City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Gerald L. Clausen, *City Manager*

FROM: Jack Wardell, *Director of Parks & Recreation* JW

DATE: April 6, 2016

SUBJECT: Golf Car Lease Agreement

- 2016 Golf Car Equipment Lease
- Sale of the Thirty (30) 2010 E-Z-GO Golf Cars
- Resolution Fixing Date for a Meeting on the Authorization of a Lease-Purchase Agreement With Costs Not to Exceed $160,000

PRE-BID ESTIMATE: Yearly lease payment $25,500.00; Sale of the 2010 E-Z-GO cars for $75,000.00.

In July 2015 the lease agreement expired for golf cars at the Municipal Golf Course. Since then the golf cars have not had major problems, just routine maintenance you would find with 5 year old golf cars. Staff believes it is time to acquire new golf cars while the current golf cars are in good shape and we can get a good purchase price for them. Staff sent bid proposals to three golf car suppliers for the lease of thirty (30) golf cars for the next four (4) years with an Alternate bid for an outright purchase of the thirty (30) cars. Attached is the bid opening report. The bid proposal requested a four (4) year lease period, but asked bidders to include other lease options, specifically lease purchase options.

Things that make the E-Z-GO bid attractive are the following:

1. E-Z-GO has the lowest bid for a 4-year lease and lowest price for the outright purchase.
2. H&H Sports of Carroll would provide maintenance on the cars during the 4-year lease period.
3. We have had excellent performance of golf cars on a 4-year lease basis.
4. The lease purchase option at the end of the 4-year period allows the City to purchase the golf cars if desired. But that decision can be deferred until then.

Advantages to an outright purchase rather than the 4-year lease option would is the City of Carroll would save $8,042.40 in interest. Also, the warranty is the same on an outright purchase vs. 4-year lease.

If Council would like to enter into a lease-purchase agreement, State Code requires a public hearing to enter into the agreement. The first step in that process is to set a public

hearing date for the next Council meeting, April 25, 2016, to conduct a public hearing. Attached is a resolution to set that public hearing date and cause for notice to be published in The Daily Times Herald. If it is not desired to enter into a lease-purchase agreement, no action is required on the attached resolution.

RECOMMENDATION: Mayor and City Council consideration and approval of the alternate bid of an outright purchase of 30 (thirty) E-Z-GO cars for $126,630.00 minus the sale of the thirty (30) 2010 E-Z-GO cars for $75,000 for a total purchase price of $51,630.00 from Miller and Sons Golf Cars, Britt, Iowa.

April 11, 2016

The City Council of the City of Carroll, Iowa, met in regular session, in the Council Chambers, City Hall, 112 E. 5th Street, Carroll, Iowa, at 5:15 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

_____

Absent: _____

* * * * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION FIXING DATE FOR A MEETING ON THE PROPOSITION TO AUTHORIZE A LEASE-PURCHASE AGREEMENT WITH COSTS NOT TO EXCEED $160,000 FOR THE ACQUISITION OF GOLF COURSE EQUIPMENT AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF", and moved that the same be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION NO. _____

RESOLUTION FIXING DATE FOR A MEETING ON THE PROPOSITION TO AUTHORIZE A LEASE-PURCHASE AGREEMENT WITH COSTS NOT TO EXCEED $160,000 FOR THE ACQUISITION OF GOLF COURSE EQUIPMENT AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, it is deemed necessary and advisable that the City of Carroll, Iowa, should enter into a lease-purchase agreement with costs not to exceed $160,000, as authorized by Sections 362.4(4) and 384.25 of the Code of Iowa, for the purpose of providing funds to pay costs of acquiring golf carts for the Carroll Municipal Golf Course as hereinafter described; and

WHEREAS, the term of the proposed Lease does not exceed the economic life of the personal property to be acquired; and

WHEREAS, the lease-purchase agreement shall be payable from the General Fund; and

WHEREAS, before a lease-purchase agreement may be authorized, it is necessary to comply with the provisions of the Code, and to publish a notice of the proposal and of the time and place of the meeting at which the Council proposes to take action for the

authorization of the lease-purchase agreement and to receive oral and/or written objections from any resident or property owner of the City to such action.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARROLL, IOWA:

Section 1. That this Council meet in the Council Chambers, City Hall, 112 E. 5th Street, Carroll, Iowa, at 5:15 P.M., on the 25th day of April, 2016, for the purpose of taking action on the matter of the authorization of a lease-purchase agreement, the costs of which will not exceed $160,000, to provide funds to pay costs of acquiring golf carts for the Carroll Municipal Golf Course.

