

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT
Acting City Manager, Treasurer, Finance and Technology Director
DATE: September 29, 2016
RE: Sale of 1990 Grumman 102' Aerial Firefighting Vehicle

For the Agenda of October 3, 2016

Background: After a very lengthy and thorough evaluation process in 2015 the City Commission authorized the purchase of a new 2015 E-One 78' Aerial firefighting vehicle. Included within the financial analysis of the purchase of this new vehicle was the sale of the City's 1990 Grumman 102' Aerial Firefighting Vehicle. During a subsequent meeting the City Commission authorized the use of a third party broker to assist the City in the sale of the City's old 1990 Grumman as our efforts were not yielding success.

After several months of minimal interest in the Grumman we have secured an offer of \$31,000 from Kurtz Brothers of Groveport Ohio. Kurtz Brothers is a mulch processing facility and as such they are not interested in the Federal Q Siren or any of the ground ladders that are installed on the Grumman so this purchase price does not include any of those items. If the City Commission approves this sale the siren will be installed on the Engine 1842. Additionally, if the Commission approves the ground ladders will be sold to the highest bidder or at auction through a separate sale.

Additionally, within the brokerage contracts for the sale of the Grumman we agreed to pay a commission to the company that facilitated the sale based upon the selling price. Based upon the \$31,000 selling price the brokerage fee is ten percent or \$3,100. This fee will be paid separately and not netted from the proceeds of the sale of the vehicle.

Issues & Questions: Should the City Commission approve the sale of the 1990 Grumman Aerial Firefighting unit to Kurtz Brothers and the ground ladders separately?

Alternatives:

1. Approve the sale of the vehicle and ladders.
2. Don't approve the sale of the vehicle and/or the ladders.
3. Set the decision aside to a subsequently scheduled public meeting.

Financial Impact: The sale of the vehicle will net the City \$27,900 after the payment of the brokerage commission (\$31,000 - \$3,100). We also anticipate that the sale of the ground ladders will yield between \$1,000 and \$2,000.

Recommendation: The City Manager and the Fire Chief recommends that the City Commission approve the sale of the 1990 Grumman 102' Aerial Firefighting Vehicle, not including the Federal Q Siren or the Ground Ladders, to Kurtz Brothers at a price of \$31,000 by adoption of Resolution 2016-116.

Recommendation is further made for the City Commission to approve the sale of all of the ground ladders carried on the Grumman by bid or through auction at the highest possible price also by adoption of resolution 2016-116.

Attachments:

1. FireTec Used Apparatus Sales Agreement between the City of Clare and Kurtz Brothers Central Ohio, LLC.
2. Resolution 2016-116.

FIRETEC

Used Apparatus Sales

PO Box 177
Randolph, VT 05060
Phone (802) 728-9226 Fax (802) 728-9206
Toll Free (800) Firetec
E-Mail firetec@firetec.com

Offer / Sales Agreement

Date: September 23, 2016

List No. : **LP-11541-163**

BUYER ID: 61868

Department or Individual Name Kurtz Brothers COH, LLC Lenny Neal

Address, City, State, Zip 285 Rohr Rd Groveport OH , 43125

Offers the Sum of Thirty One Thousand and 00/100----- dollars

for the purchase of a 1990 Grumman , Ladder with Pump

presently owned by Clare Fire Dept James Chapman Chief

Address, City State, Zip 202 W 5th St Clare , MI 48617

V.I.N: 1G9ACHDT6KR088040

Terms:

31,000 .00 Total Purchase Price

.00 Less Deposit

.00

31,000.00 Balance Due prior to pick-up on or before October 15, 2016

Subject to the following:

1 - As is, where is, with no implied or expressed warranties

2 - Seller will remove the ground ladders and Federal Q Siren prior to pick-up as they are not included in the sale

All parties agree that Firetec Apparatus Sales, has brought about this sale and that the seller has already agreed to pay a brokerage commission in a separate contract with Firetec. The above terms and conditions are approved by the parties and the exchange of any monies, constitutes a contract between the parties. This agreement cannot be changed orally. All parties must agree to any changes to this agreement. All changes must be in writing with signatures of all parties. All parties recognize that faxed contracts and signatures are considered legal and binding.

Authorized Agent- Buyer

Authorized Agent - Seller

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RESOLUTION 2016-116

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE SALE OF THE 1990 GRUMMAN 102' AERIAL FIREFIGHTING VEHICLE TO KURTZ BROTHERS CENTRAL OHIO, LLC.

WHEREAS, the City of Clare after a lengthy and thorough evaluation purchased a new E-One 78' Aerial Firefighting Vehicle in 2015; and

WHEREAS, as part of the financial analysis of the purchase of the new aerial firefighting unit a decision was made to sell the City's 1990 Grumman 102' Aerial Firefighting Vehicle; and

WHEREAS, the City contracted with brokerage firms to assist in the sale of the 1990 Grumman through their national sales network; and

WHEREAS, as a result of the brokerage agreements the City has received an offer to purchase the Grumman, not including the Federal Q Siren or any of the ground ladders, from Kurtz Brothers of Groveport, Ohio at a price of \$31,000.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves the sale of the 1990 Grumman at a price of \$31,000 to Kurtz Brothers, said sale to not include the Federal Q Siren or any of the ground ladders.

BE IT FURTHER RESOLVED THAT the City Commission hereby further approves the sale of all the ground ladders that were carried by the 1990 Grumman through separate bid or auction at the highest possible price which is anticipated to be between \$1,000 and \$2,000.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 3rd day of October 2016.

Diane Lyon, Clare City Clerk