

STAFF REPORT

AGENDA ITEM #: 21-90
COUNCIL MTG OF: July 20, 2021
FROM: Dave Caron, Town Administrator
OFFERED BY: Mark A. Fleischer, Chief Financial Officer
PREPARED BY: Mark A. Fleischer, Chief Financial Officer
SUBJECT: Change in Use of Bank of America Lease Proceeds

INTRODUCTION: To authorize the use of Bank of America lease proceeds for Fire Station improvements. Resolution #2021-045 is attached.

TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to amend a change in use of Bank of America lease proceeds in FY21 to fund English Range and Hampstead Road Fire Stations overhead door improvements.

BACKGROUND

During FY20, the Town Council authorized Resolution #2019-061, which added Schedule No. 5 to our Master Lease/Purchase agreement dated October 31, 2016, with Bank of America in the amount of \$1,891,660 to fund Vehicle and Equipment replacements and HVAC upgrades.

DISCUSSION

Favorable pricing of the HVAC projects financed on Bank of America Lease Schedule 5 allowed funds to become available for additional projects. In FY21, the Fire Department purchased a new ladder truck which will be delivered in the fall of 2021. For safety reasons, the overhead doors located at the English Range and Hampstead Road Fire stations need to be enlarged to accommodate this new vehicle. The cost of these improvements is \$41,459 which can be paid for with the savings from the HVAC projects.

FISCAL IMPACT

The total amount expended for these door improvements in FY21 is \$41,459. It is in the Town's best interest to utilize this lease capacity rather than rely upon capital reserve funds to complete this work. It is being recommended that funds originally designated for HVAC projects on Bank of America Lease Schedule 5 and now available, be used to fund these improvements and be applied to revenue account 13309000-039399 in activity center 33.

RECOMMENDED ACTION & MOTION BY COUNCIL

I move the adoption of Resolution #2021-045 (please read the motion).