

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Action A 2
DATE: June 26, 2008
SUBJECT: Vehicle lease renewal for the 2007 Harley Davidson motorcycle
CONTACT: Rick Hawkins Interim Chief of Police

ISSUE:

The issue before the Council is to authorize Interim Police Chief Rick Hawkins to renew the vehicle lease on a 2007 Harley Davidson Motorcycle, which expired May 3, 2008, for an amount not to exceed \$2,000.00.

SUMMARY:

The vehicle lease for the Sultan Police Departments 2007 Harley Davidson Motorcycle expired May 3, 2008. The Motorcycle has been a valuable tool in providing traffic enforcement throughout the City of Sultan. Staff has found the motorcycle useful during traffic enforcement details and special events such as Shindig due to its ability to access confined areas and its traffic mobility.

The Sultan Police Department will be making several shift changes on June 19, 2008 which will allow staff to use the motorcycle more frequently than they have in previous months. Staff expects this increased use may reduce fuel costs for one patrol vehicle and increase our traffic enforcement.

In previous years the lease costs were \$1,940.00 which covered the lease, deposit, sales tax and licensing. In these previous leases Skagit Harley Davidson provided a new motorcycle each year adding additional costs for re-outfitting or switching the emergency police equipment onto the newer motorcycle increasing additional cost by approximately \$1,120.00.

Skagit Harley Davidson has offered the City of Sultan two lease options:

- 1) Lease a new 2008 Harley Davidson motorcycle at a cost of approximately \$3,060.00. This motorcycle would look the same as the current 2007 model still in operation at this time.
- 2) Retain the current 2007 Harley Davidson motorcycle currently in use. The adjusted cost to extend the lease for the remainder of 2008 and into May, 2009 would be \$1,500.00 for the vehicle lease, \$129.00 tax amounting to approximate cost of \$1,629.00 for the year. The \$1,000.00 deposit would carry over during the extension year and would be refunded as in the previous years when the motorcycle is returned undamaged. There would be no additional costs involved in the removing and re-installing emergency equipment since there would be no change in equipment. This option would save the City of Sultan approximately \$1,431.00.

FISCAL IMPACTS:**2008 ADOPTED BUDGET**

	REVENUES	EXPENDITURES
Beginning Fund Balance	0	
Utility Tax Revenue	43,653.00	
Sale of Fixed Assets *	2,000.00	
*(Surplus vehicles)		
Lease Payments		22,260.00
Fund Reserve		23,393.00
Adopted 2008 Budget	45,653.00	45,653.00

2008 ACTUAL BUDGET May 2008:

	REVENUES	EXPENDITURES
Beginning Fund Balance	52,760.00	
Utility Tax Revenue	34,194.00	
Sale of Fixed Assets	0.00	
Vehicle Lease Payments (2018 per month)		6,054.00
Vehicle Repair		4,362.00
Equipment (SB coded to Fund 110 Police Bond)		694.00
2008 Budget YTD	86,954.00	11,110.00
Current Fund Balance	76,538.00	

2008 ANTICIPATED BUDGET

	REVENUES	EXPENDITURES
Beginning Fund Balance	52,760.00	
Utility Tax Revenue	43,653.00	
Sale of Fixed Assets	0.00	
Vehicle Lease Payments		24,216.00
Vehicle Repair		4,362.00
Vehicle Purchase (Approved 6/12/08)		34,000.00
Motorcycle Lease		2,000.00
Fund Ending Balance		31,835.00
Revised 2008 Budget	96,413.00	96,413.00

2009 ESTIMATED BUDGET

	REVENUES	EXPENDITURES
Beginning Fund Balance	31835.00	
Utility Tax Revenue	45,836.00	
Lease Payments (\$2018 X 6 Months)		12,108.00
Fund Reserve		65,563.00
Adopted 2008 Budget	77,671.000	77,671.00

ALTERNATIVES:

- 1) Lease the new 2008 motorcycle at higher cost and retain service.
- 2) Keep the existing 2007 motorcycle with less cost and retain service.
- 3) Return the motorcycle ending the service and recovering the \$1,000.00 deposit.

RECOMMENDATION:

Authorize interim Police Chief Rick Hawkins to renew the lease with Skagit Harley Davison under option # 2 for costs not to exceed \$2,000.00.

MOTION:

Move to authorize interim Police Chief Rick Hawkins to renew the motorcycle lease with Skagit Harley Davison for the 2007 Harley Davidson for an amount not to exceed \$2,000.00.

