

## STAFF REPORT

AGENDA ITEM #: 18-129  
COUNCIL MTG OF: October 15, 2018  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Susan Hickey, Chief Financial Officer  
PREPARED BY: Susan Hickey, Chief Financial Officer  
SUBJECT: Authorization to enter into an approved Master Lease Agreement

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INTRODUCTION: Obtain Council approval to enter into a FY19 Master Lease Agreement approved in August 2016 for capital improvement purchases as approved in the FY2019 budget.

### TOWN ADMINISTRATOR COMMENTS

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

### BACKGROUND

During the budget review in May 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 and lending institutions for quotes of interest rates and terms for a master lease agreement for capital purchases. The FY2019 lease amount is \$1,605,413. Bank of America was chosen again for their guaranteed fixed interest rates and no fees passed onto the community. The interest rates are 3.3% for both five and seven-year terms. Equipment incorporated in this master lease agreement include public works vehicles (including cemetery, highway, parks and the transfer station). Other equipment includes fire vehicles including a pumper engine.

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 for FY2019 purchases.

### 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 & MOTION BY COUNCIL

Recommendation is for the Town Council to adopt the resolution as presented. (Please read motion #2018-064).

*Vote required: Simple majority of Councilor's present*

This Resolution shall take effect immediately upon its passage.

Adopted: October 23, 2018

Attest:

x \_\_\_\_\_

James Morgan, Council Chair

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

x \_\_\_\_\_

Daniel Healey, Town Clerk

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