

UMATILLA/MORROW RADIO & DATA DISTRICT

Special Meeting

Hermiston Fire Station #3

March 20th, 2012

Present: Kathy Lieuallen, Director Keith Kennedy, Director
Ken Matlack, Director (arrived @ 1:35) Mike Roxbury, Director
Absent: Marc Rogelstad, Director
Guests: None
Staff: Shawn Halsey Rosanna Brown

I. Call to Order and Recognition of Guest(s)

The meeting was called to order at 1:33 and no guests were present. Director Matlack arrived at 1:35pm. Director Rogelstad was absent.

II. Changes/Additions to the Agenda: None

A. Vehicle Purchase \$29,798.16

1. Vehicle Description

Shawn and Director Roxbury previously discussed the need for a vehicle for the district, in addition to the service truck. The service truck is not fuel efficient and the price of diesel has continued to increase. It is impractical for Shawn and his employee to drive personal vehicles and would cause insurance complications. A Tahoe was chosen over a more fuel efficient vehicle (Prius) because it will be able to handle rough terrain and weather and carry cargo. The Tahoe is equipped with the Special Service package. Director Roxbury advised Shawn to obtain a price quote and bring it to the board.

Shawn contacted Hubbard, a dealership that deals with state contracts for public vehicles. They offered a Chevy Tahoe for \$29,798.16 and had to have the order by March 15. Shawn placed the order, with the knowledge that it could be cancelled by March 22 if the board did not approve the purchase. Shawn additionally needed approval to pay for the vehicle in full or sign up for a Flex-Lease.

Director Matlack discussed the possibility of using another dealer and getting a better price. He found that the price could be \$1000 less, however the costs for service and cleaning would cut into that savings. Director Roxbury suggested Hubbard to Shawn because they have the Flex-Lease option and it is a Special Districts process that he is familiar with. Additionally, using Hubbard would be a way to avoid going out for public bidding, which has its own costs.

Shawn reported that he attempted to obtain a bid from Sherrell Chevrolet but was unable to. Director Matlack had spoken to Sherrell about getting a price. He attempted to contact Sherrell during the meeting, but was unable to speak to the representative he has spoken to previously. Additionally, if the board decided to take a bid from Sherrell, there may be complaints from other dealerships that would have liked the opportunity to offer a bid.

Directors Matlack, Roxbury, and Kennedy all agreed that, since Shawn is always on call, he should take the vehicle home each evening.

A motion to approve the purchase of the Chevy Tahoe, as bid by Hubbard for \$29,798.16, was made by Director Kennedy and seconded by Director Matlack.

Aye: Director Lieuallen, Director Matlack, Director Roxbury, Director Kennedy Nay: None

2. Purchase Options

Director Kennedy suggested using Flex-Lease to pay for the vehicle and Shawn discussed the option of moving money in the budget to pay in full. Director Roxbury pointed out that, with the Flex-Lease, the district can pay off the vehicle at any time without a penalty and it will establish credit and a relationship with Leasing Specialists LLC. Leasing Specialists LLC is used by SDAO for Flex-Leases. There will be times in the future that a lease will be needed for other equipment and this would be a good time to start a relationship. Leasing Specialists LLC provide leases for anything and the lease is a standard non-appropriation lease so the vehicle could be given back without any loss to the district if the budget committee were to deny continued funding. This purchase would not encumber future boards or budgets. Shawn clarified that the additional finance cost would be less than \$100 per month with a lease.

The other possibility is to pay for the vehicle in full, by using \$10,000 from the vehicle line and moving \$20,000 from the bookkeeping line.

Shawn's recommended using the Flex-Lease and paying off the vehicle in the next budget year.

A motion to purchase the Chevy Tahoe, at the quoted amount, using the Flex-Lease option was made by Director Matlack and seconded by Director Kennedy.

Aye: Director Lieuallen, Director Matlack, Director Roxbury, Director Kennedy Nay: None

VIII. Adjourn

A motion to adjourn the meeting at 2:06pm was made by Director Lieuallen and seconded by Director Kennedy.

Aye: Director Lieuallen, Director Matlack, Director Roxbury, Director Kennedy Nay: None

Next meeting is scheduled for April 3rd, 1:30 p.m. at Hermiston Fire Station #3.