



MAYOR & COUNCIL COMMUNICATION

DATE: May 5, 2015
REGULAR
ITEM# 8

AGENDA ITEM: Approval of Offer to Purchase Used Ladder Truck

SUBMITTED BY: Greg Malmquist, Fire Chief

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Cathy Bendel, Finance Director

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation..... Fire Chief
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Fire Chief Malmquist

FISCAL IMPACT: An offer has been received to sell the 1980 International Ladder Truck (VIN 1HTAA1859BHA14836) for the asking price of \$12,500.00. Upon completion of sale payment in the amount of \$1,250.00 will be made to Brindlee Mountain for commission on the sale. Sale proceeds will be deposited into the vehicle fund.

SUMMARY AND ACTION REQUESTED: On May 20, 2014 the City Council approved the purchase of a new aerial Fire Truck. There was a brief discussion on what would happen to the old Fire Truck and the Fire Chief mentioned he would try to sell it. On October 27, 2014, the City entered into an agreement with Brindlee Mountain Fire Apparatus to advertise our used ladder truck on a national scale for a 10% commission if sold. Brindlee was asked to provide a recommendation for a starting listing price and it was advertised at their high recommendation amount of \$12,500.00. The City to date has received 8 inquiries from fire departments across the country. We have now received an offer to purchase from the Pound Fire Department, located in Eastern Wisconsin. They contacted Chief Malmquist for information and also did an on site inspection of the truck on April 20, 2015.

At that time they made an offer to purchase the truck for the asking price of \$12,500.00 and presented a \$500.00 deposit check to hold the vehicle. Upon acceptance of their offer, they will provide a check for ½ the remaining balance in the amount of \$6,000.00 with the final balance of \$6,000.00 being due upon taking delivery of the truck (will occur once we take delivery of our new ladder truck which is estimated in late May/early June).

Upon receipt of the final payment from the Pound Fire Department we will make payment to Brindlee Mountain (\$1,250.00) to pay them their commission. The Pound Fire Department will take delivery and accept the vehicle at our location of 3510 Laverne Ave, N. and are responsible for delivery of vehicle to their location. The Fire Truck is being purchased in “as is” condition. Sale shall include a “full complement” of hose and some misc. loose equipment.

The Fire Chief would like to also respectfully request that the Council approve that the net proceeds (\$11,250) could be applied toward additional build out modifications identified as being needed on the new truck. The main additional expenditure is the cost of the radio \$9,212.90 which had been discussed as being part of the original bid but it was recently discovered not be part of the quoted cost.

BACKGROUND INFORMATION (SWOT):

Strengths	First offer in 6 months. Full asking price.
Weaknesses	None
Opportunities	Only serious offer to date.
Threats	None

RECOMMENDATION: Based on the aforementioned, the staff recommends the following motion be made:

“Move to approve the acceptance of the offer to purchase the City of Lake Elmo used ladder fire truck by the Pound Fire Department in the amount of \$12,500.00, with the net proceeds of \$11,250 to be used for additional build out enhancements to the new fire truck”.

ATTACHMENT:

1. Bill of Sale for 1980 International Ladder Fire Truck