

## Report to Council

<b>Report Title:</b>	310SL Backhoe Buyout		
<b>Prepared By:</b>	Nicholas Schnurr, Director of Operations		
<b>Department:</b>	Operations/Public Works		
<b>Date:</b>	November 25, 2025		
<b>Report Number:</b>	PW2025-14	<b>File Number:</b>	C110P
<b>Attachments:</b>	N/A		

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### **Recommendation:**

That the Council of the Municipality of Brockton hereby receives Report Number PW2025-14 - 310SL Backhoe Buyout, prepared by Nicholas Schnurr, Director of Operations and in doing so approves the backhoe lease contract buyout of \$84,000 +HST, to be funded through the proceeds from sale of the 2007 Volvo Grader of \$32,500 and the remainder \$51,500 coming from public works equipment reserve funds.

### **Report:**

#### **Background:**

In 2021, Public Works leased a backhoe for primary in-town use due to aging units from 1995. Brandt Finance has advised that the lease expires at the end of this month. Options include extending the lease or buying out the unit. Lease extension options have now been received and are summarized within this report.

#### **Analysis:**

The current backhoe has less than 1,000 hours, is appropriately sized for Brockton's operational needs, and is in excellent condition. Based on current listings, comparable used units of the same year—with 4–5 times the hours—are selling for over \$120,000. The buyout amount of \$84,000 represents strong value relative to market pricing.

Saff requested formal lease-extension quotations from Brandt Finance. Three term options—24 months, 48 months, and 60 months—were provided. These have been summarized below.

## Lease Option Comparison Chart

Lease Term	Monthly Payment	Total Payments Over Term	Residual	Total Cost (Payments + Residual + Fees)
24-Month Term	\$3,544.09	\$85,058.16	\$8,400.00	\$93,458.16
48-Month Term	\$2,060.96	\$98,926.08	\$1.00	\$98,927.08
60-Month Term	\$1,711.68	\$102,700.80	\$1.00	\$102,701.80

### Conclusion Based on Financial Comparison:

The buyout cost of \$84,000 represents the lowest total financial commitment when compared to the available lease-extension options, which range from \$93,458 to \$102,702 before HST. Proceeding with the buyout avoids higher long-term financing costs, secures a backhoe with exceptionally low hours, and ensures continued reliable service for core Public Works operations. This option provides the strongest overall value and supports long-term asset sustainability for the Municipality.

### Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- Recommendations help move the Municipality closer to its Vision Yes
- Recommendations contribute to achieving Heritage, Culture, and Community N/A
- Recommendations contribute to achieving Quality of Life N/A
- Recommendations contribute to achieving Land Use Planning and the Natural Environment N/A
- Recommendations contribute to achieving Economic Development Yes
- Recommendations contribute to achieving Municipal Governance N/A

### Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The buyout cost of \$84,000 + HST will be funded using:

- \$32,500 – proceeds from sale of the 2007 Volvo Grader
- \$51,500 – Public Works Equipment Reserve

The buyout is the lowest-cost option compared to continuing lease payments, all of which result in significantly higher total expenditures.

**Reviewed By:**



Trish Serratore, Chief Financial Officer

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**Respectfully Submitted by:**



Nicholas Schnurr, Director of Operations

**Reviewed By:**



Sonya Watson, Chief Administrative Officer