



Staff Report FIN2022-034

Title of Report: **FIN2022-034 Replacement of Folder/Inserter**
Department: **Finance**
Council Date: December 7, 2022

Recommendation:

Be it resolved that Council receive Staff Report FIN2022-034 Replacement of Folder/Inserter as information; and

That Council authorizes the Treasurer to proceed with entering into a contract with Pitney Bowes for the lease of a folder/inserter machine for \$298.33 per month for 66 months.

Background:

The Township's Folder/inserter machine, which is used to fold and insert tax and water bills and include a newsletter as required into an envelope, has been unreliable to operate, which results in the requirement of staff time to manually complete the process. Several service calls have been made on the machine, but each service only works temporarily.

In 2021, Pitney Bowes was selected for the lease on the current postage machine since their quote was the lowest obtained. At the time, staff also requested quotes for a folder/inserter since the existing machine was failing. Staff did not proceed with the replacement of the machine since the cost was not in budget.

Staff Comments:

The existing Folder/Inserter machine was purchased in 2012 and recorded as a capital asset.

Rather than purchase a new machine, staff is recommending a new one be leased. The cost to lease a machine would become an operating cost.

Staff have obtained a 2022 quote from Pitney Bowes, but the pricing can only be held until December 2022.

Staff recommends Council authorize the Treasurer to proceed with entering into a lease contract with Pitney Bowes for the lease of the Relay 3500 Professional Insertion System for \$298.33 per month for 66 months. The lease price covers the cost of the machine and its ongoing maintenance.

Financial Implications:

The lease will increase operating costs by \$3,577.56 annually (\$298.33 x 12 months), but result in staff time savings.

The total financial impact of the 66 month lease is estimated to be \$20,000.

Communications & Community Action Plan Impact:

This report has been written and presented to Council in accordance with the Southgate Community Action Plan:

Mission Statement Pillars

- Trusted Government
- Economic Prosperity.

Themes:

- Municipal Services
- Public Communications

Core Values:

- Integrity
- Stewardship

Concluding Comments:

The existing folder/insert machine is failing and requiring additional staff time to complete mailings.

Staff recommends a new folder/insert machine be leased from Pitney Bowes at a cost of \$298.33 per month for 66 months. The new lease will increase annual operating costs by \$3,577.56, but will be offset by a savings in staff time.

The total financial impact of the 66 month lease is estimated to be \$20,000.

Respectfully Submitted,

Dept. Head: **Original Signed By**
William Gott, CPA, CA Treasurer

CAO Approval: **Original Signed By**
Dave Milliner, CAO