



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.