, and setbacks in delivery of the parts from the manufacturer in Germany, it was discovered that the repair necessary was not able to be completed with in-house equipment and staff. Outside vendors were months out from being able to do the work, and we entered into an emergency lease agreement for a Caterpillar milling machine so that we did not lose time or progress on our paving season.

The lease agreement stipulates that we have the option to purchase the machine, with a trade-in credit for our current machine. Our plan is to reallocate capital dollars intended for the purchase of other capital equipment (tri-axle dump trucks), and purchase the milling machine with those dollars. During the end of year appropriation ordinance, we plan to request moving funds from our supplies (300) lines, to our capital (400) lines to recapture funds to execute the purchase of the other capital equipment we're forgoing at this time.

We find this to be a necessary and important purchase to continue maintaining our transportation network and request your approval of the resolution.