

RESOLUTION NO.: EM 172 2013

PRESENTED: 10-4-13

ADOPTED: 10-7-13

Resolution authorizing a Lease Agreement between Vehicle City Harley Davidson and the City of Flint

BY THE EMERGENCY MANAGER:

The City of Flint, a municipal corporation, is a local governing body authorized to execute Lease Agreements, and Vehicle City Harley-Davidson, is a provider who has negotiated a Lease Agreement with the City of Flint to provide four (4) Harley Davidson police solo motorcycles with windshields, pursuit lamp, strobe light and siren.

A Lease Agreement shall be authorized and executed between the City of Flint and Vehicle City Harley Davidson for use of said motorcycles for police and related activities only, and shall be for 12 months at a cost not to exceed six thousand (\$6,000.00) dollars. Funding, in the amount of \$6,000.00, for said motorcycles has been approved in the FY14 budget in account 101-315.100-940.000.


BE IT RESOLVED, That the appropriate City Officials, upon the Emergency Managers approval, are hereby authorized to enter into a one year agreement with Vehicle City Harley Davidson for police motorcycles, in the amount not to exceed \$6,000.00.

APPROVED AS TO FORM:



Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:



Gerald Ambrose, Finance Director

EM DISPOSITION:

ENACT ✓

FAIL _____

DATED 10-7-13



Michael K. Brown, Emergency Manager

RESOLUTION STAFF REVIEW

DATE: 09/04/13

Agenda Item Title: Vehicle City Harley-Davidson Motorcycle Lease

Prepared By: Rick Johnson, Police Financial Coordinator

Background/Summary of Proposed Action: Resolution authorizing the Flint Police Department to enter into a two year lease agreement with Vehicle City Harley Davidson for four (4) police equipped motorcycles.

Financial Implications: Funding is available and budgeted in the FY14 budget in the amount of \$6,000 in the Police accounts listed below.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

Account No.: 101-315.100-940.000 - \$6,000.00

Pre-encumbered? Yes ☒ No ☐ Requisition # 130001359

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:


Alvern Lock, Chief of Police

HARLEY-DAVIDSON POLICE MOTORCYCLE

LEASE AGREEMENT

This Agreement made and entered into between VEHICLE CITY HARLEY-DAVIDSON designated as the Lessor, and CITY OF FLINT POLICE, designated as the Lessee, made this 1st day of April 2013, for the purpose of leasing to the Lessee 4 Harley-Davidson police motorcycles, under the following terms and conditions:

1. EQUIPMENT

4 year 2011 Harley-Davidson police solo motorcycles with windshield, pursuit lamps, strobe light and siren. VIN 1HD1FMM14BB639145, VIN 1HD1FMM11BB639992, VIN 1HD1FMM1XBB637710, VIN 1HD1FMM10BB643046.

2. AGREEMENT TERM

This Agreement shall be effective as of the date of execution for a period of 12 months. Motorcycles leased under this Agreement are to be used for Police and related activities only.

3. PAYMENT PERIOD

The Lease agreement will be for the amount of \$1500.00 each year. The Lessee shall pay one yearly payment in the amount of \$6000.00 each year. Payments include the cost of the equipment, payment of interest, and administrative costs less the residual value of the motorcycles.

4. INSURANCE

At its own expense, the Lessee shall carry Casualty Insurance with respect to the motorcycles and shall carry Public Liability and Property Damage insurance sufficient to protect the full value of the equipment and to protect the Lessor from liability in all events. The Lessee shall carry Workman's Compensation Insurance covering all employees working on, in, near, or about the motorcycles and shall require any other person working on, in, near, or about the motorcycles to carry such coverage. The Lessee shall furnish to the Lessor certificates or other

satisfactory evidences of all the insurance coverages described above as required by the terms and conditions of this Agreement.

5. INDEMNITY

The Lessee shall and does hereby indemnify and save the Lessor harmless from any and all liability arising out of the leasing, renting, operation, control, use, delivery and/or return of the motorcycles including, but not limited to injuries causing personal injury, property damage and/or death, but shall be credited with any amounts received by the Lessor with respect thereto from liability insurance secured by the Lessee. That indemnification shall include all costs and expenses including attorney's fees incurred by the Lessor in connection with any suits or actions resulting from any special liability.

