

## ADMINISTRATIVE REPORT

**TO:** Board of Directors

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** December 19, 2024

**RE:** **MFA Financing of Parks & Trails Dump Truck**

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### **Administrative Recommendation:**

THAT the Board of the Regional District of Okanagan-Similkameen authorizes up to \$120,000 be borrowed, under Section 403 of the Local Government Act, from the Municipal Finance Authority, for the purpose of the purchase of a 2023 F550 XLT dump truck; and

That the loan be repaid within FIVE years, with no rights of renewal.

### **Reference:**

Local Government Act Section 403  
Community Charter Section 175

### **Background:**

In the 2022 and 2023 annual budgets, the Board approved the acquisition of a dump truck for Parks & Trails. The truck was to be funded by a combination of vehicle replacement reserve (\$92,000) and the MFA Equipment Financing program (\$38,000).

In 2023, the Board also approved \$82,000 for an electric cargo van that was to be fully funded by MFA financing. Rather than enter into two MFA loans, management decided to swap the funding methods and purchase the cargo van using the vehicle replacement reserve and the dump truck using MFA financing.

The net effect of the above mentioned transactions on the MFA financing request is nil. The total amount to be borrowed from MFA is \$120,000 (\$38,000 + \$82,000), as previously approved by the Board. The only change is to the vehicle that is being financed.

### **Analysis:**

The MFA Equipment Financing program requires a separate Board resolution identifying the item purchased and the total cost to be financed. As such, to proceed with the financing, the above noted Board resolution is required.

The annual leasing costs are estimated at approximately \$30,000.

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**Alternatives:**

The Board may choose not to authorize the financing.

**Respectfully submitted:**

*"Katharina Ernst"*

K. Ernst, Manager of Financial Operations

**Endorsed by:**

*"Noelle Evans-MacEwan"*

N. Evans-MacEwan, Chief Financial Officer