

Memo

To: Village Board

From: Chris Clark, Director of Parks, Recreation, & Forestry

Re: Authorization to Purchase a Replacement Turf Mower for the Parks Department; 2016 Budgeted Item

Date: January 19, 2016

Background Information:

Replacement of Fleet #37 – 2007 Jacobsen HR-9016 Mower

The Parks, Recreation, and Forestry Department is requesting authorization to replace a 2007 Jacobsen HR-9016 turf mower. This equipment is used by the Parks Department primarily for large area mowing of parks and athletic fields. It has served the department well and provided for efficient operations due to its larger cutting width of 16 feet. Our mechanic staff has had good luck with this manufacturer and the ease of maintenance and availability of repair and replacement parts.

This mower is currently 9 years old with 3308 hours and has a typical useful life of 8 years in the municipal environment. It was previously approved by the Board for replacement in the 2016 Capital Improvement Plan equipment replacement budget.

A local distributor for Jacobsen turf equipment, Horst Distributing from Chilton, is providing a 2015 demo unit for sale in 2016 for \$8625 less than the quoted price for a new 2016 unit. This demo unit has 48 hours on it from municipal and school district site demonstrations and is in excellent shape. We need to make a decision on acquisition of the demo unit as soon as possible as other parties are interested in it as well. The actual MSRP for a new Jacobsen 2016 HR-9016 is \$139,000.

Budget Information:

This piece of equipment has been approved in the 2016 equipment replacement budget at \$75,000 to come from the Equipment Replacement Fund.

Equipment Make	Quote	(Less Trade)	Balance
2016 Jacobsen HR-9016 (new)	\$88,495.00	(\$17,500)	\$70,995.00
2015 Jacobsen HR-9016 (like new demo)	\$79,870.00	(\$17,500)	\$62,370.00

The Parks Department will not take delivery of the mower until April thus will not be invoiced until then. In the mean time staff will attempt to sell the 2007 mower outright or on an auction website and expects to receive \$25,000 to \$30,000 with the option to always return to the vendor and receive the listed trade value. Funds received from sale of the used equipment would go into the equipment replacement fund.

Staff Recommendation:

Staff recommends that the Village Board authorize the purchase of the 2015 Jacobsen HR-9016 demo unit not to exceed a price of \$79,870.00.

Attachments:

- Information from the Allouez Capital Improvement Program

Capital Improvement Plan
Village of Allouez, Wisconsin

2016 *thru* 2020

Project # PR-2016-37
Project Name Replace Fleet #37 - 2007 HR9016 Parks Mower

Type Equipment
Useful Life 8 years
Category Equipment: Miscellaneous
Department Parks and Recreation
Contact Director of Parks, Recreation &
Priority 2 Very Important



Description **Total Project Cost:** \$75,000
 Replace Fleet #37 - 2007 HR9016 Parks mower used for mowing large areas and parks.

Justification
 Village equipment is placed on a replacement schedule according to estimated useful life. Once equipment reaches its estimated useful life, it is evaluated for repairs and/or replacement. The Village maintains an Equipment Replacement Fund, supported by user charges from other Village departments, to finance the acquisition and replacement of Village equipment.

Expenditures	2016	2017	2018	2019	2020	Total
Equip/Vehicles/Furnishings	75,000					75,000
Total	75,000					75,000

Funding Sources	2016	2017	2018	2019	2020	Total
Equipment Replacement Fund	75,000					75,000
Total	75,000					75,000

Budget Impact/Other