

Town of Crystal Bay

Special Board Meeting
Finland Community Center

Minutes

May 4th, 2023

- I. Attendance: Colby Abazs, Russ Vance, Paul Hartshorn, Karl Klinker, Doug Perfetto, Mike Nikula, Amy Nikula, Danielle Hefferan, Anna Lasky, Lise Abazs, Randy Josephson, Stacy Breden, Gary Olson.
- II. Paul called the Special Meeting of the Crystal Bay Town Board to order at 3:30 pm with the Pledge of allegiance.
- III. Special Business
 - A. Grader Major Repair Payment
 1. Clerks report attached.
 2. MOTION: To use NSFCU to acquire a bond to pay the grader repair bill. Motioned by Russ, Seconded by Paul, No Ahe votes motion fails.
 3. Community discussion: How did we get into this situation of having such a large bill on a new to us grader that we are still paying off? Were competitive quotes collected for this repair? Doug was advised by other government entities to use Ziegler.
 4. Doug and Paul checked out the grader before purchase. There was a cracked manifold. Purchased through McCoy Forestry.
 5. Can we look into any implied warranties?
 6. There are potential legal avenues where the Town and tax payers dollars would not have to pay this bill. This would require further looking into by a lawyer.
 7. MOTION: to retain a lawyer to look into the recent grader purchase and repair and what remedies might be available to the town. The Clerk will engage with Troy Gilchrist(800-788-8201), Peter Tiede(651-964-2518), and Costley(218-834-2194) to attain hourly rates and expected costs for this work. Motioned by Paul, Seconded by Russ, Passed by unanimous consent.
 - B. Clerks Transition:
 1. MOTION: to appoint Stacy to fill the upcoming vacancy of Clerk. Motioned by Russ, Seconded by Karl, Passed by unanimous consent.
- IV. MOTION: to adjourn the meeting at 4:07 pm until May 16, 2023 at 7:00 p.m. at the Finland Community Center. Motioned by Russ, Seconded by Paul.

Road Grader Repair Report

Information gathered by the clerk, Colby, for the May 4th special board meeting.

Scope of Repairs:

Gathered by the Clerk in conversation with Ethan(707-272-3478) who was the primary maintenance contact at Ziegler Cat.

- Dec 27th machine went in for transmission removal, replacement and troubleshooting. Was originally going to be a field job but later was brought to the shop.
- Jan 23rd started work on it. Asked Doug about scope of work and Doug expressed every leaky or worn out potential leaks to be fixed. Give him a call and let him know what all needs fixing. Circle work, light work, cab fan, back up alarm, engine coolant leaky, oil pan, cylinders, fuel sending unit(should be warranty covered), gear pump repaired, blade work and various odds and ends found in initial inspection.
- Jan 26th asked about also looking at differential as it can also fail when the transmission does.
- Jan 30th PM4 2000hr service items.
- Feb 2nd hydraulic control valve got approved to be fixed.
- Feb 7th duo cone seals were leaking so replaced since the whole back half of the machine was broken down.
- Feb 13th center shift lock.
- Week of April 10th Spoke with Doug about not wanting any formal quotes and Doug talked about wanting to buy a new tractor.
- State of tractor right now. Transmission is in and some hoses need to be installed. Work left is to just put everything back together so no new work should be needed.
- Throughout, Ethan asked Doug about what work was wanted to be done now or delayed till later. Not all work was essential for getting the tractor working from the transmission failure.

Financials:

Currently we have about \$65k remaining on the current loan which was used to purchase the grader back in July. We got a detailed invoice for work already done on the grader for \$119,164.71 and an estimate of \$6000 to put the machine back together.

Loan Options:

Both North Shore Federal Credit Union and Park State Bank use the same law firm and are willing to underwrite the loan. Towns are not allowed to take out regular commercial loans and must go through a bonding process that has several avenues of how it can be structured and requires a lawyer to put together the paperwork. Both banks offered to have their lawyer draft the paperwork but MAT general counsel person, Steve, advised we should get our own lawyer so that they are working for us, not the bank. Steve also advised that a Certificate of Indebtedness would likely be the best option and they are for up to 10 years and governed by state statute 366.095. Troy Gilchrist(800-788-8201) and Peter Tiede(651-964-2518) were both recommended as lawyers who are very familiar with township law. From a brief internet search the Clerk recommends Troy as the likely best candidate.

Other Items of Note:

Steve recommended that we should have our lawyer also look at any warranties that were given at time of purchase and if there were any false claims as to the condition of the machine under which we made the purchase.

Steve also noted that there were procedural steps that were not followed according to contract law that the Town is governed by and that violating the contract law is a crime on the supervisors, state statute 471.345(the most relevant language below)

Subd. 4. Contracts exceeding \$25,000 but not \$175,000. If the amount of the contract is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.