

## STAFF REPORT

AGENDA ITEM #: 17-153  
COUNCIL MTG OF: November 7, 2017  
FROM: David Caron, Town Administrator  
OFFERED BY: Susan Hickey, Chief Financial Officer  
PREPARED BY: Susan Hickey, Chief Financial Officer  
SUBJECT: Authorization to amend the previously approved Master Lease Agreement

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### PURPOSE

Obtain Council approval to amend the master lease agreement approved in August, 2016 for capital improvement purchases as approved in the FY2018 budget.

### TOWN ADMINISTRATOR COMMENTS

I have reviewed this proposal and concur with the CFO's recommendation.

### BACKGROUND

During the budget review on May 19, 2016, it was determined that entering into a competitively bid master lease agreement for capital improvement purchases over the next five years would be cost effective for the town.

### DISCUSSION

A bid was produced and sent to local and national banks for quotes of interest rates and terms for a master lease agreement for capital purchases over the next five years totaling \$4,168,000. Bids were received from several banks. Bank of America was chosen for their guaranteed fixed interest rates of 1.35% for leases up to three years in length, and 1.50% for leases of four to seven years in length. Since that time, copiers and other equipment will be incorporated into this lease agreement in order to save money in acquisition and interest costs. Equipment incorporated in this master lease agreement included Town-wide copiers, police and fire communication equipment and public works vehicles. Due to the savings in the cost of equipment purchased previously, the master lease agreement does not need to be increased beyond the original appropriation of \$4,168,000 at this time.

Although the Council's approval of Resolution #2016-025 contemplated adjustments to the list of acquisitions, Bank of America has requested a formal Council amendment to the Resolution.

### FISCAL IMPACT

As purchases are made funds available in the master lease will be applied to the purchases. Annual lease payments will be a legal obligation of the Town and will be made from Capital Reserve Funds or other resources as budgeted.

RECOMMENDED ACTION BY COUNCIL

Recommendation is for the Town Council to adopt the resolution as presented.

RECOMMENDED MOTION

I MOVE THAT THE TOWN COUNCIL adopt Resolution number #2017-079 as follows: *[Read the Resolution]*

*Vote required: Simple majority of Councilors present.*



## RESOLUTION

Number 2017-079

To Amend Resolution #2016-025 of a Master Lease/Purchase Agreement  
to Finance the Acquisition of Certain Capital Equipment

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WHEREAS, Section 7.1 of the Town Charter designates the Town Council as the Legislative Body of the Town, which is then empowered by New Hampshire law to incur debt on behalf of the Town; and

WHEREAS, the Council incorporated a lease-to-purchase method of financing the acquisition of certain capital equipment into the Fiscal Year 2017 Town Budget; and

WHEREAS, the Town Council authorized the Town Administrator to enter into an agreement with Banc of America to finance certain capital equipment; and

WHEREAS, Resolution #2016-025 specifically contemplated and authorized supplementing the items to be financed under this Agreement;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town is hereby authorized to amend the Master Equipment Lease/Purchase Agreement by adding the following capital items:

Ricoh Imaging Equipment

Dispatch and Communication Equipment

Public Safety Vehicles and Equipment

Public Works Vehicles and Equipment

Further, that this authorization shall not increase appropriations beyond what has been previously authorized under separate Council action, and the Town Administrator is hereby authorized to execute and deliver the Lease/Purchase Agreement and any exhibits thereto or documents contemplated thereby; and to take such other actions as may be necessary to consummate such financing.

This Resolution shall take effect immediately upon its passage.

Adopted: November 7, 2017

Attest:

x \_\_\_\_\_

Joshua Bourdon, Council Chair

Date: \_\_\_\_\_

x \_\_\_\_\_

Daniel Healey, Town Clerk

Date: \_\_\_\_\_