



## STAFF REPORT

AGENDA ITEM #: 21-132 & 21-142  
COUNCIL MTG OF: November 2, 2021  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Mark A. Fleischer, Chief Financial Officer  
PREPARED BY: Mark A. Fleischer, Chief Financial Officer  
SUBJECT: Authorization to enter into a Master Lease Agreement and Supplemental Appropriation

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**INTRODUCTION:** Obtain Council approval to enter into a FY22 Master Lease Agreement approved in August 2016 for capital improvement purchases as approved in the FY2022 budget.

### TOWN ADMINISTRATOR COMMENTS

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

### BACKGROUND

During the budget review in May 2021, it was determined that entering a competitively bid master lease agreement for capital improvement purchases over the next five to seven years would be cost effective for the town.

### DISCUSSION

After soliciting bids for municipal lease services, Banc of America was chosen again for their guaranteed fixed interest rates and no fees passed onto the community. The projected interest rate as of 10/26/21 was 1.4045% for a 5-year term and 1.6455% for a 7-year term. We have been approved for a \$1.1M credit line for this lease. The FY2022 lease amount approved in the budget was \$848,000.00. The Town Council has since approved a supplemental appropriation from the Public Work's Water and Wastewater divisions to purchase a 10-wheel Dump at a cost of \$184,753.00 which will be included in this lease schedule. In addition to the 10-wheel dump mentioned above, the equipment incorporated into this master lease agreement are (2) Trucks with Plows, Tractor w/Mower, 6-wheel Dump and Trash Trailer for various Public Work's divisions, and an Ambulance and Shift Commander vehicle for Fire. The total cost for these vehicles and equipment is \$1,032,753. We are finding however, that for some items, the pricing in the marketplace is greater than what was estimated when the FY2022 was established. We therefore are seeking approval of a supplemental appropriation of \$50,000 to cover unknown pricing fluctuations.

Additionally, although the Council's approval of Resolution #2016-025 contemplated adjustments to the list of acquisitions, Banc of America has again requested a formal Council amendment to the Resolution for FY2022 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 resolutions as presented:

Resolution #2021-073, after public hearing on November 16 and requires a 2/3 vote of the entire Council.

Resolution #2021-077 under New Business on November 16 should Resolution #2021-073 pass, requires simple majority.