F16

Hiawatha Parks and Recreation

To: Mayor and City Council

From: Kelly Willadsen, Park and Recreation Director

Date: April 11, 2017

Re: Parks Department Lease Truck

CC: Kim Downs, City Administrator

This summer the Parks Department will supervise 3 seasonal hires for a total of five parks employees. Vehicles are needed for transporting mowing equipment, cleaning parks and restrooms, and for maintenance and project needs at the same time throughout the day. This leaves us one vehicle short every year.

The last four years we partnered with CR Toyota to lease a vehicle for $1 (from May through October). For this we put the CR Toyota magnet on the truck to market their business. The expenses we incurred were basic maintenance and gas expenses out of the department budget. We are also responsible for the insurance coverage and add this policy through ICAP.

I am requesting Councils approval to enter a lease with CR Toyota for a 2014 Tacoma AWD VIN#: 5TFJX4CN4EX037646 at the cost of $1 and authorizing staff to sign the necessary documents. This Truck is automatic has power windows and locks.

EXHIBIT 'A'

VEHICLE PURCHASE AND REPURCHASE AGREEMENT

THIS VEHICLE PURCHASE AND REPURCHASE AGREEMENT (the "Agreement") is entered into this 3rd day of May, 2017, by and between Cedar Rapids Toyota, Inc., an Iowa Corporation, ("CRT") and the City of Hiawatha, an Iowa Municipal Corporation, ("Hiawatha"). CRT and Hiawatha may hereinafter be referred to collectively as the "Parties."

RECITALS

WHEREAS, CRT is in the business of selling and buying automobiles, including trucks.

WHEREAS, CRT is located at 1190 Boyson Road in Hiawatha, Iowa.

WHEREAS, CRT holds legal title to a used, silver 2014 Toyota Tacoma AWD Truck (the "Tacoma"). The Tacoma is a four cylinder, AWD, truck, with automatic transmission, power windows and locks, and air conditioning. The Tacoma has approximately 65,400 miles. WHEREAS, the retail value of the Tacoma is approximately $25,835.00.

WHEREAS, the Vehicle Identification Number (VIN) for the Tacoma is 5TFJX4CN4EX037646.

WHEREAS, Hiawatha desires to purchase the Tacoma from CRT. WHEREAS, CRT desires to sell the Tacoma to Hiawatha.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties enter into this Agreement and mutually agree as follows:

1. PURCHASE. CRT agrees to sell the Tacoma to the Hiawatha for One Dollar ($1.00) and other valuable consideration. Hiawatha agrees to purchase the Tacoma from CRT for One Dollar ($1.00) and other valuable consideration.

2. TITLE. The Parties agree to transfer title to the Tacoma from CRT to Hiawatha on or after May 1, 2017.

3. REPURCHASE. CRT agrees to repurchase the Tacoma from Hiawatha on or before November 1, 2017. Hiawatha agrees to sell the Tacoma to CRT on or before November 1, 2017.

4. REPURCHASE PRICE. The Parties agree that the repurchase price shall be One Dollar ($1.00) and other valuable consideration.

5. TERM OF OWNERSHIP. Between May 1, 2017 and November 1, 2017, Hiawatha shall have and exclusive use of the Tacoma for Hiawatha business ("Term of Ownership").

6. MAINTENANCE. During the Term of Ownership, Hiawatha shall be responsible for all regular maintenance on the Tacoma. All maintenance shall be performed by CRT. Regular maintenance shall include oil changes and maintaining all other vehicle fluids. Hiawatha shall not

EXHIBIT 'A'

be responsible for any maintenance, service, or repair, including parts and labor, costing more than $100.00 on the Tacoma during the Term of Ownership. CRT agrees that it will be responsible for any maintenance, service, or repair, including parts and labor, costing $100.01 or more on the Tacoma during the Term of Ownership. Hiawatha shall be responsible for all fuel costs during the Term of Ownership and providing insurance for the vehicle through the City's ICAP policy.

1. NORMAL WEAR AND TEAR. The Parties agree that Hiawatha shall return the Tacoma in approximately the same condition, less any normal wear and tear and accumulated miles during the Term of Ownership.

2. INSURANCE. Hiawatha agrees to maintain insurance on the Tacoma for liability and collision during the Term of Ownership.

3. LICENSE. Hiawatha shall be responsible for obtaining and maintaining licensing for the Tacoma.

THIS IS A LEGALLY BINDING CONTRACT. BY SIGNING THIS AGREEMENT YOU ARE AGREEING THAT YOU HAVE READ, UNDERSTAND AND AGREE TO ALL OF THE TERMS AND CONDITIONS CONTAINED HEREIN.

CEDAR RAPIDS TOYOTA, INC.

By: _____

_____, its _____

_____
Print Name

Federal ID No.:_____

Telephone: (319) 378-4400

CITY OF HIAWATHA, AN IOWA MUNICIPAL CORPORATION

By: _____
Bill Bennett, its Mayor

Federal ID No.: 42-6025060

Address: 101 Emmons Street Hiawatha, IA 52233
Telephone: (319) 393-1515

DRAFT

RESOLUTION NO. 17-
City Council

RESOLUTION APPROVING
THE PURCHASE OF A TOYOTA TACOMA TRUCK AND AUTHORIZE STAFF TO SIGN THE NECESSARY DOCUMENTS

BE IT RESOLVED, by the City Council to approve the purchase of a Toyota Tacoma AWD Truck from Cedar Rapids Toyota in the amount of $1.00 for the use of the Parks Department from May – October 2017, and during the time the Toyota Tacoma Truck is being utilized by the Parks Department, the City will be responsible for basic maintenance on the vehicle, gas expenses and adding the vehicle to the ICAP insurance policy, and

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, City staff is hereby authorized to sign the Vehicle Purchase and Repurchase Agreement as shown in Exhibit "A" and other necessary documents to complete the transaction between Cedar Rapids Toyota and the City of Hiawatha.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 3rd day of May, 2017.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk