

Memo

To: City Council
From: Amy E. Gilson, P.E., Director of Public Works
Date: January 4, 2017
Re: Skid Steer Sale Request



At the city council meeting on December 27, 2016 a resolution was presented for the disposition on the skid steer formerly used at the DPW garage. Council member Bahmer requested that we look into the terms at the JJ Kane auction. This is what I have determined:

- Their next auction is on March 11, 2017.
- There is a 10% buyer's fee.
- There are no minimum bids or reserves allowed.

The last item listed is the one that causes the greatest concern. With us not being able to set a minimum price, it is conceivable that the piece of equipment would be sold at a fraction of the value, and there is nothing we could do about it. Additionally, if a buyer knew he would be paying an additional 10% on top of his bid, it would likely lower the amount he would be willing to bid.

Therefore, I again am recommending that we not utilize JJ Kane Auctions and proceed with adopting Resolution 2016-150 to trade in the skid steer and attachments.

Please let me know if you need additional information.

cc: Gregg Guetschow, City Manager