

STAFF REPORT



SUBJECT: Landfill Compactor
MEETING: Council Meeting - 11 Oct 2022
DEPARTMENT: Public Works - Landfill
STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends approval of the financing proposal with Government Capital for a seven-year term at a 4.597% fixed rate for a landfill compactor as approved in the adopted FY22-23 budget.

BACKGROUND:

The city maintains a Type IV, Construction and Demolition (C&D) Landfill. The landfill's state operating permit requires the city to maintain a compactor for operation of the facility.

PROPOSAL:

Attached is a quote received from Holt CAT in Cleburne, Texas for the purchase of an 836K CAT Landfill Compactor in the amount of \$1,189,831.07. The quote provides a 5-year or 5,000-hour full warranty as well as a 3-year or 4,500-hour Customer Service Agreement (CSA) to perform preventative maintenance (PM) which locks in these costs in 2022 dollars for the next three years.

FISCAL IMPACT SUMMARY:

The FY22-23 adopted budget includes \$225,000 to initiate financing for the landfill compactor. The total purchase cost of the machine is \$1,189,831.07. The financing proposal received from Government Capital Corporation (copy attached) includes five, seven, and ten-year financing options. Public Works and Finance staff recommend the seven-year financing option at a 4.597% fixed rate with an annual payment of \$193,727.75. This amount is \$31,272.25 under the approved budget.

The Purchasing Manager has confirmed the city is able to purchase this equipment through the Sourcewell cooperative purchasing agency and adhere to all purchasing requirements.

ALTERNATIVES:

The following alternatives are provided for consideration:

1. Do not recommend approval of the compactor financing as presented, or
2. Purchase the compactor without financing, or
3. Recommend an alternate financing plan.

ADVANTAGES:

1. Approval allows a machine to be delivered within 90-days.
2. Financing allows the landfill to maintain fund balance for upcoming projects.
3. No financing payment would be due until FY23-24

DISADVANTAGES:

1. No disadvantages have been identified.

ATTACHMENTS:

[2022_10-11 - Holt - CAT 836K Landfill Compactor Quote - 2022_09-21](#)

[2022_10-11 - Government Capital - Landfill Compactor Financing Proposal - 2022_10-07](#)