



MOWER LEASE FOR CITY OF KILLEEN PARKS

RS-21-143

November 2, 2021

Background

- ❑ Recreation Services (RS) Parks Division provides daily maintenance of public parks and greenbelts. Specialized equipment is needed and utilized to maintain
 - ❑ 681 acres of grass land spread out among 23 parks and 4 hike and bike trails
 - ❑ 14 sports fields, 6 multi-purpose fields
 - ❑ Maintain 91.25 acres of city facilities
- ❑ Mowing routines associated with turf grass subject this equipment to excessive usage

Background

- ❑ Mowing fleet is utilized in more than 900 hours per year
- ❑ Due to the high amount of usage placed on these specialized pieces of equipment, they are subject to maintenance issues at a greater frequency than typical mowing equipment
- ❑ Deere and Company, is a member of the Texas BuyBoard Purchasing Cooperative

Background

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- ❑ RS entered into a forty-four (44) month lease on April 27, 2021, with Professional Turf Products L.P., financed by TCF Capital Solutions, for a total amount of \$44,135.28
 - ❑ One (1) Toro Reelmaster 3100-D – 21.52 hp diesel
 - ❑ Two (2) Toro 26.5 HP Kohler CP EFI w/72” Turbo Force Rear Discharge Deck

Background

- ❑ Equipment was not received due to manufacturing delays. The City terminated this lease before it started citing the equipment had not been delivered, and the term of the lease had not yet commenced and has combined the equipment they didn't receive into the new lease.
- ❑ Deere and Company can receive all products within 45 days of signed lease agreement

Background

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- ❑ RS entered into a thirty-six (36) month lease on October 5, 2018 – October 5, 2021, with Professional Turf Products, L.P. , financed through PNC for a total amount of \$113,828.76
 - ❑ Three (3) Toro LCE 74945
 - ❑ Two (2) Toro SandPro 3040
 - ❑ Two (2) Toro GM7210 TIV
 - ❑ One (1) Toro LCE

Cost Comparison

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TCF/ProTurf Expired Feb. 2021	Monthly lease payment (44 months)	John Deere	Monthly lease payment (36 months)
Mowers (2) Reel Mower (1)	\$1,139.36	Mowers (8) Field Groomers (2) Reel Mower (1)	\$4,126.85
PNC/ProTurf Expired Oct. 2021	Monthly lease payment (36 months)		
Mowers (6) Field Groomers (2)	\$3,161.91		
TOTAL	\$4,301.27	TOTAL	\$4,126.85

Proposed Lease

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- ❑ RS is seeking to lease with Deere and Company, for thirty-six (36) month lease for
 - ❑ One (1) John Deere Z930M ZTrak SD with MCS 3-bag 12
 - ❑ Two (2) John Deere Z997R Diesel
 - ❑ Two (2) John Deere 1200 Hydro Rake
 - ❑ Five (5) John Deere Z930M Z Trak RD
 - ❑ One (1) John Deere 7200 A PrecisionCut
- ❑ This equipment is utilized to maintain parks, trails, sports fields, multi-purpose fields and city facilities for a total cost of \$148,566.60. Amounting to 36 payments of \$4,126.85

Financial Impact

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FY	Cost	Term
FY 22	\$49,522.20	12 months
FY 23	\$49,522.20	12 months
FY 24	\$49,522.20	12 months
Total Cost	\$148,566.60	36 months

Benefits of Lease

- ❑ Leasing mowing equipment is more beneficial than outright purchasing mowing equipment due to the high usage rates
- ❑ Giving staff access to modern, up-to-date equipment that is covered under warranty for the duration of the lease
- ❑ Warranty coverage relieves the burden of cost related to repairs on RS budget. Depending on repairs needed a tech will repair mower on-site, deliver part(s), or mower will be picked up and repaired off-site

Alternatives

- The City Council has two (2) alternatives:
 - ▣ Option 1 – Decline the lease and find an alternative option for mowers
 - ▣ Option 2 – Approve the lease and enter into the agreement with Deere Credit, Inc.

Recommendation

- ❑ Staff recommends City Council approve the thirty-six (36) month lease with Deere Credit, Inc. as submitted for a total not to exceed \$148,566.60 over the course of the lease and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law