Attachments: A. Law Enforcement Vehicle Agreement

2007 Harley-Davidson Law Enforcement Vehicle Lease Agreement

This Lease Agreement (hereinafter referred to as "Lease" or "Agreement") made and entered into between Skagit Harley-Davidson (hereinafter referred to as "Lessor") and City of Sultan police Department (hereinafter referred to as "Lessee") executed and effective the 3 day of MAY, 2007, for the purpose of leasing to the lessee one Harley-Davidson Motorcycle (s) (hereinafter collectively referred to as the "Leased Vehicle) under the following terms and conditions.

1. Leased Vehicle Descriptions

The following Harley-Davidson Motorcycle(s) shall be leased hereunder:

Description	Serial Number(s)
Harley-Davidson "Electra Glide Model FLHPI Police Motorcycle	<u>1HD1FHMI6TY699763</u>

2. Payment Schedule

Lessee shall pay \$800 per year per motorcycle due upon delivery.

3. Lease Term

The Lease Term shall commence on the 3 day of MAY 06. The Lease Term shall terminate upon the expiration of twelve (12) months from the date of commencement. The Lease Term shall not be renewable. Any holdover after the expiration of the term of this Lease, with the consent of the Lessor, shall be for a maximum of one month, subject to the same conditions as set forth in the in this lease. Any holding over thereafter shall be subject to the terms of this lease but on a month to month basis and with the monthly Lease increased to \$100 per month.

4. Insurance

During the Lease Term herein, Lessee shall bear the entire risk of loss or damage to the Leased Vehicle(s), regardless how arising. Lessee agrees to procure, at Lessee's expense and maintain in force until the Leased Vehicle(s) is returned to the Lessor, the following insurance with companies and in form acceptable to the Lessor.

- a. A policy of general liability insurance, including bodily injury and property damage, with limits of not less than \$1,000,000.00 and replacement value for said vehicle(s) at \$20,000.00
- b. A policy of public liability insurance, protecting interests of Lessor and Lessee within limits of not less than \$1,000,000.00 CSL with respect to each leased vehicle(s) and shall carry public liability and property damage insurance sufficient to protect the actual cash value of each Leased Vehicle(s) and to protect the lessor from liability in all events.

Lessee shall carry Workers Compensation Insurance covering all of its employees riding on or working on, in or about each Leased Vehicle(s)

Lessee shall furnish to Lessor certificates or other satisfactory evidence of all insurance coverage described above as required pursuant to the terms and conditions of this agreement. The Lessor hereby approves substitution of written proof of the Lessee's participation in an insurance pool of public entities approved by the State of Washington for the insurance policy requirements of this section, provided that the pool limits are equal to or greater than the limits provided herein.

5. Hold Harmless Indemnification among Parties

Lessee hereby agrees to protect, defend, indemnify and hold harmless Lessor up to the limits of municipal immunity as provided by state statute from and against any losses, penalties, settlements, costs, charges, or other expenses or liabilities of any kind in connection with the leasing of the Leased Vehicle(s) as described in the Agreement; except that the Lessee shall not be liable for the negligence of the lessor that arises out of the Lessor's maintenance of the Leased Vehicle(s) are under the care, custody, and control of the Lessor.

6. Care, Maintenance and use of Leased Vehicle(s)

Lessee accepts responsibility for all maintenance and repair of the Leased Vehicle(s) pursuant to the manufacturers' standard preventative maintenance recommendations at the prescribed maintenance intervals. All repairs and maintenance shall be physically performed by the Lessor at Lessor's premises and Lessee agrees to pay, at the standard retail price, all maintenance and repair costs performed by Lessor. Lessee, at its own cost and expense, shall arrange for delivery and pickup of the Leased Vehicle(s) to and from the Lessor's premises.

Lessee shall protect the Leased Vehicle(s) from deterioration other than normal wear and tear. Lessee shall use the Leased Vehicle(s) for police-related activities only, without abuse, and shall not make modifications or additions to the Leased Vehicle(s) (other than normal operation accessories or controls) without written consent of the Lessor, which consent shall not be reasonably withheld. Lessee shall cause the Leased Vehicle(s) to be operated only by competent, qualified, experienced operators.

7. Rider Responsibility and Privileges

Lessee agrees that it and each rider shall be responsible for keeping each Leased Vehicle(s) clean and in good operating condition and shall report any necessary repairs or maintenance to the Lessor. Lessee may allow riders to use the Leased Vehicle(s) to travel to and from work provided that the Leased Vehicle(s) are fully insured by Lessee and that the distance to and from work is no more than 30 miles each way.

