

AGENDA

Cumberland Town Council Special Meeting

Town Council Chambers

MONDAY, April 5, 2021

5:30 P.M. Call to Order

Budget Workshop after Council Meeting

I. CALL TO ORDER

II. APPROVAL OF MINUTES

III. MANAGER'S REPORT

IV. PUBLIC DISCUSSION

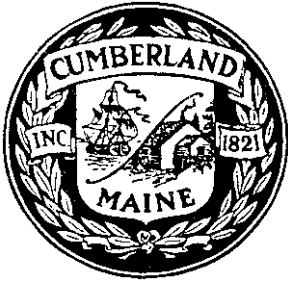
Public discussion is for comments on items that are not on the agenda. Comments are limited to 5 minutes per person. Rebuttal comments will be limited to 2 minutes. Public discussion topics may be brought up again under New Business for further Council discussion.

V. LEGISLATION AND POLICY

21 – 036. To authorize the Town Manager to execute a 5-year lease/purchase agreement for a new vacuum street sweeper and to use funds from Equipment Reserves for the first payment.

VI. NEW BUSINESS

VII. ADJOURNMENT



TOWN OF CUMBERLAND
290 TUTTLE ROAD
CUMBERLAND, MAINE 04021
TEL: 207-829-2205 FAX: 829-2224

MEMORANDUM

TO: William Shane, Town Manager
FROM: Christopher Bolduc, Assistant Town Manager
RE: Street Sweeper Lease Purchase FY 2022 CIP
DATE: March 26, 2021

As part of the capital equipment fund, we projected to replace or failing 2003 street sweeper in FY 2023. The plan was to budget \$60,000 in FY21, \$60,000 in FY22 and then fund the remaining \$120,000 in FY23 for a total of \$240,000. Our hope was that we would be able to keep the sweeper running for 3 years until we could replace it.

When getting the sweeper ready for this spring, it developed major mechanical issues and we have received quotes for up to \$20,000 to get it working again, and that repair is not guaranteed.

The FY21 capital equipment fund was not funded so the only funding we have for the sweeper is \$60,000 in the proposed FY22 budget. I have been able to locate a new sweeper from Allied Equipment out of Hartland Maine. The owner is Stewart Sevey who the Town has done business with in the past. The new sweeper would cost \$245,000 and they offer a Municipal Lease Purchase Program, through Androscoggin Bank, that is 5 years at 1.95% interest with a payment of \$50,910.64 per year.

This is a much-needed piece of equipment and I believe the lease purchase option seems like a better course of action rather than putting more money into our current sweeper to keep in running.



AIR
GLOBAL



GLOBAL R3^{AIR} *Regenerative Air Sweeper*

Purpose-Built, Maneuverable, Powerful, Quiet and Simple

- ▶ 12.5' Turning Radius
- ▶ Cab-Over Design with Unmatched Visibility
- ▶ Large 47" Gutterbrooms Designed to Clean the Curb
- ▶ Large 32" Diameter Impeller
- ▶ Unmatched Access to Engine and Sweeping Components
- ▶ Large 5.8 Cubic Yard Hopper with Access Door
- ▶ 100% Stainless Steel Hopper Construction
- ▶ Lots of Power with Excellent Fuel Efficiency

Allied Equipment, LLC
 4 Cal's Way - PO Box 455
 Hartland, Maine USA 04943

833-255-4331 ph
 207-512-1434 fax

Quote

Date	Quote #
3/10/2021	1066

Name / Address
Cumberland Maine, Town of Steve Googins 290 Tuttle Road Cumberland, Maine 04021



Rep	Project
SS	

Item	Description	Qty	Cost	Total
Equip Misc	Quotation - 2021 Global R3 Regenerative Air Sweeper New, 2020 Global R-3 High Performance Regenerative Air - Vac Street Sweeper: -Global ROPS front center drive safety cab -Dual Wide Sweep Gutter Brooms for full 120" swept path -roto-tilt gutter brooms -power rear view mirrors -12' 5" Turning Radius -5.5 Cubic Yard capacity stainless steel hopper -Hydrostatic Drive -Full Suspension -230 Gallon Water Capacity - 175 hp single drive engine -Regen Air Vacuum Hood - Direct Couple Fan, no belts or fluid couplers -swing out radiators for full engine access -Full safety lighting package -Hopper flushing system -Central Lube Package -complete, prepped, and Delivered with Operator and Service Training Delivery - 45-60 Days Warranty: Sweeper - 1 Full Year Trade offer for Town owned Johnston 3000 Street Sweeper \$-15,000.00	1	245,000.00	245,000.00

