



BOARD MEETING AGENDA SUBMITTAL

TO: GCSO Board of Directors

FROM: Peter Kampa, General Manager

DATE: January 31, 2023

SUBJECT: Agenda Item 1A: Authorize the General Manager to Procure a Loan with Municipal Finance Corporation for the District's Vehicle and Equipment purchases

RECOMMENDED ACTION:

I move to authorize the General Manager to procure a loan with Municipal Finance Corporation for the District's vehicle and equipment purchases and to bring back this item for ratification when the loan agreement and resolutions are finalized.

BACKGROUND:

Due to the delayed delivery of several budgeted vehicle/equipment purchases, in addition to the large contractor payments for the Downtown Groveland/Big Oak Flat Sewer Rehab Project, the District is experiencing a significant outflow of cash at the moment.

As a result, staff evaluated and assessed the District's cash flow, specifically the sewer fund. While the District can meet cash flow demands, there is concern regarding the reimbursement schedule from the state to replenish these funds for the sewer project. Staff determined that it would like to keep the District's cash in the bank, and look at the possibility of procuring a loan for the vehicle and equipment purchases to help keep healthy fund cash balances.

Staff reached out to the Municipal Finance Corporation to inquire about the possibility of procuring a loan for the District's vehicle and equipment purchases; both purchased and unpurchased. These include:

- Vac Con Truck-\$561,892.01 (already paid for)
- Dump Truck-\$177,794.81
- Skip Loader Tractor-\$115,624.23 (already paid for)
- Chevy 3500 Utility Truck-\$103,745.13 (Waiting for delivery, should be this month)
- Chevy 2500 Utility Truck-\$73,276.35 (already paid for)
- Chevy 1500 Utility Truck-\$46,910.46
- Chevy 1500 Utility Truck-\$44,098.37

Total loan amount: \$1,123,341.36.

Municipal Finance Corporation presented a five (5) and seven (7) year loan quote which have been included as attachments.

Staff is recommending the Board approve the five (5) year loan and authorize the general manger to sign all associated loan documents.

ATTACHMENTS:

1. None at this time