

COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2020-11

RESOLUTION NO. 31-2020

Title of Resolution: Approval – Compactor – Multiple Year Contract

Synopsis: A Resolution to approve a five (5) year lease purchase agreement between the County and Alban Caterpillar to purchase a Compactor for the Central Landfill.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: June 9, 2020

Scheduled for consideration on: June 16, 2020

By: James Massey
Council Manager

Notice and title of Resolution having been posted by June 9, 2020 at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on June 16, 2020.

By: James Massey
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment

1 **WHEREAS**, in accordance with Section 505 of the Cecil County Charter, on April 1, 2020, the County
2 Executive submitted a proposed budget to the County Council for Fiscal Year 2021; and

3 **WHEREAS**, in accordance with Section 506 of the Cecil County Charter, the County Council held
4 public hearings on the proposed budget submitted by the County Executive for Fiscal Year 2021; and

5 **WHEREAS**, in accordance with Section 507(b) of the Cecil County Charter, on May 19, 2020, the
6 County Council adopted the budget for Fiscal Year 2021; and

7 **WHEREAS**, the Cecil County Solid Waste Division budget for Fiscal Year 2021 includes funding to
8 purchase a compactor to be used at the Central Landfill, located at 758 East Old Philadelphia Road, Elkton,
9 MD; and

10 **WHEREAS**, Alban Caterpillar has agreed to offer the County a five year lease financing option to
11 purchase a 2020 Caterpillar Model 826K Landfill Compactor for an annual payment of \$231,946 at a rate of
12 3.35% with an optional buyout at the end of the term in the amount of \$1 (one dollar); and

13 **WHEREAS**, the proposed lease agreement is in excess of \$20,000 aggregate, and is for multiple fiscal
14 years, for which County Council approval is required in accordance with Section 515(d) of the Cecil County
15 Charter; and

16 **WHEREAS**, the County Executive requests approval of the aforementioned five (5) year lease
17 purchase agreement with Alban Caterpillar.

18 **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
19 **MARYLAND**, that the County Executive is authorized to enter into a five (5) year lease agreement with
20 Alban Caterpillar with an annual payment amount of \$231,946 to provide financing for a 2020 Caterpillar
21 Model 826K landfill Compactor.

22 **AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND**, that this
23 Resolution shall take effect on the date of its passage.

INTRODUCED: June 9, 2020

ADOPTED: June 16, 2020

ATTEST:


Council Manager



President of the Council



CECIL COUNTY, MARYLAND

DEPARTMENT OF FINANCE

FISCAL IMPACT NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President at the request of the County Executive

RESOLUTION NO. 31-2020 – Approval – Compactor – Multiple Year Contract

SYNOPSIS: A Resolution to approve a five (5) year lease agreement between the County and Alban Caterpillar to purchase a 2020 Caterpillar Model 826K Landfill Compactor for the Central Landfill for a total cost of \$1,086,443.

FISCAL IMPACT SUMMARY: The approval of this Resolution will have an FY2021 net positive fiscal impact on Cecil County Government: the lease purchase will free up over \$800,000 of cash within the Solid Waste Enterprise Fund for FY2021 that can remain invested and earn interest revenue. In FY2021 the Solid Waste Enterprise Fund will incur the cost of one years' lease payment of \$231,946 instead of the full cost of the compactor.

FISCAL ANALYSIS:

Landfill compactors are large, expensive, and very heavy pieces of construction equipment that are used to compact trash and other waste, which is disposed of in a sanitary landfill such as the Cecil County Central Landfill. Compacting the trash increases the density of the waste and helps to extend the life of the landfill.

It is standard practice for all but the smallest of landfills to have two compactors in their fleet. While only one compactor is typically in use at any one time, having two in the fleet allows them to be rotated in and out of service. This allows the hours of service and, hence, wear and tear, to be more evenly distributed, and provides for a backup if one of the compactors is out of service for maintenance or repairs. In short, having two compactors virtually ensures that one will always be available.

The County has researched available lease/purchase options and has determined in this economic environment, the lease purchase option offered by Alban Caterpillar allows the County to leverage cash over the next four fiscal years.