8. Damage or Deterioration of Leased vehicle(s)

Upon execution of this Agreement, Lessee shall tender \$1000.00 per Leased Vehicle to the Lessor as a damage deposit. This deposit shall be retained by the Lessor for the purpose of restoring the Leased Vehicle(s) to saleable condition at the end of the Lease Term, which restoration of a Leased Vehicle(s) requires repairs or modifications costing less than \$1000.00 damage deposit, at Lessor's exclusive discretion, Lessor shall refund to Lessee the remaining portion of the damage deposit. In the event the restoration of a Leased Vehicle(s) requires repairs or modifications in excess of the \$1000.00 damage deposit, at Lessor's reasonable discretion, Lessee shall pay to Lessor the excess amount required to perform such repairs or modifications.

In the event the Leased Vehicle(s) are partially damaged or destroyed as a result of Lessee's use or operation of the Leased Vehicle(s) or while in the custody or possession of Lessee, or due to negligent action of the lessee or its employees prior to the end of the term of this Agreement, Lessee shall promptly have the Leased Vehicle(s) repaired and restored to their original condition and working order at Lessee's expense. In case of theft or loss of any of the Leased Vehicle(s), the replacement value of each Leased Vehicle(s) shall be Stipulated Value as stated in paragraph 2 of this Agreement.

9. Ownership and Title

Title to each Leased Vehicle(s) hereunder shall remain with Lessor at all times, and Lessee shall have no right, or interest therein except as expressly set forth in the Agreement. All external additions, attachments and accessories placed on the Leased Vehicle(s) by Lessee shall remain property of Lessee. Lessee shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, and encumbrance or claim on or with respect to the Leased Vehicle(s). Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge and such encumbrance or other claim if the same shall arise at any time due to Lessee's action or inaction.

10. Terms and Fees

Lessee shall pay all appropriate taxes or fees, or similar charges imposed by virtue of Lessee's lease, possession or use of the Leased Vehicle(s) during the term of this Agreement

12. Events of Default and Remedies

Lessee shall be deemed to be in default under this Agreement upon the happening of any of the following events of default:

- a. Lessee fails to make any payment required herein; or

Lessee agrees to respond to Lessor regarding all media inquiries or public relations regarding Lessee, motorcycle, its use, and rental of the leased Vehicle(s)

15. Survival

All of Lessor's rights, including indemnity rights, under this Lease shall survive the expiration or termination of the lease, and are enforceable by Lessor, its successors and assigns.

16. Interpretation

This agreement has been made and entered into in the State of Washington and shall be interpreted in accordance with the laws of the State of Washington. Unless some other meaning and intent is apparent from the context of the Agreement, the plural shall include the singular and vice versa, and masculine, feminine, and neuter words shall be used interchangeably. There are no oral agreements between the parties hereto affecting this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the parties hereto on the subject matter hereof and all negotiations and all agreements to both parties have been merged into and are included herein. There are no other representations and agreements contained in this document. This agreement shall not be construed either for or against any party, but this Agreement shall be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

17. Enforcement

The parties shall attempt to resolve any dispute as to the interpretation or enforcement of any part of this Agreement first, if reasonably possible, by mediation. The parties shall make all reasonable efforts to select a mutually agreeable mediator. If the parties are unable to agree upon a mediator, then the Washington Arbitration and Mediation Service shall select a mediator. No arbitration may proceed to resolve a dispute until after the mediator determines that the parties have reached an impasse and that further mediation would not likely end in success. Each party shall pay its attorney's fees and costs for the mediation and one-half of the mediators' fees and costs.

If mediation reaches an impasse, said dispute shall be determined by binding arbitration in accordance with the laws of the State of Washington. The mediator shall not be the arbitrator, unless the parties so mutually stipulate. If the parties are not able to agree upon a single arbitrator within ten (10) days following demand therefore, then the arbitrator shall be appointed by the Washington Arbitration and Mediation Service.

Each party shall pay one-half of the arbitrators fees and costs, unless one party is ruled the prevailing party by the arbitrator, in which case the arbitrator, subsequent to the arbitration itself, may award the prevailing party's attorneys fees and costs to be

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ODOMETER DISCLOSURE / TITLE EXTENSION STATEMENT
Release of Interest by Registered Owner

* (PLEASE SEE PAGE 2 FOR COMPLETE INSTRUCTIONS AND EXPLANATION OF ASTERISK)

LICENSE NUMBER 1843EX	YEAR 2007	MAKE HARLEY	SERIES / BODY TYPE FLHP	VEHICLE IDENTIFICATION NUMBER 1HD1FHM167Y699763
NAME OF STATE OR COUNTRY IN WHICH LAST TITLED				TITLE NUMBER (or title equivalent)

FEDERAL REGULATION AND STATE LAW REQUIRE THAT YOU STATE THE MILEAGE IN CONNECTION WITH THE TRANSFER OF OWNERSHIP. FAILURE TO COMPLETE ODOMETER STATEMENT OR PROVIDING A FALSE STATEMENT MAY RESULT IN FINES AND/OR IMPRISONMENT.