Stewart A Sevey

Sales Tax (5.5%) \$0.00

Total \$245,000.00

March 16, 2021

Town of Cumberland
Attn: William Shane, Town Manager
290 Tuttle Road
Cumberland, Maine 04021**MUNICIPAL LEASE PURCHASE PROPOSAL****Lessee:** Town of Cumberland**Equipment:** One (1) new street sweeper and vacuum with associated equipment and attachments as more particularly described in vendor invoices provided by Lessee.**Cost of Equipment:** \$245,000**Lease Term:** 5 years**Interest Rate:** 1.95% tax-exempt**Number of Payments:** 5 Annual installments of principal and interest.**Payment Amount:** \$50,910.64* (Final payment may vary slightly).**First Payment Due:** The first payment of principal and interest shall be due at lease closing which is proposed for March 31, 2021 but may be re-scheduled upon request.**Purchase Option:** One Dollar (\$1.00) at end of lease term.**Prepayment:** There are no bank prepayment penalties, fees, or charges, and the lease will not be sold to a third party.**Insurance:** Prior to delivery of the leased assets, Lessee at its sole cost and expense, will provide all-inclusive physical damage and liability insurance in the joint names of the Lessee and Lessor, in amounts satisfactory to Lessor, and forward proof of said coverage to Lessor.**Collateral:** Lessee shall be listed as owner and Lessor listed as lien holder on BMV Title Applications and UCC filing statements providing a perfected 1st security interest in all equipment being acquired. Lessor will also have a first lien on any escrow established by Lessee to hold unexpended lease funds.**Non-appropriation:** The lease will contain a non-appropriation clause.

Confirmation: Lessee confirms that anticipated total borrowings for 2021 year will NOT exceed Ten Million dollars (\$10,000,000.), making the lease "Bank Qualified".

Type of Lease: The lease shall be considered a Municipal Lease / Purchase by all parties. Lessee is a political subdivision of the State, within the meaning of Section 103 of the Internal Revenue Code of 1986.

Advances / Deposits: If Lessor advances any deposits or pays any invoices prior to Delivery and Acceptance of the equipment by Lessee, interest will accrue at the above rate on said payments and be due at closing.

Legal Opinion: Leases greater than One Hundred Thousand dollars (\$100,000.00) require Lessee to provide an Opinion of Counsel. Said opinion must state that the lease represents a valid and binding obligation of the lessee and further that the lease is a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) (B) (ii) of the Internal Revenue Code of 1986, as amended.

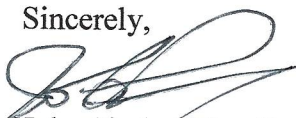
Financial Data: Lessee will provide Androscoggin Bank with its most recent audited financial statement, current year budget, annual report, a copy of meeting minutes or Board order approving the transaction and any other supporting data requested during the term of the lease.

Lease Rates: This Lease transaction must close within 60 days of the original proposal due date, or the stated rate will be subject to change based on public sector rates then existing in the market.

Expiration: This lease proposal shall expire if not accepted by a duly qualified Lessee official by 5:00 PM on April 16, 2021.

Thank you for the opportunity to present this lease proposal for consideration. If you are in agreement, please sign and return this acceptance form. Should you have any questions regarding this proposal, please contact me at 207-376-3623.

Sincerely,



John Simko, Vice President
Government Finance

AWARD / ACKNOWLEDGEMENT:

This proposal is hereby accepted and the financing is awarded to Androscoggin Bank.

Name & Title

Date: _____

Lease Amortization Schedule - Town of Cumberland
5 Year Lease

Annual Rate 1.95%

	Start Date	Amount	Number	Period	End Date
Lease	3/31/2021	\$245,000.00	1		
Payment	3/31/2021	\$50,910.64	5	Annual	3/31/2025

<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
3/31/2021	\$50,910.64		\$ 50,910.64	\$ 194,089.36
3/31/2022	\$ 50,910.64	\$ 3,784.74	\$ 47,125.90	\$ 146,963.46
3/31/2023	\$ 50,910.64	\$ 2,865.79	\$ 48,044.85	\$ 98,918.60
3/31/2024	\$ 50,910.64	\$ 1,928.91	\$ 48,981.73	\$ 49,936.87
3/31/2025	\$ 50,910.64	\$ 973.77	\$ 49,936.87	\$ 0.00
<u>Totals</u>	<u>\$254,553.21</u>	<u>\$ 9,553.21</u>	<u>\$ 245,000.00</u>	