Section 2. That the Clerk is hereby directed to cause at least one publication to be made of a notice of such meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in the City, the publication to be not less than four clear days nor more than twenty days before the date of the public meeting on the authorization of the lease-purchase agreement.

Section 3. The notice of the proposed action to authorize the lease-purchase agreement shall be in substantially the following form:

NOTICE OF MEETING OF THE CITY COUNCIL OF THE CITY OF CARROLL, IOWA, ON THE MATTER OF THE PROPOSED AUTHORIZATION OF A LEASE-PURCHASE AGREEMENT WITH COSTS NOT TO EXCEED $160,000, FOR THE ACQUISITION OF GOLF COURSE EQUIPMENT AND THE PUBLIC HEARING ON THE AUTHORIZATION THEREOF

PUBLIC NOTICE is hereby given that the City Council of the City of Carroll, Iowa, will hold a public hearing on the 25th day of April, 2016, at 5:15 P.M., in the Council Chambers, City Hall, 112 E. 5th Street, Carroll, Iowa, at which meeting the Council proposes to take additional action for the authorization of a lease-purchase agreement with costs not to exceed $160,000, the proceeds of which will be used in order to provide funds to pay costs of acquiring golf carts for the Carroll Municipal Golf Course.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of the City, to the above action. After all objections have been received and considered, the Council will at this meeting or at any adjournment thereof, take additional action for the authorization of the lease-purchase agreement or will abandon the proposal.

This notice is given by order of the City Council of the City of Carroll, Iowa, as provided by Sections 362.4(4) and 384.25 of the Code of Iowa, as amended.

Dated this _____ day of _____, 2016.

_____

City Clerk, Carroll, Iowa

(End of Notice)

PASSED AND APPROVED this 11th day of April, 2016.

_____
Mayor

ATTEST:

_____
City Clerk

TXT
PLATINUM

CITY OF CARROLL
Parks and Recreation Department
112 E 5th Street, City Hall
Carroll, Ia 51401
(712) 792-1000 Fax (712) 792-0139
Website: www.cityofcarroll.com

BID OPENING REPORT

Bids were opened April 4, 2016 @ 2:00 PM in the City Hall

For: Municipal Lease of 30 Golf Cars **Pre-Bid Estimate:** $25,500 per year

	30 Golf Cars Per Cart	Per Year Lease Cost	Total Lease Price	$1 Buy Out of Lease	Purchase of 30 2010 EZ GO	End Cost of the Cars	Alternate #1 Purchase	Purchase of 30 2010 EZ GO	Total Alternate #1 Cost
EZ - GO - Miller and Sons Golf Cars - Britt, Iowa	$ 1,122.27	$ 33,668.10	$ 134,672.40	Yes	$ 75,000.00	$ 59,672.40	$ 126,630.00	$ 75,000.00	$ 51,630.00
NB Golf Cars - Des Moines, Iowa	$ 1,300.93	$ 39,027.90	$ 156,111.60	Yes	$ 66,000.00	$ 90,111.60	$ 147,390.00	$ 66,000.00	$ 81,390.00
Harris Golf Cars - Dubuque, Iowa	$ 1,164.28	$ 34,928.40	$ 139,713.60	Yes	$ 75,000.00	$ 64,713.60	$ 133,050.00	$ 75,000.00	$ 58,050.00

Signed: Laura A. Schaefer

Date: 04/04/2016

**THE ABOVE BID AMOUNTS HAVE NOT BEEN CHECKED.
THE BID TOTALS ARE SUBJECT TO CORRECTION AFTER
THE BIDS HAVE BEEN COMPLETELY REVIEWED**