6. LIENS

The Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the equipment, except with respect to the respective rights of the Lessor as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above if the same shall arise at any time.

7. TAXES

The Lessee shall comply with all laws and shall pay all taxes, if any, including but not limited to Sales and Use Taxes, Excise Taxes, Personal Property Taxes and Assessments and Penalties, Licenses, Registration Fees, Freight and Transportation Charges, Permits and any similar charges imposed on the ownership, possession or use of the motorcycles during the term of this Agreement.

8. CARE AND USE OF EQUIPMENT

The Lessee at its own cost and expense shall maintain the motorcycles in good operating condition, repair and appearance, and protect them from deterioration other than normal wear and tear; shall use the motorcycles for police and related activities only, without abuse, and in a

manner contemplated by Vehicle City Harley-Davidson, shall not make modifications, alterations or additions to the motorcycles (other than normal operating accessories or controls) without the written consent of Vehicle City Harley-Davidson, which shall not be unreasonably withheld.

Vehicle City Harley-Davidson, shall have the right during normal hours to enter upon the premises where the motorcycles are located in order to inspect, observe or otherwise protect their interest and the Lessee shall cooperate in affording them the opportunity to do the same.

The Lessee agrees to maintain the motorcycles pursuant to the Manufacturer's Standard Preventative Maintenance Contract and/or Recommendations.

9. DAMAGE OR DETERIORATION OF EQUIPMENT

In the event the equipment is partially damaged or destroyed prior to the end of the Agreement Terms, the Lessee will promptly have the equipment repaired and restored to its original condition and working order for the purposes intended.

10. EVENTS OF DEFAULT AND REMEDIES

Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default:

- a. Lessee shall fail to make any periodic payment, or to pay any other payment required to be paid hereunder, or
- b. Lessee shall fail to keep any such other term, covenant or condition contained herein.

Upon the occurrence of an event of default as specified above, the Lessee shall fail to remedy such event of default with all reasonable dispatch within a period of thirty (30) days, Lessor or its assigns shall have the right, at its option without any further demand or notice, to pursue any one or more of the following remedies:

- a. by written notice to Lessee, declare an amount equal to all payments due during the Agreement Term to be immediately due and payable as liquidated damages and not as a penalty, whereupon the same shall become immediately due and payable.
- b. re-enter and take possession of the equipment enforcing this Agreement or terminating this Agreement, and repossess the equipment and sell or lease the equipment for the account of

Lessee, holding Lessee liable for all payments up to the effective date of such leasing or selling and for the difference in the purchase price, rental and other amounts paid by the Lessee or purchaser pursuant to such lease or sale and the amounts payable by Lessee hereunder, and

- c. take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, Agreement or covenant of Lessee under this Agreement.

11. DISPOSITION OF EQUIPMENT

Upon termination of this Leasing Agreement at the end of the rental period, the CITY OF FLINT POLICE will have the option of purchasing the Harley-Davidson Motorcycles covered by this Agreement for \$14,500.00 each from Vehicle City Harley-Davidson. This price does not include windshield, pursuit lamps, strobe light or siren. Said disposition will be determined immediately prior to the end of the Lease Agreement period.

The above terms and conditions are acceptable.

Lessor: Vehicle City Harley-Davidson

Lessee: CITY OF FLINT POLICE

By:



By:

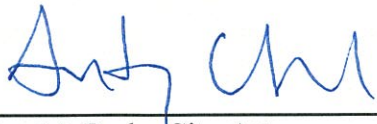
Its: Owner/Managing Member

Its: _____

Date: April 1, 2013

Date: April 1, 2013

CITY OF FLINT, a Michigan Municipal Corp.:

A handwritten signature in blue ink, appearing to read "Peter M. Bade".

Peter M. Bade, City Attorney

A handwritten signature in blue ink, appearing to read "Michael K. Brown".

Michael K. Brown, Emergency Manager