APPLICABLE SECTION NOT VALID UNLESS FULLY COMPLETED

DISCLOSURE BY REGISTERED OWNER

I certify, to the best of my knowledge, that the ODOMETER READING, as shown below: (CHECK ONE)

NO TENTHS 1. is the ACTUAL MILEAGE of the vehicle
 2. the mileage stated is in EXCESS OF ITS MECHANICAL LIMITS
 3. the odometer reading is NOT THE ACTUAL MILEAGE

ODOMETER READING (in miles) _____ Date of Transfer _____

TRANSFeree / BUYER : unless licensed dealer, must transfer title within 15 days of sale.

I / we warrant this Title and certify that the vehicle described herein has been sold to the following: **WARNING - ODOMETER DISCREPANCY SEE PAGE 2**

Signature of TRANSFeree / BUYER _____ Signature of TRANSFEROR / SELLER _____

HANDPRINTED Name of TRANSFeree / BUYER _____ HANDPRINTED Name of TRANSFEROR / SELLER _____

Address of TRANSFeree / BUYER _____ Address of TRANSFEROR / SELLER _____

REASSIGNMENT BY VEHICLE DEALER ONLY

I certify, to the best of my knowledge, that the ODOMETER READING, as shown below: (CHECK ONE)

NO TENTHS 1. is the ACTUAL MILEAGE of the vehicle
 2. the mileage stated is in EXCESS OF ITS MECHANICAL LIMITS
 3. the odometer reading is NOT THE ACTUAL MILEAGE

ODOMETER READING (in miles) **10** Date of Transfer **05 03 07**

I / we warrant this Title and certify that the vehicle described herein has been sold to the following: **WARNING - ODOMETER DISCREPANCY SEE PAGE 2**

Signature of TRANSFeree / BUYER _____ Signature of TRANSFEROR / SELLER _____

SCOTT W. BERG **Skagit Harley-Davidson**
HANDPRINTED Name of TRANSFeree / BUYER _____ HANDPRINTED Name of TRANSFEROR / SELLER _____

P.O. BOX 1650 SULTANWA 98294 1337 Goldenrod Rd. Burlington, WA 98233
Address of TRANSFeree / BUYER _____ Address of TRANSFEROR / SELLER _____

BUYING DEALER'S STATE LICENSE NUMBER, (if applicable) _____ SELLING DEALER'S STATE LICENSE NUMBER **6142**

REASSIGNMENT BY VEHICLE DEALER ONLY

I certify, to the best of my knowledge, that the ODOMETER READING, as shown below: (CHECK ONE)

NO TENTHS 1. is the ACTUAL MILEAGE of the vehicle
 2. the mileage stated is in EXCESS OF ITS MECHANICAL LIMITS
 3. the odometer reading is NOT THE ACTUAL MILEAGE

ODOMETER READING (in miles) _____ Date of Transfer _____

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Signature of TRANSFeree / BUYER _____ Signature of TRANSFEROR / SELLER _____

HANDPRINTED Name of TRANSFeree / BUYER _____ HANDPRINTED Name of TRANSFEROR / SELLER _____

Address of TRANSFeree / BUYER _____ Address of TRANSFEROR / SELLER _____

BUYING DEALER'S STATE LICENSE NUMBER, (if applicable) _____ SELLING DEALER'S STATE LICENSE NUMBER _____

LIENHOLDER OF TRANSFeree / BUYER (IF APPLICABLE) TO BE RECORDED AND SHOWN ON NEW TITLE

LIENHOLDER Name _____ LIENHOLDER Address _____

THIS RELEASE OF INTEREST MAY BE USED IN LIEU OF A RELEASE ON A TITLE.

I/We release all interest in the above described vehicle. This release must be signed by all registered owners

RELEASE OF INTEREST BY REGISTERED OWNER

NOTARY SEAL OR STAMP _____ Signed _____ Signed _____

NOTARIZATION/CERTIFICATION FOR RELEASE OF INTEREST

State of Washington _____ Signed or attested
County of _____ before me on _____

by _____ Signature _____

Notary's Name (PRINTED or STAMPED) _____

Title _____ Dealer No. OR
AND: County / Office No. OR
Notary Expiration Date _____

NOTE: THIS DOCUMENT IS A PART OF A WASHINGTON CERTIFICATE OF TITLE, AND SHOULD BE ATTACHED TO THE CERTIFICATE OF TITLE. UNAUTHORIZED PRINTING OR REPRODUCTION OF THIS DOCUMENT IS PROHIBITED. IF ALTERED IN ANY WAY, CONTACT YOUR NEAREST LICENSE AGENT.