

Bear Lake County Commissioners' Special Meeting

November 21, 2022

Commissioners' Chambers – Paris, Idaho

The Board of Bear Lake County Commissioners met for a special meeting at 9 a.m. Monday, August 29, 2022, in the Commissioners' Chambers in Paris, Idaho. Members present were Commission Chairman Vaughn N. Rasmussen, Commissioner Bradley D. Jensen, Commissioner Rex L. Payne, and Amy Bishop, Clerk of the Board. Also in attendance were Commissioner-Elect Wynn Olsen, Bear Lake County Fire Chief Mark Parker, County Superintendent Todd Boehme and Deputy Clerk Paul Christiansen.

MOTION: Commissioner Payne made a motion to approve the agenda for the meeting. The motion was seconded by Commissioner Jensen. The motion carried.

TODD BOEHME – County Superintendent

*** ROAD & BRIDGE CATERPILLAR MOTOR GRADER LEASE AGREEMENT(S) – ACTION ITEM**

Commissioner Rasmussen reminded both the Board and others in attendance that this special meeting had been called because new lease agreements – if the county opted to enter into any – had to be signed and returned by December 10, 2022. That date is two days before the Board's next regular meeting – scheduled for December 12, 2022 – so the Board opted to hold a special meeting in order to take action, if appropriate, and sign the lease agreement before the expiration date.

Commissioner Rasmussen also said the pending consideration of these equipment agreements had been discussed during the Board's last regular meeting on November 14, 2022, but because the item had not been added and published to the agenda as an action item, the Board had not been able to take any action on it.

County Superintendent Todd Boehme reviewed the contract options with the Board. The Road and Bridge Department's lease agreement for a 2017 140M3 Motor Grader – which began November 13, 2017 – had ended this month. The county now has the option to purchase that motor grader – designated as #57 – for \$200,000.32 under the original agreement. Alternatively, the county can enter into a new lease agreement for a new machine for an annual lease payment amount of \$56,952.79.

While lease payments have risen considerably since the time the county entered into its 2017 agreement – with yearly costs up from \$34,600.68 – there are benefits to leasing. Chief among these is that all costs of regular maintenance and repairs are under warranty for the life of the lease and at no added cost to the county, Boehme said. If the county were paying for these repairs itself, it would be paying a large amount out of pocket.

In the November 15 meeting, Boehme reported #57 has been using has seen just under 4,000 hours of use. If the county enters into a new lease agreement, Boehme said he believes the best option is for an agreement of five years with up to 5,000 hours of use. Additionally, he said, if the county decides it wants to enter into a new lease agreement, the lease won't begin until the new grader is provided to and in possession of Bear Lake County – something that, due to supply chain issues, could be about six

months. Until it takes possession of the new motor grader, Bear Lake County will be allowed to keep the current grader at no cost for continual use.

MOTION: Commissioner Jensen made a motion for the county to trade in the motor grader, known as #57, and begin a new lease for a replacement motor grader. The motion was seconded by Commissioner Payne. The motion carried.

Boehme said there is an option for the county to enter into an additional lease agreement. He reminded the Board that the county owns outright a motor grader – designated as #45 – that is beginning to show signs of serious mechanical failure. Because the Board had approved a new lease agreement and had elected to not purchase #57, Boehme said his department has the extra capital to pay the lease payment for a second piece of equipment should the county wish to enter into another lease and replace #45.

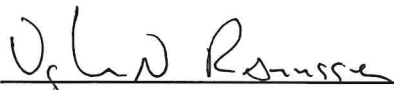
If that were to happen, Boehme said, the county can collect some trade-in value for #45. Additionally, whatever money was collected on trade-in could be applied to the lease payment and effectively lowering it, he said.

Commissioner Jensen said that before the Board could approve the trade-in of the motor grader, it would have to know what the value was. If the trade-in value was too low, it might be just as well for Bear Lake County to keep #45 to add to its fleet as a backup, he said.

MOTION: Commissioner Jensen made a motion to accept and sign a new lease agreement for a second motor grader to replace #45, with the caveat the county may elect to keep #45 based on the trade-in value that is determined. The motion was seconded by Commissioner Payne. The motion carried.

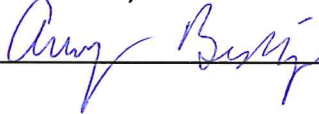
MOTION: Commissioner Jensen made a motion to adjourn from the Special Meeting. The motion was seconded by Commissioner Payne. The motion carried.

The meeting adjourned at 9:27 a.m.



VAUGHN N. RASMUSSEN, Chairman

ATTEST:



12-12-22
Date Approved

